

TRILLIUM GOLD MINES INC.

AND

PACTON GOLD INC.

ARRANGEMENT AGREEMENT

March 15, 2023

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of March 15, 2023

B E T W E E N:

TRILLIUM GOLD MINES INC., a corporation existing under the laws of the Province of British Columbia ("**Trillium**")

- and -

PACTON GOLD INC., a corporation existing under the laws of the Province of British Columbia ("**Pacton**")

RECITALS:

- A. Trillium proposes to acquire all of the outstanding Pacton Shares pursuant to the Arrangement, as provided in this Agreement;
- B. The Pacton Board has unanimously determined, after having received financial and legal advice, that the Arrangement is in the best interests of Pacton and has unanimously resolved, subject to the terms and conditions of this Agreement, to recommend that the Pacton Shareholders vote in favour of the Arrangement Resolution; and
- C. The Trillium Board has unanimously determined, after having received financial and legal advice, that the Arrangement is in the best interests of Trillium and has unanimously resolved, subject to the terms and conditions of this Agreement, to recommend that the Trillium Shareholders vote in favour of the Trillium Resolution.

THEREFORE, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Whenever used in this Agreement (including the recitals), the following words and terms have the meanings set out below:

"Agreement" means this arrangement agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

"Arrangement" means the arrangement of Pacton under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of this Agreement and the Plan of Arrangement or made at the direction of the Court in the Interim Order or Final Order with the consent of Trillium and Pacton, each acting reasonably;

"Arrangement Resolution" means the special resolution of Pacton Shareholders approving the Arrangement which is to be considered at the Pacton Meeting, substantially in the form of Schedule B hereto;

“Authorization” means, with respect to any Person, any authorization, order, permit, approval, grant, licence, registration, consent, right (including any prospecting or mining right), notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation, of, from or required by any Governmental Entity having jurisdiction over the Person;

“Benefit Plans” means, in respect of a Party, all health, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share compensation, disability, pension or retirement income or savings plans or other employee compensation arrangement or agreement or benefit plans, trust, funds, policies, programs, arrangements, agreements, practices, or other Contracts, whether written or oral, which are maintained by or binding upon such Party or any of its Subsidiaries for which such Party or its Subsidiaries could have any liability or contingent liability, or pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any of its employees or former employees, directors or officers, individuals working on contract with such Party or other individuals providing services to such Party of a kind normally provided by employees (or any spouses, dependents, survivors or beneficiaries of any such persons), excluding Statutory Plans;

“Business Day” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in the Province of Ontario and in the Province of British Columbia;

“Canadian Securities Authorities” means the securities commission or other securities regulatory authority of each province and territory of Canada;

“Canadian Securities Laws” means the Securities Act, together with all other applicable securities Laws, rules and regulations and published policies thereunder or under the securities laws of any other province or territory of Canada;

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

“Code” means the U.S. *Internal Revenue Code of 1986*, as amended;

“Competition Act” means the *Competition Act* (Canada) and the regulations promulgated thereunder;

“Confidentiality Agreement” means the confidentiality agreement between Trillium and Pacton dated September 20, 2022;

“Consideration” means, for each Pacton Share, the number of Consideration Shares equal to the Exchange Ratio;

“Consideration Shares” means the Trillium Shares to be issued as Consideration pursuant to the Arrangement;

“Contract” means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which any of their respective properties or assets is subject;

“Court” means the Supreme Court of British Columbia;

“COVID-19” means the coronavirus disease 2019 (commonly referred to as COVID-19), caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) and/or any other virus or disease developing from or arising as a result of SARS-CoV-2 and/or COVID-19;

“COVID-19 Measures” means commercially reasonable measures undertaken by Trillium or Pacton or any of their respective Subsidiaries to comply with any quarantine, “shelter in place”, “stay at home”, workforce reduction, social distancing, curfew, shut down, closure, sequester, travel restrictions or any other applicable Laws, or any other similar directives, guidelines or recommendations issued by any Governmental Entity in connection with or in response to COVID-19;

“COVID-19 Returns” means any and all returns, reports, records, calculations, declarations, elections, attestations, notices, forms, designations, filings and statements filed or required to be filed, or required to be kept on file, in respect of any COVID-19 Subsidy;

“COVID-19 Subsidy” means the Canada Emergency Rent Subsidy, the Canada Emergency Wage Subsidy, and any other COVID-19 related direct or indirect wage, rent or other subsidy or loan offered by a federal, provincial, territorial, state, local or foreign Governmental Entity;

“Depository” means any Person that Pacton may appoint to act as depository for the Pacton Shares in relation to the Arrangement, with the approval of Trillium, acting reasonably;

“Dissent Rights” has the meaning given to it in the Plan of Arrangement;

“Effective Date” means the effective date of the Arrangement, which shall be the fifth Business Day following the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with this Agreement (other than those conditions which cannot, by their terms or nature, be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions as of the Effective Date), or such other date as may be mutually agreed in writing by the Parties;

“Effective Time” means the time on the Effective Date that the Arrangement becomes effective, as set out in the Plan of Arrangement or such other time as may be mutually agreed in writing by the Parties;

“Environmental Laws” means all applicable Laws relating to pollution or the protection or quality of the environment or to the Release of Hazardous Substances to the environment and all Authorizations issued pursuant to such Laws;

“Equity Raise” means concurrent with the closing of the Arrangement, Trillium will complete a brokered equity financing to raise minimum gross proceeds of C\$[Redacted – Commercially Sensitive Information] from the sale of flow-through and non-flow-through equity securities of Trillium on terms mutually agreeable to both parties, which shall not exceed C\$[Redacted – Commercially Sensitive Information] aggregate gross proceeds.

“Exchange Ratio” means, for each Pacton Share, 1.275 Consideration Shares;

“Final Order” means the final order of the Court pursuant to Section 291(4) of the BCBCA, in form and substance acceptable to Trillium and Pacton, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of Trillium and Pacton, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal (provided that any such affirmation, amendment, modification, supplement or variation is acceptable to Trillium and Pacton, each acting reasonably);

“Governmental Entity” means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, ministry, bureau or agency, domestic or foreign; (b) any

stock exchange, including the TSX.V and the Frankfurt Stock Exchange; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, antitrust/competition, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing;

"Hazardous Substances" means any material or substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive, corrosive, flammable, leachable, oxidizing, or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and including petroleum and all derivatives thereof or synthetic substitutes therefor (including polychlorinated biphenyls);

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended;

"IFRS" means, in the case of Pacton, generally accepted accounting principles in Canada from time to time including, for the avoidance of doubt, the standards prescribed in Part I of the CPA Canada Handbook - Accounting (International Financial Reporting Standards) as the same may be amended, supplemented or replaced from time to time;

"including" means including without limitation, and **"include"** and **"includes"** have a corresponding meaning;

"Interim Order" means the interim order made after the application to the Court pursuant to Section 291(2) of the BCBCA in form and substance acceptable to Trillium and Pacton, each acting reasonably, providing for, among other things, the calling and holding of the Pacton Meeting, as the same may be amended, affirmed, modified, supplemented or varied by the Court with the consent of Trillium and Pacton, each acting reasonably;

"Key Regulatory Approvals" means the regulatory approvals described in Schedule C;

"Law" or **"Laws"** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other legally binding requirements, whether domestic or foreign, and the terms and conditions of any Authorization of or from any Governmental Entity, and, for greater certainty, includes Canadian Securities Laws and the term **"applicable"** with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, assets, property or securities and emanate from a Persons having jurisdiction over the Person or Persons or its or their business, undertaking, assets, property or securities;

"Liens" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, statutory or deemed trusts, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Material Adverse Effect" means, in relation to a Party, any event, change, occurrence, effect or state of facts that, individually or in the aggregate with other events, changes, occurrences, effects or states of facts is, or would reasonably be expected to be, material and adverse to the business, results of operations or financial condition of such Party and its Subsidiaries taken as a whole; provided that no event, change, occurrence, effect or state of facts shall be deemed to constitute, nor shall any of the foregoing be taken into account in determining whether there has been a Material Adverse Effect, to the extent that such event, change, occurrence, effect or state of facts results from or arises out of:

- (a) any change or development generally affecting the gold mining industry;

- (b) any change or development in political conditions in Canada, the United States, or other states or countries in which such Party has material operations or globally (including any act of terrorism or sabotage or any outbreak of hostilities or war or any escalation or worsening thereof) or any natural disaster;
- (c) any change in general economic, business or regulatory conditions or in financial, credit, currency or securities markets in Canada, the United States, or other states or countries in which such Party has material operations or globally;
- (d) any change (on a current or forward basis) in the price of gold;
- (e) any adoption, proposed implementation or change in applicable Law or any interpretation or application (or non-application) thereof by any Governmental Entity, or that result from any action taken for the purpose of complying with any of the foregoing;
- (f) any change in IFRS or changes in applicable regulatory accounting requirements applicable to the industries in which it conducts business, or that result from any action taken for the purpose of complying with any of the foregoing;
- (g) the commencement or continuation of any epidemic, pandemic (including COVID-19) or other outbreak of illness or public health event, including the escalation or worsening thereof, and including any measures introduced by any Governmental Entity to address such epidemic, pandemic or other outbreak or public health event;
- (h) the execution, announcement or performance of this Agreement or the consummation of the transactions contemplated herein (*provided* that this clause shall not apply to any representation or warranty in this Agreement to the extent the purpose of such representation or warranty is to expressly address the consequences resulting from the execution and delivery of this Agreement or the consummation of the transactions contemplated herein);
- (i) compliance with the terms of, or the taking of any actions or omission to take any action expressly required by, this Agreement;
- (j) any actions taken (or omitted to be taken) which Trillium or Pacton, as applicable, has requested or consented to in writing;
- (k) any Proceedings made or brought by any of the current or former shareholders of such Party (on their own behalf or on behalf of such Party) against Trillium, Pacton or any of their directors or officers, arising out of this Agreement or the transactions contemplated hereby; or
- (l) any change in the market price or trading volume of any securities of such Party (it being understood, without limiting the applicability of paragraphs (a) through (k), that the causes underlying such changes in market price or trading volume may, if not otherwise excluded from the definition of Material Adverse Effect, be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, that: (A) to the extent such effects directly or indirectly resulting from, arising out of, attributable to or related to the matters described in the foregoing clauses (a), (b), (c) (d), (e), (f) or (g) disproportionately adversely affect such Person and its Subsidiaries, taken as a whole, as compared to other companies operating in the industry in which such Party operates; and (B) references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a Material Adverse Effect has occurred.

“material fact” and **“material change”** have the meanings given to them in the Securities Act;

“MI 61-101” means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*;

“misrepresentation” has the meaning given to it in the Securities Act;

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

“Order” means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, or decrees of any Governmental Entity (in each case, whether temporary, preliminary or permanent);

“ordinary course of business”, or any similar reference, means, with respect to an action taken by a Person, that such action is consistent with the past practices of such Person, is commercially reasonable in the circumstances in which it is taken, and is taken in the ordinary course of the normal day-to-day business and operations of such Person;

“Outside Date” means July 15, 2023 or such later date as may be agreed to in writing by the Parties;

“Pacton Acquisition Proposal” means, other than the transactions contemplated by this Agreement and other than any transaction involving only Pacton and/or one or more of its wholly-owned Subsidiaries, any offer, proposal, expression of interest or inquiry from, or public announcement of intention by, any Person or group of Persons (other than Trillium or any affiliate of Trillium), whether or not in writing and whether or not delivered to Pacton Shareholders, relating to: (a) any acquisition or purchase (or any lease, joint venture or any other arrangement having the same economic effect as an acquisition or purchase), direct or indirect, through one or more transactions, of (i) the assets of Pacton and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of Pacton and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of Pacton and its Subsidiaries, taken as a whole (in each case, determined based upon the most recent publicly available consolidated financial statements of Pacton), or (ii) 20% or more of any voting or equity securities of Pacton or 20% or more of any voting or equity securities of any one or more of Pacton's Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of Pacton and its Subsidiaries, taken as a whole (in each case, determined based upon the most recent publicly available consolidated financial statements of Pacton); (b) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities (and/or securities convertible into, or exchangeable or exercisable for voting or equity securities) of Pacton; (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or other similar transaction or series of transactions involving Pacton or any of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of Pacton and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of Pacton and its Subsidiaries, taken as a whole (in each case, determined based upon the most recent publicly available consolidated financial statements of Pacton), or (d) any other transaction, the consummation of which would reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement;

“Pacton Assets” means all of the assets, properties, permits, rights or other privileges (whether contractual or otherwise) owned, leased or otherwise used or held by Pacton and its Subsidiaries;

“Pacton Board” means the board of directors of Pacton as the same is constituted from time to time;

“Pacton Board Recommendation” has the meaning given to it in Section 2.7(c);

“Pacton Change in Recommendation” has the meaning given to it in Section 5.8(a)(iv);

“Pacton Circular” means the notice of the Pacton Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto and enclosures therewith, to be sent to Pacton Shareholders in connection with the Pacton Meeting, as amended, supplemented or otherwise modified from time to time;

“Pacton Data Room” means the material contained in the virtual data room established by Pacton as at 9:00 a.m. (Vancouver time) on March 15, 2023;

“Pacton Disclosure Letter” means the confidential disclosure letter dated the date of this Agreement executed and delivered by Pacton to Trillium in connection with the execution of this Agreement;

“Pacton Equity Award Holders” means the holders of Pacton Options;

“Pacton Equity Awards” means the Pacton Options;

“Pacton Fairness Opinion” has the meaning given to it in Section 2.3(b);

“Pacton Material Adverse Effect” means a Material Adverse Effect in relation to Pacton;

“Pacton Material Contract” means in respect of Pacton, any of its Subsidiaries, any Contract: (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Pacton Material Adverse Effect; (b) under which Pacton, any of its Subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection) in excess of C\$50,000 in the aggregate; (c) that is a lease, sublease, license or right of way or occupancy agreement for real property which has a value in excess of C\$50,000 and that is material to the business or to an operation of Pacton and its Subsidiaries, taken as a whole; (d) that provides for the establishment of, investment in or formation of any partnership or joint venture with an arm’s length Person in which the interest of Pacton, any of its Subsidiaries exceeds C\$50,000 (book value); (e) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of C\$50,000; (f) under which Pacton, any of its Subsidiaries is obligated to make or expects to receive payments in excess of C\$50,000 over the remaining term of the Contract; (g) that limits or restricts Pacton, any of its Affiliates from engaging in any line of business or in any geographic area, except for any such Contract entered into in the normal course of business; (h) that is a collective bargaining agreement, a labour union contract or any other memorandum of understanding or other agreement with a union; (i) that restricts Pacton from paying dividends or other distributions to its shareholders; (j) that is a contractual royalty, production payment, net profits, earn-out, streaming agreement, metal pre-payment or similar agreement that has a value in excess of C\$50,000; (k) that relates to an acquisition or divestiture for value in excess of C\$50,000; or (l) that is a material agreement with a Governmental Entity, or an agreement with any first nation or aboriginal group, or other organizations with authority to represent such groups;

“Pacton Meeting” means the special meeting of Pacton Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

"Pacton Mineral Rights" has the meaning given to it in Section (n)(ii) of Schedule 3.1 of this Agreement;

"Pacton Options" means options to purchase Pacton Shares granted under the Pacton Share Incentive Plan;

"Pacton Public Documents" means all forms, reports, schedules, statements, certifications and other documents (including all exhibits and other information incorporated therein, amendments and supplements thereto) filed or furnished by Pacton pursuant to the Canadian Securities Laws, since January 1, 2021 and on or before the Business Day immediately prior to the date hereof which are publicly available;

"Pacton Securityholders" means Pacton Shareholders and Pacton Equity Award Holders;

"Pacton Share Incentive Plan" means the stock option plan of Pacton, as approved by the Pacton Shareholders and described in the management information circular of Pacton dated November 1, 2022 and filed on SEDAR;

"Pacton Shareholder Approval" means the approval of the Arrangement Resolution by Pacton Shareholders at the Pacton Meeting in accordance with Section 2.4;

"Pacton Shareholders" means the holders of Pacton Shares;

"Pacton Shares" means the common shares in the authorized share capital of Pacton;

"Pacton Superior Proposal" means an unsolicited *bona fide* written Pacton Acquisition Proposal from a Person or Persons who is or are, as at the date of this Agreement, a party that deals at arm's length with Pacton, that complies with Securities Laws and is not obtained in violation of this Agreement or any agreement between the Person making such Pacton Acquisition Proposal and Pacton, to acquire 100% of the outstanding Pacton Shares (other than Pacton Shares beneficially owned by the Person or Persons making such Pacton Acquisition Proposal) or all or substantially all of the assets of Pacton and its Subsidiaries on a consolidated basis made after the date of this Agreement: (a) that is not subject to any financing condition and in respect of which adequate arrangements have been made to ensure that the required funds will be available to effect payment in full; (b) that is not subject to a due diligence and/or access condition; (c) that is reasonably capable of being consummated without undue delay, taking into account all legal, financial, regulatory and other aspects of such Pacton Acquisition Proposal and the Person making such Pacton Acquisition Proposal; and (d) in respect of which the Pacton Board determines in good faith, after consultation with its outside financial and legal advisors, and after taking into account all the terms and conditions of such Pacton Acquisition Proposal and all factors and matters considered appropriate in good faith by the Pacton Board, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction that is more favourable, from a financial point of view, to the Pacton Shareholders than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by Trillium pursuant to Section 5.8(f));

"Pacton Support Agreements" means the voting and support agreements dated the date hereof (including all amendments thereto) between Trillium and the Pacton Supporting Shareholders setting forth the terms and conditions upon which they agree to vote their Pacton Shares in favour of the Arrangement Resolution;

"Pacton Supporting Shareholders" means all of the directors and senior officers of Pacton that have entered into Pacton Support Agreements;

"Pacton Termination Fee" means \$250,000;

“Pacton Termination Fee Event” has the meaning given to it in Section 7.3(b);

“Pacton Warrants” means share purchase warrants to purchase Pacton Shares;

“Parties” means Pacton and Trillium, and **“Party”** means either one of them, as the context requires;

“Permitted Liens” means any one or more of the following Liens:

- (a) Liens or deposits for Taxes which are not due or delinquent or which are being contested in good faith by appropriate proceedings; provided that the applicable Governmental Entities are prevented from taking collection action during the valid contest of such amounts;
- (b) the Lien of any judgment or award rendered or the Lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (c) Liens and charges incidental to construction or current operations including, without limitation, carrier's, warehousemen's, mechanics', materialmen's, repairmen's, contractors', workers', suppliers', subcontractors', construction and other like Liens arising by operation of applicable Law, which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (d) municipal by-laws, regulations, ordinances, zoning laws, building or land use restrictions and other limitations as to the use of real property imposed by any Governmental Entity having jurisdiction over real property;
- (e) customary rights of general application reserved to or vested in any Governmental Entity to control or regulate any interest in the facilities or properties in or on which the Party or any of its Subsidiaries conduct their business; provided that such Liens, encumbrances, exceptions, agreements, restrictions, limitations, contracts and rights: (i) were not incurred in connection with any indebtedness; and (ii) do not or would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on the value or materially impair or add material cost to the use of the subject property;
- (f) Liens incurred, created and granted in the ordinary course of business to a utility, municipality or Governmental Entity in connection with operations conducted with respect to, in the case of Trillium or any of its Subsidiaries, the Trillium Assets and, in the case of Pacton and any of its Subsidiaries, the Pacton Assets; provided that such Liens are not filed or registered against title or relate to costs and expenses for which payment is not due or delinquent;
- (g) any minor encroachments by any structure located on, in the case of Trillium or any of its Subsidiaries, the Trillium Assets and, in the case of Pacton and any of its Subsidiaries, the Pacton Assets, onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto such assets; provided that such Liens do not materially adversely affect the use or value of such assets or otherwise materially impair business operations at the affected properties;
- (h) easements, rights of way, restrictions, restrictive covenants, servitudes and similar rights in land including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone,

telegraph or cable television conduits, poles, wires and cables; provided that they: (i) have been complied with in all material respects and do not materially adversely impact the use or value of such property; and (ii) arise in the ordinary course of business;

- (i) any reservations, exceptions, limitations, provisos and conditions contained in the original grant or patent from any Governmental Entity (including the reservation of any mines and minerals in a Governmental Entity or in any other Person), as same may be varied by statute, together with any Liens arising from or as a result of any alleged defects or irregularities in the initial grant from the Governmental Entity; provided that they do not materially affect the use or value of the property subject thereto;
- (j) any Liens, other than those described above, that are: (i) registered, as of the date of this Agreement against title to real property in the applicable land registry offices; or (ii) registered, as of the date of this Agreement, against a Party, any of its Subsidiaries or their respective assets, in a public personal property registry or similar registry systems;
- (k) any conditions and covenants imposed by such mining legislation and regulation as may be applicable to, in the case of Trillium or any of its Subsidiaries, the Trillium Assets and, in the case of Pacton and any of its Subsidiaries, the Pacton Assets; provided the same are complied with in all material respects;
- (l) statutory Liens incurred or pledges or deposits made in the ordinary course of business to secure the performance of obligations of any Party under Environmental Laws to which any assets of such Party are subject;
- (m) undetermined or inchoate Liens and charges arising under Law which have not at the time been filed or registered in accordance with Law or for which written notice has not been duly given in accordance with Law or which, although filed or registered, relate to obligations not due or delinquent, including without limitation statutory Liens incurred, or pledges or deposits made, under applicable worker's compensation, employment insurance and other social security legislation;
- (n) customary rights of set-off or combination of accounts with respect to ordinary course of business hedge arrangements, deposits and/or accounts;
- (o) Liens on concentrates, minerals or the proceeds of sale of such concentrates or minerals arising or granted pursuant to a processing arrangement, in each case, entered into in the ordinary course of business and upon usual and arm's length market terms, securing the payment of the applicable Party's portion of the fees, costs and expenses attributable to the processing of such concentrates or minerals under any such processing arrangement; provided that: (i) such Liens relate to obligations which are at such time not past due or the validity of which are being contested in good faith by appropriate proceedings; and (ii) reserves are being maintained in accordance with IFRS against such Liens; and
- (p) Liens securing capital lease obligations, and indebtedness assumed as part of, or issued or incurred to pay or provide funds to pay, all or a part of the purchase price of any equipment hereafter or previously acquired (for the avoidance of doubt such Liens shall only be permitted on the assets financed pursuant to the foregoing);

"Person" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

“Plan of Arrangement” means the plan of arrangement of Pacton, substantially in the form of Schedule A hereto, and any amendments or variations thereto made in accordance with this Agreement and the Plan of Arrangement or upon the direction of the Court in the Final Order;

“Pre-Acquisition Reorganization” has the meaning given to it in Section 5.11(a);

“Proceeding” means any suit, claim, action, charge, complaint, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or investigation commenced, brought, conducted or heard by or before, any court or other Governmental Entity;

“Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, Permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities required in relation to the consummation of the transactions contemplated hereby, including the Key Regulatory Approvals;

“Release” means any spill, leak, pumping, addition, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance into the environment;

“Representatives” means, with respect to any Person, such Person’s officers, directors, employees and other representatives acting on its behalf, including any financial advisors, attorneys and accountants;

“SEC” means the United States Securities and Exchange Commission;

“Securities Act” means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder;

“Securities Laws” means Canadian Securities Laws;

“Senior Employee” means all employees of Pacton and its Subsidiaries holding a position of mine general manager, vice president or higher;

“Statutory Plans” means statutory benefit plans which a Party and any of its Subsidiaries are required to participate in or comply with, including any benefit plan administered by any federal or provincial government and any benefit plans administered pursuant to applicable health, tax, workplace safety insurance, and employment insurance legislation;

“Tax” or **“Taxes”** means any taxes, duties, fees, premiums, assessments, imposts, levies, expansion fees and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including, but not limited to, those levied on, or measured by, or referred to as, income, gross receipts, profits, windfall, royalty, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and any special COVID-19 tax relief (including, for greater certainty, any COVID-19 Subsidy) and all employment insurance, health insurance and federal, state, provincial and other pension plan premiums or contributions imposed by any Governmental Entity, and any transferee or secondary liability in respect of any of the foregoing;

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

“Tax Returns” means returns, reports, declarations, elections, designations, notices, filings, forms, statements, COVID-19 Returns and other documents (whether in tangible, electronic or other form) including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, in each case made, prepared, filed or required by a Governmental Entity to be made, prepared or filed by Law in respect of Taxes;

“Third Party Beneficiaries” has the meaning given to it in Section 8.9;

“Treasury Regulations” means the U.S. Treasury regulations promulgated under the Code;

“Trillium Assets” means all of the assets, properties, permits, rights or other privileges (whether contractual or otherwise) owned, leased or otherwise used or held by Trillium and its Subsidiaries;

“Trillium Board” means the board of directors of Trillium as the same is constituted from time to time;

“Trillium Board Recommendation” has the meaning given to it in Section 2.8(c);

“Trillium Circular” means, collectively, the notice of the Trillium Meeting and accompanying circular, including all schedules, appendices and exhibits thereto and enclosures therewith, to be sent to Trillium Shareholders in connection with the Trillium Meeting, as amended, supplemented or otherwise modified from time to time;

“Trillium Data Room” means the material contained in the virtual data room established by Trillium as at 9:00 a.m. (Toronto time) on March 15, 2023;

“Trillium Disclosure Letter” means the confidential disclosure letter dated the date of this Agreement executed and delivered by Trillium to Pacton in connection with the execution of this Agreement;

“Trillium Incentive Plan” means the long term incentive plan of Trillium approved on December 20, 2022;

“Trillium Material Adverse Effect” means a Material Adverse Effect in relation to Trillium;

“Trillium Material Contract” means in respect of Trillium, any of its Subsidiaries, any Contract: (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Trillium Material Adverse Effect; (b) under which Trillium, any of its Subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection) in excess of C\$50,000 in the aggregate; (c) that is a lease, sublease, license or right of way or occupancy agreement for real property which has a value in excess of C\$50,000 and that is material to the business or to an operation of Trillium and its Subsidiaries, taken as a whole; (d) that provides for the establishment of, investment in or formation of any partnership or joint venture with an arm’s length Person in which the interest of Trillium, any of its Subsidiaries exceeds C\$50,000 (book value); (e) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of C\$50,000; (f) under which Trillium, any of its Subsidiaries is obligated to make or expects to receive payments in excess of C\$50,000 over the remaining term of the Contract; (g) that limits or restricts Trillium, any of its Affiliates from engaging in any line of business or in any geographic area, except for any such Contract entered into in the normal course of business; (h) that is a collective bargaining agreement, a labour union contract or any other memorandum of understanding or other agreement with a union; (i) that restricts Trillium from paying dividends or other distributions to its shareholders; (j) that is a contractual royalty, production payment, net

profits, earn-out, streaming agreement, metal pre-payment or similar agreement that has a value in excess of C\$50,000; (k) that relates to an acquisition or divestiture for value in excess of C\$50,000; or (l) that is a material agreement with a Governmental Entity, or an agreement with any first nation or aboriginal group, or other organizations with authority to represent such groups;

“Trillium Meeting” means the general meeting of Trillium Shareholders, including any adjournment or postponement thereof, to be called and held to consider the Trillium Resolution;

“Trillium Performance Shares” means performance shares issued under the Trillium Incentive Plan;

“Trillium Public Documents” means all forms, reports, schedules, statements, certifications and other documents (including all exhibits and other information incorporated therein, amendments and supplements thereto) filed or furnished by Trillium pursuant to the Canadian Securities Laws, since January 1, 2021 and on or before the Business Day immediately prior to the date hereof which are publicly available;

“Trillium Resolution” means, if shareholder approval is required by the TSX.V in respect of approval of listing of the Trillium Shares to be issued or made issuable pursuant to this Agreement, the resolution of Trillium Shareholders approving the matters contemplated herein;

“Trillium Response Period” has the meaning given to it in Section 5.8(f)(v);

“Trillium Shareholder Approval” means the approval of the Trillium Resolution by the requisite majority of Trillium Shareholders at the Trillium Meeting;

“Trillium Shareholders” means the holders of Trillium Shares;

“Trillium Shares” means the ordinary shares with no par value in the authorized share capital of Trillium;

“Trillium Support Agreements” means the voting and support agreements dated the date hereof (including all amendments thereto) between Pacton and the Trillium Supporting Shareholders setting forth the terms and conditions upon which they agree to vote their Trillium Shares in favour of the Trillium Resolution;

“Trillium Supporting Shareholders” means all of the directors and members of the executive committee of Trillium that have entered into Trillium Support Agreements;

“TSX.V” means TSX Venture Exchange;

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“U.S. Exchange Act” means the U.S. *Securities Exchange Act of 1934*, as amended from time to time and the rules and regulations of the SEC promulgated thereunder;

“U.S. Securities Act” means the U.S. *Securities Act of 1933*, as amended from time to time and the rules and regulations of the SEC promulgated thereunder; and

“U.S. Securities Laws” means the U.S. Securities Act, the U.S. Exchange Act and all other applicable U.S. federal securities laws;

1.2 Interpretation not Affected by Headings

The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.3 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender shall include all genders.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder by a Party is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and “C\$” refers to Canadian dollars.

1.6 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature in respect of Trillium or Pacton required to be made shall be made in accordance with IFRS consistently applied.

1.7 Knowledge

- (a) In this Agreement, references to “the knowledge of Pacton” means the actual knowledge of any of Navjit Dhaliwal, Joseph Meagher, Karly Oliver and Dale Ginn, and is deemed to include the knowledge that each would have if he or she had made reasonable inquiries (provided that no inquiries are required to be made of any Person that is not a Representative of Pacton or its Subsidiaries).
- (b) In this Agreement, references to “the knowledge of Trillium” means the actual knowledge of any of Russell Starr, Jeffrey O’Neill and Bill Paterson, and is deemed to include the knowledge that each would have if he or she had made reasonable inquiries (provided that no inquiries are required to be made of any Person that is not a Representative of Trillium or its Subsidiaries).

1.8 Affiliates and Subsidiaries

For the purpose of this Agreement:

- (a) a Person is an “**affiliate**” of another Person if one of them is a Subsidiary of the other or each one of them is controlled, directly or indirectly, by the same Person; provided that in no case shall an “affiliate” of Pacton or any of its Subsidiaries include any joint venture partners of Pacton or its Subsidiaries;
- (b) a “**Subsidiary**” means a Person that is controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary; and

- (c) a Person is considered to “control” another Person if: (A) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation; (B) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership; or (C) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person.

1.9 Statutes

Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

1.10 Disclosure Letters

Each of the Trillium Disclosure Letter and the Pacton Disclosure Letter itself and all information contained in it is confidential information and may not be disclosed unless (i) it is required to be disclosed pursuant to applicable Law unless such Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes or (ii) a Party needs to disclose it in order to enforce its rights under this Agreement.

1.11 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule A	-	Form of Plan of Arrangement
Schedule B	-	Form of Arrangement Resolution
Schedule C	-	Key Regulatory Approvals
Schedule 3.1	-	Representations and Warranties of Pacton
Schedule 4.1	-	Representations and Warranties of Trillium

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement

Trillium and Pacton agree that the Arrangement will be implemented in accordance with the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

2.2 Trillium Approval

Trillium represents and warrants to Pacton that the Trillium Board has unanimously determined that: (a) this Agreement and the transactions contemplated hereby are in the best interests of Trillium; and (b) it will recommend that Trillium Shareholders vote in favour of the Trillium Resolution.

2.3 Pacton Approval

Pacton represents and warrants to Trillium that:

- (a) the Pacton Board has unanimously determined that:
 - (i) the Arrangement and entry into of this Agreement are in the best interests of Pacton; and
 - (ii) it will recommend that Pacton Shareholders vote in favour of the Arrangement Resolution; and
- (b) the Pacton Board has received the oral opinions to be subsequently confirmed in writing from Haywood Securities Inc., the financial advisors to Pacton, that, as of the date of such opinions and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by Pacton Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Pacton Shareholders (the “**Pacton Fairness Opinion**”).

2.4 Interim Order

As soon as reasonably practicable after the date of this Agreement, Pacton shall apply to the Court in a manner acceptable to Trillium and Pacton, each acting reasonably, pursuant to Section 291 of the BCBCA and, in cooperation, prepare, file and diligently pursue an application to the Court for the Interim Order, which shall provide, among other things:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Pacton Meeting and for the manner in which such notice is to be provided;
- (b) for the confirmation of the record date for the Pacton Meeting;
- (c) that the requisite approval for the Arrangement Resolution shall be: (i) 66⅔% of the votes cast on the Arrangement Resolution by Pacton Shareholders present in person or represented by proxy and entitled to vote at the Pacton Meeting voting together as a single class and (ii) if required, a simple majority of the votes cast on the Arrangement Resolution by Pacton Shareholders present in person or represented by proxy at the Pacton Meeting excluding the Pacton Shares held or controlled by persons described in items (a) through (d) of section 8.1(2) of MI 61-101;
- (d) that the Pacton Meeting may be adjourned or postponed from time to time by the Pacton Board subject to the terms of this Agreement without the need for additional approval of the Court;
- (e) that the record date for Pacton Securityholders entitled to notice of, and for Pacton Shareholders entitled to vote at, the Pacton Meeting will not change in respect of any adjournment(s) or postponement(s) of the Pacton Meeting;
- (f) that, in all other respects, other than as ordered by the Court, the terms, conditions and restrictions of the constating documents of Pacton, including quorum requirements and other matters, shall apply in respect of the Pacton Meeting;
- (g) for the grant of the Dissent Rights to registered holders of Pacton Shares as set forth in the Plan of Arrangement;
- (h) the Persons that are entitled to appear and be heard before the Court in accordance with the Notice of Application, the Interim Order and the Supreme Court Civil *Rules*;
- (i) that it is the Parties' intention to rely upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the issuance of Consideration Shares to Pacton Shareholders pursuant to the Arrangement, subject to

and conditioned on the Court's determination that the Arrangement is substantively and procedurally fair to Pacton Shareholders and based on the Court's approval of the Arrangement;

- (j) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- (k) for such other matters as Pacton or Trillium may reasonably require, subject to obtaining the prior consent of the other Party, such consent not to be unreasonably withheld or delayed.

2.5 Pacton Meeting

Subject to the terms of this Agreement and (except in respect of Section 2.5(b)) receipt of the Interim Order, Pacton shall:

- (a) duly take all lawful action to call, give notice of, convene and conduct the Pacton Meeting in accordance with its constating documents, the Interim Order and applicable Laws to vote upon the Arrangement, and, provided that (i) Trillium has complied with its obligations pursuant to Section 2.7(d) and (ii) if required by the TSX.V, the Trillium Meeting is scheduled to occur, or is reasonably capable of being scheduled to occur, on a date that is the same as the Trillium meeting provided that, the Pacton Meeting shall occur first;
- (b) in consultation with Trillium, fix and publish a record date for the purposes of determining Pacton Shareholders entitled to receive notice of, and Pacton Shareholders entitled to vote at, the Pacton Meeting and give notice to Trillium of the Pacton Meeting;
- (c) allow Trillium's representatives and legal counsel to attend the Pacton Meeting;
- (d) not adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Pacton Meeting without Trillium's prior written consent, which consent shall not be unreasonably withheld, except:
 - (i) as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled), by Law or by a Governmental Entity or by valid Pacton Shareholder action (which action is not solicited or proposed by Pacton, the Pacton Board or any of Pacton's Representatives;
 - (ii) in the case that a Trillium Meeting is required to be held by the TSX.V, an adjournment or postponement in the event that such Trillium Meeting is scheduled to occur on a date that is more than five Business Days after the Pacton Meeting, in which case the Pacton Meeting may be adjourned or postponed in order to ensure that the Pacton Meeting occurs on a date that is within five Business Days of the Trillium Meeting; or
 - (iii) as otherwise expressly required or permitted under this Agreement;
- (e) use commercially reasonable efforts to solicit proxies in favour of the Arrangement Resolution, including, if so requested by Trillium using the services of one or more dealers and proxy solicitation firms to solicit proxies in favour of the approval of the Arrangement Resolution; provided that Pacton shall not be required to continue to solicit proxies including via such proxy solicitation services firms if there has been a Pacton Change in Recommendation;

- (f) provide Trillium with copies of or access to material information regarding the Pacton Meeting generated by any dealer or proxy solicitation services firm engaged by Pacton, as reasonably requested from time to time by Trillium;
- (g) promptly advise Trillium as frequently as Trillium may reasonably request, and at least on a daily basis on each of the last ten Business Days prior to the date of the Pacton Meeting, as to the aggregate tally of the proxies received by Pacton in respect of the Arrangement Resolution;
- (h) promptly advise Trillium of any written or oral communication from any Pacton Shareholder in opposition to the Arrangement (except for non-substantive communications from any Pacton Shareholder that purports to hold less than 0.1% of Pacton Shares (provided that communications from such Pacton Shareholder are not substantive in the aggregate)), written notice of dissent or purported exercise by any Pacton Shareholder of Dissent Rights received by Pacton in relation to the Arrangement and any withdrawal of Dissent Rights received by Pacton and any written communications sent by or on behalf of Pacton to any Pacton Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement;
- (i) not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of Trillium;
- (j) not change the record date for the Pacton Shareholders entitled to vote at the Pacton Meeting in connection with any adjournment or postponement of the Pacton Meeting unless required by Law; and
- (k) at the reasonable request of Trillium from time to time, promptly provide Trillium with a list (in both written and electronic form) of: (i) the registered Pacton Shareholders, together with their addresses and respective holdings of Pacton Shares; (ii) the names and addresses and holdings of all Persons having rights issued by Pacton to acquire Pacton Shares (including Pacton Equity Award Holders); and (iii) participants in book-based systems and non-objecting beneficial owners of Pacton Shares, together with their addresses and respective holdings of Pacton Shares. Pacton shall from time to time require that its registrar and transfer agent furnish Trillium with such additional information, including updated or additional lists of Pacton Shareholders and lists of holdings and other assistance as Trillium may reasonably request.

2.6 Trillium Meeting

Subject to the terms of this Agreement, Trillium shall, if shareholder approval is required by the TSX.V in respect of approval of listing of the Trillium Shares to be issued or made issuable pursuant to this Agreement:

- (a) duly take all lawful action to call, give notice of, convene and conduct the Trillium Meeting in accordance with its constituting documents and applicable Laws for the purpose of Trillium Shareholders voting upon the approval of the Trillium Resolution and, provided that Pacton has complied with its obligations pursuant to Section 2.8(e), Trillium shall use its commercially reasonable efforts to schedule the Trillium Meeting on a date that is the same date as the Pacton Meeting provided that, the Pacton Meeting shall occur first;
- (b) in consultation with Pacton, but always in accordance with applicable Laws, fix and publish a record date for the purposes of determining Trillium Shareholders entitled to receive notice of and vote at the Trillium Meeting and give notice to Pacton of the Trillium Meeting;

- (c) allow Pacton's representatives and legal counsel to attend the Trillium Meeting;
- (d) not adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Trillium Meeting without Pacton's prior written consent, which consent shall not be unreasonably withheld, except:
 - (i) as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled), by Law or by a Governmental Entity or by valid Trillium Shareholder action (which action is not solicited or proposed by Trillium, the Trillium Board or any of Trillium's Representatives); or
 - (ii) an adjournment or postponement in the event that the Pacton Meeting is scheduled to occur on a date that is more than five Business Days after the Trillium Meeting, in which case the Trillium Meeting may be adjourned or postponed in order to ensure that the Trillium Meeting occurs on a date that is within five Business Days of the Pacton Meeting; or
 - (iii) as otherwise expressly required or permitted under this Agreement;
- (e) use commercially reasonable efforts to solicit proxies in favour of the Trillium Resolution, including, if so requested by Pacton, using the services of one or more dealers and proxy solicitation firms to solicit proxies in favour of the approval of the Trillium Resolution;
- (f) provide Pacton with copies of or access to material information regarding the Trillium Meeting generated by any dealer or proxy solicitation services firm engaged by Trillium, as reasonably requested from time to time by Pacton;
- (g) promptly advise Pacton as frequently as Pacton may reasonably request, and at least on a daily basis on each of the last ten Business Days prior to the date of the Trillium Meeting, as to the aggregate tally of the proxies received by Trillium in respect of the Trillium Resolution;
- (h) promptly advise Pacton of any written or oral communication from any Trillium Shareholder in opposition to the Trillium Resolution (except for non-substantive communications from any Trillium Shareholder that purports to hold less than 0.1% of the Trillium Shares (provided that communications from such Trillium Shareholder are not substantive in the aggregate));
- (i) not change the record date for the Trillium Shareholders entitled to vote at the Trillium Meeting in connection with any adjournment or postponement of the Trillium Meeting unless required by Law or the Trillium constitutional documents; and
- (j) subject to compliance with applicable Laws, at the reasonable request of Pacton from time to time, promptly provide Pacton with a list (in both written and electronic form) of: (i) the registered Trillium Shareholders, together with their addresses and respective holdings of Trillium Shares; and (ii) the names and addresses and holdings of all Persons having rights issued by Trillium to acquire Trillium Shares. Trillium shall from time to time require that its registrar and transfer agent furnish Pacton with such additional information, including updated or additional lists of Trillium Shareholders and lists of holdings and other assistance as Pacton may reasonably request.

2.7 Pacton Circular

- (a) As promptly as reasonably practicable following execution of this Agreement, Pacton shall prepare:

- (i) a technical report in respect of the Pacton Material Property that complies in all material respects with the requirements of NI 43-101, which technical report shall be filed at or prior to the time of filing of the Pacton Circular;
 - (ii) the Pacton Circular together with any other documents required by applicable Laws in connection with the Pacton Meeting; and, as promptly as reasonably practicable after obtaining the Interim Order, file the Pacton Circular in all jurisdictions where the same is required to be filed and mail the Pacton Circular to each Pacton Securityholder and any other Person as required under applicable Laws and by the Interim Order, in each case, so as to permit Pacton to comply with Section 2.5(a).
- (b) Pacton shall use reasonable best efforts to ensure that the Pacton Circular complies in all material respects with all applicable Laws and the Interim Order and shall contain sufficient detail to permit Pacton Shareholders to form a reasoned judgment concerning the matters to be placed before them at the Pacton Meeting, and, without limiting the generality of the foregoing, shall ensure that the Pacton Circular will not contain any misrepresentation (except that Pacton shall not be responsible for any information included in the Pacton Circular relating to Trillium and its affiliates and the Consideration Shares that was provided by Trillium expressly for inclusion in the Pacton Circular pursuant to Section 2.7(d)). The Pacton Circular shall also contain such information as may be required to allow Trillium and Pacton to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Consideration Shares in exchange for Pacton Shares pursuant to the Arrangement.
- (c) The Pacton Circular shall: (i) include a copy of the Pacton Fairness Opinion; (ii) state that the Pacton Board has received the Pacton Fairness Opinion, and, subject to the terms of this Agreement, has unanimously determined, after receiving legal and financial advice, that the Arrangement and entry into the Agreement are in the best interests of Pacton; (iii), subject to the terms of this Agreement, contain the unanimous recommendation of the Pacton Board to Pacton Shareholders that they vote in favour of the Arrangement Resolution (the “**Pacton Board Recommendation**”); and (iv) include statements that each of the Pacton Supporting Shareholders has signed a Pacton Support Agreement, pursuant to which, and subject to the terms thereof, they have agreed to, among other things, vote their Pacton Shares in favour of the Arrangement Resolution.
- (d) Trillium shall, and shall cause its officers and directors to, cooperate with Pacton in connection with the preparation of the Pacton Circular, including promptly providing Pacton with all information regarding Trillium, its affiliates and the Consideration Shares, including any *pro forma* financial statements (provided that Pacton has provided the financial information required for same on a timely basis) and other information relating to Trillium following completion of the transactions contemplated hereby, as required by applicable Laws for inclusion in the Pacton Circular or in any amendments or supplements to such Pacton Circular, and shall file, or confirm that it has previously filed on Trillium’s SEDAR profile, any reports pursuant to NI 43-101 on or prior to the date of filing of the Pacton Circular in relation to Trillium’s mineral properties that will be material properties of Trillium for purposes of that instrument following the completion of the Arrangement. Trillium shall ensure that such information does not include any misrepresentation concerning Trillium, its affiliates and the Consideration Shares, and will indemnify Pacton for all claims, losses, costs and expenses incurred by Pacton in respect of any such misrepresentation or alleged misrepresentation contained in any information regarding Trillium, its affiliates and the Consideration Shares included in the Pacton Circular that was provided by Trillium expressly for inclusion in the Pacton Circular pursuant to this Section 2.7(d). Trillium and Pacton shall also use their commercially reasonable efforts to obtain any necessary consents from any of their respective auditors and any other advisors to the use of any

financial, technical or other expert information required to be included in the Pacton Circular and to the identification in the Pacton Circular of each such advisor.

- (e) Pacton shall provide to Trillium the technical reports for the properties set forth in the Pacton Disclosure Letter prepared in accordance with NI 43-101 as soon as is reasonably practicable after the date of this Agreement and, acting reasonably and in good faith, cooperate with Trillium in the preparation of such reports.
- (f) Notwithstanding the foregoing, prior to mailing the Pacton Circular (or any amendment or supplement thereto), Pacton will (i) provide Trillium with a reasonable opportunity to review and comment on such document (including the proposed final version of such document), and (ii) consider in good faith including in such document all comments reasonably and promptly proposed by Trillium, provided that all information relating solely to Trillium included in the Pacton Circular must be in a form and content satisfactory to Trillium, acting reasonably.
- (g) If at any time prior to the Pacton Meeting, any information relating to Pacton, Trillium, or any of their respective Affiliates officers or directors, should be discovered by Pacton or Trillium as being reasonably required to be set forth in an amendment or supplement to the Pacton Circular, so that such document would not contain a misrepresentation, the Party which discovers such information shall promptly notify the other Party and an appropriate amendment or supplement describing such information shall be promptly filed with applicable Governmental Entities and, to the extent required by applicable Law or the Interim Order, disseminated to the Pacton Securityholders.
- (h) Pacton shall promptly advise Trillium of any communication (written or oral) received by Pacton from the TSX.V, the Frankfurt Stock Exchange, any of the Canadian Securities Authorities, or any other Governmental Entity in connection with the Pacton Circular.

2.8 Trillium Circular

- (a) If shareholder approval is required by the TSX.V in respect of approval of listing of the Trillium Shares to be issued or made issuable pursuant to this Agreement, Trillium shall, as promptly as reasonably practicable following execution of this Agreement, prepare the Trillium Circular together with any other documents required by applicable Laws in connection with the Trillium Meeting; and, as promptly as reasonably practicable after obtaining the Interim Order, file the Trillium Circular in all jurisdictions where the same is required to be filed and mail the Trillium Circular to each Trillium securityholder and any other Person as required under applicable Laws.
- (b) Trillium shall use reasonable best efforts to ensure that the Trillium Circular complies with applicable Laws in all material respects and to respond promptly to and address any comments of the TSX.V. Trillium will advise Pacton promptly after it receives any request by the TSX.V of the Trillium Circular or comments thereon and responses thereto or any request by the TSX.V for additional information in connection with the Trillium Circular. Notwithstanding the foregoing, prior to distributing the Trillium Circular (or any amendment or supplement thereto) or responding to any comments of TSX.V with respect thereto, Trillium will (i) provide Pacton with a reasonable opportunity to review and comment on such document or response (including the proposed final version of such document or response), and (ii) consider in good faith including in such document or response all comments reasonably and promptly proposed by Pacton, provided that all information relating solely to Pacton included in the Trillium Circular must be in a form and content satisfactory to Pacton, acting reasonably.
- (c) The Trillium Circular shall: (i) state that the Trillium Board has unanimously determined, after receiving legal and financial advice, that the Arrangement and entry into this

Agreement are in the best interests of Trillium; (ii), subject to the terms of this Agreement, contain the unanimous recommendation of the Trillium Board to Trillium Shareholders that they vote in favour of the Trillium Resolution (the “**Trillium Board Recommendation**”); and (iii) include statements that each of the Trillium Supporting Shareholders has signed a Trillium Support Agreement, pursuant to which, and subject to the terms thereof, they have agreed to, among other things, vote their Trillium Shares in favour of the Trillium Resolution.

- (d) If at any time prior to the Trillium Meeting, any information relating to Trillium, Pacton, or any of their respective affiliates officers or directors, should be discovered by Trillium or Pacton as being reasonably required to be set forth in an amendment or supplement to the Trillium Circular, so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Party which discovers such information shall promptly notify the other Party and an appropriate amendment or supplement describing such information shall, to the extent required by applicable Law, be promptly filed with the TSX.V and disseminated to the Trillium Shareholders.
- (e) Pacton shall, and shall cause its officers and directors to, cooperate with Trillium in connection with the preparation of the Trillium Circular, including promptly providing Trillium with all information regarding Pacton and its affiliates, including any information required for the preparation by Trillium of *pro forma* financial statements, as required by applicable Laws for inclusion in the Trillium Circular or in any amendments or supplements to such Trillium Circular. Pacton shall ensure that such information does not include any misrepresentation concerning Pacton and its affiliates or contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, and will indemnify Trillium for all claims, losses, costs and expenses incurred by Trillium in respect of any such misrepresentation, untrue statement or omission or alleged misrepresentation, untrue statement or omission in any information regarding Pacton and its affiliates in the Trillium Circular that was provided by Pacton expressly for inclusion in the Trillium Circular pursuant to this Section 2.8(e). Pacton and Trillium shall also use their commercially reasonable efforts to obtain any necessary consents from any of their respective auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Trillium Circular and to the identification in the Trillium Circular of each such advisor.
- (f) Trillium shall promptly advise Pacton of any communication (written or oral) received by Trillium from the TSX.V, or any other Governmental Entity in connection with the Trillium Circular.

2.9 Final Order

If: (a) the Interim Order is obtained; (b) the Arrangement Resolution is approved at the Pacton Meeting by Pacton Shareholders as provided for in the Interim Order and as required by applicable Law; (c) to the extent shareholder approval is required by the TSX.V in respect of approval of listing of the Trillium Shares to be issued or made issuable pursuant to this Agreement, the Trillium Resolution is approved at the Trillium Meeting as required by applicable Law; and (d) the Regulatory Approvals are obtained subject to the terms of this Agreement, Pacton shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 291(4) of the BCBCA as soon as reasonably practicable, but in any event not later than three Business Days thereafter, subject to Court availability.

2.10 Court Proceedings

Subject to the terms of this Agreement, Trillium shall cooperate with and assist Pacton in seeking the Interim Order and the Final Order, including by providing to Pacton, on a timely basis, any information reasonably required to be supplied by Trillium in connection therewith. Pacton shall provide Trillium's legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. Subject to applicable Law, Pacton shall not file any material with the Court in connection with the Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.10 or with Trillium's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that, nothing herein shall require Trillium to agree or consent to any increase in or variation in the form of Consideration or other modification or amendment to such filed or served materials that expands or increases Trillium's obligations, or diminishes or limits Trillium's rights, set forth in any such filed or served materials or under this Agreement or the Arrangement. Pacton shall also provide to Trillium's legal counsel on a timely basis, copies of any notice of appearance, evidence or other Court documents served on Pacton in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by Pacton indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. Pacton shall ensure that all materials filed with the Court in connection with the Arrangement are consistent with the terms of this Agreement and the Plan of Arrangement. In addition, Pacton shall not object to Trillium's legal counsel making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided that Pacton is advised of the nature of any submissions prior to the hearing and such submissions are consistent in all material respects with this Agreement and the Plan of Arrangement. Pacton shall also oppose any proposal from any party that the Final Order contain any provision inconsistent with this Agreement, and, if at any time after the issuance of the Final Order and prior to the Effective Date, Pacton is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, Trillium.

2.11 U.S. Securities Law Matters

The Parties agree that the Arrangement will be carried out with the intention that, and will use their commercially reasonable efforts to ensure that, all (i) Consideration Shares issued under the Arrangement will be issued by Trillium in exchange for Pacton Shares pursuant to the Plan of Arrangement, whether in the United States, Canada or any other country, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act and to facilitate Trillium's compliance with other U.S. Securities Laws, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Court will be asked to approve the procedural and substantive fairness of the terms and conditions of the Arrangement;
- (b) prior to the issuance of the Interim Order, the Court will be advised of the intention of Trillium and Pacton to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of Consideration Shares to Pacton Shareholders pursuant to the Arrangement, based on the Court's approval of the Arrangement;
- (c) prior to the issuance of the Interim Order, Pacton will file with the Court a draft copy of the proposed text of the Pacton Circular together with any other documents required by Law in connection with the Pacton Meeting;
- (d) the Court will be advised prior to the hearing that its approval of the Arrangement will be relied upon as a determination that the Court has satisfied itself as to the procedural and

substantive fairness of the terms and conditions of the Arrangement to Pacton Shareholders, as the case may be, pursuant to the Arrangement;

- (e) Pacton will ensure that each Pacton Shareholder and other Person entitled to receive Consideration Shares pursuant to the Arrangement will be given adequate and appropriate notice advising them of their right to attend the hearing of the Court to approve the procedural and substantive fairness of the terms and conditions of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (f) the Final Order will expressly state that the Arrangement is approved by the Court as being procedurally and substantively fair to Pacton Shareholders pursuant to the Arrangement;
- (g) Pacton shall request that the Final Order shall include a statement to substantially the following effect: "This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Trillium, pursuant to the Plan of Arrangement;"
- (h) the Interim Order will specify that each Person entitled to receive Consideration Shares pursuant to the Arrangement will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement;
- (i) the Court will hold a hearing before approving the fairness of the terms and conditions of the Arrangement and issuing the Final Order; and
- (j) all Consideration Shares issued to Persons in the United States will be registered or qualified under the securities laws of each state, territory or possession of the United States in which any Person receiving Consideration Shares is located, unless an exemption from such state securities law registration or qualification requirements is available. In addition, each Person entitled to receive Consideration Shares will be advised that the Consideration Shares issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by Trillium in reliance on the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act.

2.12 Arrangement and Effective Date

The Arrangement shall become effective on the date upon which Pacton and Trillium agree in writing as the Effective Date or, in the absence of such agreement, five Business Days following the satisfaction or waiver of all conditions to completion of the Arrangement set out in Article 6 (excluding any conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, waiver of those conditions as of the Effective Date by the applicable Party or Parties for whose benefit such conditions exist) and the Arrangement shall be effective at the Effective Time on the Effective Date and will have all of the effects provided by applicable Law. The closing of the Arrangement will take place at the offices of Fasken Martineau DuMoulin LLP on the Effective Date in Vancouver, British Columbia at the Effective Time, or at such other time and place as may be agreed to by the Parties.

2.13 Payment of Consideration

Trillium will, following receipt by Pacton of the Final Order and prior to the Effective Time, deposit in escrow with the Depositary (the terms and conditions of such escrow to be satisfactory to the Parties, acting reasonably) sufficient Consideration Shares to satisfy the aggregate Consideration payable to Pacton Shareholders pursuant to the Plan of Arrangement.

2.14 Announcement and Shareholder Communications

The Parties agree to issue a joint press release with respect to this Agreement as soon as practicable after its due execution. Trillium and Pacton agree to cooperate in the preparation of presentations, if any, to Trillium Shareholders and Pacton Shareholders regarding the transactions contemplated by this Agreement. Each Party shall: (a) not issue any press release or otherwise make public statements with respect to this Agreement or the Arrangement without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; and (b) not make any filing with any Governmental Entity with respect to this Agreement or the Arrangement without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Each Party shall enable the other Party to review and comment on all such press releases prior to the release thereof and shall enable the other Party to review and comment on such filings prior to the filing thereof (other than with respect to confidential information contained in such filing); provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing in accordance with applicable Laws, and if such disclosure or filing is required and the other Party has not reviewed or commented on the disclosure or filing, the Party making such disclosure or filing shall use commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. For the avoidance of doubt, the foregoing shall not prevent either Party from making internal announcements to employees and having discussions with shareholders and financial analysts and other stakeholders so long as the content of such statements and announcements are consistent with and limited in all material respects to the content contained in the most recent press releases, public disclosures or public statements made by the Parties. Notwithstanding the foregoing, the provisions of this Section 2.14 related to the approval or contents of filings with Governmental Entities will not apply with respect to filings in connection with the Regulatory Approvals, the Pacton Circular, the Trillium Circular, the Interim Order or the Final Order which are governed by other sections of this Agreement. The restrictions set forth in this Section 2.14 shall not apply to (i) any release or public statement in connection with any dispute regarding this Agreement or the transactions contemplated hereby; or (ii) a Pacton Change in Recommendation, or any action taken pursuant thereto.

The Parties consent to the Agreement and forms of each of the Trillium Support Agreements and the Pacton Support Agreements being filed on SEDAR, subject to any redactions permitted under Securities Laws that are agreed to between the Parties acting reasonably.

2.15 Withholding Taxes

Trillium, Pacton, any of their affiliates and the Depositary, as applicable, shall be entitled to deduct and withhold, or direct any other Person to deduct and withhold on their behalf, from any amounts otherwise payable, issuable or otherwise deliverable to any Pacton Shareholders (including in their capacity as former Pacton Equity Award Holders), Pacton Equity Award Holders, holders of Pacton Warrants and any other Person under the Plan of Arrangement such amounts as are required to be deducted and withheld from such amounts under any provision of applicable Law in respect of Taxes. To the extent any such amounts are so deducted and withheld, such amounts shall be treated for all purposes under this Agreement and the Plan of Arrangement as having been paid to the Person in respect of which such deduction and withholding was made. Each of Trillium, Pacton or the Depositary, as applicable, is hereby authorized to sell or otherwise dispose of, on behalf of such person, such portion of any share or other security deliverable to such Person as is necessary to provide sufficient funds to Trillium, Pacton or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement and Trillium, Pacton or the Depositary shall notify such Person thereof and remit the applicable portion of the net proceeds of such sale to the appropriate taxing authority and, if applicable, any portion of such net proceeds that is not required to be so remitted shall be paid to such Person.

2.16 U.S. Tax Matters

The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code and this Agreement and the Plan of Arrangement are intended to be a "plan of reorganization" within the meaning of the Treasury Regulations promulgated under Section 368 of the Code. Each party hereto

shall treat the Arrangement as a reorganization within the meaning of Section 368(a) of the Code for all U.S. federal income tax purposes, and shall treat this Agreement and the Plan of Arrangement as a “plan of reorganization” within the meaning of the Treasury Regulations promulgated under Section 368 of the Code, and shall not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by applicable Law. Following the Effective Date, Trillium will prepare and file in accordance with Treasury Regulations (including by posting a copy on the investor relations section of its website) an IRS Form 8937 with respect to the Arrangement. Each party hereto shall act in a manner that is consistent with the Parties’ intention that the Arrangement be treated as a reorganization within the meaning of Section 368(a) of the Code for all U.S. federal income tax purposes, and shall not take any action, or knowingly fail to take any action, if such action or failure to act would reasonably be expected to prevent the Arrangement from qualifying as a reorganization.

2.17 Adjustment of Consideration

- (a) Notwithstanding anything in this Agreement to the contrary, if, between the date of this Agreement and the Effective Time, the issued and outstanding Trillium Shares shall have been changed into a different number of shares by reason of any sub-division, split or consolidation (or similar process) of the issued and outstanding Trillium Shares, then the Consideration to be paid per Pacton Share shall be appropriately adjusted to provide to Pacton Shareholders the same economic effect as contemplated by this Agreement and the Arrangement prior to such action and as so adjusted shall, from and after the date of such event, be the Consideration to be paid per Pacton Share.
- (b) If on or after the date hereof, Pacton declares, sets aside or pays any dividend or other distribution to the Pacton Shareholders of record as of a time prior to the Effective Time, except for Pacton’s current regular quarterly dividend paid to Pacton shareholders in the ordinary course consistent with past practice, Trillium shall make such adjustments to the Consideration as it determines acting in good faith to be necessary to restore the original agreement of the Parties in the circumstances. For greater certainty, if Pacton takes any of the actions referred to above, the aggregate Consideration to be paid by Trillium shall be decreased by an equivalent amount.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF PACTON

3.1 Representations and Warranties

Except as set forth in the Pacton Public Documents (excluding any disclosures in the Pacton Public Documents under the heading “Risk Factors” or “Forward-Looking Information” and any other disclosures contained in such documents that are predictive, cautionary or forward-looking in nature) or the Pacton Disclosure Letter (which disclosure shall apply against any representations or warranties to which it is reasonably apparent it should relate), Pacton hereby represents and warrants to Trillium the representations and warranties set forth in Schedule 3.1 hereto and acknowledges that Trillium is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the transactions contemplated herein.

3.2 Disclaimer

Trillium agrees and acknowledges that, except as set forth in this Agreement, Pacton makes no representation or warranty, express or implied, at law or in equity, with respect to Pacton, its businesses, its past, current or future financial condition or its assets, liabilities or operations, or its past, current or future profitability, performance or cash flows, individually or in the aggregate, and any such other representations or warranties are hereby expressly disclaimed.

3.3 Survival of Representations and Warranties

The representations and warranties of Pacton contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF TRILLIUM

4.1 Representations and Warranties

Except as set forth in the Trillium Public Documents (excluding any disclosures in the Trillium Public Documents under the heading “Risk Factors” or “Forward-Looking Statements” and any other disclosures contained in such documents that are predictive, cautionary or forward-looking in nature) or the Trillium Disclosure Letter (which disclosure shall apply against any representations or warranties to which it is reasonably apparent it should relate), Trillium hereby represents and warrants to Pacton the representations and warranties set forth in Schedule 4.1 hereto and acknowledges that Pacton is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the transactions contemplated herein.

4.2 Disclaimer

Pacton agrees and acknowledges that, except as set forth in this Agreement, Trillium makes no representation or warranty, express or implied, at law or in equity, with respect to Trillium, its businesses, its past, current or future financial condition or its assets, liabilities or operations, or its past, current or future profitability, performance or cash flows, individually or in the aggregate, and any such other representations or warranties are hereby expressly disclaimed.

4.3 Survival of Representations and Warranties

The representations and warranties of Trillium contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 5 COVENANTS

5.1 Covenants of Pacton Regarding the Conduct of Business

Pacton covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, except as set out in Section 5.1 of the Pacton Disclosure Letter, as expressly required by this Agreement or expressly permitted by this Section 5.1, including without limitation pursuant to any Pre-Acquisition Reorganization, as required by applicable Law or a Governmental Entity, as required to comply with or implement any COVID-19 Measures, or unless Trillium shall otherwise agree in writing:

- (a) Pacton shall and shall cause each of its Subsidiaries to: (i) in all material respects conduct its and their respective businesses only in, and not take any action except in, the ordinary course of business; and (ii) use commercially reasonable efforts to preserve intact its and their present business organization, goodwill, business relationships and assets and to keep available the services of its and their officers and employees as a group;
- (b) without limiting the generality of Section 5.1(a), Pacton shall not, and shall cause each of its Subsidiaries not to, during the period from the date of this Agreement until the earlier of

the Effective Time and the time that this Agreement is terminated in accordance with its terms, directly or indirectly:

- (i) amend or propose to amend its articles, by-laws or other constating documents, including partnership agreements, or those of its Subsidiaries;
- (ii) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Pacton Shares, except any such action solely between or among Pacton and its Subsidiaries or between or among Subsidiaries of Pacton;
- (iii) incur any indebtedness to fund, directly or indirectly the payment of any dividend or other distribution in respect of any Pacton Shares other than in the ordinary course of business;
- (iv) issue, sell, grant, award, pledge, dispose of or otherwise encumber or agree to issue, sell, grant, award, pledge, dispose of or otherwise encumber any Pacton Shares or other equity or voting interests or any options, stock appreciation rights, warrants, calls, conversion or exchange privileges or rights of any kind to acquire (whether on exchange, exercise, conversion or otherwise) any Pacton Shares or other equity or voting interests or other securities or any shares of its Subsidiaries), other than pursuant to the exercise or settlement (as applicable) of Pacton Options and Pacton Warrants that are outstanding as of the date of this Agreement in accordance with their terms (as such terms are disclosed in the Pacton Public Documents) or for the issuance of securities pursuant to existing contractual obligations provided that such anticipated issuances are set out in the Pacton Disclosure Letter;
- (v) sub-divide, split, combine or reclassify any outstanding Pacton Shares or the securities of any of its Subsidiaries;
- (vi) redeem, purchase or otherwise acquire or offer to purchase or otherwise acquire Pacton Shares or other securities of Pacton or any securities of its Subsidiaries other than purchases of Pacton Shares in satisfaction of the payment of the exercise price or tax withholdings upon the exercise or vesting of outstanding Pacton Equity Awards;
- (vii) amend the terms of any securities of Pacton or any of its Subsidiaries;
- (viii) adopt or propose a plan of liquidation or resolutions providing for the liquidation or dissolution of Pacton or any of its Subsidiaries;
- (ix) reorganize, amalgamate or merge Pacton or its Subsidiaries with any other Person;
- (x) sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer or agree to sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer any assets of Pacton or any of its Subsidiaries or any interest in any assets of Pacton or any of its Subsidiaries (including, without limitation, any Pacton Mineral Rights), other than (A) sales and dispositions of raw materials, obsolete or surplus equipment, mine output and other inventories, in each case only if in the ordinary course of business, (B) Permitted Liens, (C) encumbrances and Liens that are incurred in the ordinary course of business, (D) sales of securities of Persons held for investment purposes, other than Subsidiaries, or (E)

sales of assets that do not exceed, individually or in the aggregate, a fair market value of C\$100,000;

- (xi) acquire (by merger, consolidation, acquisition of stock or assets or otherwise) or agree to acquire, directly or indirectly, in one transaction or in a series of related transactions, any Person, or, other than investments required by existing Contracts to which Pacton is a party or bound, make any investment or agree to make any investment, directly or indirectly, in one transaction or in a series of related transactions, either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries), property transfer or purchase of any property or assets of any other Person, other than such investments in securities that do not exceed in the aggregate C\$100,000;
- (xii) incur any capital expenditures or enter into any agreement obligating Pacton or its Subsidiaries to provide for future capital expenditures other than (A) capital expenditures forming part of the budget for the 2023 fiscal year that has been approved by the Pacton Board in the ordinary course of business and disclosed to Trillium, or (B) capital expenditures that do not exceed, individually or in the aggregate, a fair market value of C\$100,000;
- (xiii) make any changes in financial accounting methods, principles, policies or practices, except as required, in each case, by IFRS or by applicable Law;
- (xiv) reduce the stated capital of the shares of Pacton or any of its Subsidiaries;
- (xv) (A) incur any indebtedness for borrowed money or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of Pacton or any of its Subsidiaries, guarantee any debt securities of another person, enter into any “keep well” or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, except for (x) letters of credit, reclamation bonds, financial assurances or other guarantees in respect of environmental or other obligations otherwise permitted to be incurred, or not prohibited, under this Agreement, or (y) borrowings under facilities entered into between two wholly-owned Subsidiaries of Pacton, or (B) make any loans, advances (other than any advances to employees in the ordinary course of business) or capital contributions to, or investments in, any other person, other than to any joint venture of Pacton or any of its Subsidiaries in the ordinary course of business or to Pacton or any of its Subsidiaries or in connection with sale-leaseback transactions;
- (xvi) pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, rights, liabilities or obligations (including any litigation, proceeding or investigation by any Governmental Entity) other than:
 - (A) the payment, discharge or satisfaction, in the ordinary course of business, of liabilities reflected or reserved against in Pacton’s financial statements (or in those of any of its Subsidiaries) or incurred in the ordinary course of business; or
 - (B) payment of any fees related to the Arrangement;
- (xvii) enter into any agreement that, if entered into prior to the date hereof, would have been a Pacton Material Contract, or modify, amend in any material respect,

transfer or terminate any Pacton Material Contract, or waive, release, or assign any material rights or claims thereto or thereunder;

- (xviii) enter into or terminate any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or other financial instruments or like transaction, other than in the ordinary course of business consistent with Pacton financial risk management policy;
 - (xix) materially change the business carried on by Pacton and its Subsidiaries, as a whole;
 - (xx) (A) grant, accelerate, or increase any severance, change of control or termination pay to (or amend any existing arrangement relating to the foregoing with) any director, officer or employee of Pacton or any of its Subsidiaries; (B) grant, accelerate, or increase any payment, bonus, award (equity or otherwise) or other benefits payable to, or for the benefit of, any director, officer or employee of Pacton or any of its Subsidiaries; (C) create any new plan which would be considered to be a Benefit Plan of Pacton once created; (D) increase compensation (in any form), bonus levels or other benefits payable to any director, officer, employee or consultant of Pacton or any of its Subsidiaries, or grant any general increase in the rate of wages, salaries, bonuses or other remuneration, except for base salary increases for employees (other than Senior Employees) in the ordinary course of business; (E) establish, adopt, enter into, amend or terminate any collective bargaining agreement or Benefit Plan; or (F) take or propose any action to effect any of the foregoing;
 - (xxi) terminate the employment of any Senior Employee, except for cause or hire any Senior Employee; or
 - (xxii) take any action or fail to take any action which action or failure to act would reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension of, or the revocation or limitation of rights under, any material Authorizations necessary to conduct its businesses as now conducted, and use its commercially reasonable efforts to maintain such Authorizations;
- (c) Pacton shall use all commercially reasonable efforts to cause its current insurance (or re-insurance) policies maintained by Pacton or any of its Subsidiaries not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, subject to Section 5.10(a), neither Pacton nor any of its Subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months;
- (d) Pacton and each of its Subsidiaries shall:
- (i) not take any action inconsistent with past practice relating to the filing of any Tax Return or the withholding, collecting, remitting and payment of any Tax;
 - (ii) not amend any Tax Return or change any of its methods of reporting income, deductions for accounting or Tax purposes from those employed in the preparation of its Tax Returns for the taxation year ended November 30, 2021, except as may

be required by applicable Laws (as determined in good faith consultation with Trillium);

- (iii) not make, change or revoke any material election relating to Taxes, other than any election that has yet to be made in respect of any event or circumstance occurring prior to the date of the Agreement and which will be made in a manner consistent with the past practice of Pacton and its Subsidiaries, as applicable;
 - (iv) not enter into any Tax sharing, Tax allocation, Tax related waiver or Tax indemnification agreement, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes;
 - (v) not settle (or offer to settle) any material Tax claim, audit, proceeding or re-assessment;
 - (vi) not make a request for a Tax ruling to any Governmental Entity;
 - (vii) keep Trillium reasonably informed, on a current basis, of any events, discussions, notices or changes with respect to any Tax investigation (other than ordinary course communications which could not reasonably be expected to be material to Pacton and its Subsidiaries, taken as a whole); and
 - (viii) not make any “investments” (as defined for purposes of section 212.3 of the Tax Act) in any corporation that is a “foreign affiliate” of Pacton and/or any of its Subsidiaries (including, for greater certainty, an indirect investment described in paragraph 212.3(10)(f) of the Tax Act); and
- (e) Pacton shall not authorize, agree to, propose, enter into or modify any Contract to do any of the matters prohibited by the other subsections of this Section 5.1 or resolve to do so.

5.2 Covenants of Trillium Regarding the Conduct of Business

Trillium covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, as expressly required by this Agreement or expressly permitted by this Section 5.2, as required by applicable Law or a Governmental Entity, as required to comply with, or implement any COVID-19 Measures, or unless Pacton shall otherwise agree in writing:

- (a) Trillium shall and shall cause each of its Subsidiaries to: (i) in all material respects conduct its and their respective business of Trillium and its Subsidiaries only in, and not take any action except in, the ordinary course of business; and (ii) use commercially reasonable efforts to preserve intact its and their present business organization, goodwill, business relationships and assets and to keep available the services of their officers and employees as a group;
- (b) without limiting the generality of Section 5.2(a), Trillium shall not, and shall cause each of its Subsidiaries not to, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, directly or indirectly:
 - (i) amend or propose to amend Trillium’s articles, by-laws, other constating documents;
 - (ii) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Trillium Shares,

except for any such action solely between or among Trillium and its Subsidiaries or between or among Subsidiaries of Trillium;

- (iii) incur any indebtedness to fund, directly or indirectly the payment of any dividend or other distribution in respect of any Trillium shares other than in the ordinary course of business;
- (iv) issue, sell, grant, award, pledge, dispose of or otherwise encumber or agree to issue, sell, grant, award, pledge, dispose of or otherwise encumber any Trillium Shares or other equity or voting interests or any options, stock appreciation rights, warrants, calls, conversion or exchange privileges or rights of any kind to acquire (whether on exchange, exercise, conversion or otherwise) any Trillium Shares or other equity or voting interests or other securities or any shares of its Subsidiaries (including, for greater certainty, Trillium equity awards or any other equity based awards), other than (A) pursuant to the exercise of Trillium equity awards in accordance with their terms (as such terms are disclosed in the Trillium Public Documents), (B) grants of Trillium equity awards in the ordinary course of business, (C) any such action solely between or among Trillium and its Subsidiaries or between or among Subsidiaries of Trillium and (D) for the issuance of securities pursuant to existing contractual obligations of Trillium;
- (v) sub-divide, split, combine or reclassify any outstanding Trillium Shares;
- (vi) redeem, purchase or otherwise acquire or offer to purchase or otherwise acquire Trillium Shares or other securities of Trillium, other than (A) ordinary course purchases of Trillium Shares made in the public markets and at the prevailing market price, and (B) purchases of Trillium Shares in satisfaction of the payment of the exercise price or tax withholdings upon the exercise or vesting of Trillium equity awards;
- (vii) amend the terms of any securities of Trillium;
- (viii) adopt or propose a plan of liquidation, business rescue or winding up (or analogous proceedings) or resolutions providing for the liquidation, business rescue, winding up (or analogous proceedings) or dissolution of Trillium;
- (ix) reorganize, amalgamate or merge Trillium with any other Person;
- (x) make any changes in financial accounting methods, principles, policies or practices, except as required, in each case, by IFRS or by applicable Law;
- (xi) reduce the stated capital of the Trillium Shares;
- (xii) except as set forth in Section 5.2(b)(xii) of the Trillium Disclosure Letter, acquire (by merger, consolidation, acquisition of stock or assets or otherwise) or agree to acquire, directly or indirectly, in one transaction or in a series of related transactions, any Person, or, other than investments required by existing Contracts to which Trillium is a party or bound, make any investment or agree to make any investment, directly or indirectly, in one transaction or in a series of related transactions, either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries), property transfer or purchase of any property or assets of any other Person, other than:
 - (A) for consideration less than \$50,000 individually or \$100,000 in the aggregate;

- (B) transactions between two or more wholly-owned Subsidiaries of Trillium or between of Trillium and one or more such wholly-owned Subsidiaries;
- (xiii) sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer or agree to sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer any material assets of Trillium or any of its Subsidiaries or any interest in any assets of Trillium or any of its Subsidiaries, other than (A) in the ordinary course of business, and (B) any such action solely between or among Trillium and its Subsidiaries or between or among Subsidiaries of Trillium; or
- (xiv) materially change the business carried on by Trillium and its Subsidiaries, taken as a whole; and
- (c) Trillium shall not authorize, agree to, propose, enter into or modify any Contract to do any of the matters prohibited by the other subsections of this Section 5.2 or resolve to do so.
- (d) except as set forth in Section 5.2(d) of the Trillium Disclosure Letter, (A) incur any indebtedness for borrowed money or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of Trillium or any of its Subsidiaries, guarantee any debt securities of another person, enter into any “keep well” or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, except for (x) letters of credit, reclamation bonds, financial assurances or other guarantees in respect of environmental or other obligations otherwise permitted to be incurred, or not prohibited, under this Agreement, (y) borrowings under facilities entered into between two wholly-owned Subsidiaries of Trillium or (z) in connection with the Equity Raise, or (B) make any loans, advances (other than any advances to employees in the ordinary course of business) or capital contributions to, or investments in, any other person, other than to any joint venture of Trillium or any of its Subsidiaries in the ordinary course of business or to Trillium or any of its Subsidiaries or in connection with sale-leaseback transactions;
- (e) Trillium and each of its Subsidiaries shall:
 - (i) not take any action inconsistent with past practice relating to the filing of any Tax Return or the withholding, collecting, remitting and payment of any Tax;
 - (ii) not amend any Tax Return or change any of its methods of reporting income, deductions for accounting or Tax purposes from those employed in the preparation of its Tax Returns for the taxation year ended December 31, 2021, except as may be required by applicable Laws (as determined in good faith consultation with Pacton);
 - (iii) not make, change or revoke any material election relating to Taxes, other than any election that has yet to be made in respect of any event or circumstance occurring prior to the date of the Agreement and which will be made in a manner consistent with the past practice of Trillium and its Subsidiaries, as applicable;
 - (iv) not enter into any Tax sharing, Tax allocation, Tax related waiver or Tax indemnification agreement, or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes;
 - (v) not settle (or offer to settle) any material Tax claim, audit, proceeding or re-assessment;

- (vi) not make a request for a Tax ruling to any Governmental Entity;
- (vii) keep Pacton reasonably informed, on a current basis, of any events, discussions, notices or changes with respect to any Tax investigation (other than ordinary course communications which could not reasonably be expected to be material to Trillium and its Subsidiaries, taken as a whole); and
- (viii) not make any “investments” (as defined for purposes of section 212.3 of the Tax Act) in any corporation that is a “foreign affiliate” of Trillium and/or any of its Subsidiaries (including, for greater certainty, an indirect investment described in paragraph 212.3(10)(f) of the Tax Act).

5.3 Covenants Relating to the Consideration Shares

Trillium shall apply for and use its reasonable best efforts to obtain approval of the listing for trading on (a) the TSX.V by the Effective Time of Trillium Shares issuable pursuant to the Arrangement, each subject to official notice of issuance. Pacton shall use its reasonable best efforts to cooperate with Trillium in connection with the foregoing, including by providing information reasonably requested by Trillium in connection therewith.

5.4 Covenants of Trillium Regarding Blue-Sky Laws

Trillium shall use its commercially reasonable efforts to ensure that the Consideration Shares shall, at the Effective Time, either be registered or qualified under all applicable U.S. state securities laws, or exempt from such registration and qualification requirements.

5.5 Mutual Covenants of the Parties Relating to the Arrangement

Each of the Parties covenants and agrees that, other than in connection with obtaining the Regulatory Approvals, which approvals shall be governed by the provisions of Section 5.7, subject to the terms and conditions of this Agreement, during that period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms:

- (a) it shall use its commercially reasonable efforts to, and shall cause its Subsidiaries to use all commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Arrangement, including using its commercially reasonable efforts to promptly:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from parties to Pacton Material Contracts or Trillium Material Contracts, as the case may be; (ii) obtain all necessary and material Authorizations as are required to be obtained by it or any of its Subsidiaries under applicable Laws; (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement, including delivery of the certificates of their respective officers contemplated by Sections 6.2(a), 6.2(b), 6.2(e), 6.3(a), 6.3(b) and 6.3(d); and (iv) co-operate with the other Party in connection with the performance by it and its Subsidiaries of their obligations hereunder;
- (b) it shall not take any action, shall refrain from taking any action, and shall not permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to, individually or in the aggregate, prevent, materially impede or materially delay the consummation of the Arrangement or the other transactions contemplated herein including, for the avoidance of doubt, the taking of any action or the entering into of any transaction, including any merger, acquisition, joint venture, disposition, lease or contract that would reasonably be expected to prevent, delay or impede the

obtaining of, or increase the risk of not obtaining, any Regulatory Approval or otherwise prevent, delay or impede the consummation of the transactions contemplated by this Agreement;

- (c) it shall use commercially reasonable efforts to: (i) defend all lawsuits or other legal, regulatory or other Proceedings against itself or any of its Subsidiaries challenging or affecting this Agreement or the consummation of the transactions contemplated hereby; (ii) appeal, overturn or have lifted or rescinded any injunction or restraining order or other order, including Orders, relating to itself or any of its Subsidiaries which may materially adversely affect the ability of the Parties to consummate the Arrangement; and (iii) appeal or overturn or otherwise have lifted or rendered non-applicable in respect of the Arrangement, any Law that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Pacton or Trillium from consummating the Arrangement; and
- (d) it shall carry out the terms of the Interim Order and Final Order applicable to it and use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on it or its Subsidiaries or affiliates with respect to the transactions contemplated hereby.

5.6 Covenants Relating to Pacton Employment Matters

The Parties acknowledge and agree that the outstanding Pacton Equity Awards shall be treated in accordance with the provisions of the Plan of Arrangement. The Parties further acknowledge that the Arrangement will result in a “change in control” (or a term of similar import) for purposes of the employment agreements of Pacton management and Senior Employees, Pacton Benefit Plans, and Pacton employees’ employment agreements. Immediately prior to the Effective Time, Pacton agrees to irrevocably waive, and shall cause all of Pacton management and Pacton employees to irrevocably waive, all terms of existing employment, indemnification, change in control, change of control, severance, termination or other compensation arrangements and employment and severance obligations of Pacton and all of its Subsidiaries that were entered into prior to the date of this Agreement in connection with the transactions contemplated hereby.

5.7 Regulatory Approvals

- (a) Trillium and Pacton shall and shall cause their respective Subsidiaries, as applicable, to file, as promptly as practicable after the date of this Agreement, any filings or notifications under any other applicable federal, provincial, state or foreign Law required to obtain any other Regulatory Approvals including, with the TSX.V.
- (b) All filing fees (including any Taxes thereon) in respect of any filing made to any Governmental Entity in respect of any Regulatory Approvals shall be shared by the Parties equally.
- (c) The Parties shall use their commercially reasonable efforts to:
 - (i) obtain the Regulatory Approvals at the earliest practicable date. For greater certainty, but without limiting the generality of the foregoing, the Parties shall request that the Regulatory Approvals be processed by the applicable Governmental Entity on an expedited basis and, to the extent that a public hearing is held, the Parties shall request the earliest practicable hearing date for the consideration of the Regulatory Approvals;
 - (ii) respond promptly to any request for additional information or documentary materials made by any Governmental Entity in connection with the Regulatory Approvals; and

- (iii) make such further filings as may be necessary, proper or advisable in connection therewith.
- (d) With respect to obtaining the Regulatory Approvals, each of Trillium and Pacton shall cooperate with one another and shall provide such assistance as the other Party may reasonably request in connection with obtaining the Regulatory Approvals. In particular:
 - (i) no Party shall extend or consent to any extension of any applicable waiting or review period or enter into any agreement with a Governmental Entity to not consummate the transactions contemplated by this Agreement, except upon the prior written consent of the other Party;
 - (ii) the Parties shall exchange drafts of all submissions, correspondence, filings, presentations, applications, plans, consent agreements and other documents to be made or submitted to or filed with any Governmental Entity in respect of the transactions contemplated by this Agreement, will consider in good faith any suggestions made by the other Party and its counsel and will provide the other Party and its counsel with final copies of all such submissions, correspondence, filings, presentations, applications, plans, consent agreements and other documents, and all pre-existing business records or other documents, submitted to or filed with any Governmental Entity in respect of the transactions contemplated by this Agreement; provided, however, that (subject to Section 5.7(e)) information indicated by either Party to be competitively sensitive shall be provided on an external counsel-only basis;
 - (iii) each Party will keep the other Party and their respective counsel fully apprised of all written (including email) and oral communications and all meetings with any Governmental Entity and their staff in respect of the Regulatory Approvals, and will not participate in such communications or meetings without giving the other Party and their respective counsel the opportunity to participate therein; provided, however, that (subject to Section 5.7(f)) where competitively sensitive information may be discussed or communicated, the other Party's external legal counsel shall be provided with any such communications or information on an external counsel-only basis and shall have the right to participate in any such meetings on an external counsel-only basis; and
 - (iv) each Party shall make available its Representatives, on the reasonable request of the other Party and its counsel, to assist in obtaining the Regulatory Approvals, including by (i) making introduction and arranging meetings with key stakeholders and leaders of Governmental Authorities and participating in those meetings, (ii) providing strategic input, including on any materials prepared for obtaining the Regulatory Approvals, and (iii) responding promptly to requests for support, documents, information, comments or input where reasonably requested in connection with the Regulatory Approvals;
- (e) With respect to Sections 5.7(d)(ii) and (iii) above, where a Party (in this Section 5.7 only, the "**Disclosing Party**") provides any submissions, communications, information, correspondence, filings, presentations, applications, plans, consent agreements or other documents to the other Party (the "**Receiving Party**") on an external counsel-only basis, the Disclosing Party shall also provide the Receiving Party with a redacted version of any such submissions, communications, information, correspondence, filings, presentations, applications, plans, consent agreements or other documents;
- (f) None of the Parties shall enter into any transaction, investment, agreement, arrangement or joint venture or take any other action, the effect of which would reasonably be expected

to make obtaining the Regulatory Approvals materially more difficult or challenging, or reasonably be expected to materially delay the obtaining of the Regulatory Approvals.

- (g) The Parties shall use (and shall cause their respective Subsidiaries to use) their respective commercially reasonable efforts to take or cause to be taken all actions necessary or advisable on their respective parts to consummate the transactions contemplated by this Agreement as promptly as practicable after the date of this Agreement.

5.8 Certain Pacton Covenants Regarding Non-Solicitation

- (a) Except as otherwise expressly provided in this Section 5.8, Pacton shall not, and Pacton shall cause its Subsidiaries and their respective directors, officers, employees, and shall use its reasonable best efforts to cause its other Representatives, not to:
 - (i) solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding (other than a confidentiality agreement pursuant to Section 5.8(e)) any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to a Pacton Acquisition Proposal;
 - (ii) enter into, engage in, continue or otherwise participate in any discussions or negotiations with any Person (other than Trillium and its Subsidiaries or affiliates) in respect of any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to a Pacton Acquisition Proposal, it being acknowledged and agreed that, provided Pacton is then in compliance with its obligations under this Section 5.8, Pacton may (x) advise any Person of the restrictions of this Agreement, (y) advise a Person who has submitted a written Pacton Acquisition Proposal of the conclusion (without further communication) that its Pacton Acquisition Proposal does not constitute a Pacton Superior Proposal or (z) communicate with any person solely for the purposes of clarifying the terms of any inquiry, proposal or offer made by such person;
 - (iii) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking relating to any Pacton Acquisition Proposal (other than a confidentiality agreement pursuant to Section 5.8(e)); or
 - (iv) (1) (i) fail to make, or withdraw, amend, modify or qualify, in a manner adverse to Trillium or fail to publicly reaffirm (without qualification) the Pacton Board Recommendation, or its recommendation of the Arrangement within five Business Days (and in any case prior to the third Business Day prior to the date of the Pacton Meeting) after having been requested in writing by Trillium to do so (acting reasonably), or (ii) accept, approve, endorse or recommend a Pacton Acquisition Proposal (or publicly propose to do so), or (iii) take no position or a neutral position with respect to a Pacton Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Pacton Meeting, if such date is sooner) after the public announcement of such Pacton Acquisition Proposal; or (2) resolve or propose to take any of the foregoing actions ((1) or (2) each a **"Pacton Change in Recommendation"**); or
 - (v) make any public announcement or take any other action inconsistent with the Pacton Board Recommendation.
- (b) Pacton shall, and shall cause its Subsidiaries and Representatives to, immediately cease any existing solicitation, discussions, negotiations or other activities commenced prior to

the date of this Agreement with any Person (other than Trillium and its Subsidiaries or affiliates) conducted by Pacton or any of its Subsidiaries or Representatives with respect to any inquiry, proposal or offer that constitutes, or would reasonably be expected to constitute or lead to, a Pacton Acquisition Proposal, and, in connection therewith, Pacton will discontinue access to and disclosure of its and its Subsidiaries' confidential information (and not allow access to or disclosure of any such confidential information, or any data room, virtual or otherwise) and shall as soon as possible, and in any event within two Business Days of this Agreement, request, and use its commercially reasonable efforts to exercise all rights it has (or cause its Subsidiaries to exercise any rights that they have) to require the return or destruction of all confidential information regarding Pacton and its Subsidiaries previously provided in connection therewith to any Person other than Trillium to the extent such information has not already been returned or destroyed and use commercially reasonable efforts to ensure that such obligations are fulfilled.

- (c) Pacton represents and warrants as of the date of this Agreement that, in the year prior to the date of this Agreement, neither Pacton nor any of its Subsidiaries has waived any standstill, confidentiality, non-disclosure, business purpose, use or similar agreement or restriction to which Pacton or any of its Subsidiaries is a Party. Pacton covenants and agrees that (i) it shall enforce each standstill, confidentiality, non-disclosure, business purpose, use or similar agreement or restriction to which Pacton or any of its Subsidiaries is a party, and (ii) neither Pacton nor any of its Subsidiaries nor any of their respective Representatives has (within the last 12 months) or will, without the prior written consent of Trillium (which may be withheld or delayed in Trillium's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting Pacton, or any of its Subsidiaries, under any standstill, confidentiality, non-disclosure, business purpose, use or similar agreement or restriction to which Pacton or any of its Subsidiaries is a party; provided, however, that the Parties acknowledge and agree that the automatic termination or release of any such standstill, confidentiality, non-disclosure, business purpose, use or similar agreement or restriction in accordance with its terms shall not be a breach of this Section 5.8(c).
- (d) Pacton shall as soon as practicable, and in any event within 24 hours, notify Trillium (orally at first and then in writing, in each case within 24 hours) if it receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or would reasonably be expected to constitute or lead to a Pacton Acquisition Proposal, of such Pacton Acquisition Proposal, inquiry, proposal or offer, including the identity of the Person making such Pacton Acquisition Proposal, inquiry, proposal or offer and the material terms and conditions thereof and copies of all material or substantive documents received in respect of, from or on behalf of any such Person. Pacton shall keep Trillium promptly and fully informed of the material developments and discussions and negotiations with respect to such Pacton Acquisition Proposal, inquiry, proposal or offer, including any material changes, modifications or other amendments thereto.
- (e) Notwithstanding any other provision of this Agreement, if at any time following the date of this Agreement, and prior to the Pacton Shareholder Approval having been obtained, Pacton receives a request for material non-public information or to enter into discussions, from a Person that proposes to Pacton an unsolicited *bona fide* written Pacton Acquisition Proposal that did not result from a breach of this Section 5.8 (and which has not been withdrawn) and the Pacton Board determines, in good faith after consultation with its outside financial and legal advisors, that such Pacton Acquisition Proposal constitutes or would reasonably be expected to constitute a Pacton Superior Proposal (disregarding, for the purposes of such determination, any due diligence or access condition to which such Pacton Acquisition Proposal is subject), then, and only in such case, Pacton may (x) enter into, participate in, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the Person making such Pacton Acquisition Proposal, and (y) provide the Person making such Pacton Acquisition Proposal with, or access to,

confidential information regarding Pacton and its Subsidiaries, but only to the extent that Trillium had previously been, or is concurrently, provided with, or access to, the same information, if, and only if:

- (i) prior to participating in any discussions or negotiations with such Person or providing such Person with, or access to, confidential information regarding Pacton and its Subsidiaries: (A) Pacton promptly delivers a written notice to Trillium stating its intention to participate in such discussions or negotiations and to provide such Person with, or access to, confidential information regarding Pacton and its Subsidiaries, which notice shall include confirmation of the determination by the Pacton Board that such Pacton Acquisition Proposal constitutes or would reasonably be expected to constitute a Pacton Superior Proposal; and (B) Pacton has entered into a confidentiality and standstill agreement on terms no less favourable in aggregate to Pacton than the Confidentiality Agreement and a true, complete and final executed copy of such agreement is provided to Trillium; and
 - (ii) Pacton has been, and continues to be, in compliance with this Section 5.8.
- (f) Notwithstanding any other provision of this Agreement, Pacton may make a Pacton Change in Recommendation, if and only if all of the following conditions are satisfied:
 - (i) the Pacton Board has determined that the Pacton Acquisition Proposal constitutes a Pacton Superior Proposal;
 - (ii) the Pacton Shareholder Approval has not been obtained;
 - (iii) Pacton has been, and continues to be, in compliance with this Section 5.8 in all material respects;
 - (iv) Pacton has provided Trillium with (A) a notice in writing that the Pacton Board has determined that there is a Pacton Superior Proposal; (B) confirmation of the determination by the Pacton Board of the value or range of values in financial terms that the Pacton Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Pacton Superior Proposal; and (c) a copy of the proposed definitive agreement for the Pacton Superior Proposal (including any financing documents supplied to Pacton in connection therewith);
 - (v) at least five Business Days (the “**Trillium Response Period**”) shall have elapsed from the date Trillium received the notice and documentation referred to in Section 5.8(f)(iv) from Pacton;
 - (vi) during any Trillium Response Period, Trillium had the opportunity (but not the obligation), in accordance with Section 5.8(g), to offer to amend this Agreement and the Arrangement in order for such Pacton Acquisition Proposal to cease to be a Pacton Superior Proposal;
 - (vii) if Trillium has proposed to amend the terms of the Arrangement in accordance with Section 5.8, the Pacton Board shall have determined, in good faith, after consultation with its outside financial and legal advisors, that the Pacton Acquisition Proposal remains a Pacton Superior Proposal compared to the proposed amendment to the terms of the Arrangement by Trillium, if applicable; and

- (viii) prior to or concurrently with entering into such definitive agreement in respect of the Superior Proposal, Pacton terminates this Agreement pursuant to Section 7.2(a)(iv)(A) and pays the Pacton Termination Fee;
- (g) Pacton acknowledges and agrees that, during the Trillium Response Period or such longer period as Pacton may approve for such purpose, Trillium shall have the opportunity, but not the obligation, to propose to amend the terms of this Agreement, including an increase in, or modification of, the Consideration. The Pacton Board will review any such proposal to determine in good faith whether Trillium's proposal to amend the Agreement would result in the Pacton Acquisition Proposal ceasing to be a Pacton Superior Proposal. If the Pacton Board determines that the Pacton Acquisition Proposal is not a Pacton Superior Proposal as compared to the proposed amendments to the terms of the Agreement, it will promptly advise Trillium and enter into an amended agreement with Trillium reflecting such proposed amendments. If the Pacton Board continues to believe in good faith, after consultation with its financial advisors and outside legal counsel, that such Pacton Acquisition Proposal remains a Pacton Superior Proposal and therefore rejects Trillium's offer to amend this Agreement and the Arrangement, if any, Pacton may, subject to compliance with the other provisions hereof, make a Pacton Change of Recommendation. Each successive modification of any Pacton Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Pacton Shareholders or other material terms or conditions thereof shall constitute a new Pacton Acquisition Proposal for the purposes of this Section 5.8 and Trillium shall be afforded a new Trillium Response Period in respect of each such Pacton Acquisition Proposal from the date on which Trillium received the notice and documentation referred to in Section 5.8(f)(iv) in respect of such new Pacton Superior Proposal from Pacton.
- (h) The Pacton Board shall promptly reaffirm the Pacton Board Recommendation by press release after any Pacton Acquisition Proposal which is determined to not be a Pacton Superior Proposal is publicly announced or the Pacton Board determines that a proposed amendment to the terms of this Agreement as contemplated under Section 5.8(g) would result in a Pacton Acquisition Proposal no longer being a Pacton Superior Proposal. Pacton shall provide Trillium and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall give reasonable consideration to such comments.
- (i) In circumstances where Pacton provides Trillium with notice of a Pacton Superior Proposal and all documentation contemplated by Section 5.8(f)(iv) on a date that is less than seven Business Days prior to the Pacton Meeting, Pacton may, or if and as requested by Trillium, Pacton shall, either proceed with or postpone the Pacton Meeting to a date that is not more than seven Business Days after the scheduled date of such Pacton Meeting, as directed by Trillium, provided, however, that the Pacton Meeting shall not be adjourned or postponed to a date later than the seventh Business Day prior to the Outside Date.
- (j) Without limiting the generality of the foregoing, Pacton shall advise its Subsidiaries and its Representatives of the prohibitions set out in this Section 5.8 and any violation of the restrictions set forth in this Section 5.8 by Pacton, its Subsidiaries or Representatives is deemed to be a breach of this Section 5.8 by Pacton.

5.9 Access to Information; Confidentiality

- (a) From the date hereof until the earlier of the Effective Time and the termination of this Agreement pursuant to its terms, subject to compliance with applicable Laws, each of Trillium and Pacton shall, and shall cause its Representatives to, afford to the other and its representatives such access as the other Party may reasonably require at all reasonable times, to its officers, employees, agents, properties, books, records and contracts, and shall furnish the other Party with all data and information as it may reasonably request

including in connection with the Equity Raise; provided that the Party furnishing data or information (the “**Furnishing Party**”) shall not be required to (or to cause any of the Furnishing Party’s Subsidiaries to) afford such access or furnish such information to the extent that the Furnishing Party believes, in its reasonable good faith judgment, that doing so would (A) result in the loss of attorney-client, work product or other privilege, (B) result in the disclosure of any trade secrets of third parties or violate any obligations of the Furnishing Party or any of the Furnishing Party’s Subsidiaries with respect to confidentiality to any third party, or otherwise breach, contravene or violate any such effective Contract to which the Furnishing Party or any Subsidiary of the Furnishing Party is a party or (C) breach, contravene or violate any applicable Law; *provided* that the Furnishing Party shall use its reasonable best efforts to cause such information to be provided in a manner that would not violate the foregoing, and provided that nothing in this section shall limit the obligations contained in Section 5.7.

- (b) Pacton shall cooperate with Trillium and Trillium’s underwriters and/or agents in connection with the preparation of any offering materials in respect of the Equity Raise.
- (c) Trillium and Pacton acknowledge and agree that information furnished pursuant to this Section 5.9 shall be subject to the terms and conditions of the Confidentiality Agreement. Any such investigation by a Party and its representatives shall not mitigate, diminish or affect the representations and warranties of the other Party contained in this Agreement or any document or certificate given pursuant hereto.

5.10 Insurance and Indemnification

- (a) Prior to the Effective Time, Pacton shall purchase customary “tail” policies of directors’ and officers’ liability insurance from a reputable and financially sound insurance carrier and containing terms and conditions no less favourable in the aggregate to the protection provided by the policies maintained by Pacton and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Time and Trillium will and will cause Pacton and its Subsidiaries to, maintain such “tail” policies in effect without any reduction in scope or coverage for six years from the Effective Time; provided, that Trillium and its Subsidiaries shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the cost of such policies shall not exceed 200% (the “**Base Premium**”) of Pacton’s current annual aggregate premium for policies currently maintained by Pacton or its Subsidiaries; provided further, however, that if such insurance can only be obtained at a premium in excess of the Base Premium, Pacton may purchase the most advantageous policies of directors’ and officers’ liability insurance reasonably available for an annual premium in excess of the Base Premium, and Trillium shall, or shall cause Pacton and its Subsidiaries, to maintain such coverage for six years from the Effective Date. From and after the Effective Time, Trillium and Pacton, as applicable, agree not to take any action to terminate such directors’ and officers’ liability insurance or materially adversely affect the rights of Pacton’s present and former directors and officers thereunder.
- (b) Trillium will cause Pacton and its Subsidiaries to, honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of Pacton and its Subsidiaries under Law and under the articles or other constating documents of Pacton and/or its Subsidiaries or under any agreement or contract of any indemnified person with Pacton or with any of its Subsidiaries, and acknowledges that such rights shall survive the completion of the Plan of Arrangement, and, to the extent within the control of Trillium, Trillium shall ensure that the same shall not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such indemnified person and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

- (c) From and following the Effective Time, Trillium will cause Pacton to comply with its obligations under Section 5.10(a) and Section 5.10(b).
- (d) If Trillium, Pacton or any of its Subsidiaries or any of their respective successors or assigns (i) consolidates with or merges into any other person and is not a continuing or surviving corporation or entity of such consolidation or merger, or (ii) transfers all or substantially all of its properties and assets to any person, Trillium shall ensure that any such successor or assign (including, as applicable, any acquirer of substantially all of the properties and assets of the Company or its subsidiaries) assumes all of the obligations set forth in this Section 5.10.
- (e) The provisions of this Section 5.10 are intended for the benefit of, and shall be enforceable by, each insured or indemnified Person, his or her heirs and his or her legal representatives and, for such purpose, Pacton hereby confirms that it is acting as trustee on their behalf, and agrees to enforce the provisions of this Section 5.10 on their behalf. Furthermore, this Section 5.10 shall survive the termination of this Agreement as a result of the occurrence of the Effective Date for a period of six years.

5.11 Pre-Acquisition Reorganization

- (a) Subject to Section 5.11(b), Pacton agrees that, upon request of Trillium, Pacton shall use its commercially reasonable efforts to (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as Trillium may request prior to the Effective Date, acting reasonably (each a “**Pre-Acquisition Reorganization**”), and the Plan of Arrangement, if required, shall be modified accordingly, and (ii) cooperate with Trillium and its advisors to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken.
- (b) Pacton and its Subsidiaries will not be obligated to participate in any Pre- Acquisition Reorganization under Section 5.11(a) unless such Pre-Acquisition Reorganization, in the opinion of Pacton, acting reasonably:
 - (i) cannot reasonably be expected to result in any Taxes being imposed on, or any adverse Tax consequences to the Pacton Shareholders incrementally greater than the Taxes to such party in connection with the consummation of the Arrangement in the absence of any Pre-Acquisition Reorganization;
 - (ii) is not prejudicial to Pacton and its Subsidiaries, taken as a whole, or its securityholders in any material respect;
 - (iii) does not require Pacton to obtain the approval of securityholders of Pacton or proceed absent any required consent of any third party (including any Regulatory Approval);
 - (iv) does not result in any material breach by Pacton or any of its Subsidiaries of any Pacton Material Contract, Regulatory Approval or their respective organizational documents or applicable Law;
 - (v) does not unreasonably interfere with Pacton’s material operations prior to the Effective Time;
 - (vi) does not require Pacton or its Subsidiaries to contravene any Contract, Regulatory Approval or applicable Laws, or its organization documents;

- (vii) can be completed immediately prior to the Effective Date; and
 - (viii) does not impair the ability of Pacton to consummate, and will not prevent or materially delay the consummation of, the Arrangement, and would not reasonably be expected to prevent any Person from making a Pacton Superior Proposal.
- (c) Trillium must provide written notice to Pacton of any proposed Pre-Acquisition Reorganization in reasonable written detail at least 10 Business Days prior to the Effective Date. Upon receipt of such notice, Pacton and Trillium shall work cooperatively and use their best efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization, including any amendment to this Agreement or the Plan of Arrangement, and shall seek to the extent practicable to have any such Pre-Acquisition Reorganization made effective not later than the last moment of the Business Day ending immediately prior to the Effective Date (but after Trillium has waived or confirmed that all of the conditions set out in Section 6.1 and Section 6.2 have been satisfied, other than any such conditions that by their terms can only be satisfied on the Effective Date).
- (d) Unless the Arrangement is not completed due to a breach by Pacton of the terms and conditions of this Agreement or in circumstances that would give rise to the payment by Pacton of a Pacton Termination Fee, Trillium agrees that it (i) shall be responsible for all reasonable costs and expenses associated with any Pre-Acquisition Reorganization, including professional fees, disbursements, expenses and Taxes, to be carried out at its request and (ii) shall indemnify and save harmless Pacton and its Subsidiaries and their respective Representatives from and against any and all liabilities, losses, damages, Taxes, claims, costs, expenses, interest awards, judgments and penalties suffered or incurred by any of them in connection with or as a result of any such Pre-Acquisition Reorganization (including in respect of any unwinding, reversal, modification or termination of a Pre-Acquisition Reorganization) and that any Pre-Acquisition Reorganization will not be considered in determining whether a representation or warranty of Pacton under this Agreement has been breached (including where any such Pre-Acquisition Reorganization requires the consent of any third party under a Contract). If the Arrangement is not completed (other than due to a breach by Pacton of the terms and conditions of this Agreement or in circumstances that would give rise to the Payment by Pacton of a Pacton Termination Fee), Trillium shall reimburse Pacton forthwith for all reasonable fees and expenses (including any professional fees and expenses and Taxes) incurred by Pacton in considering or effecting all or any part of the Pre-Acquisition Reorganization.
- (e) Trillium agrees that any Pre-Arrangement Reorganization will not be considered in determining whether a representation or warranty of Pacton under this Agreement has been breached (including where any such Pre-Arrangement Reorganization requires the consent of any third party under a Contract).

5.12 Board Of Directors and Executive Officers

- (a) The Parties shall take all necessary actions to ensure that upon the completion of the Arrangement, all members of the Pacton Board and senior management of Pacton shall resign as of the Effective Time and be replaced with such board members and senior management as designated by Trillium.
- (b) Trillium shall take all necessary actions (including arranging for the resignation of one Trillium director) to ensure that upon completion of the Arrangement, two individuals nominated by Pacton (the “**Nominees**”) and agreed upon by Trillium shall be appointed to the board of directors of Trillium. Pacton agrees that the Nominees shall not be disqualified under the BCBCA from being a director, and Pacton shall cause each such individual to consent to their appointment as a director of Trillium not later than the Effective Date.

- (c) Each of Pacton and Trillium will use commercially reasonable efforts to deliver to each member of the Pacton Board and senior management who is resigning in accordance with this Section 5.12, a mutual release, each in form and substance satisfactory to the other Party, acting reasonably.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the Arrangement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Time, each of which may only be waived, in whole or in part, with the mutual consent of the Parties:

- (a) the Arrangement Resolution shall have been duly approved by Pacton Shareholders at the Pacton Meeting in accordance with the Interim Order and applicable Law;
- (b) to the extent shareholder approval is required by the TSX.V in respect of approval of listing of the Trillium Shares to be issued or made issuable pursuant to this Agreement, the Trillium Resolution shall have been duly approved at the Trillium Meeting in accordance with applicable Law;
- (c) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement and in form and substance acceptable to each of Trillium and Pacton, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Trillium or Pacton, each acting reasonably, on appeal or otherwise;
- (d) no Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Order or Law which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement;
- (e) the Trillium Shares to be issued pursuant to the Arrangement shall, subject to customary conditions, have been approved for listing on the TSX.V, subject to customary conditions;
- (f) all of the Key Regulatory Approvals shall have been obtained;
- (g) the Equity Raise shall have been completed; and
- (h) the Consideration Shares to be issued pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof.

6.2 Additional Conditions Precedent to the Obligations of Trillium

The obligation of Trillium to complete the Arrangement is subject to the fulfillment of each of the following additional conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Trillium and may be waived by Trillium, in whole or in part at any time, each in its sole discretion, without prejudice to any other rights which Trillium may have):

- (a) the representations and warranties of Pacton set forth in: (i) sections (a) [*Organization and Qualification*], (b) [*Authority Relative to this Agreement*] and (u)(ii) [*Absence of Certain Changes or Events – No Pacton Material Adverse Effect*] of Schedule 3.1 shall be true and correct in all respects as of the date of this Agreement, and as of the Effective Time as if made as at and as of such time; (ii) the representations and warranties of Pacton set forth in sections (d)(i) [*Subsidiaries*] and (g) [*Capitalization*] of Schedule 3.1 shall be true and

correct in all respects (except for de minimis inaccuracies) as of the date of this Agreement, and as of the Effective Time as if made as at and as of such time; and (iii) all other representations and warranties of Pacton set forth in this Agreement shall be true and correct (x) in all respects as of the date of this Agreement, and (y) in all respects as of the Effective Time as if made as at and as of such time (disregarding for purposes of this clause (iii)(y) of this Section 6.2(a) any materiality or Pacton Material Adverse Effect qualification contained in any such representation or warranty); except that any representation and warranty in each of the foregoing clauses (i), (ii) and (iii) that by its terms speaks specifically as of the date of this Agreement or another date shall be true and correct in all respects as of such date, and except in the case of the foregoing clause (iii)(y) where the failure to be so true and correct in all respects, individually and in the aggregate, does not constitute a Pacton Material Adverse Effect, and Pacton shall have provided to Trillium a certificate of two senior officers of Pacton certifying (on Pacton's behalf and without personal liability) the foregoing dated the Effective Date;

- (b) Pacton shall have complied in all material respects with its covenants herein and Pacton shall have provided to Trillium a certificate of two senior officers of Pacton certifying (on Pacton's behalf and without personal liability) compliance with such covenants dated the Effective Date;
- (c) all members of the Pacton Board and senior management of Pacton shall have delivered a written resignation effective as of the Effective Time, and Pacton shall have taken all necessary actions prior to the Effective Time to ensure that such individuals be replaced with such board members and senior management as designated by Trillium;
- (d) there shall not be pending or threatened in writing any proceeding by any Governmental Entity or any other Person that the Trillium Board has determined in good faith, in consultation with its outside legal advisors, is reasonably likely to result in an imposition of material limitations on the ability of Trillium to complete the Arrangement or acquire or hold, or exercise full rights of ownership of, any Pacton Shares;
- (e) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any Pacton Material Adverse Effect that has not been cured, and Pacton shall have provided to Trillium a certificate of two senior officers of Pacton to that effect (on Pacton's behalf and without personal liability); and
- (f) Dissent Rights shall not have been exercised (or, if exercised, shall not remain unwithdrawn) with respect to more than 5% of the issued and outstanding Pacton Shares.

6.3 Additional Conditions Precedent to the Obligations of Pacton

The obligation of Pacton to complete the Arrangement is subject to the fulfillment of each of the following additional conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of Pacton and may be waived by Pacton, in whole or in part at any time, in its sole discretion, without prejudice to any other rights which Pacton may have):

- (a) the representations and warranties of Trillium set forth in (i) sections (a) [*Organization and Qualification*], (b) [*Authority Relative to this Agreement*] and (s)(ii) [*Absence of Certain Changes or Events – No Trillium Material Adverse Effect*] of Schedule 4.1, shall be true and correct in all respects as of the date of this Agreement, and as of the Effective Time as if made as at and as of such time; (ii) the representations and warranties of Trillium set forth in section (g) [*Capitalization*] of Schedule 4.1 shall be true and correct in all respects (except for de minimis inaccuracies) as of the date of this Agreement, and as of the Effective Time as if made as at and as of such time; and (iii) all other representations and warranties of Trillium set forth in this Agreement shall be true and correct (x) in all respects as of the date of this Agreement, and in all respects as of the Effective Time as if made at

and as of such time (disregarding for purposes of this clause (iii)(y) of this Section 6.3(a) any materiality or Trillium Material Adverse Effect qualification contained in any such representation or warranty); except that any representation and warranty in each of the foregoing clauses (i), (ii) and (iii) that by its terms speaks specifically as of the date of this Agreement or another date shall be true and correct in all respects as of such date, and except in the case of the foregoing clause (iii)(y) where the failure to be so true and correct in all respects, individually and in the aggregate, does not constitute a Trillium Material Adverse Effect, and Trillium shall have provided to Pacton a certificate of two senior officers of Trillium certifying (on Trillium's behalf and without personal liability) the foregoing dated the Effective Date;

- (b) Trillium shall have complied in all respects with its covenants in Section 2.13 [*Payment of Consideration*] and in all material respects with its other covenants herein and Trillium shall have provided to Pacton a certificate of two senior officers of Trillium certifying (on Trillium's behalf and without personal liability) compliance with such covenants dated the Effective Date;
- (c) all necessary actions shall have been taken by Trillium prior to the Effective Time to ensure that the Nominees are appointed to the Trillium Board immediately after the Effective Time; and
- (d) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public) any Trillium Material Adverse Effect that has not been cured, and Trillium shall have provided to Pacton a certificate of two senior officers of Trillium to that effect (on Trillium's behalf and without personal liability).

6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time. For greater certainty, and notwithstanding the terms of any escrow arrangement entered into between the Parties and the Depositary, the Consideration Shares held in escrow by the Depositary pursuant to Section 2.13 hereof shall be released from escrow at the Effective Time without any further act or formality required on the part of any person.

6.5 Notice and Cure Provisions

- (a) Each Party will give prompt notice to the other Party of the occurrence or failure to occur (in either case, actual, anticipated, contemplated or, to the knowledge of such Party, threatened), at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would reasonably be likely to:
 - (i) cause any of the representations or warranties of either Party contained herein to be untrue, misleading or inaccurate in any material respect on the date hereof or at the Effective Date; or
 - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by either Party prior to or at the Effective Date.
- (b) Notification provided under this Section 6.5 will not affect the representations, warranties, covenants, conditions, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.
- (c) Trillium may not elect to exercise its right to terminate this Agreement pursuant to Section 7.2(a)(iii)(D) [*Breach of Representations, Warranties or Covenants by Pacton*] and Pacton may not elect to exercise its right to terminate this Agreement pursuant to Section

7.2(a)(iv)(C) [*Breach of Representations, Warranties or Covenants by Trillium*], unless the Party seeking to terminate the Agreement (the “**Terminating Party**”) has delivered a written Notice (“**Termination Notice**”) to the other Party (the “**Breaching Party**”) specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, if the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of: (i) the Outside Date; and (ii) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date; provided that if any matter is not capable of being cured by the Outside Date, the Terminating Party may immediately exercise the applicable termination right.

6.6 Frustration of Conditions

Neither Trillium nor Pacton may rely on the failure of any condition set forth in Section 6.1, Section 6.2 or Section 6.3, as applicable, to be satisfied if such failure was caused by such Party's breach in any material respect of any provision of this Agreement or failure in any material respect to use the standard of efforts required from such Party to consummate the transactions contemplated hereby.

ARTICLE 7 TERM, TERMINATION, AMENDMENT AND WAIVER

7.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

7.2 Termination

- (a) This Agreement may be terminated at any time prior to the Effective Time:
 - (i) by mutual written agreement of Pacton and Trillium;
 - (ii) by either Pacton or Trillium, if:
 - (A) the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 7.2(a)(ii)(A) shall not be available to any Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date;
 - (B) after the date hereof, there shall be enacted or made any applicable Law or Order that remains in effect and that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Pacton or Trillium from consummating the Arrangement and such Law, Order or injunction shall have become final and non-appealable;
 - (C) the Pacton Shareholder Approval shall not have been obtained at the Pacton Meeting except that the right to terminate this Agreement under this Section 7.2(a)(ii)(C) shall not be available to any Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure to receive the Pacton Shareholder Approval; or

- (D) to the extent shareholder approval is required by the TSX.V in respect of approval of listing of the Trillium Shares to be issued or made issuable pursuant to this Agreement, the Trillium Resolution shall not have been duly approved at the Trillium Meeting except that the right to terminate this Agreement under this Section 7.2(a)(ii)(D) shall not be available to any Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure to receive the approval from Trillium Shareholders.
- (iii) by Trillium, if:
 - (A) a Pacton Change in Recommendation occurs;
 - (B) Pacton shall have breached Section 5.8 in any material respect;
 - (C) a Pacton Material Adverse Effect has occurred which is incapable of being cured prior to the Outside Date; or
 - (D) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Pacton set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.2(a) or Section 6.2(b) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date.
- (iv) by Pacton, if
 - (A) prior to obtaining the Pacton Shareholder Approval, the Pacton Board authorizes Pacton to enter into a written agreement (other than an agreement similar to the Confidentiality Agreement) with respect to a Pacton Superior Proposal and concurrent with such termination Pacton pays the Pacton Termination Fee;
 - (B) a Trillium Material Adverse Effect has occurred which is incapable of being cured prior to the Outside Date; or
 - (C) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Trillium set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.3(a) or Section 6.3(b) not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date.
- (b) The Party desiring to terminate this Agreement pursuant to this Section 7.2 (other than pursuant to Section 7.2(a)(i)) shall give written notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.
- (c) If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become void and be of no further force or effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or Representative of such Party) to any other Party hereto, except that: (i) in the event of termination under Section 7.1 as a result of the Effective Time occurring, the provisions of this Section 7.2(c) and Sections 5.10, 5.11, 8.2 and 8.9 and all related definitions set forth in Section 1.1 shall survive for a period of six years thereafter and Section 2.15 will survive indefinitely; (ii) in the event of termination under Section 7.2, the provisions of this Section 7.2(c) and Sections 7.3, and 8.2, 8.3, 8.5, 8.6 and 8.8 and all related definitions set forth in Section 1.1 and the

provisions of the Confidentiality Agreement shall survive any termination hereof pursuant to Section 7.2 and Section 2.15 will survive indefinitely; and (iii) neither Party shall be relieved or released from any liabilities or damages arising out of its willful breach of any provision of this Agreement.

7.3 Termination Fees

- (a) Except as otherwise provided herein, all fees, costs and expenses incurred in connection with this Agreement and the Plan of Arrangement shall be paid by the Party incurring such fees, costs or expenses.
- (b) For the purposes of this Agreement, “**Pacton Termination Fee Event**” means the termination of this Agreement:
 - (i) by Trillium pursuant to Section 7.2(a)(iii)(A) [*Pacton Change in Recommendation*];
 - (ii) by Pacton pursuant to Section 7.2(a)(iv)(A) [*Pacton Superior Proposal*];
 - (iii) by Trillium pursuant to 7.2(a)(iii)(B) [*Pacton Material Breach of Non-solicitation Provisions*];
 - (iv) by either Party pursuant to Section 7.2(a)(ii)(A) [*Effective Time Not Occurring Prior to the Outside Date*] or Section 7.2(a)(ii)(C) [*Failure to Obtain the Pacton Shareholder Approval*] or by Trillium pursuant to Section 7.2(a)(iii)(D) [*Breach of Representations, Warranties or Covenants*], but only if, in these termination events, (x) prior to such termination, a *bona fide* Pacton Acquisition Proposal shall have been made and publicly announced by any Person (other than Trillium and its affiliates) and such Pacton Acquisition Proposal is not withdrawn at least five Business Days prior to the date of the Pacton Meeting and (y) within 12 months following the date of such termination, (A) Pacton or one or more of its Subsidiaries enters into a Contract (other than a confidentiality agreement) in respect of a Pacton Acquisition Proposal (whether or not such Pacton Acquisition Proposal is the same Pacton Acquisition Proposal referred to in clause (x) above) and such Pacton Acquisition Proposal is later consummated (whether or not within 12 months after such termination) or (B) a Pacton Acquisition Proposal shall have been consummated (whether or not such Pacton Acquisition Proposal is the same Pacton Acquisition Proposal referred to in clause (x) above), provided that for purposes of this Section 7.3(b)(iv), the term “Pacton Acquisition Proposal” shall have the meaning ascribed to such term in Section 1.1 except that a reference to “20 per cent” therein shall be deemed to be a reference to “50 per cent”.

If a Pacton Termination Fee Event occurs, Pacton shall pay the Pacton Termination Fee to Trillium, by wire transfer of immediately available funds, as follows:

- (A) if the Pacton Termination Fee is payable pursuant to Section 7.3(b)(i) or Section 7.3(b)(ii) the Termination Fee shall be payable concurrently with the termination of this Agreement;
- (B) if the Pacton Termination Fee is payable pursuant to Section 7.3(b)(iii) the Termination Fee shall be payable within two Business Days of such termination; or
- (C) if the Pacton Termination Fee is payable pursuant to Section 7.3(b)(iv), the Termination Fee shall be payable concurrently upon the consummation of the Pacton Acquisition Proposal referred to therein.

- (c) The Parties acknowledge that all of the payment amounts set out in this Section 7.3 are payments of liquidated damages which are a genuine pre-estimate of the damages which the other Party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, each Party agrees that, upon any termination of this Agreement under circumstances where Pacton or Trillium is entitled to a Termination Fee and such Termination Fee is paid in full, Pacton or Trillium, as the case may be, shall be precluded from any other remedy against the other Party at Law or in equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the other Party or any of its Subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates or their respective representatives in connection with this Agreement or the transactions contemplated hereby, provided that the foregoing limitation shall not apply in the event of fraud or wilful breach of this Agreement by a Party.

7.4 Amendment

Subject to the provisions of the Interim Order, the Plan of Arrangement and applicable Laws, this Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Pacton Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of Pacton Shareholders, and any such amendment may without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; and/or
- (d) waive compliance with or modify any mutual conditions precedent herein contained.

7.5 Waiver

Any Party may: (a) extend the time for the performance of any of the obligations or acts of the other Party; (b) waive compliance, except as provided herein, with any of the other Party's agreements or the fulfilment of any conditions to its own obligations contained herein; or (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

ARTICLE 8 GENERAL PROVISIONS

8.1 Notices

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given and received on the day it is delivered, provided that it is delivered

on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if notice is delivered after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day. Notice shall be sufficiently given if delivered (either in Person or by courier), or if transmitted by email (with confirmation of transmission) to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

(a) if to Trillium:

Trillium Gold Mines Inc.
Suite 2250 - 1055 West Hastings Street
Vancouver, British Columbia
V6E 2E9

Attention: Russell Starr, President and CEO
Email: **[Redacted – Notice]**

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

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario
M5H 2T6

Attention: Florind Polo
Email: **[Redacted – Notice]**

(b) if to Pacton:

Pacton Gold Inc.
Suite 2250 - 1055 West Hastings Street
Vancouver, British Columbia
V6E 2E9

Attention: Nav Dhaliwal, CEO and President
Email: **[Redacted – Notice]**

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

Cozen O'Connor LLP
Bentall 5, 550 Burrard Street, Suite 2501
Vancouver, BC
V6C 2B5

Attention: Lucy Schilling
Email: **[Redacted – Notice]**

The Parties hereby irrevocably authorize and appoint the above-noted recipients of notice as their agents for service of any proceedings in relation to any matter arising out of or in connection with this Agreement and service on such service agent, which may be made in the same manner as any notice is to be provided, shall be deemed to be service on the Parties.

8.2 Governing Law

This Agreement shall be governed, including as to validity, interpretation and effect, by the Laws of the Province of British Columbia and the Laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement and the Arrangement and waives any defences to the maintenance of an action in the Courts of the Province of British Columbia.

8.3 Injunctive Relief

Subject to Section 7.3(c), the Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in the event of any breach or threatened breach of this Agreement by a Party, the non-breaching Party will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, and the Parties shall not object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at law. Subject to Section 7.3(c), such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at Law or equity to each of the Parties.

8.4 Time of Essence

Time shall be of the essence in this Agreement.

8.5 Entire Agreement, Binding Effect and Assignment

This Agreement (including the exhibits and schedules hereto) and the Confidentiality Agreement constitute the entire agreement, and supersede all other prior agreements, understandings, negotiations and discussions, both written and oral, between the Parties, or any of them, with respect to the subject matter hereof and thereof and, except as expressly provided herein, this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any of the Parties without the prior written consent of the other Party.

8.6 No Personal Liability

No director or officer of Trillium shall have any personal liability whatsoever to Pacton under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of Trillium. No director or officer of Pacton shall have any personal liability whatsoever to Trillium under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of Pacton.

8.7 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, that provision will be severed from this Agreement and all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

8.8 Waiver of Jury Trial

Each Party hereto (on behalf of itself and any of its affiliates, directors, officers, employees, agents and representatives) hereby waives, to the fullest extent permitted by applicable Laws, any right it may have to a trial by jury in respect of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated hereby or the actions of the Parties in the negotiation, administration, performance and enforcement of this Agreement. Each Party hereto (a) certifies that no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such Party would not, in the event of any action, suit or proceeding, seek to enforce the foregoing waiver and (b) acknowledges that it and the other Parties hereto have been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 8.8.

8.9 Third Party Beneficiaries

The provisions of Sections 5.6 and 5.10 are: (i) intended for the benefit of all present and former directors and officers of Pacton and its Subsidiaries, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the **"Third Party Beneficiaries"**) and Pacton shall hold the rights and benefits of Section 5.10 in trust for and on behalf of the Third Party Beneficiaries and Pacton hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (ii) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise. Except as provided in this Section 8.9, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

8.10 Counterparts, Execution

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank]

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

TRILLIUM GOLD MINES INC.

By: "Russell Starr"

Name: Russell Starr

Title: President, CEO and Director

PACTON GOLD INC.

By: "Navjit Dhaliwal"

Name: Navjit Dhaliwal

Title: CEO and President

**SCHEDULE A
FORM OF PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT
UNDER SECTION 288 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

**ARTICLE 1
INTERPRETATION**

Section 1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

“Arrangement Agreement” means the arrangement agreement made as of March 15, 2023 between the Company and the Purchaser, including the schedules thereto, as the same may be, amended, supplemented, restated or otherwise modified from time to time in accordance with its terms;

“Arrangement Resolution” means the special resolution approving this Plan of Arrangement to be considered at the Meeting;

“Arrangement” means an arrangement under the provisions of Section 288 of the BCBCA, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.4 of the Arrangement Agreement or Article 6 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

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

“Business Day” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in the Province of Ontario and in the Province of British Columbia;

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

“Company” means Pacton Gold Inc., a corporation existing under the laws of the Province of British Columbia;

“Consideration” means the consideration to be received by the Shareholders pursuant to the Plan of Arrangement in respect of each Common Share that is issued and outstanding immediately prior to the Effective Time, being 1.275 Trillion Shares for each Common Share;

“Contract” means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which any of their respective properties or assets is subject;

“Court” means the Supreme Court of British Columbia;

“Depository” means Computershare Trust Company of Canada, or any other depository or trust company, bank or financial institution as the Company may appoint to act as depository with the approval of the Purchaser, acting reasonably;

“Dissent Rights” has the meaning ascribed thereto in Section 4.1;

“Dissenting Shareholder” means a registered Shareholder who has duly and validly exercised the Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Common Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder;

“Dissenting Shares” means the Common Shares held by Dissenting Shareholders in respect of which such Dissenting Shareholders have given Notice of Dissent;

“Effective Date” means the effective date of the Arrangement, which shall be the fifth Business Day following the date on which all of the conditions precedent to the completion of the Arrangement have been satisfied or waived in accordance with this Agreement (other than those conditions which cannot, by their terms or nature, be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions as of the Effective Date), or such other date as may be mutually agreed in writing by the Parties;

“Effective Time” means 12:00 a.m. (Vancouver time) on the Effective Date or such other time as the Company and the Purchaser may agree upon in writing;

“Equity Incentive Plan” means the Company’s stock option plan as approved by the Shareholders on December 6, 2022 and described in the management information circular of the Company dated November 1, 2022 and filed on SEDAR;

“Exchange Ratio” means 1.275;

“Final Order” means the final order of the Court pursuant to Section 291(4) of the BCBCA, in form and substance acceptable to Trillium and Pacton, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of Trillium and Pacton, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal (provided that any such affirmation, amendment, modification, supplement or variation is acceptable to Trillium and Pacton, each acting reasonably);

“Former Shareholders” means the holders of Common Shares immediately prior to the time at which the steps set out at Section 3.1 hereof occur;

“Governmental Entity” means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, ministry, bureau or agency, domestic or foreign; (b) any stock exchange, including the TSX.V and the Frankfurt Stock Exchange; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, antitrust/competition, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing;

“holder”, when used with reference to any securities of the Company, means the holder of such securities shown from time to time in the central securities register maintained by or on behalf of the Company in respect of such securities;

“Interim Order” means the interim order made after the application to the Court pursuant to Section 291(2) of the BCBCA in form and substance acceptable to Trillium and Pacton, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same

may be amended, affirmed, modified, supplemented or varied by the Court with the consent of Trillium and Pacton, each acting reasonably;

"Letter of Transmittal" means the letter of transmittal to be sent to registered Shareholders for use in connection with the Arrangement;

"Liens" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, statutory or deemed trusts, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Meeting" means the special meeting of the Shareholders, including any adjournment or postponement thereof in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought advisable, approving the Arrangement Resolution;

"Notice of Dissent" means a notice of dissent duly and validly given by a registered Shareholder exercising Dissent Rights as contemplated in the Interim Order and as described in Article 4;

"Optionholder" means a holder of Options;

"Options" means the outstanding options to purchase Common Shares issued pursuant to the Equity Incentive Plan;

"Parties" means Pacton and Trillium, and **"Party"** means either one of them, as the context requires;

"Plan of Arrangement" means this plan of arrangement as amended, modified or supplemented from time to time in accordance with Article 6 or at the direction of the Court in the Final Order, with the consent of the Company and the Purchaser, each acting reasonably;

"Purchaser" means Trillium or any other entity that is a wholly owned, direct or indirect, subsidiary of the Purchaser;

"Replacement Option" shall have the meaning ascribed to such term in Schedule "A" Section 3.1(c) of this Plan of Arrangement;

"Shareholder" means a holder of Common Shares;

"Subsidiary" means, with respect to a specified entity, any:

- (i) corporation of which issued and outstanding voting securities of such corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation (whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency) are owned by such specified entity and the votes attached to those voting securities are sufficient, if exercised, to elect a majority of the directors of such corporation;
- (ii) partnership, unlimited liability company, joint venture or other similar entity in which such specified entity has more than 50% of the equity interests and the power to direct the policies, management and affairs thereof; and
- (iii) a subsidiary (as defined in clauses (i) and (ii) above) of any subsidiary (as so defined) of such specified entity;

"Tax Act" means the *Income Tax Act* (Canada);

"Trillium Shares" means the common shares in the capital of Trillium;

"Trillium" means Trillium Gold Inc., a corporation existing under the laws of the Province of British Columbia;

"TSX.V" means the TSX Venture Exchange;

"U.S. Securities Act" means the *United States Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder;

"Warrantholder" means a holder of Warrants; and

"Warrants" means the outstanding share purchase warrants to purchase Common Shares;

Any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Arrangement Agreement. In addition, words and phrases used herein and defined in the BCBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

Section 1.2 Interpretation Not Affected by Headings, Certain Phrases, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article", "Section" or "paragraph" followed by a number and/or a letter refer to the specified Article, Section or paragraph of this Plan of Arrangement. The words "including", "includes" and "include" mean "including (or includes or include) without limitation" and the words "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of".

Section 1.3 Number

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa.

Section 1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in any letter of transmittal contemplated herein are local time (Vancouver, British Columbia) unless otherwise stipulated herein or therein.

Section 1.6 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

Section 1.7 Statutes

Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

ARTICLE 2 EFFECT OF THE ARRANGEMENT

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms a part of the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement will become effective on the Effective Time, and be binding upon the Purchaser, Company, all registered holders and beneficial holders of, Common Shares (including Dissenting Shares), Options and Warrants, the registrar and transfer agent of the Company, the Depositary and all other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

ARTICLE 3 ARRANGEMENT

Section 3.1 The Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following sequence, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time, without any further authorization, act or formality of or by the Company, the Purchaser or any other Person:

- (a) each of the Common Shares held by Dissenting Shareholders in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to the Company in consideration for a debt claim against the Company for the amount determined under Article 4, and:
 - (i) such Dissenting Shareholders shall cease to be the holders of such Common Shares and shall cease to have any rights as holders of such Common Shares other than the right to be paid fair value by the Company for such Common Shares as set out in Section 4.1;
 - (ii) such Dissenting Shareholders' names shall be removed as the holders of such Common Shares from the register of Common Shares maintained by or on behalf of the Company; and
 - (iii) such Common Shares shall be cancelled;
- (b) each outstanding Common Share (other than Common Shares held by any Dissenting Shareholders) will, without further act or formality by or on behalf of a holder of Common Shares, be irrevocably assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration, and

- (i) the holders of such Common Shares shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to receive the Consideration from the Purchaser in accordance with this Plan of Arrangement;
 - (ii) such holders' names shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the transferee and the holder of such Common Shares (free and clear of all Liens) and shall be entered as the holder of such Common Shares in the register of the Common Shares maintained by or on behalf of the Company;
- (c) each Option outstanding immediately prior to the Effective Time (whether vested or unvested), will be exchanged for an option issued under the Trillium incentive plan (the **"Replacement Option"**) (subject to the same term and vesting conditions, if applicable) to acquire that number of Trillium Shares equal to (A) the Exchange Ratio multiplied by (B) the number of Common Shares subject to such Option immediately prior to the Effective Time and with an exercise price per Trillium Share (rounded up to the nearest whole cent) equal to (X) the exercise price per Common Share purchasable pursuant to such Option divided by (Y) the Exchange Ratio, and in a manner intended to comply with the requirements of Section 409A of the Code and subsection 7(1.4) of the Tax Act (provided that the exercise of the Replacement Options shall be conditional upon the holder of the Replacement Option executing an instrument providing the same covenants, agreements and undertakings in respect of the securities issuable on the exercise of the Replacement Options as those contained in the Letter of Transmittal, which instrument shall be in a form reasonably acceptable to the Purchaser). Notwithstanding the foregoing, if required to comply with subsection 7(1.4) of the Tax Act, the exercise price for each Trillium Share under each Replacement Option will be increased such that (i) the excess (if any) of the aggregate fair market value of the Trillium Shares underlying a holder's Replacement Option immediately following the exchange less (ii) the aggregate exercise price of such Replacement Option otherwise determined does not exceed (iii) the excess (if any) of the aggregate fair market value of the Common Shares underlying the holder's corresponding Option immediately before the exchange less (iv) the aggregate exercise price of such Option, which adjustment will be made nunc pro tunc; and
 - (i) each holder of Options will cease to have any rights as a holder of Options other than the right to receive the Replacement Option;
 - (ii) the name of each holder of Options will be removed as the registered holder of Options from the applicable register of Company maintained by or on behalf of Company and added as a registered holder of Replacement Options under the Trillium stock option plan on the applicable register of the Purchaser maintained by or on behalf of the Purchaser; and
 - (iii) any document previously evidencing Options will thereafter evidence and be deemed to evidence the Replacement Options and no certificates evidencing the Replacement Options shall be required to be issued and the Replacement Options shall be governed by and be subject to the Trillium incentive plan, other than as amended hereby;
- (d) the Equity Incentive Plan, and all agreements relating to Options shall be terminated and shall be of no further force and effect, and the holders of Options shall thereafter only have the right to receive the consideration to which they are entitled pursuant to this Section 3.1 in the manner specified in this Section 3.1;

- (e) in accordance with the terms and conditions of each Warrant outstanding immediately prior to the Effective Time (whether vested or unvested) as amended pursuant to this Section 3.1(e) of the Plan of Arrangement, upon due exercise of the Warrants and for the same aggregate consideration payable thereupon, the holder thereof shall be entitled to receive, in lieu of Common Shares, that number of Trillium Shares which such Warrantholder would have been entitled to if the Warrant had been exercised prior to the Effective Time and such Common Share(s) had been exchanged in accordance with the Exchange Ratio (provided that the exercise of the Warrants shall be conditional upon the holder of the Warrant executing an instrument providing the same covenants, agreements and undertakings in respect of the securities issuable on the exercise of the Warrants as those contained in the Letter of Transmittal, which instrument shall be in a form reasonably acceptable to the Purchaser); and
 - (i) each holder of Warrants will cease to have any rights as a holder of Warrants to acquire Common Shares and instead will be entitled to receive the consideration contemplated by Section 3.1(e) upon due exercise of such Warrants;
 - (ii) except as otherwise provided for in this Section 3.1(e), each Warrant shall continue to be governed by and be subject to the terms of the certificates representing the Warrants; and
 - (iii) the foregoing will not result in a novation of the Warrants or the creation of new warrants, and no holder of Warrants will be considered to have disposed of such warrants as a result of the foregoing for any purpose.

Section 3.2 Intentionally Left Blank

Section 3.3 Deposit Rules and Procedures

- (1) Following the receipt of the Final Order and prior to the Effective Date, the Purchaser shall deliver or arrange to be delivered to the Depositary the Trillium Shares required to be issued to Former Shareholders, in accordance with the provisions of Section 3.1(b) hereof, which shall be held by the Depositary as agent and nominee for such Former Shareholders for distribution to such Former Shareholders (or, for greater certainty, to give effect to any withholding or remittance obligations in respect of taxes pursuant to Section 5.3 hereof) in accordance with the provisions of Article 5 hereof.
- (2) Subject to the provisions of Article 5 hereof, and upon return of a properly completed Letter of Transmittal by a registered Former Shareholder together with certificates representing Common Shares and such other documents as the Depositary may require, Former Shareholders shall be entitled to receive the Trillium Shares to which they are entitled pursuant to Section 3.1(b) hereof.

Section 3.4 No Fractional Shares

In no event shall any holder of Common Shares be entitled to a fractional Trillium Share. Where the aggregate number of Trillium Shares to be issued to a Person as consideration under or as a result of this Arrangement would result in a fraction of a Trillium Share being issuable, the number of Trillium Shares to be received by such securityholder shall be rounded down to the nearest whole Trillium Share and no Person will be entitled to any compensation in respect of a fractional Trillium Share.

Section 3.5 U.S. Securities Act Exemption

Notwithstanding any provision herein to the contrary, the Purchaser and the Company agree that this Plan of Arrangement will be carried out with the intention that all Trillium Shares issued to Former Shareholders on completion of this Plan of Arrangement will be issued by Trillium in reliance on the

exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof.

ARTICLE 4 DISSENT RIGHTS

Section 4.1 Rights of Dissent

- (a) In connection with the Arrangement, each registered Shareholder (other than any registered Shareholder who has signed a voting support agreement in connection with the Arrangement) may exercise rights of dissent ("**Dissent Rights**") with respect to the Common Shares held by such Shareholder pursuant to Section 237 to 247 of the BCBCA, as modified by the Interim Order, the Final Order and this Section 4.1; provided that, notwithstanding Section 242(1)(a) of the BCBCA, the written notice of dissent to the Arrangement Resolution referred to in such section of the BCBCA must be received by the Company not later than 4:00 p.m. (Vancouver time) on the day that is two (2) Business Days preceding the Meeting.
- (b) Dissenting Shareholders who duly exercise their Dissent Rights and are ultimately entitled to be paid by Company the fair value for their Common Shares (1) shall be deemed to not to have participated in the transactions in Article 3 in respect of their respective Common Shares; (2) shall be deemed to have transferred and assigned such Common Shares held by them in respect of which Dissent Rights have been validly exercised to Company, free and clear of all Liens, in accordance with Section 3.1(a); (3) will be entitled to be paid the fair value of such Common Shares by Company, which fair value, notwithstanding anything to the contrary contained in the BCBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Meeting; and (4) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholders not exercised their Dissent Rights in respect of such Common Shares.
- (c) Dissenting Shareholders who are ultimately not entitled, for any reason, to be paid by Company the fair value for their Common Shares, shall be deemed to have participated in the Arrangement in respect of those Common Shares on the same basis as a non-Dissenting Shareholder, and shall be entitled to receive their portion of the Consideration from the Purchaser in the same manner as such a non-Dissenting Shareholder, provided such Dissenting Shareholders comply with Article 5 of this Plan of Arrangement.
- (d) In no case shall the Purchaser, the Company, the Depositary or any other Person be required to recognize a Dissenting Shareholder as a holder of Common Shares or any interest therein (other than the rights set out in this Article 4) at or after the Effective Time and the name of each such Dissenting Shareholder shall be removed as the registered holder of such Common Shares from the applicable securities register of Company maintained by or on behalf of Company as at the Effective Time,.
- (e) For greater certainty, in addition to any other restrictions in the Interim Order and Final Order, no Person shall be entitled to exercise Dissent Rights with respect to Common Shares in respect of which a Person has voted in person or has instructed a proxyholder to vote in favour of Arrangement Resolution at the Meeting.
- (f) No Dissent Rights shall be available to Optionholders or Warrantholders in connection with the Arrangement.

Section 4.2 Recognition of Dissenting Shareholders

- (a) In no circumstances shall the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Common Shares in respect of which such rights are sought to be exercised.
- (b) For greater certainty, in no case shall the Purchaser or the Company or any other Person be required to recognize Dissenting Shareholders as holders of Common Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 3.1(a), and the names of such Dissenting Shareholders shall be removed from the registers of holders of the Common Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 3.1(a) occurs.

ARTICLE 5 CERTIFICATES AND PAYMENTS

Section 5.1 Payment of Consideration

- (1) As soon as practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of a certificate or the delivery of a direct registration statement that immediately prior to the Effective Time represented outstanding Common Shares (other than Common Shares in respect of which Dissent Rights have been validly exercised and not withdrawn), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Former Shareholders represented by such surrendered certificate or the delivery of a direct registration statement, as applicable, shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, the Trillium Shares that such holder is entitled to receive in accordance with Section 3.1(b) hereof, less any amounts withheld, if any, pursuant to Section 5.3, and any certificate so surrendered shall forthwith be cancelled.
- (2) Until surrendered as contemplated by this Section 5.1, each certificate or direct registration statement, as applicable, which immediately prior to the Effective Time represented Common Shares (other than Common Shares in respect of which Dissent Rights have been validly exercised and not withdrawn) will be deemed after the Effective Time to represent only the right to receive from the Depositary the Trillium Shares that the holder of such Common Shares is entitled to receive in accordance with Section 3.1 hereof, less any amounts withheld, if any, pursuant to Section 5.3. Any certificate formerly representing Common Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Common Shares of any kind or nature against or in the Company or the Purchaser. On such date, all certificates representing the Common Shares shall be deemed to have been surrendered to the Company and consideration to which such former holder was entitled, together with any entitlements to dividends, distributions and interest thereon, shall be deemed to have been surrendered to the Company or any successor thereof for no consideration.
- (3) Any payment made by way of cheque by the Depositary pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Date, and any right or claim to payment of consideration hereunder that remains outstanding on the sixth anniversary of the Effective Date, shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the consideration for the Common Shares, Options, Warrants, as applicable, pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Company or any successor thereof for no consideration.
- (4) Following the Effective Time, no holder of Common Shares, Options, or Warrants, shall be entitled to receive any consideration or entitlement with respect to such Common Shares, Options or

Warrants, other than any consideration or entitlement to which such holder is entitled to receive in accordance with Section 3.1, this Section 5.1 and the other terms of this Plan of Arrangement, in each case subject to Section 5.3 hereof, and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith, other than any declared but unpaid dividends.

- (5) All dividends and distributions made after the Effective Time with respect to any Trillium Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary as agent and bare trustee for the registered holder of such Trillium Shares. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the may reasonably require, such distributions and any interest thereon to which such holder is entitled, net of any applicable withholding and other taxes.

Section 5.2 Loss of Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares which were exchanged or transferred in accordance with Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the former holder of such Common Shares, the Depositary will deliver to such Person in exchange for such lost, stolen or destroyed certificate, the Trillium Shares which the former holder of such Common Shares is entitled to receive pursuant to Section 3.1 hereof in accordance with such holder's Letter of Transmittal. When authorizing such payment in relation to any lost, stolen or destroyed certificate, the former holder of such Common Shares will, as a condition precedent to the delivery of such Consideration, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser and the Depositary may direct or otherwise indemnify the Company and the Purchaser in a manner satisfactory to the Purchaser against any claim that may be made against the Company or the Purchaser with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 5.3 Withholding Rights

The Company, the Purchaser and the Depositary shall be entitled to deduct or withhold from any consideration or amount otherwise payable or deliverable to any Shareholder, any holder of Options or any holder of Warrants under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Article 4 hereof), such amounts as the Company, the Purchaser or the Depositary, as the case may be, may reasonably determine is required to be deducted and withheld with respect to such payment under any provision of Laws in respect of Taxes. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Shareholder, holder of Options or holder of Warrants, as applicable, in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity. Each of the Company, the Purchaser and the Depositary is hereby authorized to sell or otherwise dispose of such portion of Trillium Shares payable as Consideration as is necessary to provide sufficient funds to the Company, the Purchaser or the Depositary, as applicable, to enable it to implement such deduction or withholding, and the Company, the Purchaser or the Depositary will notify the holder thereof and remit to the holder any unapplied balance of the net proceeds of such sale. Any sale will be made at prevailing market prices and none of the Company, the Purchaser or the Depositary shall be under any obligation to obtain or indemnify any Shareholder in respect of a particular price for the Trillium Shares so sold.

Section 5.4 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 5.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Common Shares, Options and Warrants issued or outstanding prior to the Effective Time, (b) the rights and obligations of the holders of Common Shares (including Dissenting Shares), Options and Warrants, and the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Common Shares, Options and Warrants shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 6 AMENDMENTS

Section 6.1 Amendments to Plan of Arrangement

- (1) The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Company and the Purchaser, each acting reasonably, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to Shareholders, Optionholders and Warrantholders if and as required by the Court.
- (2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to the Meeting (provided that the other Parties shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (3) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Shareholders voting in the manner directed by the Court.
- (4) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of such Party, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interest (including tax consequences) of any Former Shareholder or any former holder of Options or Warrants.

ARTICLE 7 FURTHER ASSURANCES

Section 7.1 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Company and the Purchaser will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

SCHEDULE B
FORM OF ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) involving Pacton Gold Inc. (“**Pacton**”), pursuant to the arrangement agreement between Pacton and Trillium Limited dated [●], as it may be modified, supplemented or amended from time to time in accordance with its terms (the “**Arrangement Agreement**”), as more particularly described and set forth in the management information circular of Pacton dated [●], (the “**Circular**”), and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement of Pacton, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms (the “**Plan of Arrangement**”), the full text of which is set out as Schedule “A” to the Circular, is hereby authorized, approved and adopted.
3. The: (a) Arrangement Agreement and all the transactions contemplated therein, (b) actions of the directors of Pacton in approving the Arrangement and the Arrangement Agreement, and (c) actions of the directors and officers of Pacton in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto, and causing the performance by Pacton of its obligations thereunder, are hereby ratified and approved.
4. Pacton is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the “**Court**”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, modified, supplemented or amended).
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the holders of common shares of Pacton (the “**Pacton Shareholders**”) entitled to vote thereon or that the Arrangement has been approved by the Court, the directors of Pacton are hereby authorized and empowered, without further notice to or approval of the Pacton Shareholders: (a) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms, and (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and any related transactions.
6. Any officer or director of Pacton is hereby authorized and directed, for and on behalf of Pacton, to execute or cause to be executed and to deliver or cause to be delivered, whether under the corporate seal of Pacton or otherwise, for filing with the Registrar of Companies under the BCBCA, all such documents and instruments and to perform or cause to be performed all such other acts and things as, in such person’s opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the doing of any such other act or thing.

SCHEDULE C
KEY REGULATORY APPROVALS

None.

SCHEDULE 3.1 REPRESENTATIONS AND WARRANTIES OF PACTON

Defined Terms

As used in this schedule, capitalized terms have the meanings ascribed thereto in the Arrangement Agreement to which this schedule is appended, and the following terms have the following meanings:

"Indigenous Claim" means any and all claims (whether or not proven) by any person to or in respect of (a) rights, title or interests of any Indigenous groups by virtue of its status as an Indigenous group; (b) treaty rights; or (c) specific or comprehensive claims being considered by Crown-Indigenous Relations and Northern Affairs Canada;

"Restricted Party" means a person that is: (i) listed on, or owned or (directly or indirectly) controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List, (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of Sanctions, or (iii) otherwise a target of Sanctions;

"Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (i) the United States government; (ii) the United Nations; (iii) the European Union (iv) the United Kingdom; (v) Canada or (vi) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("**OFAC**"), the United States Department of State, Global Affairs Canada ("**GAC**"), and Her Majesty's Treasury ("**HMT**") or any other relevant sanctions authority (together "the Sanctions Authorities");

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated Canadian Autonomous Sanctions List, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities;

"Pacton Annual Financial Statements" means the audited consolidated financial statements for Pacton as of and for each of the fiscal years ended on November 30, 2021 and November 30, 2020 (including any notes or schedules thereto and the auditor's report thereon);

"Pacton Balance Sheet" has the meaning given to it in Section (m) of this Schedule 3.1;

"Pacton Financial Statements" means, together, Pacton Annual Financial Statements and Pacton Interim Financial Statements;

"Pacton Interim Financial Statements" means the interim unaudited condensed consolidated financial statements for Pacton for the nine month period ended August 31, 2022 and August 31, 2021 (including any notes or schedules thereto);

"Pacton Material Property" means Pacton's Red Lake Gold Project located in Ontario;

"Pacton Material Subsidiaries" means all of Pacton's Subsidiaries; and

"Pacton Mineral Rights" has the meaning given to it in Section (n)(ii) of this Schedule 3.1.

REPRESENTATIONS AND WARRANTIES OF PACTON

- (a) Organization and Qualification. Pacton and each of the Pacton Material Subsidiaries is a corporation duly incorporated or an entity duly created and validly existing under all applicable Laws of its jurisdiction of incorporation, continuance or creation and has all corporate power and capacity to own its assets and conduct its business as now owned and conducted. Pacton, each of the Pacton Material Subsidiaries is duly qualified to carry on business and is in good standing in each jurisdiction in which its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities, makes such qualification necessary, except where the failure to be so registered or in good standing would not, individually or in the aggregate, have a Pacton Material Adverse Effect. True and complete copies of the constating documents of Pacton and each of the Pacton Material Subsidiaries have been disclosed in the Pacton Data Room, and no action has been taken to amend or supersede such constating documents of Pacton and each of the Pacton Material Subsidiaries.

- (b) Authority Relative to this Agreement. Pacton has the requisite corporate power and authority to enter into this Agreement and the agreements and other documents to be entered into by it hereunder and, subject to obtaining the Interim Order, the Final Order and the Pacton Shareholder Approval, to perform its obligations hereunder and thereunder. The execution and delivery and performance of this Agreement, the Arrangement and the agreements and other documents to be entered into by it hereunder and the consummation by Pacton of the transactions contemplated hereunder and thereunder have been duly authorized by the Pacton Board and no other corporate proceedings on the part of Pacton are necessary to authorize this Agreement and the agreements and other documents to be entered into by it hereunder or the consummation of the Arrangement, other than obtaining the Interim Order, the Final Order, approval of the Pacton Circular by the Pacton Board and the Pacton Shareholder Approval. This Agreement has been duly executed and delivered by Pacton and constitutes a valid and binding obligation of Pacton, enforceable by Trillium against Pacton in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (c) No Conflict; Required Filings and Consent. Other than in connection with any Pre-Acquisition Reorganization, the execution and delivery by Pacton of this Agreement and the performance by it of its obligations hereunder and the completion of the Arrangement and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or both, or the happening of any other event or condition):
 - (i) violate, conflict with or result in a breach of:
 - (A) any provision of the memorandum of incorporation, articles, by-laws or other constating documents or partnership agreements of Pacton or any of its Subsidiaries;
 - (B) any Pacton Material Contract or Authorization to which Pacton or any of its Subsidiaries is a party or by which Pacton or any of its Subsidiaries is bound, except as would not, individually or in the aggregate, have a Pacton Material Adverse Effect; or
 - (C) any Law to which Pacton or any of its Subsidiaries is subject or by which Pacton or any of its Subsidiaries is bound, subject to receipt of the Regulatory Approvals and except as would not, individually or in the aggregate, have a Pacton Material Adverse Effect;

- (ii) give rise to any right of termination, allow any Person to exercise any rights, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Pacton is entitled, under any Pacton Material Contract or Authorization to which Pacton or any of its Subsidiaries is a party, except as would not, individually or in the aggregate, have a Pacton Material Adverse Effect; or
- (iii) give rise to any rights of first refusal or rights of first offer, trigger any change of control provision or any restriction or limitation, or require any consent or other action by any Person under, any Pacton Material Contract or Authorization, or result in the imposition of any Lien upon any of Pacton's assets or the assets of any of the Pacton's Subsidiaries except as would not, individually or in the aggregate, have a Pacton Material Adverse Effect.

Other than the Regulatory Approvals, such filings and approvals required by the applicable rules and policies of the TSX.V, the Interim Order and the Final Order, no Authorization of, or other action by or in respect of, or filing, recording, registering or publication with, or notification to, any Governmental Entity is necessary on the part of Pacton or any of its Subsidiaries for the consummation by Pacton of its obligations in connection with the Arrangement under this Agreement or for the completion of the Arrangement, except for such Authorizations and filings as to which the failure to obtain or make would not, individually or in the aggregate, have a Pacton Material Adverse Effect.

(d) Subsidiaries.

- (i) Pacton has no material Subsidiaries other than the Pacton Material Subsidiaries. None of the Pacton Material Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to Pacton, from making any other distribution on such Pacton Material Subsidiary's capital stock, from repaying to Pacton any loans or advances to such Pacton Material Subsidiary from Pacton.
- (ii) The following information with respect to each Pacton Material Subsidiary is accurately set out, as at the date thereof, in Section 3.1(d)(ii) of the Pacton Disclosure Letter: (i) its name; (ii) Pacton's percentage equity ownership of it; and (iii) its jurisdiction of incorporation, organization or formation.
- (iii) Pacton is, directly or indirectly, the registered and beneficial owner of (A) with respect to each Pacton Material Subsidiary, all of its issued and outstanding securities free and clear of all Liens (other than Permitted Liens), and all of the issued and outstanding securities of the Pacton Material Subsidiaries have been duly and validly authorized and issued, are fully paid, and if such entity is a corporation, are non-assessable. No securities of the Pacton Material Subsidiaries have been issued in violation of any Law or pre-emptive or similar rights. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any securities or other ownership interests in any of the Pacton Material Subsidiaries.

(e) Compliance with Laws and Constating Documents.

- (i) The operations of Pacton and its Subsidiaries have been since January 1, 2021 and are now being conducted in material compliance with all Laws of each jurisdiction, the Laws of which have been and are now applicable to the operations of Pacton and of any of its Subsidiaries, and none of Pacton or any of its Subsidiaries has received any notice of any alleged violation of any such Laws, other than non-compliance or violations which have not had and would not

reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.

- (ii) None of Pacton or any of its Subsidiaries is in conflict with, or in default under or in violation of its articles or by-laws or equivalent organizational documents except for such violation or default which would not, individually or in the aggregate, have a Pacton Material Adverse Effect.
- (f) Authorizations. Pacton and its Subsidiaries have obtained all Authorizations necessary for the ownership, operation and use of the assets of Pacton and its Subsidiaries or otherwise in connection with carrying on the business and operations of Pacton and its Subsidiaries in compliance with all applicable Laws, except where the failure to have any such Authorization would not, individually or in the aggregate, have a Pacton Material Adverse Effect. Such Authorizations are in full force and effect in accordance with their terms. Pacton and its Subsidiaries have fully complied with and are in compliance with all such Authorizations, except, in each case, for such non-compliance which would not, individually or in the aggregate, have a Pacton Material Adverse Effect. There is no action, investigation or proceeding pending or, to the knowledge of Pacton threatened, regarding any such Authorizations, which if successful would, individually or in the aggregate, have a Pacton Material Adverse Effect. None of Pacton or any of its Subsidiaries or any of their respective officers or directors, has received any notice, whether written or oral, of revocation or non-renewal or material amendments of any such Authorizations, or of any intention of any Person to revoke or refuse to renew or to materially amend any of such Authorizations, except in each case, for revocations, non-renewals or amendments which would not, individually or in the aggregate, have a Pacton Material Adverse Effect, and all Authorizations of Pacton and its Subsidiaries continue to be effective in order for Pacton and its Subsidiaries to continue to conduct their respective businesses as they are currently being conducted. To the knowledge of Pacton, no Person other than Pacton or a wholly-owned Subsidiary thereof owns or has any proprietary, financial or other interest (direct or indirect) in any Authorizations of Pacton or its wholly-owned Subsidiaries.
- (g) Capitalization.
 - (i) The authorized share capital of Pacton consists of an unlimited number of Pacton Shares. As of the date of this Agreement there are outstanding (A) 54,497,310 Pacton Shares issued and outstanding; (B) 1,724,500 Pacton Options; and (C) 33,000 Pacton Warrants that will result in the issuance of up to 33,000 Pacton Shares upon the exercise thereof. There are no issued, outstanding or authorized options, warrants, conversion privileges, calls, or pre-emptive, redemption, repurchase, stock appreciation or other rights, shareholder rights plans, agreements, arrangements, commitments or obligations of Pacton or any of its Subsidiaries to issue or sell any shares in the capital of Pacton or shares, partnership interests or other equity interests of any of its Subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire or subscribe for any shares in the capital of Pacton or shares, partnership interests or other equity interests of any of its Subsidiaries or the value of which is based on the value of the securities of Pacton or any of its Subsidiaries, and other than the Pacton Incentive Plans, there are no equity or security based compensation arrangements maintained by Pacton.
 - (ii) Section 3.1(g)(ii) of the Pacton Disclosure Letter sets forth a schedule, as of the date hereof and to the extent applicable, of all outstanding grants to holders of Pacton Options and Pacton Warrants and the number, exercise price, date of grant, expiration dates, vesting schedules, performance criteria and whether vesting or exercise may be accelerated as a result, either alone or together with another event or occurrence, of the Arrangement, as applicable.

- (iii) As of the date hereof, there are no outstanding obligations of Pacton or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Pacton Shares or any shares of, or partnership interests or other equity interests in, any of its Subsidiaries, or qualify securities for public distribution in Canada or elsewhere, or with respect to the voting or disposition of any securities of Pacton or any of its Subsidiaries. No Subsidiary of Pacton owns any Pacton Shares.
- (iv) All outstanding securities of Pacton have been issued in material compliance with all applicable Laws and any pre-emptive or similar rights applicable to them.
- (v) The Pacton Incentive Plans and the issuance of securities under such plans have been recorded on Pacton's financial statements in accordance with IFRS, and no such grants involved any "back dating," "forward dating," "spring loading" or similar practices.
- (vi) Except for (i) intercompany loans between two or more Subsidiaries of Pacton or between of Pacton and one or more its Subsidiaries, or (ii) as disclosed in the Pacton Financial Statements, there are no issued, outstanding or authorized bonds, debentures or other evidences of indebtedness of Pacton or its Subsidiaries or any other agreements, arrangements, instruments or commitments of any kind outstanding giving any Person, directly or indirectly, the right to vote (or that are convertible or exercisable for securities having the right to vote) with Pacton Shareholders on any matter.
- (vii) No securities of Pacton are owned by any of its Subsidiaries.
- (h) Shareholder and Similar Agreements. Neither Pacton nor any of its Subsidiaries is party to any shareholder, pooling, voting trust or other similar agreement or arrangement relating to the issued and outstanding shares in the capital of Pacton or any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in Pacton or any of its Subsidiaries and Pacton has not adopted a shareholder rights plan or any other similar plan or agreement.
- (i) Reporting Issuer Status and Stock Exchange Compliance.
 - (i) As of the date hereof, Pacton is a reporting issuer (or the equivalent) not in default under Canadian Securities Laws in British Columbia and Alberta, and is in material compliance with all applicable Canadian Securities Laws therein. There is no Order delisting, suspending or cease trading any securities of Pacton. The Pacton Shares are listed and posted for trading on the TSX.V and are listed on the Frankfurt Stock Exchange, and are not listed on any market other than the TSX.V and the Frankfurt Stock Exchange, and Pacton is in compliance in all material respects with the listing and corporate governance rules and regulations of the TSX.V and of any other stock exchange where the securities of Pacton are listed and posted for trading as of the date of this Agreement.
 - (ii) Pacton has not taken any action to cease to be a reporting issuer in any province or territory nor has Pacton received notification from the British Columbia Securities Commission, as principal regulator, or any other applicable securities commissions or securities regulatory authority of a province or territory of Canada seeking to revoke Pacton's reporting issuer status. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of Pacton is pending, in effect, has been threatened, or to the knowledge of Pacton, is expected to be implemented or undertaken, and Pacton is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.

(j) U.S. Securities Law Matters.

- (i) Pacton does not have any class of equity securities registered under the U.S. Exchange Act, nor is Pacton currently subject to any reporting obligation pursuant to section 15(d) of the U.S. Exchange Act.
- (ii) Pacton is not an investment company registered or required to be registered under the U.S. *Investment Company Act of 1940*, as amended.
- (iii) Pacton is not, has not been since January 1, 2021 and on the Effective Date will not be, a “shell company” (as defined in Rule 405 under the U.S. Securities Act).

(k) Reports. Since January 1, 2021, Pacton has timely filed or furnished, as applicable, all Pacton Public Documents that Pacton is required to file or furnish under Canadian Securities Laws, other than such documents that the failure to file or furnish would, individually or in the aggregate, not have a Pacton Material Adverse Effect. Pacton Public Documents, at the time filed, (A) did not contain any misrepresentation, (B) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (C) complied in all material respects with the requirements of applicable Canadian Securities Laws. Any amendments to the Pacton Public Documents required to be made have been filed on a timely basis with the applicable Governmental Entity. Pacton has not filed any confidential material change report with any Governmental Entity which at the date hereof remains confidential or any other confidential filings filed under Canadian Securities Laws or with any Governmental Entity.

(l) Financial Statements.

- (i) The Pacton Financial Statements (including the related management’s discussion and analysis) have been, and all financial statements of Pacton (including any notes thereto and related management’s discussion and analysis) which are publicly disseminated by Pacton in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS applied on a basis consistent with prior periods (except where IFRS has changed and new accounting standard become effective for the subsequent period) and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position and its financial performance of Pacton and its Subsidiaries as of the respective dates thereof and their results of operations and cash flows for the respective periods covered thereby.
- (ii) There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of Pacton or any of its Subsidiaries with unconsolidated entities or other Persons which are not reflected in the Pacton Financial Statements.
- (iii) The financial books, records and accounts of Pacton and each of its Subsidiaries: (A) have been maintained, in all material respects, in accordance with IFRS, and (B) accurately and fairly reflect the basis for Pacton’s financial statements in all material respects.
- (iv) Pacton has processes in place to provide management with sufficient knowledge to support the representations made by management of Pacton in respect of its annual certification of financial statements.

- (v) None of Pacton or any of its Subsidiaries or any of the respective directors, officers, employees, auditors, accountants or representatives of any of the foregoing, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Pacton or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion, or claim that Pacton or any of its Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Pacton Board.
- (m) Undisclosed Liabilities. Except as set forth in Section 3.1(m) of the Pacton Disclosure Letter, none of Pacton nor any of its Subsidiaries has any material liabilities or obligations of any nature, whether or not accrued, contingent, absolute, determined, determinable or otherwise, except for (a) liabilities and obligations that are specifically presented on the unaudited condensed consolidated balance sheet of Pacton as of August 31, 2022 (the **"Pacton Balance Sheet"**) or disclosed in the notes thereto; (b) those incurred in the ordinary course of business since the date of the Pacton Balance Sheet and consistent with past practice; and (c) those incurred in connection with the execution of this Agreement.
- (n) Title. Pacton and its Subsidiaries:
 - (i) do not hold any real property interests; and
 - (ii) hold their mineral concession, claims, leases, licenses, permits, access rights and other rights and interests necessary to explore for, develop, mine, produce, process or refine, minerals, concentrates or ores for development purposes on it their properties (collectively, the **"Pacton Mineral Rights"**), free and clear of all Liens (other than Permitted Liens).
- (o) No Defaults under Leases and Agreements.
 - (i) None of Pacton or any of its Subsidiaries has received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to the Pacton Mineral Rights to which Pacton, any of its Subsidiaries is a party or by or to which Pacton or any such assets are bound or subject, except to the extent that such defaults have not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
 - (ii) (A) Pacton and its Subsidiaries are in good standing under all, and are not in default under any, and (B) there is no existing condition, circumstance or matter which constitutes or which, with the passage of time or the giving of notice or both, would constitute a default under any, leases and other title and operating documents or any other agreements and instruments pertaining to the Pacton Mineral Rights to which it is a party or by or to which it or such assets are bound or subject and, to the knowledge of Pacton, all such leases, title and operating documents and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents and other agreements and instruments is in default thereunder except to the extent that such defaults have not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
- (p) Expropriation. No properties or assets of Pacton or its Subsidiaries, subject to the Pacton Mineral Rights has been taken or appropriated by any Governmental Entity, nor has any

notice or proceeding in respect hereof been given or commenced, nor, to the knowledge of Pacton, is there any intent or proposal to give any such notice or to commence any such proceeding, except as would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.

- (q) Pacton Mineral Reserves and Resources. All material information regarding the Pacton Material Property, including all drill results and studies, that are required to be disclosed at Law, have been disclosed in the Pacton Public Documents on or before the date hereof.
- (r) Royalties and Rentals Paid. All rentals, royalties (whether statutory or contractual), overriding royalty interests, production payments, net profits, earn- outs, streaming agreements, metal pre-payment or similar agreements, interest burdens, payments and obligations (including, without limitation, streaming, pre- payment and similar arrangements) due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Pacton and its Subsidiaries, have been: (i) duly paid; (ii) duly performed; or (iii) provided for prior to the date hereof, except to the extent that such non-payment, non-performance or non-provision would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
- (s) Environmental Matters.
 - (i) Pacton and its Subsidiaries have been since January 1, 2021 and are in compliance with all Environmental Laws, except such non-compliance as has not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
 - (ii) There have been no Releases in violation of Environmental Laws within the current or prior ownership, possession or control of either of Pacton or its Subsidiaries, that would reasonably be expected to result in a claim, notice, complaint, penalty, prosecution or any other judicial or administrative proceeding arising out of any Environmental Laws against Pacton or any of its Subsidiaries that have not had, or would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
 - (iii) There are no pending claims, notices, complaints, penalties, prosecutions or any other judicial or administrative proceedings issued against Pacton or any of its Subsidiaries arising out of any Environmental Laws, except for any such claims that has not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
 - (iv) To the knowledge of Pacton, there has not been: (A) any written Order that remains outstanding which relates to Environmental Laws that would reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect; or (B) any written demand or notice that remains outstanding with respect to a material breach of any Environmental Law in each case applicable to Pacton or any of its Subsidiaries, except as has not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
- (t) Employment Matters.
 - (i) Except as set forth in Section 3.1(t)(i) of the Pacton Disclosure Letter or as contemplated by the Agreement or the Plan of Arrangement, the execution, delivery and performance of this Agreement and the consummation of the

Arrangement will not (A) result in any payment (including bonus, golden parachute, retirement, severance, unemployment compensation, or other benefit) becoming due or payable to any of the Pacton directors, officers or employees or result in a director or officers having an entitlement to such payments upon termination or resignation, (B) increase the compensation or benefits otherwise payable to any Pacton directors, officers or employees or (C) result in (1) the acceleration of the time of payment, (2) funding or (3) vesting of any benefits or entitlements otherwise available pursuant to any Pacton Benefit Plan.

- (ii) None of Pacton or any of its Subsidiaries are, or have been, engaged in any unfair labour practice and no unfair labour practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of Pacton, threatened against Pacton or any of its Subsidiaries.
- (iii) No trade union has applied to have Pacton or any of its Subsidiaries declared a common or related employer pursuant to the Labour Relations Code (British Columbia) or any similar legislation in any jurisdiction in which Pacton or any of its Subsidiaries carries on business.
- (iv) None of Pacton or any of its Subsidiaries is subject to any current, pending or, to the knowledge of Pacton, threatened claim, complaint or proceeding for wrongful dismissal, constructive dismissal or any other tort claim relating to employment or termination of employment of employees or independent contractors, or under any applicable Law with respect to employment and labour, except for routine claims for benefits, except as has not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
- (v) Pacton and its Subsidiaries have been since January 1, 2021 and are in material compliance with all terms and conditions of employment and all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, workers' compensation, human rights, labour relations and privacy and there are no current, pending, or, to the knowledge of Pacton, threatened, material proceedings before any court, board or tribunal with respect to any of the areas listed herein, or otherwise has not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
- (u) Absence of Certain Changes or Events. Since January 1, 2021: (i) Pacton and its Subsidiaries have operated their respective businesses only in the ordinary course of business, (ii) there has not been any Pacton Material Adverse Effect, (iii) Pacton and its Subsidiaries have not taken or failed to take any action which, if taken after the date of this Agreement, would constitute a breach of Section 5.1, and (iv) except as disclosed in Section 3.1(u)(iv) of the Pacton Disclosure Letter, there has not been any material write-down by Pacton of any of the Canadian assets of Pacton.
- (v) Litigation. There is no Proceeding against or involving Pacton or any of its Subsidiaries or any of their respective properties or assets pending or, to the knowledge of Pacton, threatened and, to the knowledge of Pacton, no event has occurred which would reasonably be expected to give rise to any Proceeding, in each case which, if adversely determined, would reasonably be expected to have a Pacton Material Adverse Effect or would significantly impede the ability of Pacton to consummate the Arrangement.
- (w) Taxes. Except as disclosed in Section 3.1(w) of the Pacton Disclosure Letter:
 - (i) each of Pacton and its Subsidiaries has duly and in a timely manner made or prepared all material Tax Returns required to be made or prepared by it, and duly

and in a timely manner filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity, and all such Tax Returns were complete and correct in all material respects;

- (ii) each of Pacton and its Subsidiaries has paid all Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Entity and Pacton has provided adequate accruals in accordance with IFRS in the most recently published financial statements of Pacton for any Taxes of Pacton and each of its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns, except in each case where the failure to do so would not reasonably be expected to individually or in the aggregate, have a Pacton Material Adverse Effect. Except as would not reasonably be expected to individually or in the aggregate, have a Pacton Material Adverse Effect since such publication date, no liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;
- (iii) all deficiencies for Taxes asserted or assessed against any of Pacton and its Subsidiaries have been paid in full, accrued on the books of Pacton or finally settled, except to the extent that any such deficiencies would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect;
- (iv) each of Pacton and its Subsidiaries has duly and timely withheld all Taxes required by Law to be withheld by it in connection with any amounts paid or owing to any employee, independent contractor, supplier, creditor, shareholder, non-resident or other third party (including Taxes required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by Law to be remitted by it, except where the failure to do so would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect;
- (v) each of Pacton and its Subsidiaries has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including, without limitation, goods and services, harmonized sales, provincial and territorial sales taxes and state and local taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by Law to be remitted by it, except where the failure to do so would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect;
- (vi) none of Pacton and its Subsidiaries has in place with a Governmental Entity any agreement or extension of time for which to file any material Tax Returns or pay any material amount of Tax, by way of assessment or otherwise, and no such entity has an extension or waiver of a statute of limitation relating to any material amount of Tax;
- (vii) there are no proceedings, investigations, audits or claims now pending in writing against Pacton or any of its Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes, except to the extent that any of the foregoing would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect;

- (viii) none of Pacton or any of its Subsidiaries has received any COVID-19 Subsidy amounts to which it was not entitled. None of Pacton or any of its Subsidiaries has deferred any payroll tax obligations as permitted under applicable COVID-19 related measures enacted, promulgated or offered as an administrative relief by a Governmental Entity;
- (ix) for the purposes of the Tax Act and any other relevant Tax purposes:
 - (A) Pacton is a “taxable Canadian corporation” and is resident in Canada and is not resident in any other country;
 - (B) each of Pacton’s Subsidiaries is resident in the jurisdiction (or country of which such jurisdiction is a political subdivision) in which it was formed or continued, and is not resident in any other country;
 - (C) to the knowledge of Pacton, none of Pacton, nor any of its Subsidiaries, (1) has a permanent establishment, or (2) is engaged in trade or business (or comparable non-U.S. standard in any jurisdiction outside of the United States), in either case, in a jurisdiction other than its country of organization; and
 - (D) no written claim has been made by any Governmental Entity in a jurisdiction where Pacton, or any of its Subsidiaries does not file Tax Returns that such entity is or may be subject to Tax by that jurisdiction;
- (x) none of Pacton nor its Subsidiaries is a party to any agreement, understanding or arrangement relating to the allocation or sharing of Taxes (excluding customary commercial agreements entered into in the ordinary course of business the primary subject of which is not Taxes);
- (xi) there are no Liens for Taxes upon any properties or assets of Pacton or any of its Subsidiaries (other than Liens (A) relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the Pacton Annual Financial Statements; and (B) which would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect);
- (xii) each of Pacton and its Subsidiaries has not, and has never been deemed to have for purposes of the Tax Act or any other Tax Law, entered into any transactions or arrangements with Persons with whom they do not deal at arm’s length (within the meaning of the Tax Act) other than for consideration equal to fair market value. For all transactions between Pacton or any of its Subsidiaries, on the one hand, and any non-resident Person with whom Pacton, or any of its Subsidiaries not dealing at arm’s length for the purposes of the Tax Act, on the other hand, Pacton or its Subsidiary, as the case may be, has made or obtained records or documents that satisfy the requirements of paragraphs 247(4)(a) to (c) of the Tax Act. Each of Pacton and its Subsidiaries has complied in all respects with all applicable Tax Laws with respect to transfer pricing except where the failure to do so would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect;
- (xiii) there are no circumstances existing which could result in the application of section 17, section 78, section 79, or sections 80 to 80.04 of the Tax Act (or any equivalent provision of the taxation legislation of any province or any other jurisdiction) to each of Pacton and its Subsidiaries; and

- (xiv) none of Pacton, its Subsidiaries or, to the knowledge of the Pacton, any of Pacton's Affiliates has taken or agreed to take any action that would prevent the Arrangement from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code and (ii) Pacton is not aware of any agreement, plan or other circumstance that would prevent the Arrangement from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code.
- (x) Books and Records. The corporate records and minute books of Pacton and its Subsidiaries are currently maintained in accordance with applicable Laws and are complete and accurate in all material respects.
- (y) Insurance. Policies of insurance are in force naming Pacton, a Subsidiary of Pacton as an insured that adequately cover all risks as are customarily covered by businesses in the industry in which Pacton and its Subsidiaries operate, and Pacton and its Subsidiaries are in compliance in all material respects with all requirements with respect to such policies. Pacton has disclosed in the Pacton Data Room, a summary listing of all such policies that are material to Pacton (including additional details pertaining to the Directors & Officers liability policy). All such policies shall remain in full force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and will not be cancelled or otherwise terminated as a result of the transactions contemplated herein. None of Pacton or its Subsidiaries failed to promptly give any notice or present any material claim under such policies.
- (z) Non-Arm's Length Transactions. Other than as disclosed in the Pacton Public Documents and other than employment or compensation agreements entered into in the ordinary course of business, no director, officer, employee or agent of, or independent contractor to, Pacton, any of its Subsidiaries, or holder of record or beneficial owner of 5% or more of the Pacton Shares, or associate or affiliate of any such officer, director or beneficial owner, is a party to, or beneficiary of, any loan, guarantee, Contract, arrangement or understanding or other transactions with Pacton or any of its Subsidiaries.
- (aa) Benefit Plans. Other than Pacton's stock option plan, there are no pension or retirement income plans or other Benefits Plan of Pacton or any of its Subsidiaries.
- (bb) Restrictions on Business Activities. There is no Pacton Material Contract or Order binding upon Pacton or any of its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Pacton or any of its Subsidiaries or the conduct of business by Pacton or any of its Subsidiaries as currently conducted (including following the transaction contemplated by this Agreement) other than Pacton Material Contracts or Orders which has not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.
- (cc) Material Contracts. True and complete copies of the Pacton Material Contracts have been disclosed in the Pacton Data Room. Pacton and its Subsidiaries have performed in all material respects all of the respective obligations required to be performed by them under the Pacton Material Contracts and none of Pacton or any of its Subsidiaries is in material breach or default under any Pacton Material Contract to which it is a party or bound. To the knowledge of Pacton, there is no material breach or default under any such Pacton Material Contract by any other party thereto. All Pacton Material Contracts are legal, valid, binding and in full force and effect and are enforceable by Pacton (or a Subsidiary of Pacton, as the case may be) in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity). Pacton has not received any written or, to the knowledge of Pacton, other notice that any party to a Pacton Material Contract intends to cancel,

terminate or otherwise modify or not renew its relationship with Pacton or any of its Subsidiaries, and, to the knowledge of Pacton, no such action has been threatened.

(dd) Anti-Corruption.

(i) None of Pacton or its Subsidiaries, nor any of their directors, officers, employees, agents or representatives has, directly or indirectly, offered, promised, agreed, paid, authorized, given or taken any act in furtherance of any such offer, promise, agreement, payment or authorization on behalf of Pacton or its Subsidiaries anything of value, directly or indirectly, to any official of a Governmental Entity, any political party or official thereof or any candidate for political office, for the purpose of any of the following:

- (A) influencing any action or decision of such person in such person's official capacity, including a decision to fail to perform such person's official function in order to obtain or retain an advantage in the course of business;
- (B) inducing such person to use such person's influence with any Governmental Entity to affect or influence any act or decision of such Governmental Entity to assist Pacton or one of its Subsidiaries in obtaining or retaining business for, with, or directing business to, any person or otherwise to obtain or retain an advantage in the course of business; or
- (C) to assist Pacton or one of its Subsidiaries in obtaining or retaining business for, with, or directing business to, any person whether through a bribe, rebate, payoff, influence payment, kickback or illegal or improper payment,

other than such actions which have not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.

(ii) None of Pacton or its Subsidiaries nor any of their directors, officers, employees, agents or representatives has taken any action that is inconsistent with or prohibited by or would cause Pacton or one of its Subsidiaries to be in violation of the substantive prohibitions or requirements of the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977* (United States) or any similar legislation prohibiting corruption, bribery and money laundering in any jurisdiction in which it conducts its business and to which it is subject and all contracts and arrangements between Pacton or one of its Subsidiaries and any other person are in compliance with such laws, other than such actions which have not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect. Since January 1, 2021, Pacton and its Subsidiaries have maintained policies and procedures applicable to it and their respective directors, officers, employees, agents and representatives in place in respect thereof as are appropriate to prevent and detect violations of laws prohibiting corruption, bribery and money laundering.

(iii) None of Pacton or its Subsidiaries nor any of its directors, officers, employees, agents or representatives has (A) conducted or initiated any review, audit or internal investigation that is determining whether, or has concluded that, Pacton or one of its Subsidiaries or any of their respective directors, officers, employees, agents or representatives has violated any Laws prohibiting corruption, bribery or money laundering or committed any wrongdoing thereunder, or (B) made a voluntary, directed or involuntary disclosure to any Governmental Entity responsible for enforcing anti-corruption, anti-bribery and money laundering Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request or citation

from any person alleging non-compliance with any such Laws, other than such actions which have not had and would not reasonably be expected to, individually or in the aggregate, have a Pacton Material Adverse Effect.

- (iv) Pacton and its Subsidiaries have maintained systems of internal controls intended to ensure compliance with the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977* (United States) or any similar legislation prohibiting corruption, bribery and money laundering.

(ee) Sanctions.

- (i) Neither Pacton, nor any of its Subsidiaries or joint ventures, nor any of their respective directors, officers or employees nor, to the knowledge of Pacton, any agents or persons acting on any of their behalf: (i) is a Restricted Party; or (ii) has received written notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.
- (ii) None of Pacton, any of its Subsidiaries or, to the knowledge of the Pacton, any director, officer, employee or agent of Pacton or any of its Subsidiaries is a Person that is, or is owned or controlled by Persons that are: (i) the subject/target of any Sanctions, or (ii) located, organized or resident in a country or territory that is the subject of Sanctions, including Crimea, Cuba, Iran, North Korea, and Syria).
- (iii) Pacton, its Subsidiaries and their respective directors, officers and employees and, to the knowledge of Pacton, the agents of Pacton and its Subsidiaries are in compliance with all applicable Sanctions in all material respects. Pacton and its Subsidiaries have instituted and maintain policies and procedures designed to ensure compliance with applicable Sanctions.
- (iv) Pacton represents and covenants that for the past three years, neither Pacton nor any of its Subsidiaries or, to the knowledge of Pacton, any director, officer, employee or agent of Pacton has knowingly engaged in, or is now knowingly engaged in, or will engage in, any dealings or transactions with a Restricted Person or in violation of Sanctions.

- (ff) Indigenous Claims. None of Pacton or its Subsidiaries has received any written notice of an Indigenous Claim, which relates to the Pacton Mineral Rights or to their respective operations and businesses except for such Indigenous Claims that would not, individually or in the aggregate, have a Pacton Material Adverse Effect. There are no ongoing or outstanding negotiations with any Indigenous group concerning an impact benefit or other material agreement between an Indigenous group and Pacton or its Subsidiaries.

(gg) Community Groups. To the knowledge of Pacton:

- (i) no authorized legal representative of any community in the vicinity of any of the Pacton Material Property or Pacton's Sidace Project has communicated in writing to Pacton or any of its Subsidiaries a requirement that (i) the consent of such community be obtained as a condition to continued operation of any such properties or (ii) a material increase in the compensation payments payable by Pacton or any of its Subsidiaries under any community development or social framework or similar agreements as a condition to the continued operation of such properties.
- (ii) no dispute exists or is threatened in writing between community groups and Pacton and its Subsidiaries with respect to their respective businesses, assets and

operations, except for such disputes that would not, individually or in the aggregate, have a Pacton Material Adverse Effect.

- (hh) Brokers; Expenses. Except as set out in the Pacton Disclosure Letter, none of Pacton, any of its Subsidiaries, or any of their respective officers, directors or employees has employed any broker, finder, investment banker, financial advisor or other person or incurred any liability for any brokerage fees, commissions, finder's fees, financial advisory fees or other similar fees in connection with the transactions contemplated by this Agreement.
- (ii) Fairness Opinion. As of the date hereof:
 - (i) Haywood Securities Inc., financial advisors to the Pacton Board, have delivered the Pacton Fairness Opinion to the Pacton Board to the effect that as of the date of such Opinions, subject to the assumptions and limitations set out therein, the Consideration to be received by Pacton Shareholders pursuant to the Arrangement is fair from a financial point of view to Pacton Shareholders; and
 - (ii) Pacton has been authorized by Haywood Securities Inc. to permit inclusion of the Pacton Fairness Opinion and references thereto in the Pacton Circular, subject to their review and approval thereof.
- (jj) No "Collateral Benefit". To the knowledge of Pacton, no related party of Pacton (within the meaning of MI 61-101) together with its associated entities, beneficially owns or exercises control or direction over 1% or more of the outstanding Pacton Shares, except for related parties who will not receive a "collateral benefit" (within the meaning of such instrument) as a consequence of the transactions contemplated by this Agreement.

SCHEDULE 4.1 REPRESENTATIONS AND WARRANTIES OF TRILLIUM

Defined Terms

As used in this schedule, capitalized terms have the meanings ascribed thereto in the Arrangement Agreement to which this schedule is appended, and the following terms have the following meanings:

"Trillium Annual Financial Statements" means the audited consolidated financial statements for Trillium as of and for each of the fiscal years ended on June 30, 2022 and June 30, 2021 (including the notes thereto and the auditor's report thereon);

"Trillium Balance Sheet" has the meaning given to it in Section (m) of this Schedule 4.1;

"Trillium Material Properties" has the meaning given to it in Section 4.1(q)(i) of the Trillium Disclosure Letter;

"Trillium Material Subsidiaries" means the entities listed as Trillium Material Subsidiaries in Section 4.1(d)(ii) of the Trillium Disclosure Letter;

"Trillium Mineral Rights" has the meaning given to it in Section (n)(ii) of this Schedule 4.1;

"Trillium Real Property Interests" has the meaning given to it in Section (n)(i) of Schedule 4.1;

"Trillium Shareholder Approval" means the approval of the Trillium Resolution by Trillium Shareholders at the Trillium Meeting;

"Restricted Party" means a person that is: (i) listed on, or owned or controlled (directly or indirectly) by a person listed on, or acting on behalf of a person listed on, any Sanctions List, (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organized under the laws of a country or territory that is the target of Sanctions, or (iii) otherwise a target of Sanctions;

"Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by: (i) the United States government; (ii) the United Nations; (iii) the European Union (iv) the United Kingdom; (v) Canada or (vi) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**"), the United States Department of State, Global Affairs Canada ("**GAC**") and Her Majesty's Treasury ("**HMT**") or any other relevant sanctions authority (together the "**Sanctions Authorities**");

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated Canadian Autonomous Sanctions List, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by HMT, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities; and

REPRESENTATIONS AND WARRANTIES OF TRILLIUM

- (a) Organization and Qualification. Trillium and each of the Trillium Material Subsidiaries is a corporation duly incorporated or an entity duly created and validly existing under all applicable Laws of its jurisdiction of incorporation, continuance or creation and has all corporate power and capacity to own its assets and conduct its business as now owned and conducted. Trillium and each of the Trillium Material Subsidiaries is duly qualified to

carry on business and is in good standing in each jurisdiction in which its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities, makes such qualification necessary, except where the failure to be so registered or in good standing would not, individually or in the aggregate, have a Trillium Material Adverse Effect. True and complete copies of the constating documents of Trillium have been disclosed in the Trillium Data Room, and no action has been taken to amend or supersede such constating documents of Trillium.

- (b) Authority Relative to this Agreement. Trillium has the requisite corporate power and authority to enter into this Agreement and the agreements and other documents to be entered into by it hereunder and, subject to obtaining Trillium Shareholder Approval, to perform its obligations hereunder and thereunder. The execution and delivery and performance of this Agreement, the Arrangement and the agreements and other documents to be entered into by Trillium hereunder and the consummation by Trillium of the transactions contemplated hereunder and thereunder have been duly authorized by the Trillium Board, and no other corporate proceedings on the part of Trillium are necessary to authorize this Agreement and the agreements and other documents to be entered into by it hereunder or the consummation of the Arrangement, other than obtaining approval of the Trillium Circular by the Trillium Board and the Trillium Shareholder Approval. This Agreement has been duly executed and delivered by Trillium and constitutes a valid and binding obligation of Trillium, enforceable by Pacton against Trillium in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.
- (c) No Conflict; Required Filings and Consent. The execution and delivery by Trillium of this Agreement and the performance by it of its obligations hereunder and the completion of the Arrangement and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or both, or the happening of any other event or condition):
 - (i) violate, conflict with or result in a breach or default of:
 - (A) any provision of the articles, by-laws or other constating documents or partnership agreements of Trillium or any of its Subsidiaries;
 - (B) any Trillium Material Contract or Authorization to which Trillium or any of its Subsidiaries is a party or by which Trillium or any of its Subsidiaries is bound, except as would not, individually or in the aggregate, have a Trillium Material Adverse Effect; or
 - (C) any Law to which Trillium or any of its Subsidiaries is subject or by which Trillium or any of its Subsidiaries is bound, subject to receipt of the Regulatory Approvals and except as would not, individually or in the aggregate, have a Trillium Material Adverse Effect;
 - (ii) give rise to any right of termination, allow any Person to exercise any rights, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Trillium is entitled, under any Trillium Material Contract or Authorization to which Trillium or any of its Subsidiaries is a party, except as would not, individually or in the aggregate, have a Trillium Material Adverse Effect; or
 - (iii) give rise to any rights of first refusal or rights of first offer, trigger any change of control provision or any restriction or limitation, or require any consent or other

action by any Person, under any Trillium Material Contract or Authorization, or result in the imposition of any Lien upon any of Trillium's assets or the assets of any of the Trillium's Subsidiaries except as would not, individually or in the aggregate, have a Trillium Material Adverse Effect.

Other than the Regulatory Approvals, such filings and approvals required by the applicable rules and policies of the TSX.V, the Interim Order and the Final Order, no Authorization of, or other action by or in respect of, or filing, recording, registering or publication with, or notification to, any Governmental Entity is necessary on the part of Trillium or any of its Subsidiaries for the consummation by Trillium of its obligations in connection with the Arrangement under this Agreement or for the completion of the Arrangement, except for such Authorizations and filings as to which the failure to obtain or make would not, individually or in the aggregate, have a Trillium Material Adverse Effect.

(d) Subsidiaries.

- (i) Trillium has no material Subsidiaries other than the Trillium Material Subsidiaries.
- (ii) The following information with respect to each Trillium Material Subsidiary is accurately set out, as at the date thereof, in Section 4.1(d)(ii) of the Trillium Disclosure Letter: (A) its name; (B) Trillium's percentage equity ownership of it; and (C) its jurisdiction of incorporation, organization or formation.
- (iii) Trillium is, directly or indirectly, the registered and beneficial owner of, in respect of each Trillium Material Subsidiary, all of its issued and outstanding securities, and all of the issued and outstanding securities of the Trillium Material Subsidiaries have been duly and validly authorized and issued, are fully paid, and if such entity is a corporation, are non-assessable. No securities of the Trillium Material Subsidiaries have been issued in violation of any Law or pre-emptive or similar rights. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any securities or other ownership interests in any of the Trillium Material Subsidiaries.

(e) Compliance with Laws and Constating Documents.

- (i) The operations of Trillium and its Subsidiaries have been since January 1, 2010 and are now being conducted in material compliance with all Laws of each jurisdiction, the Laws of which have been and are now applicable to the operations of Trillium and of any of its Subsidiaries, and none of Trillium or any of its Subsidiaries has received any notice of any alleged violation of any such Laws, other than non-compliance or violations which have not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.
- (ii) None of Trillium or any of its Subsidiaries is in conflict with, or in default under or in violation of its articles or by-laws or equivalent organizational documents except for such violation or default which would not, individually or in the aggregate, have a Trillium Material Adverse Effect.

- (f) Authorizations. Trillium and its Subsidiaries have obtained all material Authorizations necessary for the ownership, operation and use of the assets of Trillium and its Subsidiaries or otherwise in connection with carrying on the business and operations of Trillium and its Subsidiaries in compliance with all applicable Laws, except where the failure to have any such Authorization would not, individually or in the aggregate, have a Trillium Material Adverse Effect. Such Authorizations are in full force and effect in accordance with

their terms. Trillium and its Subsidiaries have fully complied with and are in compliance with all such Authorizations. There is no action, investigation or proceeding pending or, to the knowledge of Trillium threatened, regarding any such Authorizations, which if successful would, individually or in the aggregate, have a Trillium Material Adverse Effect. None of Trillium or any of its Subsidiaries or any of their respective officers or directors, has received any notice, whether written or oral, of revocation or non-renewal or material amendments of any such Authorizations, or of any intention of any Person to revoke or refuse to renew or to materially amend any of such Authorizations, except in each case, for revocations, non-renewals or amendments which would not, individually or in the aggregate, have a Trillium Material Adverse Effect, and all Authorizations of Trillium and its Subsidiaries continue to be effective in order for Trillium and its Subsidiaries to continue to conduct their respective businesses as they are currently being conducted. To the knowledge of Trillium, no Person other than Trillium or a wholly owned Subsidiary thereof owns or has any proprietary, financial or other interest (direct or indirect) in any Authorizations of Trillium or its wholly owned Subsidiaries.

(g) Capitalization.

- (i) The authorized share capital of Trillium consists of an unlimited number of Trillium Shares. As of the date of this Agreement there are: (A) 79,586,665 Trillium Shares validly issued and outstanding and (B) 7,470,00 Trillium options. All Trillium Shares have been, and all Trillium Shares issuable upon the vesting or exercise of the options to purchase Trillium Shares in accordance with their terms have been duly authorized and, upon issuance, will be, validly issued as fully paid and non-assessable shares of Trillium and are not and will not be, as applicable, subject to or issued in violation of, any pre-emptive rights. Except for the options to purchase Trillium Shares, referred to in this Section (g)(i), as of the date of this Agreement, there are no issued, outstanding or authorized options, warrants, conversion privileges, calls, or pre-emptive, redemption, repurchase, stock appreciation or other rights, shareholder rights plans, agreements, arrangements, commitments or obligations of Trillium or any of its Subsidiaries to issue or sell any shares in the capital of Trillium or shares, partnership interests or other equity interests of any of its Subsidiaries or securities or obligations of any kind convertible into, exchangeable for or otherwise carrying the right or obligation to acquire or subscribed for any shares in the capital of Trillium or shares, partnership interests or other equity interests of any of its Subsidiaries or the value of which is based on the value of the securities of Trillium or any of its Subsidiaries, and other than the Trillium Share Incentive Plan, there are no equity or security based compensation arrangements maintained by Trillium.
- (ii) As of the date hereof, there are no outstanding obligations of Trillium or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Trillium Shares or any shares of, or partnership interests or other equity interests in, any of its Subsidiaries or qualify securities for public distribution in Canada or elsewhere, or with respect to the voting or disposition of any securities of Trillium, any of its Subsidiaries. No Subsidiary of Trillium owns any Trillium Shares.
- (iii) All outstanding securities of Trillium have been issued in material compliance with all applicable Laws and any pre-emptive or similar rights applicable to them.
- (iv) The Trillium Incentive Plan and the issuance of securities under such plan, have been recorded on Trillium's financial statements in accordance with IFRS, and no such grants involved any "back dating", "forward dating", "spring loading" or similar practices.

- (v) There are no issued, outstanding or authorized bonds, debentures or other evidences of indebtedness of Trillium or its Subsidiaries or any other agreements, arrangements, instruments or commitments of any kind outstanding giving any Person, directly or indirectly, the right to vote (or that are convertible or exercisable for securities having the right to vote) with Trillium Shareholders on any matter.
- (vi) The Consideration Shares to be issued at the Effective Time will be duly authorized and validly issued by Trillium as fully paid and non-assessable shares of Trillium, free and clear of all Liens.
- (h) Shareholder and Similar Agreements. Neither Trillium nor any of its Subsidiaries is party to any shareholder, pooling, voting trust or other similar agreement or arrangement relating to the issued and outstanding shares in the capital of Trillium or any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in Trillium or any of its Subsidiaries, and Trillium has not adopted a shareholder rights plan or any other similar plan or agreement.
- (i) Stock Exchange Compliance.
 - (i) As of the date hereof, Trillium is a reporting issuer (or the equivalent) not in default under Canadian Securities Laws in British Columbia and Alberta, and is in material compliance with all applicable Canadian Securities Laws therein. There is no Order delisting, suspending or cease trading any securities of Trillium. The Trillium Shares are listed and posted for trading on the TSX.V and are listed on the OTCQX marketplace and Frankfurt Stock Exchange, and are not listed on any market other than the TSX.V, the OTCQX marketplace and the Frankfurt Stock Exchange, and Trillium is in compliance in all material respects with the listing and corporate governance rules and regulations of the TSX.V and of any other stock exchange where the securities of Trillium are listed and posted for trading as of the date of this Agreement.
 - (ii) Trillium has not taken any action to cease to be a reporting issuer in any province or territory nor has Trillium received notification from the British Columbia Securities Commission, as principal regulator, or any other applicable securities commissions or securities regulatory authority of a province or territory of Canada seeking to revoke Trillium's reporting issuer status. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of Trillium is in effect, nor has been threatened and Trillium, to its knowledge, is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.
- (j) U.S. Securities Law Matters.
 - (i) Trillium does not have any class of equity securities registered under the U.S. Exchange Act, nor is Trillium currently subject to any reporting obligation pursuant to section 15(d) of the U.S. Exchange Act.
 - (ii) Trillium is not an investment company registered or required to be registered under the U.S. *Investment Company Act of 1940*, as amended.
 - (iii) Trillium is not, has not been since January 1, 2021 and on the Effective Date will not be, a "shell company" (as defined in Rule 405 under the U.S. Securities Act).
- (k) Reports. Since January 1, 2021, Trillium has timely filed or furnished, as applicable, all Trillium Public Documents that Trillium is required to file or furnish under Canadian

Securities Laws, other than such documents that the failure to file or furnish would, individually or in the aggregate, not have a Trillium Material Adverse Effect. Trillium Public Documents at the time filed (A) did not contain any material misrepresentation, (B) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (C) complied in all material respects with the requirements of applicable Canadian Securities Laws. Any amendments to Trillium Public Documents required to be made under Canadian Securities Laws have been filed on a timely basis with the applicable Governmental Entity. Trillium has not filed any confidential material change report with any Governmental Entity which at the date hereof remains confidential or any other confidential filings filed under Canadian Securities Laws or with any Governmental Entity.

(l) Financial Statements.

- (i) The Trillium Financial Statements (including the related management's discussion and analysis) have been, and all financial statements of Trillium (including any notes thereto and related management's discussion and analysis) which are publicly disseminated by Trillium in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS applied on a basis consistent with prior periods (except where IFRS has changed and new accounting standards become effective for the subsequent period) and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position and results of operations of Trillium and its Subsidiaries as of the respective dates thereof and their results of operations and cash flows for the respective periods covered thereby.
- (ii) There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of Trillium or any of its Subsidiaries with unconsolidated entities or other Persons which are not reflected in the Trillium Financial Statements.
- (iii) The financial books, records and accounts of Trillium and each of its Subsidiaries: (A) have been maintained, in all material respects, in accordance with IFRS and (B) accurately and fairly reflect the basis for Trillium's financial statements in all material respects.
- (iv) Trillium has processes in place to provide management with sufficient knowledge to support the representations made by management of Trillium in respect of its annual certification of financial statements.
- (v) None of Trillium, any of its Subsidiaries, or any of the respective directors, officers, employees, auditors, accountants or representatives of any of the foregoing, has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion, or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of Trillium or any of its Subsidiaries or their respective internal accounting controls, including any material complaint, allegation, assertion, or claim that Trillium or any of its Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Trillium Board.

- (m) Undisclosed Liabilities. Except as set forth in Section 4.1(m) of the Trillium Disclosure Letter, none of Trillium nor any of its Subsidiaries, has any material liabilities or obligations of any nature, whether or not accrued, contingent, absolute, determined, determinable or otherwise, except for (a) liabilities and obligations that are specifically presented on the

unaudited condensed consolidated balance sheet of Trillium as of December 31, 2022 (the “**Trillium Balance Sheet**”) or disclosed in the notes thereto; (b) those incurred in the ordinary course of business since the date of the Trillium Balance Sheet and consistent with past practice; and (c) those incurred in connection with the execution of this Agreement.

(n) Title. Trillium and its Subsidiaries:

- (i) have good and sufficient title to their real property interests, including fee simple estate of and in real property, leases, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by Trillium or its Subsidiaries, as applicable, necessary to permit the operation of Trillium’s business as presently owned and conducted in all material respects (collectively, “**Trillium Real Property Interests**”); and
- (ii) hold their mineral concession, claims, leases, licenses, permits, access rights and other rights and interests necessary to explore for, develop, mine, produce, process or refine, minerals, concentrates or ores for development purposes on it their properties (collectively, the “**Trillium Mineral Rights**”), free and clear of all Liens (other than Permitted Liens).

(o) No Defaults under Leases and Agreements.

- (i) None of Trillium or any of its Subsidiaries has received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to the Trillium Real Property Interests or the Trillium Mineral Rights to which Trillium or any of its Subsidiaries is a party or by or to which Trillium or any such assets are bound or subject, except to the extent that such defaults have not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.
- (ii) (A) Trillium and its Subsidiaries are in good standing under all, and are not in default under any, and (B) there is no existing condition, circumstance or matter which constitutes or which, with the passage of time or the giving of notice or both, would constitute a default under any, leases and other title and operating documents or any other agreements and instruments pertaining to the Trillium Real Property Interests and the Trillium Mineral Rights to which it is a party or by or to which it or such assets are bound or subject and, to the knowledge of Trillium, all such leases, title and operating documents and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents and other agreements and instruments is in default thereunder except to the extent that such defaults have not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.

(p) Expropriation. No properties or assets of Trillium or its Subsidiaries, subject to the Trillium Real Property Interests or the Trillium Mineral Rights has been taken or appropriated by any Governmental Entity, nor has any notice or proceeding in respect hereof been given or commenced, nor, to the knowledge of Trillium, is there any intent or proposal to give any such notice or to commence any such proceeding, except as would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.

(q) Trillium Mineral Reserves and Resources.

- (i) The Trillium Material Properties are the only material properties of Trillium for the purposes of NI 43-101.
 - (ii) Each of the technical report summaries relating to the Trillium Material Properties filed pursuant to NI 43-101 complied in all material respects with the requirements of NI 43-101 at the respective time of filing thereof.
 - (iii) The mineral reserves and mineral resources for the Trillium Mineral Rights were prepared, in all material respects, in accordance with sound mining, engineering, geoscience and other applicable industry standards and practices, and in accordance with applicable Laws, including the requirements of NI 43-101. There has been no material reduction in the aggregate amount of estimated mineral resources or mineral reserves of Trillium from the amounts set forth in the Trillium Public Documents, other than as a result of production activities in the ordinary course. All material information regarding the Trillium Real Property Interests or the Trillium Mineral Rights, including all drill results, technical reports and studies, that are required to be disclosed at Law, have been disclosed in the Trillium Public Documents on or before the date hereof.
- (r) Royalties and Rentals Paid. All rentals, royalties (whether statutory or contractual), overriding royalty interests, production payments, net profits, earn-outs, streaming agreements, metal pre-payment or similar agreements, interest burdens, payments and obligations (including, without limitation, streaming, pre-payment and similar arrangements) due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of Trillium and its Subsidiaries, have been: (i) duly paid; (ii) duly performed; or (iii) provided for prior to the date hereof, except to the extent that such non-payment, non-performance or non-provision would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.
- (s) Absence of Certain Changes or Events. Since January 1, 2021: (i) Trillium and its Subsidiaries have operated their respective businesses only in the ordinary course of business, (ii) there has not been any Trillium Material Adverse Effect, and (iii) Trillium and its Subsidiaries have not taken or failed to take any action which, if taken after the date of this Agreement, would constitute a breach of Section 5.2.
- (t) Litigation. There is no Proceeding against or involving Trillium or any of its Subsidiaries or any of their respective properties or assets pending or, to the knowledge of Trillium, threatened and, to the knowledge of Trillium, no event has occurred which would reasonably be expected to give rise to any Proceeding, in each case which, if adversely determined, would reasonably be expected to have a Trillium Material Adverse Effect or would prevent, significantly impede or materially delay the ability of Trillium to consummate the Arrangement.
- (u) Environmental.
- (i) Trillium and its Subsidiaries have been since January 1, 2021 and are in compliance with all Environmental Laws, except where such non-compliance has not had, or would not reasonably be expected to have, individually or in the aggregate, a Trillium Material Adverse Effect.
 - (ii) There have been no Releases in violation of Environmental Laws within the current or prior ownership, possession or control of either of Trillium or its Subsidiaries that would reasonably be expected to result in a claim, notice, complaint, penalty, prosecution or any other judicial or administrative proceeding arising out of any Environmental Laws against Trillium or any of its Subsidiaries that have not had,

or would not reasonably be expected to have, individually or in the aggregate, a Trillium Material Adverse Effect.

- (iii) There are no pending claims, notices, complaints, penalties, prosecutions or any other judicial or administrative proceedings issued against Trillium or any of its Subsidiaries arising out of any Environmental Laws, except for any such claims that has not had, and would not reasonably be expected to have, individually or in the aggregate, a Trillium Material Adverse Effect.
- (iv) To the knowledge of Trillium, there has not been: (A) any written Order that remains outstanding which relates to Environmental Laws that would reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect; or (B) any written demand or notice that remains outstanding with respect to a material breach of any Environmental Law in each case applicable to Trillium or any of its Subsidiaries except as has not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.
- (v) Employment Matters. There is no labour strike, dispute, work slowdown or stoppage pending or involving, or to the knowledge of Trillium threatened against Trillium or any of its Subsidiaries, and no such event has occurred within the last two years.
- (w) Ownership of Pacton Shares. None of Trillium or any of its Subsidiaries or affiliates or any Person acting jointly or in concert with them in respect of the transactions contemplated by this Agreement beneficially owns or exercises control or direction over any securities of Pacton.
- (x) Taxes.
 - (i) each of Trillium and its Subsidiaries has duly and in a timely manner made or prepared all material Tax Returns required to be made or prepared by it, and duly and in a timely manner filed all material Tax Returns required to be filed by it with the appropriate Governmental Entity, and all such Tax Returns were complete and correct in all material respects;
 - (ii) each of Trillium and its Subsidiaries has paid all Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Entity and Trillium has provided adequate accruals in accordance with IFRS in the most recently published financial statements of Trillium for any Taxes of Trillium and each of its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns, except in each case where the failure to do so would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect. Except as would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect since such publication date, no liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;
 - (iii) all deficiencies for Taxes asserted or assessed against any of Trillium and its Subsidiaries have been paid in full, accrued on the books of Trillium or finally settled, except to the extent that any such deficiencies would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect;

- (iv) each of Trillium and its Subsidiaries has duly and timely withheld all Taxes required by Law to be withheld by it in connection with any amounts paid or owing to any employee, independent contractor, supplier, creditor, shareholder, non-resident or other third party (including Taxes required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any Person) and has duly and timely remitted to the appropriate Governmental Entity such Taxes or other amounts required by Law to be remitted by it, except where the failure to do so would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect;
- (v) each of Trillium and its Subsidiaries has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including, without limitation, goods and services, harmonized sales, provincial and territorial sales taxes and state and local taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity such amounts required by Law to be remitted by it, except where the failure to do so would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect;
- (vi) none of Trillium and its Subsidiaries has in place with a Governmental Entity any agreement or extension of time for which to file any material Tax Returns or pay any material amount of Tax, by way of assessment or otherwise, and no such entity has an extension or waiver of a statute of limitation relating to any material amount of Tax;
- (vii) there are no proceedings, investigations, audits or claims now pending in writing against Trillium or any of its Subsidiaries in respect of any Taxes and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes, except to the extent that any of the foregoing would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect;
- (viii) none of Trillium or any of its Subsidiaries has received any COVID-19 Subsidy amounts to which it was not entitled. None of Trillium or any of its Subsidiaries has deferred any payroll tax obligations as permitted under applicable COVID-19 related measures enacted, promulgated or offered as an administrative relief by a Governmental Entity;
- (ix) for the purposes of the Tax Act and any other relevant Tax purposes:
 - (A) Trillium is a “taxable Canadian corporation” and is resident in Canada and is not resident in any other country;
 - (B) each of Trillium’s Subsidiaries is resident in the jurisdiction (or country of which such jurisdiction is a political subdivision) in which it was formed or continued, and is not resident in any other country;
 - (C) to the knowledge of Trillium, none of Trillium, nor any of its Subsidiaries, (1) has a permanent establishment, or (2) is engaged in trade or business (or comparable non-U.S. standard in any jurisdiction outside of the United States), in either case, in a jurisdiction other than its country of organization; and
 - (D) no written claim has been made by any Governmental Entity in a jurisdiction where Trillium, or any of its Subsidiaries does not file Tax Returns that such entity is or may be subject to Tax by that jurisdiction;

- (x) none of Trillium nor its Subsidiaries is a party to any agreement, understanding or arrangement relating to the allocation or sharing of Taxes (excluding customary commercial agreements entered into in the ordinary course of business the primary subject of which is not Taxes);
- (xi) there are no Liens for Taxes upon any properties or assets of Trillium or any of its Subsidiaries (other than Liens (A) relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent balance sheet included in the Trillium Annual Financial Statements; and (B) which would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect);
- (xii) each of Trillium and its Subsidiaries has not, and has never been deemed to have for purposes of the Tax Act or any other Tax Law, entered into any transactions or arrangements with Persons with whom they do not deal at arm's length (within the meaning of the Tax Act) other than for consideration equal to fair market value. For all transactions between Trillium or any of its Subsidiaries, on the one hand, and any non-resident Person with whom Trillium, or any of its Subsidiaries not dealing at arm's length for the purposes of the Tax Act, on the other hand, Trillium or its Subsidiary, as the case may be, has made or obtained records or documents that satisfy the requirements of paragraphs 247(4)(a) to (c) of the Tax Act. Each of Trillium and its Subsidiaries has complied in all respects with all applicable Tax Laws with respect to transfer pricing except where the failure to do so would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect;
- (xiii) there are no circumstances existing which could result in the application of section 17, section 78, section 79, or sections 80 to 80.04 of the Tax Act (or any equivalent provision of the taxation legislation of any province or any other jurisdiction) to each of Trillium and its Subsidiaries; and
- (xiv) none of Trillium, its Subsidiaries or, to the knowledge of the Trillium, any of Trillium's Affiliates has taken or agreed to take any action that would prevent the Arrangement from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code and (ii) Trillium is not aware of any agreement, plan or other circumstance that would prevent the Arrangement from qualifying as a "reorganization" within the meaning of Section 368(a) of the Code.
- (y) Books and Records. The corporate records and minute books of Trillium and its Subsidiaries are currently maintained in accordance with applicable Laws and are complete and accurate in all material respects.
- (z) Insurance. Trillium and its Subsidiaries have in place reasonable and prudent insurance policies that adequately cover all risks as are customarily covered by businesses in the industry in which Trillium and its Subsidiaries operate, and Trillium and its Subsidiaries are in compliance in all material respects with all requirements with respect to such policies. All such policies shall remain in full force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and will not be cancelled or otherwise terminated as a result of the transactions contemplated herein.
- (aa) Non-Arm's Length Transactions. Other than as disclosed in the Trillium Public Documents and other than employment or compensation agreements entered into in the ordinary course of business, no director, officer, employee or agent of, or independent contractor to, Trillium, any of its Subsidiaries, or holder of record or beneficial owner of 5% or more of the Trillium Shares, or associate or affiliate of any such officer, director or beneficial owner,

is a party to, or beneficiary of, any loan, guarantee, Contract, arrangement or understanding or other transactions with Trillium or any of its Subsidiaries.

- (bb) Restrictions on Business Activities. There is no Trillium Material Contract or Order binding upon Trillium or any of its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Trillium, any of its Subsidiaries or the conduct of business by Trillium or any of its as currently conducted (including following the transaction contemplated by this Agreement) other than Trillium Material Contracts or Orders which has not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.
- (cc) Material Contracts. True and complete copies of the Trillium Material Contracts have been disclosed in the Trillium Data Room or are part of the Trillium Public Documents. Trillium and its Subsidiaries have performed in all material respects all of the respective obligations required to be performed by them under the Trillium Material Contracts and none of Trillium, any of its Subsidiaries is in material breach or default under any Trillium Material Contract to which it is a party or bound. To the knowledge of Trillium, there is no material breach or default under any such Trillium Material Contract by any other party thereto. All Trillium Material Contracts are legal, valid, binding and in full force and effect and are enforceable by Trillium (or a Subsidiary of Trillium, as the case may be) in accordance with their respective terms (subject to bankruptcy, insolvency and other applicable Laws affecting creditors' rights generally, and to general principles of equity). Trillium has not received any written or, to the knowledge of Trillium, other notice that any party to a Trillium Material Contract intends to cancel, terminate or otherwise modify or not renew its relationship with Trillium or any of its Subsidiaries, and, to the knowledge of Trillium, no such action has been threatened.
- (dd) Anti-Corruption.
 - (i) None of Trillium nor its Subsidiaries nor, or any of their directors, officers, employees, agents or representatives has, directly or indirectly, offered, promised, agreed, paid, authorized, given or taken any act in furtherance of any such offer, promise, agreement, payment or authorization on behalf of Trillium or its Subsidiaries, anything of value, directly or indirectly, to any official of a Governmental Entity, any political party or official thereof or any candidate for political office, for the purpose of any of the following:
 - (A) influencing any action or decision of such person in such person's official capacity, including a decision to fail to perform such person's official function in order to obtain or retain an advantage in the course of business;
 - (B) inducing such person to use such person's influence with any Governmental Entity to affect or influence any act or decision of such Governmental Entity to assist Trillium or one of its Subsidiaries in obtaining or retaining business for, with, or directing business to, any person or otherwise to obtain or retain an advantage in the course of business; or
 - (C) to assist Trillium or one of its Subsidiaries in obtaining or retaining business for, with, or directing business to, any person, whether through a bribe, rebate, payoff, influence payment, kickback or illegal or improper payment,

other than such actions which have not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.

- (ii) None of Trillium nor its Subsidiaries, or any of their directors, officers, employees, agents or representatives has taken any action that is inconsistent with or prohibited by or would cause Trillium or one of its Subsidiaries to be in violation of the substantive prohibitions or requirements of the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977* (United States) or any similar legislation prohibiting corruption, bribery and money laundering in any jurisdiction in which it conducts its business and to which it is subject and all contracts and arrangements between Trillium or one of its Subsidiaries and any other person are in compliance with such laws, other than such actions which have not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect. Since January 1, 2021, Trillium and its Subsidiaries have maintained policies and procedures applicable to it and their respective directors, officers, employees, agents and representatives in place in respect thereof as are appropriate to prevent and detect violations of laws prohibiting corruption, bribery and money laundering.
 - (iii) None of Trillium nor its Subsidiaries, or any of its directors, officers, employees, agents or representatives has (A) conducted or initiated any review, audit or internal investigation that is determining whether, or has concluded that, Trillium, or one of its Subsidiaries or any of their respective directors, officers, employees, agents or representatives has violated any Laws prohibiting corruption, bribery or money laundering or committed any wrongdoing thereunder, or (B) made a voluntary, directed or involuntary disclosure to any Governmental Entity responsible for enforcing anti-corruption, anti-bribery and money laundering Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request or citation from any person alleging non-compliance with any such Laws, other than such actions which have not had and would not reasonably be expected to, individually or in the aggregate, have a Trillium Material Adverse Effect.
 - (iv) Trillium and its Subsidiaries have maintained systems of internal controls intended to ensure compliance with the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977* (United States) or any similar legislation prohibiting corruption, bribery and money laundering.
- (ee) Sanctions.
- (i) Neither Trillium, nor any of its Subsidiaries or joint ventures, nor any of their respective directors, officers or employees nor, to the knowledge of Trillium, any agents or persons acting on any of their behalf: (i) is a Restricted Party; or (ii) has received written notice of or is aware of any claim, action, suit, proceeding or investigation against it with respect to Sanctions by any Sanctions Authority.
 - (ii) None of Trillium, any of its Subsidiaries or, to the knowledge of the Trillium, any director, officer, employee or agent of Trillium or any of its Subsidiaries is a Person that is, or is owned or controlled by Persons that are: (i) the subject/target of any Sanctions, or (ii) located, organized or resident in a country or territory that is the subject of Sanctions, including Crimea, Cuba, Iran, North Korea, and Syria).
 - (iii) Trillium, its Subsidiaries and their respective directors, officers and employees and, to the knowledge of Trillium, the agents of Trillium and its Subsidiaries are in compliance with all applicable Sanctions in all material respects. Trillium and its Subsidiaries have instituted and maintain policies and procedures designed to ensure compliance with applicable Sanctions.

- (iv) Trillium represents and covenants that for the past three years, neither Trillium nor any of its Subsidiaries or, to the knowledge of Trillium, any director, officer, employee or agent of Trillium has knowingly engaged in, or is now knowingly engaged in, or will engage in, any dealings or transactions with a Restricted Person or in violation of Sanctions.
- (ff) Indigenous Claims. None of Trillium or its Subsidiaries has received any written notice of an Indigenous Claim, which relates to either the Trillium Material Properties or to their respective operations and businesses except for such Indigenous Claims that would not, individually or in the aggregate, have a Trillium Material Adverse Effect. There are no ongoing or outstanding negotiations with any Indigenous group concerning an impact benefit or other material agreement between an Indigenous group and Trillium or its Subsidiaries.
- (gg) Community Groups. To the knowledge of Trillium:
 - (i) no authorized legal representative of any community in the vicinity of any of the Trillium Material Properties has communicated in writing to Trillium or any of its Subsidiaries a requirement that (i) the consent of such community be obtained as a condition to continued operation of any such properties or (ii) a material increase in the compensation payments payable by Trillium or any of its Subsidiaries under any community development or social framework or similar agreements as a condition to the continued operation of such properties.
 - (ii) no dispute exists or is threatened in writing between community groups and Trillium or its Subsidiaries with respect to their respective businesses, assets and operations, except for such disputes that would not, individually or in the aggregate, have a Trillium Material Adverse Effect.
- (hh) Brokers; Expenses. Except for the fees to be paid to Red Cloud Securities Inc. pursuant to its engagement letter with Trillium, a true and complete copy of which has been provided to Pacton, none of Trillium or any of its Subsidiaries, or any of their respective officers, directors or employees has employed any broker, finder, investment banker, financial advisor or other person or incurred any liability for any brokerage fees, commissions, finder's fees, financial advisory fees or other similar fees in connection with the transactions contemplated by this Agreement.
- (ii) Freely Tradeable Shares. The Consideration Shares to be issued pursuant to the Arrangement shall be registered or qualified for distribution, or exempt from or not subject to any requirement for registration or qualification for distribution, under Canadian Securities Laws, U.S. federal securities laws and the state securities of each U.S. state where holders entitled to receive such shares are located. Such securities shall not be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act, and shall not be subject to any "hold period" resale restrictions under National Instrument 45-102 - *Resale of Securities* of the Canadian Securities Authorities.