

UNDERWRITING AGREEMENT

November 21, 2019

Treasury Metals Inc.
130 King Street West
Suite 3680, Box 99
Toronto, Ontario
M5X 1B1

Attention: Greg Ferron, Chief Executive Officer

Dear Sir:

PI Financial Corp. (“**PI**”), as lead underwriter and sole bookrunner, and Haywood Securities Inc. (collectively, the “**Underwriters**” and, individually, an “**Underwriter**”) hereby offer and agree to purchase, on a “bought deal” basis, or alternatively to arrange, as agent for substituted purchasers (the “**Substituted Purchasers**”) in the Selling Jurisdictions (as defined below) to purchase, from Treasury Metals Inc. (the “**Company**”), and the Company hereby agrees to issue and sell to the Underwriters or Substituted Purchasers, 9,807,800 flow-through units in the capital of the Company (each, a “**FT Unit**”), at a purchase price of \$0.285 per FT Unit (the “**FT Unit Price**”), for aggregate gross proceeds of \$2,795,223 upon and subject to the terms and conditions contained herein (the “**Offering**”). Each FT Unit shall be comprised of one common share of the Company (each, a “**FT Share**”) that qualifies as a “flow-through share” as defined in subsection 66(15) of the Tax Act (as defined below) and one-half of one transferrable common share (as defined below) purchase warrant of the Company (each whole common share purchase warrant, a “**Warrant**”) to be issued on a non-flow through basis. Each Warrant shall entitle the holder thereof to acquire one common share of the Company (a “**Warrant Share**”) at a price of \$0.45 per Warrant Share for a period of 24 months following the Closing Date (as defined below). In the event that the closing price of the common shares is \$0.75 or more for 20 consecutive trading days (the “**Acceleration Trigger**”), the Company is entitled to accelerate the expiry date of the Warrants within ten days of such Acceleration Trigger to the date which is 30 days following the date on which the Company, subject to the Company issuing a press release announcing the acceleration, issues a notice to the holders of the Warrants of such new expiry date. The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date. For greater certainty, the obligation of the Underwriters to purchase FT Units shall be reduced by an amount equal to the number of FT Units purchased by any such Substituted Purchasers.

In consideration of the Underwriters’ services to be rendered in connection with the Offering, the Company agrees to pay to the Underwriters at the Closing Time (as defined below) an aggregate cash fee equal to: (i) 6.0% of the aggregate gross proceeds of the Offering, excluding gross proceeds from the issuance of FT Units to persons on a president’s list attached hereto as Schedule “A” (the “**President’s List**”); and (ii) 3.0% of the aggregate gross proceeds of the Offering raised from the FT Units indicated on the President’s List (collectively, the “**Underwriters Fees**”). In addition to the Underwriters’ Fees, the Company shall issue to the Underwriters at the Closing Time, non-transferable compensation options (the “**Compensation Options**”) equal in number to: (i) 6.0% of the aggregate number of FT Units sold under the Offering, excluding any FT Units sold to participants on the President’s List; and (ii) 3.0% of the aggregate number of FT Units sold under the Offering to participants on the President’s List, which will entitle the Underwriters to purchase, at an exercise price equal to the FT Unit Price, one common share of the Company (a “**Compensation Option Share**”) on a non-flow-through basis. The Compensation Options may be exercised at any time, in whole or in part, for a period of 24 months following the Closing Date.

The Company agrees that each of the Underwriters will be permitted to appoint, at the sole cost and expense of the Underwriter so appointing, other duly qualified and registered dealers in their respective jurisdictions as their agents to assist in the Offering, and that the Underwriters may determine the remuneration payable to such other dealers appointed by them provided that no compensation in excess of the Underwriters Fees shall be payable by the Company and such remuneration shall be the sole responsibility of the Underwriters.

The Offering is conditional upon and subject to the additional terms and conditions set forth below. The following are additional terms and conditions of the Agreement between the Company and the Underwriters:

1. Interpretation

Definitions – In addition to the terms previously defined and terms defined elsewhere in this Agreement (as defined below) (including the schedules hereto), where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

“Agreement” means this underwriting agreement dated November 21, 2019 between the Company and the Underwriters and includes all schedules and exhibits attached hereto, in each case, as the same may be supplemented, amended and/or restated from time to time;

“Ancillary Documents” means the Subscription Agreements, the Warrant Indenture, the certificates, if any, representing the FT Shares, the Warrants, the Compensation Options, the Warrants Shares and the Compensation Option Shares;

“Applicable Laws” means, in relation to any person or persons, the Applicable Securities Laws and all other statutes, regulations, rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guidance document that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

“Applicable Securities Laws” means, collectively, the applicable securities laws of each of the Selling Jurisdictions and their respective regulations, rulings, rules, blanket orders, instruments, fee schedules and prescribed forms thereunder, the applicable policy statements issued by the Securities Commissions and the rules and policies of the TSX;

“Beneficiaries” has the meanings ascribed thereto in Section 12(c) of this Agreement;

“Business Day” means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Toronto, Ontario;

“CDS” means CDS Clearing and Depository Services Inc.;

“CEE” means an expense described in paragraph (f) of the definition of Canadian exploration expense in subsection 66.1(6) of the Tax Act, or which would be included in paragraph (h) of that definition if the reference therein to “paragraphs (a) to (d) and (f) to (g.4)” were read as “paragraph (f),” other than amounts which are prescribed to be “Canadian exploration and development overhead expense” for the purposes of paragraph 66(12.6)(b) of the Tax Act, the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act, the amount

of assistance described in paragraph 66(12.6)(a) of the Tax Act or any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of the term “expense” in subsection 66(15) of the Tax Act;

“**Claims**” and “**Claim**” have the meanings ascribed thereto in Section 12(a) of this Agreement;

“**Closing**” means the closing of the Offering;

“**Closing Date**” means November 21, 2019 or such other date as may be agreed to in writing by the Company and PI on behalf of the Underwriters;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to in writing by the Company and PI on behalf of the Underwriters;

“**Commitment Amount**” means the aggregate purchase price for the FT Shares purchased pursuant to the Offering or \$0.28499 of the purchase price for each FT Share, as the context requires;

“**common shares**” means the common shares in the capital of the Company;

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

“**Defaulted Shares**” has the meaning ascribed thereto in Section 17 of this Agreement;

“**Expenditure Period**” means the period commencing on the date of written acceptance of the Subscription Agreements and ending on the earlier of: (i) the date on which the Commitment Amount has been fully expended in accordance with the terms of the Subscription Agreements; and (ii) the Termination Date;

“**Financial Statements**” means, collectively, the (i) audited consolidated financial statements of the Company as at and for the financial year ended December 31, 2018 and 2017, together with the report of RSM Canada LLP on those financial statements, and including the notes with respect to those financial statements; and (ii) the unaudited condensed consolidated interim financial statements of the Company as at and for the six months ended June 30, 2019, and including the notes with respect to those financial statements;

“**Flow-Through Mining Expenditure**” means a “flow-through mining expenditure” as defined in subsection 127(9) of the Tax Act;

“**Governmental Authority**” means and includes, without limitation, any domestic or foreign national, federal, provincial, state or municipal government or other political subdivision of any of the foregoing, any domestic or foreign entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“**Governmental Licences**” has the meaning ascribed thereto in Section 5(ss) of this Agreement;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board, which were adopted by the Canadian Accounting Board as Canadian generally accepted accounting principles applicable to publicly accountable enterprises;

“**Indemnified Parties**” and “**Indemnified Party**” have the meanings ascribed thereto in Section 12(a) of this Agreement;

“**Information**” means all information regarding the Company that is provided to the Underwriters pursuant to this Offering;

“**Losses**” has the meaning ascribed thereto in Section 12(a) of this Agreement;

“**Material Adverse Effect**” means any event, fact, circumstance, development, occurrence or state of affairs that is materially adverse to the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise) or results of operations of the Company and the subsidiary, taken as a whole, whether or not arising in the ordinary course of business;

“**material change**” has the meaning ascribed thereto in the Applicable Securities Laws of the Selling Jurisdictions in Canada;

“**material fact**” has the meaning ascribed thereto in the Applicable Securities Laws of the Selling Jurisdictions in Canada;

“**Mineral Property**” means the Goliath Gold Project property (as described in the Public Record);

“**Mining Rights**” means the mining leases and mining claims described in Schedule “B” hereto;

“**misrepresentation**” has the meaning ascribed thereto in the Applicable Securities Laws of the Selling Jurisdictions in Canada;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, as amended from time to time;

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators, as amended from time to time;

“**NI 45-102**” means National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators, as amended from time to time;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, as amended from time to time;

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

“Prescribed Forms” mean the forms prescribed from time to time under subsection 66(12.7) of the Tax Act filed or to be filed by the Company within the prescribed times renouncing to the Purchasers the Qualifying Expenditures, and all parts or copies of such forms required by the Tax Act to be delivered to the Purchasers;

“Prescribed Relationship” means a relationship between the Company and a Purchaser where the Purchaser (and, where the Purchaser is a partnership, any member thereof) and the Company are related or otherwise do not deal at arm’s length for purposes of the Tax Act;

“Public Record” means collectively all documents that have been disclosed by or on behalf of the Company to the public and filed in accordance with Applicable Securities Laws with the Canadian Securities Administrators on SEDAR;

“Purchasers” means the persons who, as subscribers, acquire the FT Units from the Company at the Closing Time, including the Substituted Purchasers, pursuant to the Subscription Agreements;

“Qualification” has the meaning ascribed thereto in Section 5(v) of this Agreement;

“Qualifying Expenditure” means an expense which is a CEE that will qualify as a “flow-through mining expenditure” as defined in subsection 127(9) of the Tax Act;

“Securities Commission” means the applicable securities commission or regulatory authority in each of the Selling Jurisdictions and together, are referred to as the **“Securities Commissions”**;

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

“Selling Firm” has the meaning ascribed thereto in Section 3(a) of this Agreement;

“Selling Jurisdictions” means the provinces of Canada in which the Purchasers are resident;

“Subscription Agreements” means, collectively, the agreements between the Company and the Purchasers entered into on or prior to the Closing Date setting out the contractual relationship between the Company and the Purchasers, in respect of the purchase of the FT Units;

“subsidiary” means Goldeye Explorations Limited;

“Tax Act” means the *Income Tax Act* (Canada), together with all regulations promulgated thereunder, and including all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof;

“Taxes” means all income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, excise taxes, property taxes, custom and land transfer taxes, duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto, including any penalty, interest or fine payable with respect thereto;

“Technical Report” means the report titled “Preliminary Economic Assessment Update on the Goliath Gold Project, Kenora Mining Division, Ontario” dated April 17, 2017;

“Termination Date” means December 31, 2020;

“Title Opinion” has the meanings ascribed thereto in Section 9(b) of this Agreement;

“**TSX**” means the Toronto Stock Exchange;

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

“**U.S. Person**” means a U.S. person as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and

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

Other

- (a) Any reference in this Agreement to a Section shall refer to a section of this Agreement.
- (b) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and/or pronoun.
- (c) Any reference in this Agreement to “\$” or to “dollars” shall refer to the lawful currency of Canada, unless otherwise specified.
- (d) The following are the schedules to this Agreement, which schedules (including the representations, warranties and covenants set out therein) are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule “A” - President’s List
Schedule “B” - Mining Rights
Schedule “C” - Rights to Acquire Securities
- (e) Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of the Company, or where any other reference is made herein to the “knowledge” of the Company, it shall be deemed to refer to the actual knowledge of (i) Greg Ferron, Chief Executive Officer of the Company, and (ii) Dennis Gibson, Chief Financial Officer of the Company, after having made due enquiry of appropriate and relevant subject matter, having regard to the role and responsibilities of such person as an officer and/or director of the Company.

2. **Nature of Transaction**

Each Purchaser shall purchase the FT Units only on a private placement basis under the Applicable Securities Laws of the jurisdiction in which the purchaser is resident or located, in accordance with such procedures as the Company and the Underwriters may mutually agree, acting reasonably, in order to fully comply with Applicable Laws and the terms of this Agreement. The Company hereby agrees to comply with all Applicable Securities Laws on a timely basis in connection with the sale of the FT Units and the Company shall execute and file with the Securities Commissions all forms, notices and certificates relating to the Offering required to be filed pursuant to Applicable Securities Laws in the Selling Jurisdictions, as applicable, within the time required, and in the form prescribed, by Applicable Securities Laws in the Selling Jurisdictions. The Underwriters agree to assist the Company in all commercially reasonable respects to secure compliance with all regulatory requirements in connection with the Offering, and to offer the FT Units for sale only in the Selling Jurisdictions and, subject to the

consent of the Company, in such jurisdictions outside of the Selling Jurisdictions where permitted by and in accordance with Applicable Securities Laws and the applicable securities laws of such other jurisdictions, and provided that in the case of jurisdictions other than the Selling Jurisdictions, the Company shall not be required to become registered or file a prospectus or registration statement or similar document in such jurisdictions.

Neither the Company nor the Underwriters shall (i) provide to prospective purchasers of the FT Units any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Applicable Securities Laws in connection with the offer and sale of the FT Units or (ii) engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the FT Units in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or otherwise or conduct any seminar or meeting concerning the offer or sale of the FT Units whose attendees have been invited by any general solicitation or general advertising.

3. **Certain Obligations of Underwriters**

- (a) The Underwriters shall, and shall require any properly registered investment dealer (other than the Underwriters) with which the Underwriters have a contractual relationship in respect of the sale of the FT Units (each, a “**Selling Firm**”) to agree to comply with the Applicable Securities Laws in connection with the sale thereof and shall offer the FT Units for sale to Purchasers directly and through Selling Firms upon the terms and conditions set out in this Agreement. The Underwriters shall, and shall require any Selling Firm to agree to, sell the FT Units only in those jurisdictions where they may be lawfully offered for sale or sold and shall seek the prior consent of the Company, such consent not to be unreasonably withheld, regarding the jurisdictions other than the Selling Jurisdictions where the FT Units are to be offered and sold. The Underwriters shall be solely responsible for any fees and/or expenses of the Selling Firms.
- (b) Each of the Underwriters represents and warrants that it is, and each Selling Firm or other group formed by the Underwriters for the distribution of the FT Units is qualified to act in the jurisdiction in which such member solicits or procures subscriptions for the FT Units and is registered in a category permitted to participate in the distribution of the FT Units as contemplated in this Agreement and has and will comply with Applicable Laws in connection with its involvement in the Offering.
- (c) The Underwriters hereby covenant and agree to conduct their activities in connection with the sale of the FT Units in compliance with all Applicable Laws and to, including but not limited to Applicable Securities Laws, of the jurisdictions in which they solicit or procure subscriptions for FT Units in connection with the Offering. The Underwriters will not, directly or indirectly, solicit offers to purchase or sell the FT Units so as to: (i) require registration of any of the FT Units or a filing of a prospectus, registration statement, offering memorandum or similar disclosure document with respect to the FT Units under the laws of any jurisdiction; (ii) obligate the Company to take any action to qualify any of its securities; (iii) obligate the Company to establish or maintain any office, director or officer in such jurisdiction; (iv) subject the Company to any reporting or other requirement in such jurisdiction except for reports that may be required to be filed in connection with the Offering; or (v) require the Company to execute a general consent to services of process or register to do business in such jurisdiction. The Underwriters will obtain from each Purchaser a completed and executed Subscription

Agreement (including, but not limited to, all certifications, forms and other documentation contemplated thereby or as may be required by applicable Securities Commissions and the policies of the TSX) in a form acceptable to the Company and the Underwriters relating to the Offering and to deliver such completed Subscription Agreements to the Company at least five Business Days in advance of Closing.

4. Press Releases

Neither the Company, nor the Underwriters, shall make any public announcement in connection with the Offering, except if the other party has consented to such announcement or the announcement is required by Applicable Laws or stock exchange rules. For greater certainty, the Company will promptly provide to the Underwriters drafts of any press releases of the Company relating to the Offering for review and comment by the Underwriters and the Underwriters' counsel prior to issuance, provided that any such review will be completed in a timely manner, and the Company will incorporate in such press releases all reasonable comments of the Underwriters. Any such press release shall contain the following legend: "NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES." In addition, any such press release shall also contain the following disclaimer language: "This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available."

5. Representations and Warranties of the Company

The Company represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying on such representations and warranties in purchasing the FT Units, that:

- (a) (i) the Company is existing as a corporation in good standing under the laws of the Province of Ontario, and, as described in Public Record and Information, has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct its business as now conducted and as currently proposed to be conducted and to carry out its obligations under this Agreement and the Ancillary Documents; (ii) the Company, where required, has been duly qualified as an extra-provincial corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts any business; and (iii) no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of the Company;
- (b) other than the subsidiary, the Company has no investment in any person which could be material to the business and affairs of the Company. The Company is the direct or indirect registered and beneficial owner of all of the issued and outstanding shares of or other voting securities in its subsidiary free and clear of all encumbrances, liens, mortgages, hypothecations, security interests, charges, and no person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company or the subsidiary of any of the shares or other securities of the subsidiary;

- (c) (i) the subsidiary is existing as a corporation in good standing under the laws of its jurisdiction of incorporation and, as described in Public Record and Information, has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct its business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; (ii) the subsidiary, where required, has been duly qualified as an extra-provincial or foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document; and (iii) no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of the subsidiary;
- (d) the Company and its subsidiary (i) have each conducted and have each been conducting their business in compliance, in all material respects, with all Applicable Laws of each jurisdiction in which its business is carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws, (ii) are not in material breach or material violation of any judgment, order or decree of any Governmental Authority or court having jurisdiction over the Company or the subsidiary, as applicable, and (iii) hold all, and are not in material breach of any, Governmental Licences required to carry on its business as now conducted, except for Governmental Licenses, the failure of which to hold would not, individually or in the aggregate, have a Material Adverse Effect;
- (e) neither the Company nor its subsidiary has been served with or otherwise received notice of any legal proceeding, action, suit or inquiry or governmental proceedings by any Government Authority and there are no legal proceedings, actions, suits, or inquiries or governmental proceedings (whether or not purportedly on behalf of the Company) by any Governmental Authority pending to which the Company or the subsidiary is a party or of which any property or assets of the Company or the subsidiary is the subject which is reasonably likely, individually or in the aggregate, to have a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the Offering, and, to the knowledge of the Company, no such proceedings, actions, suits or inquiries have been threatened or contemplated by any Governmental Authority or any other persons;
- (f) all Mining Rights of the Company that are held by the Company and are in good standing, are valid and enforceable, are free and clear of any material liens or charges and, except as set out in the Public Record and except as noted in the Title Opinion in respect of a portion of the Mineral Property, no royalty is payable in respect of any of them. The Company is the absolute legal and beneficial owner of or has rights in respect of the Mining Rights necessary to carry on their current and proposed exploration and development activities as disclosed in the Public Record, and the Mining Rights held by the Company cover the properties required for such purposes and the Company is legally entitled to conduct exploration activities on, in and under the Mineral Property. The Company has all necessary access rights and other necessary rights and interests relating to the areas of the properties on which the Company conduct business granting the Company the right and ability to explore for minerals, ore and metals for development purposes as are appropriate in view of the rights and interest therein of the Company with only such exceptions as do not materially interfere with the use made by the Company of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to

above is currently in good standing in the name of the Company. No other material property rights are necessary for the conduct of the Company's business as currently contemplated in the Public Record in respect of the Mineral Property and there are no material restrictions on the ability of the Company to use, transfer or otherwise exploit any such property rights except as required by Applicable Laws and the Company does not have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof, except as disclosed in the Public Record;

- (g) any and all of the agreements and other documents and instruments pursuant to which the Company holds the property and assets thereof are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof (except as may be qualified by the Qualification); the Company is not in default of any of the material provisions of any such agreements, documents or instruments nor, to the Company's knowledge, has any such default been alleged, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated; all leases, licences and claims pursuant to which the Company derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or claim and all Taxes required to be paid with respect to such properties and assets to the date hereof have been paid;
- (h) any and all operations of the Company, on or in respect of the assets and properties of the Company have been conducted substantially in accordance with good industry practices in the jurisdiction of operation and in material compliance with Applicable Laws and orders, judgments, decrees and directions of Governmental Authorities;
- (i) no officer, director, employee or other person not dealing at arm's length with the Company, or to the knowledge of the Company, any associate or affiliate of any such person owns, has or is entitled to any royalty, interest or any other encumbrances or claims of any nature whatsoever which are based on production from the Company's properties or assets or any revenue or rights attributable thereto;
- (j) the Financial Statements:
 - (i) have been prepared in accordance with Applicable Securities Laws and IFRS, applied on a consistent basis throughout the periods referred to therein, except as otherwise disclosed therein;
 - (ii) present fairly, in all material respects, the financial position and condition of the Company and its subsidiary on a consolidated basis as at the respective dates thereof and the results of its operations and the changes in its shareholder's equity and cash flows for the periods then ended, and do not contain a misrepresentation; and
 - (iii) have been audited (in the case of the annual financial statements comprising the Financial Statements) by independent public accountants within the meaning of Applicable Securities Laws and the rules of the Chartered Professional Accountants of Canada;

- (k) there has not been any “disagreement” or “reportable event” (within the respective meanings of NI 51-102) with the current auditors or any former auditors of the Company during the past five financial years;
- (l) the Company has established and maintains a system of disclosure controls and procedures and internal control over financial reporting, and has: (i) designed such disclosure controls and procedures, or caused them to be designed under management’s supervision, to provide reasonable assurance that material information relating to the Company and its subsidiary is made known to management by others, particularly during the period in which the financial statements are being prepared; and (ii) designed such internal control over financial reporting, or caused it to be designed under management’s supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS;
- (m) there are no material liabilities of the Company whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements;
- (n) the responsibilities and composition of the Audit Committee of the Company comply with National Instrument 52-110;
- (o) except as disclosed in the Public Record, none of the directors, officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding common shares or any known associate or affiliate of any such person, had or has, to the knowledge of the Company, any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Company or the subsidiary which, as the case may be, materially affects, is material to or will materially affect the Company and the subsidiary on a consolidated basis;
- (p) (i) each of the Company and its subsidiary has duly and on a timely basis filed all foreign, federal, state, provincial and municipal tax returns required to be filed by it, has paid all material Taxes due and payable by the Company and the subsidiary, respectively, and has paid all material assessments and reassessments and all other material Taxes due and payable by it and which are claimed by any Governmental Authority to be due and owing and adequate provision has been made for Taxes payable for any completed fiscal period for which tax returns are not yet required to be filed; (ii) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any Taxes, governmental charge or deficiency by the Company or by the subsidiary; (iii) there are no material actions, suits, proceedings, investigations or claims pending or, to the knowledge of the Company, threatened, against the Company or the subsidiary in respect of Taxes; (iv) the Company is not aware of any material tax deficiencies or material interest or penalties accrued or accruing or alleged to be accrued or accruing, thereon which have not otherwise been provided for by the Company; and (iv) there are no matters under discussion with any Governmental Authority relating to Taxes asserted by any such authority;
- (q) neither the Company nor its subsidiary have committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any Applicable Laws, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be

declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it;

- (r) the Company: (i) is a reporting issuer in British Columbia, Alberta and Ontario; (ii) is not in default under the Applicable Securities Laws of such jurisdictions in any material respects; (iii) is not on the list of defaulting issuers maintained by any Securities Commission in British Columbia, Alberta and Ontario;
- (s) the Company is in compliance, in all material respects, with its timely and continuous disclosure obligations under the Applicable Securities Laws and, without limiting the generality of the foregoing, there has not occurred any material change in the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise), results of operations or control of the Company and the subsidiary which has not been publicly disclosed on a non-confidential basis, and the Company has not filed any confidential material change report which remains confidential as at the date hereof;
- (t) except as disclosed in the Information, to the knowledge of the Company, no agreement is in force or effect which in any manner affects the voting or control of any of the securities of the Company or the subsidiary;
- (u) the authorized capital of the Company consists of an unlimited number of common shares of which, as at the date hereof, 159,570,255 common shares were validly issued and outstanding as fully paid and non-assessable, and except as set forth on Schedule "C" hereto and in the Information, no person, firm or corporation has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option or privilege (whether pre-emptive or contractual), for the issue or allotment of any unissued shares in the capital of the Company or the subsidiary or any other security convertible into or exchangeable for any such shares, or to require the Company or the subsidiary to purchase, redeem or otherwise acquire any of the outstanding securities in the capital of the Company or the subsidiary;
- (v) the execution and delivery of this Agreement and each of the Ancillary Documents and the performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action of the Company and, upon execution and delivery by the Company, will constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with the terms thereof, provided that enforcement hereof and thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable (the "**Qualification**");
- (w) the execution and delivery of this Agreement and each of the Ancillary Documents, the performance by the Company of its obligations hereunder or thereunder and the issuance, sale and delivery of the FT Shares and the Warrants and the issuance and delivery of the Compensation Options and the Warrant Shares and the Compensation Option Shares

upon the due exercise of the Warrants and the Compensation Options, as applicable, do not and will not:

- (i) require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange, Securities Commission or other third party, except such as have been obtained or will be obtained under Applicable Securities Laws or stock exchange regulations;
- (ii) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
 - A. any of the terms, conditions or provisions of the articles, by laws or resolutions of the shareholders, directors or any committee of directors of the Company;
 - B. any indenture, agreement or instrument to which the Company is a party or by which it is contractually bound; or
 - C. any Applicable Laws, including, without limitation, the Applicable Securities Laws, or any judgment, order, direction or decree of any Governmental Authority or court having jurisdiction over the Company; or
- (iii) affect the rights, duties and obligations of any parties to any indenture, agreement or instrument to which the Company is a party, nor give a party the right to terminate any such indenture, agreement or instrument by virtue of the application of terms, provisions or conditions in such indenture, agreement or instrument;
- (x) all necessary corporate action has been taken by the Company to (i) validly authorize and issue the FT Shares and when certificates (whether in electronic or definitive form) representing the FT Shares have been issued, delivered and paid for, the FT Units will be validly issued as fully paid and non-assessable common shares, (ii) validly create, authorize and issue the Warrants, (iii) validly authorize the issuance of the Warrant Shares as fully paid and non-assessable common shares upon the due exercise of the Warrants in accordance with the terms of the Warrant Indenture, (iv) validly create, authorize and issue the Compensation Options, and (v) validly authorize the issuance the Compensation Option Shares as fully paid and non-assessable common shares upon the due exercise of the Compensation Options in accordance with the terms of the Compensation Options;
- (y) other than customary post-closing filings required by Applicable Securities Laws, all consents, approvals, permits, authorizations or filings as may be required for the execution and delivery of this Agreement and the Ancillary Documents and the issuance of the FT Shares, the Warrants and the Compensation Options and the reservation for issuance of the Warrant Shares and the Compensation Option Shares upon the due exercise of the Warrants and the Compensation Options and the completion of the transaction contemplated hereby and thereby, have been made or obtained, as applicable;

- (z) the forms and terms of the certificates, if any, representing the FT Shares, the Warrants, the Warrant Shares, the Compensation Options and the Compensation Option Shares have been approved and adopted by the board of directors of the Company and the form and terms of the certificates, if any, representing the FT Shares, the Warrants, the Warrant Shares, the Compensation Options and the Compensation Option Shares do not and will not conflict with any Applicable Law;
- (aa) the only mineral property or interest in any mineral properties of the Company that is material is the Mineral Property. The description of the Mineral Property and the Mining Rights of the Company as disclosed in the Public Record and the Title Opinion constitutes a complete and accurate description, in all material respects, of the Mineral Property and all Mining Rights held by the Company, and no other mineral property or material assets are necessary to be acquired by the Company for the conduct of the business of the Company as currently conducted, the Company does not know of any claim or the basis for any claim that might or could have a Material Adverse Effect on the right thereof to use, transfer or otherwise explore for mineral deposits on the Mineral Property;
- (bb) neither the Mineral Property (or any interest therein, or right to earn an interest therein) nor any Mining Rights are subject to any right of first refusal or purchase or acquisition right, except as indicated in the Title Opinion;
- (cc) the Technical Report was prepared in accordance in all material respects with the requirements of NI 43-101 and reasonably presents the quantity of mineral resources attributable to the Mineral Property that is the subject thereof as at the date stated therein based upon information available at the time the Technical Report was prepared. Since the date of preparation of the Technical Report, there has been no change of which the Company is aware that would disaffirm any aspect of any of the Technical Report in any material respect;
- (dd) the Company made available to the authors of the Technical Report, prior to the issuance thereof, for the purpose of preparing such report, all information requested by them, which information did not contain any misrepresentation at the time such information was so provided, and the Company has no knowledge of a material adverse change in any information provided to the authors of the Technical Report;
- (ee) the Company is in compliance, in all material respects, with the provisions of NI 43-101;
- (ff) (i) no default exists under and no event has occurred which, after notice or lapse of time or both, or otherwise, constitutes a material default under or material breach of, by the Company, the subsidiary, or any other person, any obligation, agreement, covenant or condition contained in any material contract, indenture, trust, deed, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or the subsidiary is a party or by which it or any of its properties may be bound; and (ii) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the FT Units, the common shares or any other security of the Company has been issued or made by any Securities Commission or stock exchange or any other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by any such authority or under any Applicable Securities Laws;

- (gg) except for the Underwriters as provided herein, there is no person, firm or corporation acting for the Company entitled to any brokerage or finder's fee or other similar fee payable by the Company in connection with this Agreement or any of the transactions contemplated hereunder;
- (hh) the Company has filed all documents forming the Public Record on a timely basis or has received a valid extension of such time of filing and has filed any such documents forming the Public Record prior to the expiration of any such extension. As of their respective dates, the documents forming the Public Record complied in all material respects with the requirements of the Applicable Securities Laws, and none of the documents forming the Public Record, when filed, contained any misrepresentation, which has not been corrected by the filing of a subsequent document which forms part of the Public Record;
- (ii) the minute books and records of the Company made available to counsel for the Underwriters in connection with its due diligence investigation of the Company is complete and accurate in all material respects;
- (jj) the Company and the subsidiary are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged, and the Company has no reason to believe that it will not be able to renew the existing insurance coverage of the Company and the subsidiary as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a reasonable cost;
- (kk) the Company:
 - (i) and the property, assets and operations thereof comply in all material respects with all applicable "**Environmental Laws**" (which term means and includes, without limitation, any and all Applicable Laws relating to the environment or any "**Environmental Activity**" (which term means and includes, without limitation, any past (either while held by the Company or, prior thereto, to the knowledge of the Company), present or future activity, event or circumstance by or in respect of a "**Contaminant**" (which term means and includes, without limitation, any pollutants, hazardous wastes, hazardous materials, hazardous substances or contaminants, petroleum or petroleum products, or any other matter (including any of the foregoing), which is defined or described as such pursuant to any such applicable Environmental Laws), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));
 - (ii) has not received any notice of any material claim, judicial or administrative proceeding, pending or, to the knowledge of the Company, threatened against, or which may materially adversely affect, the Company or any of the property, assets or operations thereof, relating to, or alleging any material violation of any Environmental Laws, the Company is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and, to the

Company's knowledge, neither the Company nor any of its property, assets or operations, is the subject of any investigation, evaluation, audit or review by any Governmental Authority to determine whether any material violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

- (iii) has not given or filed any notice under any federal, provincial or local law with respect to any Environmental Activity, the Company does not, to the Company's knowledge, have any liability (whether contingent or otherwise) in connection with any Environmental Activity and no notice has been given under any federal, provincial or local law or of any liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Company or its property, assets, business or operations;
 - (iv) has not stored any hazardous or toxic waste or toxic substance on the property thereof and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and, to the Company's knowledge, there are no Contaminants on any of the premises at which the Company carries on business, in each case other than in compliance with Environmental Laws; and
 - (v) except as disclosed in the Public Record, is not subject to any material contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment or non-compliance with Environmental Laws;
- (II) the Company and the subsidiary are in compliance, in all material respects, with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice, there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or, to the best of the knowledge of the Company after due inquiry, threatened against the Company or the subsidiary, no union representation question exists respecting the employees of the Company or the subsidiary and no collective bargaining agreement is in place or currently being negotiated by the Company or the subsidiary, neither the Company nor the subsidiary has received any notice of any unresolved matter and there are no outstanding orders under the *Employment Standards Act* (Ontario), the *Human Rights Code* (Ontario), the *Occupational Health and Safety Act* (Ontario) or the *Workers' Compensation Act* (Ontario) or any other similar legislation in any jurisdiction in which the Company or the subsidiary carries on business, and all benefit or pension plans of the Company and the subsidiary are funded in accordance with Applicable Laws and no past service funding liability exist thereunder;
- (mm) neither the Company nor the subsidiary nor, to the knowledge of the Company, any director, officer, agent, employee or representative of the Company or the subsidiary, is an individual or entity that is, or is owned or controlled by a person that is: (i) the subject of any sanctions administered or enforced by the U.S. government (including, without limitation, the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), by the Office of the Superintendent of Financial Institutions ("OSFI") in Canada, the United Nations

Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority having jurisdiction over the Company or the subsidiary (collectively, "**Sanctions**"); or (ii) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Cuba, Iran, North Korea, Sudan, the Crimean region and Syria);

- (nn) the operations of the Company and the subsidiary have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of jurisdictions where the Company and the subsidiary conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable governmental agency having jurisdiction over the Company and the subsidiary (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or the subsidiary with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened;
- (oo) TSX Trust Company, at its principal office in Toronto, Ontario, has been duly appointed as the registrar and transfer agent for the common shares;
- (pp) neither the Company nor the subsidiary or any affiliates thereof, nor, to the knowledge of the Company, any of their directors, officers, employees or agents, has made any bribe, payoff, influence payment, kickback or unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any Applicable Law, or made any payment to any foreign, Canadian, or provincial or state governmental officer or official or other person charged with similar public or quasi-public duties, violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977*, as amended, or any similar law, regulation or statute in any applicable jurisdictions;
- (qq) since December 31, 2018, there has been no material adverse change (actual, contemplated or threatened) in the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise) or results of operations of the Company and the subsidiary (taken as a whole), and the business and assets (including the Mineral Property) of the Company and the subsidiary conform in all material respects to the descriptions thereof contained in the Public Record;
- (rr) the Company and the subsidiary are carrying on their business in material compliance with all Applicable Laws and governmental regulations or ordinances, in whole or in part, by the Company or the subsidiary are provided in material compliance with all Applicable Laws and meet industry specific standards set by all organizations which pertain to the business of the Company and the subsidiary;
- (ss) (i) the Company and the subsidiary possesses such permits, certificates, licences, approvals, registrations, qualifications and consents (collectively, "**Governmental Licences**") issued by the appropriate Governmental Authorities necessary to conduct the business now operated by it in all jurisdictions in which it carries on business that are material to the conduct of the business of the Company and the subsidiary (as such business is currently conducted); (ii) the Company and the subsidiary are in material

compliance with the terms and conditions of all such Governmental Licences; (iii) all of such Governmental Licences are in good standing, valid and in full force and effect; (iv) neither the Company nor the subsidiary have received any notice of proceedings relating to the revocation, suspension, termination or modification of any such Governmental Licences, and there are no facts or circumstances, including without limitation facts or circumstances relating to the revocation, suspension, modification or termination of any Governmental Licences held by others, to the knowledge of the Company, that could lead to the revocation, suspension, modification or termination of any such Governmental Licences if the subject of an unfavourable decision, ruling or finding; (v) neither the Company nor the subsidiary are in default with respect to material filings to be effected or conditions to be fulfilled in order to maintain such Governmental Licences in good standing; (vi) none of such Governmental Licences contains any term, provision, condition or limitation which has or would reasonably be expected to affect or restrict in any material respect the operations or the business of the Company or the subsidiary as now carried on; and (vii) neither the Company nor the subsidiary have reason to believe that any party granting any such Governmental Licences is considering limiting, suspending, modifying, withdrawing or revoking the same in any material respect;

- (tt) the Information is, as of the date of such information or if any such information is undated as of the date it was posted in the data room, true and correct in all material respects and does not contain any misrepresentation and the Company has not withheld and will not withhold from the Underwriters prior to the Closing Time, any material facts relating to the Company;
- (uu) the Company has not completed any “significant acquisition” or “significant disposition” since December 31, 2018 (as such terms are used in NI 44-101 and NI 51-102);
- (vv) the Company is, and will continue to be throughout the Expenditure Period, a “principal-business corporation” as defined in subsection 66(15) of the Tax Act;
- (ww) except as a result of any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, and provided that the Purchasers are not in breach of any of their representations, warranties, covenants or certifications under the Subscription Agreements, upon issue pursuant to the terms of the Subscription Agreements, the FT Shares will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and will not be “prescribed shares” as defined in section 6202.1 of the regulations of the Tax Act;
- (xx) if the Company amalgamates or otherwise merges with any one or more companies, any shares issued to or held by Purchasers as a replacement for FT Shares as a result of such amalgamation or merger will qualify, whether by virtue of subsection 87(4.4) of the Tax Act or otherwise, as “flow-through shares” as defined in subsection 66(15) of the Tax Act and in particular, will not be “prescribed shares” as defined in section 6202.1 of the regulations to the Tax Act, but for any agreement to which the Company is not a party (except as a result of any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, and provided that the Purchasers are not in breach of any of their representations, warranties, covenants or certifications under the Subscription Agreements);
- (yy) the Company has never been in default of its legal obligations in respect of any flow-through share financings previously undertaken by the Company and any reassessment

issued by the CRA to the Company in respect of a previous flow through-share financing has either been vacated or is currently the subject of a notice of objection filed by the Company with the CRA;

- (zz) the Company has no reason to believe that it will be unable to incur during the Expenditure Period or that it will be unable to renounce to the Purchasers pursuant to the terms of the Subscription Agreements, effective on or before December 31, 2019 (provided the Purchasers do not have a Prescribed Relationship at all relevant times), Qualifying Expenditures in an amount equal to the Commitment Amount, and the Company has no reason to expect any reduction of such amounts by virtue of subsection 66(12.73) of the Tax Act;
- (aaa) the expenditures to be renounced by the Company to the Purchasers pursuant to the terms of the Subscription Agreements:
 - (i) will constitute CEE on the effective date of the renunciation and will qualify as Flow-Through Mining Expenditures;
 - (ii) will not include any amount that has previously been renounced by the Company to a Purchaser or to any other person; and
 - (iii) would be deductible by the Company in computing its income for the purposes of Part I of the Tax Act but for the renunciation to the Purchasers;
- (bbb) the Company has not entered into any agreement or made any covenant that would restrict the Company from entering into the Subscription Agreements and agreeing to incur and renounce Qualifying Expenditures in accordance with this Agreement and the Subscription Agreements nor that would require the prior renunciation to any other person of Qualifying Expenditures prior to the renunciation of the Commitment Amount in favour of the Purchasers and the Company has no outstanding obligations to incur and renounce Qualifying Expenditures to any person other than under the Subscription Agreements and as disclosed in the Public Record and Information;
- (ccc) the Company shall incur the Qualifying Expenditures pursuant to this Agreement and the Subscription Agreements in the amount equal to the Commitment Amount and renounce pro rata the Qualifying Expenditures to the Purchasers by the number of FT Shares issued, pursuant thereto before incurring and renouncing CEE in the amount equal to the Commitment Amount pursuant to any other agreement which the Company shall enter into subsequent to the Closing Date with any person with respect to the issue of common shares which are "flow-through shares" as defined in subsection 66(15) of the Tax Act. The Company shall not, without the prior written consent of the Underwriters (which consent may be withheld in the sole discretion of the Underwriters), enter into any other agreement which would prevent or restrict its ability to renounce in accordance with the Subscription Agreements Qualifying Expenditures to the Purchasers in the amount of the Commitment Amount. If the Company is required under the Tax Act to reduce the Qualifying Expenditures previously renounced to Purchasers and unless the Purchasers would not be adversely affected or otherwise agree, the reduction shall be made pro rata by the number of FT Shares issued pursuant to this Agreement and the Subscription Agreements but the Company shall not reduce the Qualifying Expenditures renounced to the Purchasers under the Subscription Agreements until it has first reduced to the extent

possible all CEE renounced to Persons under any agreements relating to common shares which are “flow-through shares” entered into after the Closing Date;

- (ddd) except as required under the Tax Act, the Company will not be subject to the provisions of subsection 66(12.67) of the Tax Act in a manner which impairs its ability to renounce the Qualifying Expenditures to the Purchasers in an amount equal to the Commitment Amount;
- (eee) the Company acknowledges that it is not entitled to receive any assistance, as defined in the Tax Act, in respect of the Qualifying Expenditures. If the Company receives, or becomes entitled to receive, any government assistance which is described in the definition of “excluded obligation” in subsection 6202.1(5) of the regulations made under the Tax Act and the receipt or entitlement to receive such government assistance has or will have the effect of reducing the amount of Qualifying Expenditures validly renounced to the Purchasers to an amount less than the aggregate of the Commitment Amount, the Company shall incur additional Qualifying Expenditures using funds from other sources on or before the time that it renounces the Qualifying Expenditures to the Purchasers pursuant to their Subscription Agreements in an amount not less than the Commitment Amount; and
- (fff) the Company will keep proper books, records and accounts in respect of all Qualifying Expenditures, and all charges, transactions and events affecting the Commitment Amount, the Qualifying Expenditures and the amounts renounced to the Purchasers, and will make such books, records, accounts and any other relevant documents available for inspection and audited by or on behalf of the Purchasers.

6. Representations and Warranties of the Underwriters.

Each of the Underwriters hereby represents warrants and covenants to the Company, and acknowledges that the Company is relying upon such representations and warranties, that:

- (a) it is a valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdiction in which it is incorporated;
- (b) it has all requisite power and authority and good and sufficient right and authority to enter into, deliver and carry out its obligations under this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein; and
- (c) it is appropriately registered under Applicable Securities Laws or is exempt from the requirements under Applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder.

No Underwriter shall be liable to the Company under this Section 6 with respect to a breach or default by another Underwriter.

7. Covenants of the Underwriters

Each of the Underwriters covenant to the Company and acknowledge that the Company is relying on such covenants that:

- (a) it will not advertise the Offering in the printed media of general and regular paid circulation, radio or television;
- (b) it will not solicit subscriptions for FT Units except in accordance with the terms and conditions of this Agreement and the Subscription Agreements;
- (c) it will not make any representations or warranties with respect to, or on behalf of, the Company, other than as set forth in this Agreement or the Subscription Agreements or as otherwise approved by the Company;
- (d) it will use all information it receives from the Company in connection with the Offering only for the purposes of the transactions contemplated herein and for no other purpose and such information if not in the public domain shall be treated as confidential;
- (e) in respect of the offer and sale of the FT Units, it has and will comply with all Applicable Securities Laws and the policies of the TSX; and
- (f) it has not and will not solicit offers to purchase or sell the FT Units so as to require the filing of a prospectus, registration statements or offering memorandum with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501 - *Local Definitions*) or the registration of any of the Company's securities under the laws of any jurisdiction.

8. Covenants of the Company

The Company covenants and agrees with the Underwriters that the Company:

- (a) will allow the Underwriters and their representatives the opportunity to conduct all due diligence which the Underwriters may reasonably require to be conducted prior to the Closing Date in order to fulfill their obligations as Underwriters;
- (b) will duly execute and deliver the Subscription Agreements at the Closing Time;
- (c) will fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions set out in Section 9 of this Agreement, unless otherwise waived by the Underwriters;
- (d) will ensure that the FT Shares shall be duly and validly authorized and issued as fully paid and non-assessable shares in the capital of the Company;
- (e) will ensure that the Warrants, upon issuance, shall be duly and validly created, authorized and issued;
- (f) will ensure that the Warrant Shares, shall be duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price thereof in accordance with the terms of the Warrant Indenture, shall be issued as fully paid and non-assessable common shares in the capital of the Company;

- (g) will ensure that the Compensation Options, upon issuance, shall be duly and validly created, authorized and issued;
- (h) will ensure that the Compensation Option Shares, shall be duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price thereof in accordance with the terms of the Compensation Options, shall be issued as fully paid and non-assessable common shares in the capital of the Company;
- (i) will undertake commercially reasonable efforts to ensure that the conditional acceptance of the TSX for the Offering has been obtained on or prior to the Closing Date;
- (j) unless approved by the requisite number of shareholders of the Company, will not take any action for a period of 18 months after the Closing Date which would reasonably be expected to result in the delisting or suspension of the common shares on or from the TSX or on or from any securities exchange, market or trading or quotation facility on which the common shares are then listed or quoted, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be listed on the TSX so long as the holders of common shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the common shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSX or some combination thereof;
- (k) will execute and file with the Securities Commissions all forms, notices and certificates required to be filed pursuant to the Applicable Securities Laws in respect of the Offering in the time required by the Applicable Securities Laws, to be filed by the Company and to comply in all material respects with all timely and continuous disclosure obligations under Applicable Securities Laws in Canada in respect of the Offering;
- (l) prior to the Closing Time, will advise the Underwriters, promptly after receiving notice or obtaining knowledge of: (i) the issuance by any Securities Commission of any order suspending or seeking to suspend the offering or trading of the FT Units; (ii) the suspension of the qualification of the FT Units for offering or sale in any of the Selling Jurisdictions; or (iii) the institution, threatening or contemplation of any proceeding for any such purposes, and will use its commercially reasonable efforts to prevent the issuance of any order or any suspension respectively referred to in (i) or (ii) above and, if any such order is issued, to obtain the withdrawal thereof as promptly as possible or if any such suspension occurs, to promptly remedy such suspension in accordance with this Agreement;
- (m) will at or before the Closing Time provide to the Underwriters a copy of the conditional listing approval of the FT Units on the TSX;
- (n) upon it becoming aware, will forthwith notify the Underwriters of any breach of any of the covenants set forth in Sections 8(p) to 8(v) of this Agreement;
- (o) will use its commercially reasonable efforts to cause the directors to deliver at the Closing Time on the Closing Date the agreements contemplated by Section 9(h);

- (p) in accordance with the terms of the Subscription Agreements, will incur, during the Expenditure Period, Qualifying Expenditures in an amount equal to the Commitment Amount;
- (q) in accordance with the terms of the Subscription Agreements, will renounce to the Purchasers, with an effective date no later than December 31, 2019 (provided the Purchasers do not have a Prescribed Relationship at all relevant times), Qualifying Expenditures in an amount equal to the Commitment Amount;
- (r) in accordance with the terms of the Subscription Agreements, will file within the time period prescribed by subsection 66(12.7) of the Tax Act, the relevant Prescribed Forms with the relevant Governmental Authority as are necessary to effectively renounce Qualifying Expenditures to the Purchasers in an amount equal to the Commitment Amount, with an effective date no later than December 31, 2019 (provided the Purchasers do not have a Prescribed Relationship at all relevant times), and will deliver to the Purchasers, copies of such Prescribed Forms as filed;
- (s) will file with the relevant Governmental Authority within the time period prescribed by subsection 66(12.68) of the Tax Act the forms prescribed for the purposes of such legislation together with a copy of any “selling instrument” contemplated by such legislation and shall forthwith following such filings provide to the Purchasers a copy of such forms certified by two officers of the Company;
- (t) will file with the relevant Governmental Authority within the time period prescribed by the Tax Act, any return required to be filed under Part XII.6 of the Tax Act in respect of the particular year, and shall pay any Taxes or other amount owing in respect of that return on a timely basis;
- (u) upon the issuance of the FT Units pursuant to the provisions the Subscription Agreements, will ensure that the FT Shares are “flow-through shares” as defined in subsection 66(15) of the Tax Act and not prescribed shares within the meaning of Section 6202.1 of the regulations to the Tax Act (except as a result of any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, or any breach by Purchasers of any of their representations, warranties, covenants or certifications under the Subscription Agreements);
- (v) will maintain its status as a “principal business corporation” as defined in subsection 66(15) of the Tax Act until such time as all of the Qualifying Expenditures to be renounced under this Agreement have been incurred and validly renounced pursuant to the Tax Act; and
- (w) in the event that the Company fails to renounce the Qualifying Expenditures corresponding to the Commitment Amount in the manner required by the Subscription Agreements, will fully indemnify and hold harmless each Purchaser and each of the partners thereof if the Purchaser is a partnership or a limited partnership (for the purposes of this Section, each an “Indemnified Person”) as to, and pay to the Indemnified Person on or before the 90th Business Day following the Termination Date an amount equal to the amount of any tax payable (within the meaning of paragraph (c) of the definition of “excluded obligation” in subsection 6202.1(5) of the regulations to the Tax Act) under the Tax Act (and under any corresponding provincial legislation) by any Indemnified Person as a consequence of such failure, except to the extent such tax is payable as a

result of any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, or to the extent any such tax payable is attributable to a breach by a Purchaser in any of its representations, warranties, covenants or certifications under the Subscription Agreements. In the event that the amount renounced by the Company to the Purchaser is reduced pursuant to subsection 66(12.73) of the Tax Act (or under any corresponding provisions of the provincial legislation), the Company shall indemnify and hold harmless each Indemnified Person as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax payable (within the meaning of paragraph (c) of the definition of “excluded obligation” in subsection 6202.1(5) of the regulations to the Tax Act) under the Tax Act (and under any corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction, except to the extent such tax is payable as a result of any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, or to the extent any such tax payable is attributable to a breach by a Purchaser in any of its representations, warranties, covenants or certifications under the Subscription Agreements, provided that nothing in this subsection shall derogate from any rights or remedies each Purchaser may have at common law with respect to liabilities other than those payable under the Tax Act and any corresponding provincial legislation. To the extent that any Indemnified Person entitled to be indemnified under this section is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this Agreement in trust for, and on behalf of, such Indemnified Person and the Company agrees that such Indemnified Person shall be entitled to enforce the provisions of this Section notwithstanding that such Indemnified Person is not a party to this Agreement. An Indemnified Person shall take commercially reasonable steps to cooperate with the Company in connection with the defense of any claim made by the CRA or a provincial tax authority in respect of any such taxes.

9. Conditions of Closing

The obligation of the Underwriters to purchase, or act as agents for Substituted Purchasers to purchase, the FT Units at the Closing Time on the Closing Date shall be subject to the following:

- (a) the Underwriters will receive at the Closing Time a legal opinion addressed to the Underwriters and the Purchasers (as applicable) dated and delivered the Closing Date from the Company’s counsel, McMillan LLP, in their standard form of opinion and from local counsel (only in respect of matters governed by laws of the Selling Jurisdictions where the Company’s counsel is not qualified to practice), in each case in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, with respect to the following matters, subject to such reasonable assumptions and qualifications customary with respect to transactions of this nature as may be accepted by Underwriters’ counsel:
 - (i) the Company is a corporation existing under the laws of the Province of Ontario;
 - (ii) the Company has all requisite corporate power and capacity under the laws of the Province of Ontario to carry on its business as now conducted and to own, lease and operate its property and assets as described in the Public Record;
 - (iii) as to the authorized and issued capital of the Company;

- (iv) the FT Shares have been validly created, authorized and issued and are outstanding as fully paid and non-assessable common shares in the capital of the Company;
- (v) the Warrants have been duly and validly created and issued and the Warrant Shares have been reserved and authorized and allotted for issuance to the holders thereof and, upon due exercise of the Warrants in accordance with the terms of the Warrant Indenture, the Warrant Shares will be validly issued as fully paid and non-assessable common shares in the capital of the Company;
- (vi) the Compensation Options have been duly and validly created and issued and the Compensation Option Shares have been reserved and authorized and allotted for issuance to the Underwriters and, upon the due exercise of the Compensation Options in accordance with the provisions of the Compensation Options, the Compensation Option Shares will be validly issued as fully paid and non-assessable common shares in the capital of the Company;
- (vii) the Company has all necessary corporate power and capacity: (i) to execute and deliver this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates, if any, representing the FT Shares, the Warrants and the Compensation Options, and to perform its obligations hereunder and thereunder; (ii) to offer, issue and sell the FT Shares; (iii) to create, issue and sell the Warrants; (iv) to issue the Warrant Shares in accordance with the terms of the Warrant Indenture; (v) to create and issue the Compensation Options; and (vi) to issue the Compensation Option Shares in accordance with the terms of the Compensation Options;
- (viii) the Company has duly authorized, executed and delivered this Agreement, the Subscription Agreements and the certificates, if any, representing the FT Shares, the Warrants and the Compensation Options and has duly authorized the performance of its obligations hereunder and thereunder, and each of this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates, if any, representing the FT Shares, the Warrants and the Compensation Options constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the Qualification;
- (ix) the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates, if any, representing the FT Shares, the Warrants and the Compensation Options and the performance by the Company of its obligations hereunder and thereunder and the sale or issuance of the FT Shares, the Warrants, the Warrant Shares, the Compensation Options and the Compensation Option Shares do not conflict with or result in a breach of (whether after notice or lapse of time or both) or constitute a default under (i) any of the terms, conditions or provisions of the articles or by-laws of the Company, or (ii) the *Business Corporations Act* (Ontario);
- (x) the offering, issuance and sale by the Company of the FT Shares and the Warrants to the Purchasers is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained

under the Applicable Securities Laws to permit such offering, issuance and sale; it being noted, however, that the Company is required to file or cause to be filed with the applicable Securities Commissions, reports on Form 45-106F1, prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within 10 days following the Closing Date;

- (xi) the issuance of the Warrant Shares to the Purchasers upon the due exercise of the Warrants in accordance with the terms and conditions of the Warrant Indenture and upon receipt by the Company of full payment of the exercise price is exempt from the prospectus requirements and registration requirements under the Applicable Securities Laws;
- (xii) the issuance and delivery by the Company of the Compensation Options to the Underwriters is exempt from the prospectus requirements of Applicable Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the Applicable Securities Laws to permit such offering, issuance and sale; it being noted, however, that the Company is required to file or cause to be filed with the applicable Securities Commissions, reports on Form 45-106F1, prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within 10 days following the Closing Date;
- (xiii) the issuance of the Compensation Option Shares underlying the Compensation Options to the Underwriters upon the due exercise of the Compensation Options and upon receipt by the Company of full payment of the exercise price in accordance with the terms and conditions of the Compensation Options is exempt from the prospectus requirements and registration requirements under the Applicable Securities Laws;
- (xiv) the first trade of the FT Shares, the Warrants, the Warrant Shares, the Compensation Options and the Compensation Option Shares will be a distribution subject to the prospectus requirements of the Applicable Securities Laws, unless:
 - A. the Company is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
 - B. at the time of such trade, at least four months have elapsed from the “distribution date” (as defined under NI 45-102) of the FT Shares, the Warrants of the Compensation Options, as the case may be;
 - C. the certificates representing the FT Shares, the Warrants and the Compensation Options were issued with a legend stating the prescribed restricted period for a reporting issuer in accordance with Section 2.5(2) of NI 45-102 or an ownership statement issued in connection with such securities under a direct registration system or other electronic book-entry system acceptable to the regulator bears a legend restriction notification for a reporting issuer in accordance with Section 2.5(2) of NI 45-102;
 - D. such trade is not a “control distribution” (as defined in NI 45-102);

- E. no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of such trade;
 - F. no extraordinary commission or consideration is paid to a person or company in respect of such trade; and
 - G. if the selling securityholder is an insider or officer of the Company, the selling securityholder has no reasonable grounds to believe that the Company is in default of “securities legislation” (as defined in National Instrument 14-101 – *Definitions*);
- (xv) the Company is a reporting issuer, and is not included on the list of issuers in default, in British Columbia, Alberta and Ontario;
 - (xvi) the TSX has conditionally accepted notice of the Offering (including the listing and posting for trading on the TSX of the FT Shares, the Warrant Shares and the Compensation Option Shares), subject to compliance with the requirements set forth in the letter of the TSX providing conditional acceptance of the Offering;
 - (xvii) except as a result of any agreement, arrangement, undertaking, obligation or understanding to which the Company is not bound as a party, and provided that the Purchasers are not in breach of any of their representations, warranties, covenants or certifications under the Subscription Agreements, upon issue pursuant to the provisions of the Subscription Agreements, the FT Shares will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and not be “prescribed shares” within the meaning of Section 6202.1 of the regulations to the Tax Act;
 - (xviii) that the Company is a “principal business corporation” as such term is defined in subsection 66(15) of the Tax Act; and
 - (xix) the expenditures to be renounced to the Purchasers pursuant to the Subscription Agreements will, provided the expenses are fully incurred in the manner and otherwise as covenanted and referenced in the Subscription Agreements and a certificate issued by an officer of the Company, be CEE which qualify as Flow-Through Mining Expenditures.

In connection with such opinion, counsel to the Company may rely on or deliver separate stand-alone opinions of local counsel in the Selling Jurisdictions acceptable to counsel to the Underwriters, acting reasonably, as to matters governed by the laws of jurisdictions other than the province or provinces in which the Company’s counsel are qualified to practice and may rely, to the extent appropriate in the circumstances but only as to matters of fact, on certificates of officers of the Company and others;

- (b) the Underwriters shall have received at the Closing Time favourable legal opinions or title reports to be delivered by legal counsel to the Company addressed to the Underwriters relating to title to the Mineral Property acceptable in all reasonable respects to the Underwriters and their counsel, acting reasonably (the “**Title Opinion**”);
- (c) the Underwriters shall have received a certificate dated the Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Company or any other senior

officer(s) of the Company as may be acceptable to the Underwriters, in form and content satisfactory to the Underwriters' counsel, acting reasonably, with respect to:

- (i) the articles and by laws of the Company;
 - (ii) resolutions of the Company's board of directors relevant to, among other things, the issue and sale of the FT Units and the authorization of this Agreement, the Subscription Agreements and the other agreements and transactions contemplated herein; and
 - (iii) the incumbency and signatures of signing officers of the Company;
- (d) the Underwriters shall have received a certificate of status or the equivalent dated within one Business Day of the Closing Date, in respect of the Company;
- (e) the Company shall deliver to the Underwriters, at the Closing Time, certificates dated the Closing Date addressed to the Underwriters and signed by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, or such other senior officer(s) of the Company as may be acceptable to the Underwriters, certifying for and on behalf of the Company and without personal liability, in such persons' capacities as officers of the Company and not in their personal capacities to the best of their knowledge, information and belief, after due inquiry to the effect that:
 - (i) the Company has complied, in all material respects, with all the covenants and satisfied, in all material respects, all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time; and
 - (ii) the representations and warranties of the Company contained herein are true and correct as at the Closing Time with the same force and effect as if made on and as at the Closing Time (other than those which relate to a specific date) after giving effect to the transactions contemplated hereby.
- (f) the Underwriters shall have received copies of correspondence indicating that the Company has obtained all necessary approvals for the issuance of the FT Shares, the Warrants and the Compensation Options and for the FT Shares, the Warrant Shares and the Compensation Option Shares to be listed on the TSX;
- (g) the Underwriters shall have received a certificate from TSX Trust Company as to the number of common shares issued and outstanding as at the date immediately prior to the Closing Date;
- (h) all directors and officers of the Company will have entered into an agreement with, and in form and substance satisfactory to, the Underwriters, acting reasonably, at the Closing Time on the Closing Date pursuant to which they will agree not to, for a period beginning on the Closing Date and ending on the date that is 120 days following the Closing Date, directly or indirectly offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announced any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange,

by private placement or otherwise, or announce any intention to do any of the foregoing, any common shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire common shares, unless: (a) the prior written consent of PI on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) has been obtained, (b) there occurs a take-over bid, arrangement, merger, business combination or similar transaction involving a change of control of the Company or (c) there is a sale of common shares in connection with the exercise of stock options or vesting of share units held by officers and directors of the Company expiring during such 120-day period, provided that such sale of common shares is required to cover the exercise price and/or tax liability incurred as a result of the exercise of such options or vesting of such share units;

- (i) the Company shall have accepted the duly and fully completed Subscription Agreements with the Purchasers and, unless the Company reasonably believes it would be unlawful or contrary to Applicable Securities Laws to do so, have accepted each duly executed Subscription Agreement accompanied by the required subscription funds submitted to the Company as contemplated by the Offering; and
- (j) the Warrant Indenture shall have been accepted, executed and delivered by the Company and TSX Trust Company.

10. Closing

The Closing of the purchase and sale of the FT Units shall be completed at the Closing Time at the offices of McMillan LLP, Suite 4400, 181 Bay Street, Toronto, Ontario M5J 2T3, or at such other place as PI, on behalf of the Underwriters, and the Company shall agree upon. At the Closing Time the Company will deliver to PI, or as PI may direct, (i) via electronic deposit or represented by one or more certificates in definitive form, the FT Units, in each case registered in the name of "CDS & Co." or in such other name or names as PI may notify the Company in writing not less than 24 hours prior to the Closing Time for deposit into the electronic book based system for clearing, depository and entitlement services operated by CDS, or will be made and settled in CDS under the non-certificated inventory system, (ii) all further documentation as may be contemplated in this Agreement or as counsel to the Underwriters may reasonably require, and (iii) payment by wire transfer payable to or as directed by PI in an amount equal to the Underwriters' Fees and the expenses of the Underwriters as set forth in Section 14 in lawful money of Canada; against payment by PI on behalf of the Underwriters to the Company (in accordance with their respective entitlements) of the aggregate purchase price for the FT Units being issued and sold under this Agreement, by certified cheque, bank draft or wire transfer payable to or as directed by the Company at the Closing Time, in lawful money of Canada payable in the City of Toronto.

11. Restrictions on Further Issues or Sales

For a period ending 120 days following the Closing Date, without the prior written consent of PI on behalf of the Underwriters, such consent not be unreasonably withheld or delayed, the Company will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to, or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional common shares or any securities convertible or exchangeable into common shares, other than pursuant to (i) the grant, exercise or vesting of stock options, share units and other similar issuances pursuant to any stock option plan, share unit plan or similar share compensation arrangements of the Company in place prior to the

Closing Date, (ii) an arm's length acquisition, or (iii) the exchange, transfer, conversion or exercise of rights of existing outstanding securities or existing commitments of the Company.

12. Indemnification by the Company

- (a) The Company shall indemnify and save harmless each of the Underwriters and their respective affiliates and their respective directors, officers, employees, shareholders, partners and each other person, if any, controlling any of the Underwriters or their affiliates (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all liabilities, claims (including securityholder actions, derivative or otherwise), actions, losses (other than loss of profits), costs, damages and expenses (including the aggregate amount paid in reasonable settlement of any action, suit, proceeding, investigation or claim) and the reasonable fees and expenses of their counsel (collectively, "**Losses**") that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**" and individually, a "**Claim**") to which any Indemnified Party may become subject or otherwise involved in any capacity insofar as the Losses and/or Claims relate to, are caused by, result from, arise out of, or are in connection with, directly or indirectly the services rendered by an Indemnified Party pursuant to this Agreement, the transactions contemplated hereby or any Indemnified Party's actions or inactions in connection with any such services or transactions.
- (b) If any Claim contemplated by this Section 12 shall be asserted against any of the Indemnified Parties, or if any potential Claim contemplated by this Section 12 shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall promptly notify in writing the Company of the nature of such Claim (provided that any failure to so notify in respect of any Claim or potential Claim shall affect the liability of the Company under this Section 12 only if and to the extent that the Company is materially and adversely prejudiced by such failure). The Company shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any such Claim; provided that the defence shall be through legal counsel selected by the Company and acceptable to the Indemnified Party, acting reasonably. An Indemnified Party shall have the right to employ separate counsel in any such Claim and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless:
 - (i) the Company fails to assume the defence of such Claim on behalf of the Indemnified Party within twenty days of receiving notice of such suit;
 - (ii) the employment of such counsel has been authorized by the Company; or
 - (iii) the named parties to any such Claim (including any added or third parties) include the Indemnified Party and the Company and the Indemnified Party shall have been advised by counsel that representation of the Indemnified Party by counsel for the Company is inappropriate as a result of the potential or actual conflicting interests of those represented or that there may be legal defences available to the Indemnified Party or Indemnified Parties which are different from or in addition to those available to the Company or that the subject matter of the Claim may not fall within the foregoing indemnity or that there is a conflict of interest between the Company and the Indemnified Parties;

in each of cases (i), (ii) or (iii), the Company shall not have the right to assume the defence of such Claim on behalf of the Indemnified Party and the Company shall be liable to pay the reasonable fees and disbursements of counsel for such Indemnified Parties as well as the reasonable costs and out-of-pocket expenses of the Indemnified Party. Notwithstanding anything set forth herein, in no event shall the Company be liable for the fees or disbursements of more than one firm of legal counsel to all Indemnified Parties in a particular jurisdiction in respect of any particular Claim or related set of Claims.

The Company will not, without each affected Indemnified Party's prior written consent, such consent not to be unreasonably withheld, admit any liability, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder unless in connection with any settlement, compromise or consent by the Company, such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Party from any liabilities arising out of such action, suit, proceeding, investigation or claim (if an Indemnified Party is a party to such action) and (ii) does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of an Indemnified Party.

- (c) The Company hereby acknowledges and agrees that, with respect to Sections 12 and 13 hereof, the Underwriters are contracting on their own behalf and as agents for their affiliates, and its and their respective directors, officers, employees, partners, shareholders, advisors, agents and each other person, if any, controlling any of the Underwriters or their affiliates (collectively, the **"Beneficiaries"**). In this regard, each of the Underwriters shall act as trustee for the Beneficiaries of the covenants of the Company under Sections 12 and 13 hereof with respect to the Beneficiaries and accepts these trusts and shall hold and enforce such covenants on behalf of the Beneficiaries.
- (d) Notwithstanding anything to the contrary contained herein, the foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses to which the Indemnified Party may be subject were caused solely by the negligence, fraud or wilful misconduct of the Indemnified Party.
- (e) The Company agrees that in case any legal proceeding shall be brought against the Company and/or the Underwriters by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or if any such commission or authority shall investigate the Company and/or the Indemnified Parties and any Indemnified Parties shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Underwriters, the Indemnified Parties shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel and out-of-pocket expenses incurred by Indemnified Parties in connection therewith shall be paid by the Company as they occur.
- (f) The rights to indemnification provided in this Section 12 shall be in addition to and not in derogation of any other rights which the Underwriters may have by statute or otherwise at law.

- (g) Notwithstanding any other provision in this Agreement, no Indemnified Party shall be indemnified under this Section 12 for any Losses to the extent such Losses are as result of the Indemnified Party being a Purchaser as principal of FT Units.

13. Contribution

- (a) In order to provide for just and equitable contribution in circumstances in which the indemnity provided in Section 12 hereof would otherwise be available in accordance with its terms but is, for any reason held to be illegal, unavailable to or unenforceable by the Indemnified Parties or enforceable otherwise than in accordance with its terms, the Company and the Underwriters shall contribute to the aggregate of all Losses of the nature contemplated in Section 12 hereof and suffered or incurred by the Indemnified Parties (i) in such proportion as is appropriate to reflect not only the relative benefits received by the Company, on the one hand, and the Underwriters on the other hand, from the distribution of the FT Units, or (ii) if the allocation provided by (i) is not permitted by Applicable Law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, on the one hand, and the Underwriters, on the other hand, in respect of such Losses; provided that the Company shall in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any excess of such amount over the amount actually received by the Underwriters or any other Indemnified Party under this Agreement and further provided that the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of such total Underwriters Fees or any portion thereof actually received by the Underwriters. However, no party who has engaged in any fraud, fraudulent misrepresentation, wilful misconduct, or gross negligence shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation, wilful misconduct or gross negligence.
- (b) The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, shall be deemed to be in the same ratio as the total proceeds from the Offering of the FT Units (net of the Underwriters Fees payable to the Underwriters but before deducting expenses) received by the Company is to the Underwriters Fees actually received by the Underwriters. The relative fault of the Company, on the one hand, and of the Underwriters, on the other hand, shall be determined by reference to, among other things, whether the matters or things referred to in Section 12 which resulted in such Claims and/or Losses relate to information supplied by or steps or actions taken or done or not taken or not done by or on behalf of the Company or to information supplied by or steps or actions taken or done or not taken or not done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in Section 12. The amount paid or payable by an Indemnified Party as a result of the Claims and/or Losses referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claims and/or Losses, whether or not resulting in an action, suit, proceeding or claim. The parties to this Agreement agree that it would not be just and equitable if contribution pursuant to this Section 13 were determined by any method of allocation which does not take into account the equitable considerations referred to in this Section 13.

- (c) If the Company may be held to be entitled to contribution from the Underwriters under the provisions of any statute or at law, the Company shall be limited to contribution in an aggregate amount not exceeding the lesser of:
 - (i) the portion of the full amount of the Losses giving rise to such contribution for which the Underwriters are responsible, as determined in Section 12(c); and
 - (ii) the amount of the aggregate Underwriters Fees actually received by the Underwriters from the Company under this Agreement.
- (d) The rights to contribution provided in this Section 13 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.
- (e) If an Indemnified Party has reason to believe that a claim for contribution may arise, the Indemnified Party shall give the Company notice thereof in writing, but failure to so notify shall not relieve the Company of any obligation which it may have to the Indemnified Party under this Section 13 provided that the Company is not materially and adversely prejudiced by such failure, and the right of the Company to assume the defence of such Indemnified Party shall apply as set out in Section 12 hereof, *mutatis mutandis*.

14. Fees and Expenses

Whether or not the purchase and sale of the FT Units shall be completed, all reasonable costs and expenses related to the Offering shall be borne by the Company including, without limitation:

- (a) all expenses of or incidental to the creation, issue, sale or distribution of the FT Units;
- (b) all costs incurred in connection with the preparation of documentation relating to the Offering;
- (c) the reasonable fees and expenses of the Company's legal counsel; and
- (d) the expenses and fees of the Underwriters, including the reasonable fees and disbursements of the Underwriters' technical advisors and counsel (subject to a maximum of \$60,000 plus disbursements and applicable taxes),

with such expenses to be paid by the Company at the Closing Time or at any other time requested by the Underwriters, provided that all fees and expenses incurred by the Underwriters, or on its behalf, pursuant to the Offering shall be payable by the Company immediately upon receiving an invoice therefor from the Underwriters.

15. All Terms to be Conditions

The Company agrees that the conditions contained in Section 9 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and that it will use its commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure to comply with or satisfy any of the conditions set out in Section 9 shall entitle the Underwriters to terminate their obligation to purchase the FT Units, by written notice to that effect given to the Company at or prior to the Closing Time. It is understood that the Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such

terms and conditions without prejudice to the rights of the Underwriters in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing.

16. Termination by Underwriters in Certain Events

- (a) Each Underwriter shall also be entitled to terminate its obligation to purchase the FT Units by written notice to that effect given to the Company and the other Underwriters at or prior to the Closing Time if:
 - (i) there is a material change or a change in any material fact or a new material fact shall arise which in the opinion of the Underwriters, acting reasonably, would be expected to have a material adverse effect business, affairs, prospects or financial condition of the Company or on the market price or the value of the FT Units or the common shares;
 - (ii) the state of the financial markets, whether national or international, is such that in the sole opinion of the Underwriters, acting reasonably, it would be impractical or unprofitable to offer or continue to offer the FT Units for sale;
 - (iii) there should develop, occur or come into effect any event of a nature, including without limitation, accident, act of terrorism, public protest, governmental law or regulation which in the sole opinion of the Underwriters acting reasonably adversely affects or may adversely affect the financial markets or the business, affairs, prospects or financial condition of the Company or the market price or value or marketability of the FT Units;
 - (iv) there is an enquiry or investigation (whether formal or informal) by any regulatory authority in relation to the Company or any one of their respective officers or directors, or any of their principal shareholders which ceases or restricts the trading of the common shares or will materially and adversely effect the market price or value of the securities of the Company;
 - (v) the Company is in breach of a term, condition or covenant of this Agreement, or any representation or warranty given by the Company in this Agreement becomes or is false; or
 - (vi) any condition (including, without limitation, those contemplated in Section 9 hereof) shall remain outstanding and uncompleted at any time after the time which it is required to be completed.
- (b) If this Agreement is terminated by any of the Underwriters pursuant to Section 16(a) prior to the Closing Time, there shall be no further liability on the part of such Underwriter, or on the part of the Company to such Underwriter except in respect of any liability which may have arisen or may thereafter arise under Sections 12, 13 and 14.
- (c) The right of the Underwriters or any of them to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under this Section 16 shall not be binding upon any other Underwriter.

17. Obligations of the Underwriters

The obligations of the Underwriters under this Agreement shall be several in all respects and not joint or joint and several. For greater certainty, the obligations of the Underwriters to purchase the FT Units shall be several and not joint or joint and several, and shall be limited to the percentages of the aggregate number of FT Units to be purchased set out opposite the names of the Underwriters respectively below:

PI Financial Corp.	-	70%
Haywood Securities Inc.	-	30%

If either of the Underwriters fails to purchase its applicable percentage of the FT Units at the Closing Time (a “**Defaulting Underwriter**”), then the other Underwriter will be severally, and not jointly and severally, obligated to purchase, on a pro rata basis to their respective percentages as aforesaid, all but not less than all of the FT Units not purchased by the Defaulting Underwriter, and to receive the Defaulting Underwriter’s portion of the Underwriters Fees and Compensation Options in respect thereof, and such non-defaulting Underwriter shall have the right, by notice to the Company, to postpone the Closing Date by not more than three Business Days to effect such purchase. Nothing in this section shall oblige the Company to sell to the Underwriters less than all of the FT Units or relieve from liability to the Company any Underwriter which shall be so in default.

18. Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered to,

in the case of the Company, to:

Treasury Metals Inc.
The Exchange Tower
130 King Street West, Suite 3680
P.O. Box 99
Toronto, ON M5X 1B1

Attention: Greg Ferron, Chief Executive Officer
E-mail: greg@treasurymetals.com

with a copy of any such notice (which shall not constitute notice to the Company) to:

McMillan LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Attention: Raj Dewan, Partner
E-mail: raj.dewan@mcmillan.ca

in the case of the Underwriters, to:

PI Securities Limited
40 King Street West, Suite 3401
Toronto, ON M5H 3Y2

Attention: Russell Mills, Director, Investment Banking
E-mail: rmills@pifinancial.com

and with a copy of any such notice (which shall not constitute notice to the Underwriters) to:

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON M5H 2T6

Attention: Brad Freelan, Partner
E-mail: bfreelan@fasken.com

The Company and the Underwriters may change their respective addresses for notice by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by fax and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by fax on the first Business Day following the day on which it is sent.

19. Miscellaneous

- (a) Except with respect to Sections 11, 12, 13, 16 and 17, all transactions and notices on behalf of the Underwriters hereunder or contemplated hereby may be carried out or given on behalf of the Underwriters by PI and PI shall in good faith discuss with the other Underwriters the nature of any such transactions and notices prior to giving effect thereto or the delivery thereof, as the case may be.
- (b) This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriters and the Company and their respective successors and legal representatives, provided that no party may assign this Agreement or any rights or obligations under this Agreement, in whole or in part, without the prior written consent of the other parties.
- (c) This Agreement, including all schedules to this Agreement, constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to such subject matter. This Agreement may only be amended, supplemented, or otherwise modified by written agreement signed by all of the parties.
- (d) The Company acknowledges and agrees that: (i) the purchase and sale of the FT Units pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other; (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting

solely as a principal and not the agent or fiduciary of the Company; (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favour of the Company with respect to the Offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is concurrently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement; and (iv) the Company has consulted its own legal and financial advisors to the extent they deemed appropriate. The Company agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company in connection with such transaction or the process leading thereto.

- (e) No waiver of any provision of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the party to be bound by the waiver. 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 it may have.
- (f) If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (g) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.
- (h) Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.
- (i) The words, "hereunder", "hereof" and similar phrases mean and refer to the Agreement formed as a result of the acceptance by the Company of this offer by the Underwriters to purchase the FT Units.
- (j) All warranties, representations, covenants, indemnities and agreements of the Company and the Underwriters contained herein or in the Ancillary Documents shall survive the purchase of the FT Units by the Underwriters or the Substituted Purchasers of the FT Units and shall continue in full force and effect for a period ending on the second anniversary of the Closing Date.
- (k) Each of the parties hereto shall be entitled to rely on delivery of a facsimile, PDF or portable document format copy of this Agreement and acceptance by each such party of any such facsimile, PDF or portable document format copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.
- (l) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[remainder of page intentionally left blank]

If this letter accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to us.

Yours very truly,

PI FINANCIAL CORP.

By: *"Russell Mills"*
Name: Russell Mills
Title: Director, Investment Banking

HAYWOOD SECURITIES INC.

By: *"Kevin Campbell"*
Name: Kevin Campbell
Title: Managing Director, Investment Banking

Accepted and agreed to by the undersigned as of the date of this letter first written above.

TREASURY METALS INC.

By: “Greg Ferron”
Name: Greg Ferron
Title: Chief Executive Officer

SCHEDULE "A"

PRESIDENT'S LIST

Not applicable

SCHEDULE “B”

MINING RIGHTS

List of Mining Rights contained in Title Opinion of Goliath Property, dated November 21, 2019.

SCHEDULE "C"

RIGHTS TO ACQUIRE SECURITIES

	<u>BEFORE FINANCING</u>	<u>AFTER FINANCING</u>
•  options	5,275,000	5,275,000
•  warrants	24,842,216	29,877,455
•  broker warrants	1,330,405	1,913,605