SALES AGENCY AGREEMENT ENTERED INTO AS OF THE 30TH DAY OF MARCH, 2022

BETWEEN: **CENTRAL AMERICA NICKEL INC.**, a corporation duly incorporated according to the laws of Canada, having its registered address at 201 Notre-Dame Street West, Suite 500, in the City of Montreal, Province of Quebec, H2Y 1T4, herein represented by Mr. Pierre Gauthier, its Chairman and CEO, duly authorized as he so declares,
(hereafter referred to as "**CAN**")

PARTY OF THE FIRST PART

AND: **AUXICO RESOURCES CANADA INC.**, a corporation duly incorporated according to the laws of Canada, having its registered address at 201 Notre-Dame Street West, Suite 500, in the City of Montreal, Province of Quebec, H2Y 1T4, herein represented by Mr. Mark Billings, its President, duly authorized as he so declares,
(hereafter referred to as "**Auxico**")
PARTY OF THE SECOND PART

PREAMBLE

WHEREAS CAN has a proprietary interest in rare earth minerals in the Democratic Republic of the Congo;

WHEREAS CAN is interested in selling the aforementioned rare earth minerals;

WHEREAS Auxico is well-positioned and has the requisite experience and network to identify prospective purchasers to purchase the aforementioned rare earth minerals;

WHEREAS CAN wishes to appoint Auxico as its exclusive sales agent to identify prospective purchasers to purchase the aforementioned rare earth minerals; and

WHEREAS the Parties have agreed to enter into this Agreement to set forth the terms of their relationship one to the other,

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1 INTERPRETATION

1.1 **Defined terms.** In this Agreement and in the Schedule attached hereto, unless there is something in the subject-matter or context inconsistent therewith, the following terms and expressions will have the following meanings:

(A) "**Agreement**" means this sales agency agreement and all instruments supplemental to or in amendment or confirmation of this Agreement;

(B) "**Auxico**" means Auxico Resources Canada Inc.;

(C) "**Business Day**" means any day other than a Saturday or Sunday or any statutory holiday in the Province of Québec;

(D) "**CAN**" means Central America Nickel Inc.;

(E) "**Commission**" has the meaning set out in Section 5.1 hereof;

(F) "**Confidential Information**" has the meaning ascribed to it in Section 3.2 hereof;

(G) "**Effective Date**" means the date of signature of this Agreement;

(H) "**Orders**" means orders for the Rare Earth Minerals solicited or obtained by Auxico approved by CAN or orders for the Rare Earth Minerals obtained by Auxico from customers referred to Auxico by CAN and approved by CAN;

(I) "**Parties**" mean collectively CAN and Auxico, and "**Party**" means either one of them;

(J) "**Proceeds**" has the meaning ascribed to it in Section 1.10 hereof;

(K) "**Rare Earth Minerals**" means those rare earth minerals proprietary to CAN and located in the Democratic Republic of the Congo or such other jurisdictions as may be jointly identified by the Parties from time to time. As of the Effective Date, the list of such rare earth minerals in set forth in Schedule "A" attached hereto (which list may be amended, from time to time, by mutual agreement between the Parties); and

(L) "**Term**" means the period of Two (2) years commencing with the Effective Date and includes any renewals thereof, as the case may be.

1.2 **Schedule**. The following Schedule which is attached to this Agreement is incorporated into this Agreement by reference and are deemed to be part hereof: Schedule "A": List of Rare Earth Minerals.

1.3 **Currency.** Unless otherwise indicated, all dollar amounts in this Agreement are expressed in the lawful currency of the United States of America.

1.4 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof.

1.5 **Time of essence**. Time shall be of the essence of this Agreement.

1.6 **Applicable law**. This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Quebec and the federal laws of Canada applicable therein, and each Party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such province and all courts competent to hear appeals therefrom.

1.7 **Successors and Assigns.** This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties and, where the context so permits, their respective successors and permitted assigns.

1.8 **Amendments and Waivers.** No amendment or waiver of any provision of this Agreement shall be binding on either Party unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided.

1.9 **Preamble**: The preamble shall form an integral part of this Agreement;

APPOINTMENT AS SALES AGENT/ EXCLUSION OF SCOPE OF APPOINTMENT

1.10 **Appointment as Exclusive Sales Agent**. Upon and subject to the terms and conditions set forth in this Agreement, and in consideration for the payment by Auxico to CAN of One Million dollars ($1,000,000.00) (the "**Proceeds**"), CAN hereby appoints Auxico as its exclusive authorized sales agent in with respect to the sale of the Rare Earth Minerals and grants to Auxico the right to solicit Orders on behalf of and in the name of CAN for the sale of the Rare Earth Minerals to prospective purchasers. The Parties hereby agree that CAN may use the Proceeds in whatever manner and for whatever purposes it deems fit, in its sole and absolute discretion.

1.11 **No Copper/ No Nickel**. For purposes of greater certainty, nothing in this Agreement shall be construed or interpreted so as to grant Auxico any authority of whatsoever nature or kind to deal in or sell, or purport to others that Auxico can deal in or sell, any of CAN's current or future copper or nickel interests wheresoever located throughout the world.

2 PRICE AND TERMS OF SALE

2.1 **Orders on Behalf of CAN.** All Orders solicited by Auxico shall be subject to the approval of CAN, which approval shall not be unreasonably withheld and shall be issued within three (3) Business Days of receipt by CAN. All accepted Orders shall be invoiced only by CAN and all payments on account thereof shall be payable and remitted to CAN.

2.2 **Representations Regarding Price.** Auxico shall make no representations to any customer regarding the prices of Rare Earth Minerals and the terms and conditions of sale or any other representation regarding the Rare Earth Minerals without CAN's approval not to be unreasonably withheld.

2.3 **Right to Change Terms and Conditions.** CAN shall have the right to issue price revisions or otherwise change the terms and conditions governing the sale of Rare Earth Minerals annually, or from time to time with the consent of Auxico provided that CAN agrees to reasonably consider the advice of Auxico regarding any such changes. Any such changes shall become effective at such times as may be determined by CAN provided that such changes shall not become effective sooner than Twenty (20) Business Days after notice of same is furnished to Auxico in writing.

3 <u>AUXICO'S RESPONSIBILITIES</u>

3.1 <u>Responsibilities of Auxico.</u> During the Term, Auxico shall:

3.1.1 Act in reasonable consultation with CAN and use its best efforts to establish, develop, augment and maintain a sales network to solicit Orders for the sale of the Rare Earth Minerals;

3.1.2 Devote its best efforts to the performance of its obligations under this Agreement;

3.1.3 Make every reasonable effort and use proper means to develop the market potential for trade in the Rare Earth Minerals and actively solicit Orders for the sale of the Rare Earth Minerals, provided that in no event shall CAN be required to expend any monies on advertising or other marketing and sales techniques except as CAN, in its sole discretion, determines appropriate;

3.1.4 Develop, promote and maintain with customers the goodwill and reputation of the Rare Earth Minerals;

3.1.5 Assume full responsibility for the payment of all expenses it incurs in soliciting Orders or otherwise fulfilling its obligations under this Agreement; and

3.1.6 Conduct the appropriate due diligence with respect to any prospective customer so as to ensure that said customer is not in violation of any international laws. All reasonable costs and expenses incurred in connection therewith shall be shared in equal parts with CAN.

3.2 **<u>Confidential Nature of Information.</u>** Auxico covenants and agrees with CAN (and acknowledges that CAN is relying upon such covenant and agreement in entering into this Agreement), that all information, knowledge and data of a confidential nature, trade secrets and secret information, customer lists, publications or any other matter concerning the business or finances of CAN or any of its dealings, transactions or affairs (all hereinafter called "**Confidential Information**") which Auxico shall acquire or which may come to its knowledge during the Term shall at all times (both during the Term and subsequent to the termination thereof) and for all purposes be held by Auxico in confidence and Auxico acknowledges and agrees that it shall not (both during the Term and subsequent to its termination) disclose, divulge, communicate orally, in writing or otherwise to any person or persons any Confidential Information.

3.3 Auxico does not warrant or guarantee the collectability of any invoices for any sales generated by or through Auxico.

4 <u>CAN'S RESPONSIBILITIES AND ACKNOWLEDGEMENTS</u>

4.1 <u>Responsibilities of CAN.</u> During the Term, CAN shall:

4.1.1 At all times maintain adequate financial means and banking facilities and warehousing and distribution facilities in order to fulfill the Orders;

4.1.2 Pay to Auxico the Commission on sales of the Rare Earth Minerals in accordance with the terms of this Agreement;

4.1.3 Promptly refer to Auxico all new account leads generated, prospects and related information which are directed to CAN, or which CAN receives regarding potential purchases of the Rare Earth Minerals by prospective customers;

4.1.4 Provide to Auxico, at CAN's own expense, such information with respect to the Rare Earth Minerals as may be required by Auxico for purposes of concluding an Order with a customer;

4.1.5 Be responsible for all cost and expenses relating to the transport delivery of the Rare Earth Minerals to customers, including, without limitation, all primary and export and import packaging, handling costs to customers (pursuant to Orders), customs entry charges, freight related costs and insurance and shall alone bear any losses for uncollected or uncollectible invoices;

4.1.6 Provide Auxico with copies of and maintain true and accurate records, on a consistent basis, of all sales, invoices and all Rare Earth Minerals ordered and invoiced pursuant to Orders submitted by Auxico;

4.1.7 Provide Auxico with sufficient quantities, as determined by CAN, of selected samples of Rare Earth Minerals in order to enable Auxico to provide its prospective customers with same (for purposes of testing or to ensure the quality thereof);

4.1.8 Fill, ship and deliver the Rare Earth Minerals in accordance with all Orders submitted by Auxico as promptly as is reasonably practical subject to their delivery due dates;

4.1.9 Invoice customers in accordance with all Orders submitted to CAN by Auxico;

4.1.10 Reimburse Auxico, once invoiced, with respect to the due diligence costs and expenses referred to in Section 3.1.6 hereof; and

4.1.11 Otherwise assist Auxico by all reasonable means in selling and distributing the Rare Earth Minerals to customers.

5 COMMISSIONS

5.1 **Commission Payable.** CAN shall pay to Auxico a commission in respect of all sales made or to be made from Orders, and repeats thereof, which have been or will be delivered to or invoiced to customers pursuant to this Agreement as follows: a commission equal to Fifteen Percent (15%) of the sales price thereon.

5.2 **Payment of Commissions.** Subject to Section 5.1 hereof, the payment of all Commissions due and payable by CAN to Auxico shall be made within twenty-four (24) hours of CAN's receipt of payment of the Orders. If CAN receives payment in installments from a customer with respect to any given Order, the Commission shall be paid by CAN to Auxico with respect to the installment payment CAN receives from a customer (and CAN will not be entitled to withhold payment of the Commission on the basis that any given Order has not been paid in full).

6 SUBSCRIPTION FOR SHARES

6.1 Within no later than Thirty (30) days of the expiration of the Term, Auxico shall have the right to convert the full value of the Proceeds into common shares in the share capital of CAN at a strike price of Two Canadian dollars (CAD $2.00) *per* common share. In the event that Auxico does not exercise its foregoing right of conversion, this right shall lapse and be of no further force or effect as at the expiration of the Term. Upon said conversion, the Secretary of CAN shall issue a share certificate to Auxico evidencing the CAN common shares so issued. Furthermore, upon said conversion, the right to a Commission, as afforded to Auxico by virtue of Section 5.1 hereof, would lapse and be of no further force or effect (but would not affect any Commissions on Orders placed prior to the date of conversion or any Commissions with respect to any multi-year commitment as contemplated by Section 8.3 hereof).

7 STATUS OF PARTIES

7.1 **Parties Not Agents for Each Other.** Save and to the extent as otherwise mentioned in this Agreement, nothing herein contained shall constitute either Party as an agent for the other for any purpose, and neither CAN nor Auxico shall have any right to incur liabilities or obligations for or on behalf of the other except as specified herein, each Party acknowledging that each of them are independent contractors.

7.2 **No Express or Implied Power or Authority.** Neither Party shall represent, nor by its conduct, express or implied, in any way indicate, that it has any right, power or authority not expressly granted hereunder.

8 TERM AND TERMINATION OF AGREEMENT

8.1 **Termination of Agreement.** This Agreement shall continue for the duration of the Term or until earlier terminated by either Party as hereinafter provided. The Parties may choose to negotiate in good faith with each other during the Term and agree to extend the duration of this Agreement beyond the Term.

8.2 **Grounds for Termination.** Either Party may terminate this Agreement upon written notice to the other to that effect upon the occurrence of any of the following events:

8.2.1 If the other Party is in default in any material respect in the performance of any of its material obligations under this Agreement or otherwise commits any material breach of this Agreement, and such default continues uncured after Ten (10) Business Days written notice from the notifying Party to such other Party stating the particulars of such default; or,

8.2.2 If such other Party files a petition in bankruptcy, files a petition seeking any reorganization, arrangement, composition or similar relief under any federal, provincial or local law regarding the insolvency or relief for debtors or makes an assignment for the benefit of creditors, or files a proposal, or avails itself of any insolvency legislation, or if a receiver, trustee or similar officer is appointed for the business or property of such other Party, or if any involuntary petition or proceeding under bankruptcy or insolvency laws is instituted against such other Party and not stayed, enjoined or discharged within Thirty (30) Business Days.

8.3 **<u>Continued Right to Commissions.</u>** Notwithstanding the expiry of the Term or termination of this Agreement for any reason whatsoever, Auxico shall have the right to be paid, and CAN shall pay to Auxico, Commissions for all Orders submitted to CAN prior to the effective date of such expiry or termination for all Rare Earth Minerals purchased by customers or introduced by Auxico to CAN prior to the effective date of such expiry or termination in the manner and subject to the conditions set out in this Agreement. For purposes of greater certainty, if any Order submitted to CAN prior to the effective date of such expiry or termination is a multi-year commitment that extends past the aforementioned effective date of such expiry or termination, Auxico shall have the right to be paid, and CAN shall pay to Auxico, Commissions for any such Order for the duration of the multi-year commitment, this notwithstanding any conversion right for CAN common shares exercised by Auxico pursuant to Section 6.1 hereof).

8.4 **<u>Costs or Damages.</u>** No costs or damages shall be payable to or by either Party as a result of the termination or non-renewal of this Agreement other than costs and damages arising out of a breach of this Agreement.

9 <u>NOTICES</u>

9.1 Any notice or other communication hereunder (the "**Notice**") shall be given in writing and sent by e-mail, delivered by hand or by mail (postage prepaid), as the case may be, at the following addresses:

8.1.2 in respect of CAN, addressed to it at the address set forth in the designation of Parties section to this Agreement, c/o Mr. Pierre Gauthier, with his e-mail address being [redacted];

8.1.3 in respect of Auxico, addressed to it at the address set forth in the designation of Parties section to this Agreement, c/o Mr. Mark Billings with his e-mail address being [redacted]; and

where the Notice is given hereunder, a copy of same to also be sent to:

GATTUSO BOUCHARD MAZZONE S.E.N.C.R.L.
1010 Sherbrooke Street West
Suite 2200
Montreal, Quebec, Canada H3A 2R7
<u>Attention</u>: [redacted]
<u>E-Mail</u>: [redacted]

or at any other address or telecopier number which the Party to whom the Notice is to be given may designate by notice in writing given in accordance with the provisions of this Agreement. Any Notice: (i) if mailed, shall be deemed to have been received on the third (3rd) Business Day following mailing; (ii) if delivered personally, shall be deemed to have been received on the day of delivery; or (iii) if sent by e-mail, shall be deemed to have been received on the day of transmission, if a Business Day, or if not a Business Day, on the Business Day next following the day of transmission. In the event of a postal disruption or strike, all Notices shall be given in accordance with paragraphs (ii) or (iii) above.

9 INABILITY TO PERFORM

9.1 Neither Party shall be liable for any failure, inability or delay to perform hereunder if such failure, inability or delay be due to war, labour strife, strike, fire, explosion or sabotage, act of terrorism, accident, casualty, irresistible force, act of God, law, order or regulation, inability or delay to supply or deliver the Rare Earth Minerals, or any cause beyond the reasonable control of the Party so failing, but due diligence shall be used in curing such cause and in resuming performance. If either Party's performance shall be prevented, delayed or materially impaired by any such cause, then this Agreement shall be inoperative, in whole or in part, so long as such situation continues, but without thereby effecting an extension of the Term.

10 ARBITRATION

10.1 Any difference or dispute arising under this Agreement which remains unresolved for a period of Forty-Five days thereafter shall be referred to arbitration of a single arbitrator, if the Parties agree upon one, otherwise to three (3) arbitrators, one (1) to be appointed by each Party and the third (3^{rd}) to be chosen by the first two (2) named before they enter upon the business of the arbitration. The arbitration hearing shall take place in Montréal, Québec, Canada. The award and determination of the arbitrators shall be final and binding upon the Parties hereto and their respective administrators, successors and permitted assigns.

11 ASSIGNMENT PROHIBITED

11.1 This Agreement and the rights of each Party under this Agreement may not be sold, ceded, transferred or assigned, in any way without the prior written consent of the other not to be unreasonably withheld.

11.2 The transfer of any voting control or management of either Party shall be deemed to be an assignment.

12 EFFECTIVE DATE

12.1 This Agreement shall enter into effect as of the Effective Date.

13 MISCELLANEOUS

13.1 **Survival.** The provisions of this Agreement which by their terms call for performance subsequent to the termination or expiry of this Agreement shall so survive such termination or expiry, whether or not such provisions expressly state that they shall so survive.

13.2 **Additional Considerations**. The Parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

13.3 **Effect of Waiver.** Auxico agrees that waiver by CAN of any breach of a covenant or provision contained herein shall only be a waiver in respect of the particular breach thereof giving rise to such waiver.

13.4 **Breach of Restrictions.** If Auxico is in breach of any of such restrictions the running of the period of proscription shall be stayed and shall recommence upon the date that Auxico ceases to be in breach thereof, whether voluntarily or by injunction.

13.5 **Privacy and Personal Information.** Auxico's acknowledges that through contact with CAN, its officers, directors, employees and customers in the performance of its duties under this Agreement, Auxico will become aware of Personal Information (as such term is defined in the *Personal Information Protection and Electronic Documents Act (Canada)*). Auxico's agrees that it will not, without the prior written consent of CAN, disclose or make available the Personal Information, including, without limitation information about customers of CAN which constitutes Personal Information to any other person or entity except for designated employees of Auxico who have a need to access the Personal Information in connection with the use thereof by Auxico in accordance with the terms of this Agreement, or other Parties with the specific prior written authorization of CAN. No employee other than Auxico's President, shall be designated by Auxico to access the Personal Information unless such employee agrees to hold the Personal Information in confidence and private and to limit use of the Personal Information to the uses permitted hereby.

13.6 Auxico agrees that the Personal Information provided to it by CAN shall only be used for such purposes as are specified by CAN and that Auxico shall not sell, transfer, trade or disclose the Personal Information to any other Party or to use the Personal Information for any other purpose other than the purposes of fulfilling its duties under this Agreement or as otherwise specified in writing by CAN. Auxico will follow all rules and regulations of CAN from time to time with respect to the use, destruction, retention and security of the Personal Information. Auxico at the end of this Agreement, shall return to CAN all Personal Information which has been provided to Auxico by CAN or CAN's customers and shall require all individuals or others permitted to have access to the Personal Information pursuant to the terms of this Agreement to do the same.

13.7 **Counterparts.** This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

13.8 **Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first Business Day following such non-business day.

13.9 **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

13.10 **Severability.** If any article, section or any portion of any article or section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid article, section or portion thereof shall be severed from the remainder of this Agreement.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the 30th day of March, 2022.

CENTRAL AMERICA NICKEL INC.

[redacted]

Per: Pierre Gauthier, Chairman and CEO

AUXICO RESOURCES CANADA INC.

[redacted]

Per: Mark Billings, President

SCHEDULE "A"
LIST OF RARE EARTH MINERALS

1. Neodymium (Nd)
2. Praseodymium (Pr)
3. Dysprosium (Dy)
4. Terbium (Tb)
5. Gadolinium (Gd)