

MINAS DE ORO NACIONAL, S.A. DE C.V.

-and-

ZACATECAS SILVER CORP.

SHARE PURCHASE AGREEMENT

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT made the 28th day of February, 2022

A M O N G

MINAS DE ORO NACIONAL, S.A. DE C.V.

a corporation existing under the laws of Mexico

(the “**Seller**”)

-and -

ZACATECAS SILVER CORP.

a corporation existing under the laws of British Columbia

(the “**Buyer**”)

WHEREAS the Seller wishes to sell to the Buyer and the Buyer wishes to purchase from the Seller the Purchased Shares on the terms hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the Parties hereinafter contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Party), the Parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement (including the recitals and the Schedules hereto), the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

- (a) “**Additional Shares**” has the meaning set out in Section 2.2;
- (b) “**Affiliate**” means, with respect to any Person, any Person which directly or indirectly Controls, or is Controlled by, or is under common Control with, that Person;
- (c) “**Agreement**” means this Share Purchase Agreement (including the Schedules hereto), as the same may be amended from time to time in accordance herewith;
- (d) “**AML Legislation**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” applicable Laws,

whether within Canada, the United States or, to the extent applicable to the Seller, elsewhere, including any regulations, guidelines or orders thereunder;

- (e) **“Anti-Corruption Laws”** means the *Corruption of Foreign Public Officials Act* (Canada), the *United Kingdom Bribery Act 2010* and the United States *Foreign Corrupt Practices Act of 1977* and all other laws, rules, and regulations of any jurisdiction applicable to the Seller from time to time concerning or relating to bribery or corruption;
- (f) **“Applicable Securities Laws”** means collectively, the applicable securities laws of the Reporting Jurisdictions, the regulations, rules, rulings and orders made thereunder, the applicable published policy statements issued by the securities commissions thereunder and the rules and policies of the TSXV;
- (g) **“Assets”** means all real property, personal property, mining rights and water rights, of the Company including, but not limited to, the Company Material Mining Rights;
- (h) **“Bankruptcy Proceeding”** has the meaning set out in Section 4.31;
- (i) **“Business Day”** means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia, Canada, Province of Ontario, Canada or Mexico City, Mexico, on which commercial banks in Vancouver, British Columbia, Toronto, Ontario, and Mexico City, Mexico are open for business;
- (j) **“Buyer”** means Zacatecas Silver Corp., a corporation existing under the laws of British Columbia;
- (k) **“Buyer Disclosure Letter”** means the Buyer disclosure letter dated the Execution Date executed by the Buyer and delivered to the Seller in connection with the execution of this Agreement;
- (l) **“Buyer Existing Insurance Policies”** means the insurance policies of the Buyer Group listed in Section 1.1(l) of the Buyer Disclosure Letter;
- (m) **“Buyer Financial Statements”** means the consolidated financial statements of the Buyer, which comprise the audited consolidated financial statements for the period ended December 31, 2020 and the unaudited condensed consolidated interim financial statements for the period ended September 30, 2021;
- (n) **“Buyer Fundamental Representations”** means the representations and warranties of the Buyer in Sections 5.1 and 5.2;
- (o) **“Buyer Group”** means the Buyer and the Buyer Subsidiaries;
- (p) **“Buyer Intellectual Property”** means all trade or brand names, business names, trade- marks (including logos), trade-mark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, issued patents and pending applications and other

patent rights, industrial design registrations, pending applications and other industrial design rights, trade secrets, proprietary information and know-how owned or used by the Buyer Group together with all rights under licences, registered user agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing;

- (q) **“Buyer Material Property”** means the property listed in 1.1(q) of the Buyer Disclosure Letter;
- (r) **“Buyer Mining Rights”** has the meaning set out in Section 5.12(a);
- (s) **“Buyer Nominee”** has the meaning set out in Section 3.9;
- (t) **“Buyer Obligations”** has the meaning set out in Section 3.9;
- (u) **“Buyer Shares”** means common shares in the capital of the Buyer;
- (v) **“Buyer Subsidiaries”** means the subsidiaries of the Buyer, being those listed in 1.1(v) of the Buyer Disclosure Letter;
- (w) **“Buyer Technical Reports”** means the technical reports publicly filed by the Buyer with respect to the Buyer Material Property being those listed in 1.1(w) of the Buyer Disclosure Letter;
- (x) **“Claim”** has the meaning set out in Section 7.6(a);
- (y) **“Closing”** means the closing of the transactions contemplated hereby;
- (z) **“Closing Date”** means three Business Days following satisfaction or waiver of the conditions precedent set out in Article 6 or such other date as may be agreed to in writing by the Seller on the one hand and the Buyer on the other hand;
- (aa) **“Commencement of Commercial Production”** means the commencement of commercial exploitation of mineral products from the Company Material Property or any part as a mine (but does not include milling for the purpose of testing or milling by a pilot plant) which shall be deemed to occur on the earlier of:
 - (i) the public declaration of the commencement of commercial production at a mining project on or in the respect of all, or a portion of the Company Material property;
 - (ii) if a plant is located on the Company Material Property, on the first day following the first period of 45 consecutive days during which mineral products have been produced from the Company Material Property at an average rate not less than 70% of the initial design rated capacity of such facility, or

- (iii) if no plant is located on the Company Material Property, on the first day of the month following the first period of 30 days during which mineral products have been shipped from the Company Material Property on a reasonably regular basis for the purpose of earning revenue;
- (bb) **“Company”** means Esperanza Silver de Mexico, S.A. de C.V., a corporation existing pursuant to the laws of Mexico;
- (cc) **“Company Existing Insurance Policies”** has the meaning set out in Section 4.9;
- (dd) **“Company Financial Statements”** means the unaudited financial statements of the Company in respect of the fiscal period ended September 30, 2021;
- (ee) **“Company Intellectual Property”** means all trade or brand names, business names, trade-marks (including logos), trade-mark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, trade secrets, proprietary information and know-how owned or used by the Company, together with all rights under licences, registered user agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing;
- (ff) **“Company Material Property”** means the mining concessions comprising the property known as the Esperanza Gold Project, located in Morelos State, Mexico, as more particularly described in Schedule “A” under the heading ‘Company Material Properties’;
- (gg) **“Company Material Mining Rights”** has the meaning set out in Section 4.12(a);
- (hh) **“Company Public Documents”** means all documents or information filed on SEDAR by Alamos Gold Inc. under Applicable Securities Laws in respect of the Company, the Company Material Property and the Company Material Mining Rights as of the date hereof and available on Alamos Gold Inc.’s SEDAR profile;
- (ii) **“Company Subsidiary”** means Servicios Mineros Tetlama S.A. de C.V.;
- (jj) **“Concurrent Financing”** means the private placement by the Buyer to raise \$15,000,000 through the issuance of Subscription Receipts at a price of \$1.10 per Subscription Receipt, with each Subscription Receipt being convertible into a Unit of the Buyer;
- (kk) **“Confidentiality Agreement”** means the confidentiality agreement dated November 24, 2021 between Alamos Gold Inc. and the Buyer;
- (ll) **“Consent”** means a consent, approval, order, authorization, filing, notice or declaration;

- (mm) **“Contingent Payments”** has the meaning set out in Section 2.1;
- (nn) **“Contract”** means any agreement, indenture, contract, lease, promise, deed of trust, royalty, licence, option, instrument, arrangement, understanding or other legally binding commitment, whether written or oral;
- (oo) **“Control”** means possession, directly or indirectly, of the power to direct or cause the direction of management and policies through ownership of voting shares, interests or securities, or by contract, voting trust or otherwise; and **“Controlled”** and **“Controlling”** shall have corresponding meanings;
- (pp) **“Direct Claim”** has the meaning set out in Section 7.6(a);
- (qq) **“Employees”** means all individuals employed by the Company;
- (rr) **“Encumbrance”** means any lien, charge, hypothec, pledge, mortgage, royalties, title retention agreement, covenant, condition, lease, license, security interest of any nature, claim, exception, reservation, easement, encroachment, right of occupation, right-of-way, right-of-entry, matter capable of registration against title, promise, option, assignment, right of pre-emption, privilege or any other encumbrance or charge or title defect of any nature whatsoever, regardless of form, whether or not registered or registrable and whether or not consensual or arising by Law, or any Contract to create any of the foregoing;
- (ss) **“Environmental Impact Assessment Report”** means *Manifestación de Impacto Ambiental*, obtained from the Mexican Environmental Authority;
- (tt) **“Environmental Laws”** means all applicable Laws relating to the protection of the environment and includes those relating to pollution, protection of the environment, the protection of public health and safety, Hazardous Substances, or the reclamation, rehabilitation, closure or other restoration of mining properties. For greater certainty, an Environmental Law pertaining to the protection, use or conservation of the environment shall include all such Environmental Laws relating to the manufacture, processing, generation, use, treatment, storage, disposal, transport, Release, containment, reclamation, rehabilitation, closure or other restoration of Hazardous Substances;
- (uu) **“Execution Date”** means the date hereof;
- (vv) **“Feasibility Study”** means a comprehensive study prepared by a recognized firm of mining engineering consultants in accordance with the principals and requirements of NI 43-101, which contains a detailed examination of the feasibility of bringing a deposit of minerals on the Property into commercial production by the establishment of a mine, contains a statement of ore reserves, reviews the nature and scale of any proposed operations and contains an estimate of the construction costs and production costs;

- (ww) **“Governmental Authority”** means any: (i) multinational, national, federal, provincial, state, territorial, municipal, local or other government (whether domestic or foreign); (ii) governmental or quasi-governmental authority of any nature, including any stock exchange or any governmental ministry, agency, branch, department, commission, commissioner, board, tribunal, bureau or instrumentality (whether domestic or foreign); or (iii) body exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power under or for the account of any of the foregoing, including any court, arbitrator or arbitration tribunal;
- (xx) **“Hazardous Substances”** means any pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, tailings, radioactive materials, explosives, petroleum and petroleum products and polychlorinated biphenyls;
- (yy) **“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (zz) **“Indemnified Party”** has the meaning set out in Section 7.6(a);
- (aaa) **“Indemnifying Party”** has the meaning set out in Section 7.6(a);
- (bbb) **“Initial Payment”** has the meaning set out in Section 2.2;
- (ccc) **“Investor Rights Agreement”** means the investor rights agreement to be entered into between the Buyer and the Seller (or an Affiliate) at the Time of Closing in the form attached as Schedule “C” hereto;
- (ddd) **“Laws”** means international, national, provincial, state, municipal and local laws (including common and civil law), treaties, statutes, codes, ordinances, judgements, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements enacted, adopted, promulgated or applied by any Governmental Authority in each case having the force of law, and the term **“applicable”** with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Person or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or its or their business, undertaking, property or securities;
- (eee) **“Loss”** or **“Losses”** means all claims, demands, proceedings, fines, losses, damages, liabilities, deficiencies, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties, judgments and amounts paid in settlement) arising directly or indirectly as a consequence of the matter giving rise to such Loss or Losses; provided that **“Loss”** and **“Losses”** shall not include loss of future profit, special, or punitive damages;
- (fff) **“Material Adverse Change”** means a change, effect, circumstance or event that, individually or in the aggregate, is material and adverse to the business, properties,

assets, financial condition or results of operations of the Company on the one hand or the Buyer Group on the other hand, as the case may be, provided however that no change, effect, circumstance or event, arising from or relating to any of the following, shall be deemed to constitute a Material Adverse Change or shall be taken into account in determining whether a Material Adverse Change has occurred: (i) any change or condition generally affecting the mining industry; (ii) the state of the securities, credit, banking, capital or commodity markets in general; (iii) any change in the price of commodities; (iv) any change relating to the rate at which any currency can be exchanged for any other currency; (v) general political, economic or financial conditions, including in Canada or Mexico; (vi) any adoption, implementation, change or proposed change in applicable Laws or IFRS (or in any interpretation of applicable Laws or IFRS); (vii) any natural disaster, terrorist attack, armed hostilities, military conflicts, or any governmental response to any of the foregoing; (viii) the announcement of the execution of this Agreement or the implementation of any of the transactions contemplated herein; except in the case of clause (i), (v) or (vi), where such change, effect, circumstance or event has a materially disproportionate effect on the Company on the one hand or the Buyer Group on the other hand, as the case may be, relative to comparable companies operating in the mining industry in the same jurisdiction; or (x) any change or condition resulting from the failure by the Buyer to grant its consent to any of the matters contemplated by Section 3.2;

- (ggg) “**Material Contract**” means a Contract to which a Person is a party: (i) which, if terminated or modified or if it ceased to be in effect, would result in a Material Adverse Change; (ii) that has annual payment obligations that are in excess of \$500,000; (iii) that relates to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of \$500,000; (iv) that relates to the acquisition or disposition of any material business (whether by merger, sale of stock, sale of assets or otherwise); (v) that materially limits or restricts a Person from engaging in any line of business, in any geographic area or with any other person, or from engaging in any merger, consolidation or other business combination; (vi) that provides for the assumption of any material liability of any other Person by a Person; (vii) that is an interest rate, currency, equity or commodity swap, hedge, derivative, forward sales contract or similar financial instrument that is material to a Person; or (viii) that relates to a relationship between the Company or its Affiliates and any union.
- (hhh) “**Mexican Environmental Authority**” means the Secretaría del Medio Ambiente y Recursos Naturales and any successor Governmental Authority thereto;
- (iii) “**Mexican Governmental Royalties**” means mining Taxes payable in accordance with Article 268 and 270 of the Mexican Federal Duties Law, which provides that: (i) a mining duty is payable on an annual basis equal to 7.5% of the sales income generated by minerals extracted from a mining concession minus the authorized deductions and (ii) a mining duty is payable on an annual basis equal to 0.5% of the sales income of gold, silver or platinum minerals;

- (jjj) “**Minimum Expenditures**” has the meaning set out in Section 3.14;
- (kkk) “**Minimum Loss Amount**” means the sum of \$500,000;
- (lll) “**Mining Rights Contract**” has the meaning set out in Section 4.12;
- (mmm) “**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;
- (nnn) “**Notice of Claim**” has the meaning set out in Section 7.6(a);
- (ooo) “**OFAC**” means The Office of Foreign Assets Control of the US Department of the Treasury;
- (ppp) “**Operations**” means all activities of whatever kind or nature conducted in connection with exploration, development and operation in respect of (i) in the case of the Company, the Company Material Property, and (ii) in the case of the Buyer, the Buyer Material Property;
- (qqq) “**Order**” means orders, injunctions, judgments, decisions, administrative complaints, decrees, rulings, awards, assessments, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator;
- (rrr) “**Outside Date**” means April 29, 2022, or such other date that the Seller and the Buyer may agree upon in writing;
- (sss) “**Parties**” means collectively the Seller and the Buyer and “**Party**” means a party to this Agreement;
- (ttt) “**Permits**” means all material permits, licenses, leases, authorizations, concessions, registrations, qualifications, certifications, including environmental permits that are required for Operations and other approvals required under applicable Laws from a Governmental Authority;
- (uuu) “**Permitted Encumbrances**” means: (i) any inchoate right, lien or interest of a Governmental Authority; (ii) Encumbrances for Taxes not yet due and payable and accrued in the ordinary course of business and in accordance with IFRS; (iii) statutory Encumbrances in favour of municipalities or public utilities; (iv) permits, servitudes, easements or other similar real property rights, as well as encroachments and other minor imperfections of title which do not impair, detract from the value of or impair the use of the property in any material respect, including limiting the ability to access the Company Material Property or conduct any Operations thereon; (v) with respect to the Seller, the Underlying Royalty and any state royalties or royalties payable to a Governmental Authority including the Mexican Governmental Royalties payable by the Company in respect of the Company Material Property; (vi) restrictions on the transfer of the securities arising under applicable Law or the constating documents of the applicable Person; (vii) any reservations or exceptions contained in or implied by statute in the original

dispositions from a Governmental Authority and grants made by a Governmental Authority of any kind or interest reserved therein; and (ix) with respect to the Buyer, the Encumbrances listed in 1.1(uuu) of the Buyer Disclosure Letter;

- (vvv) **“Person”** means and includes any individual, corporation or other body corporate, partnership, trustee, trust or unincorporated association, joint venture, syndicate, sole proprietorship, other form of business enterprise, executor, administrator or other legal representatives, regulatory body or agency or Governmental Authority, however designated or constituted;
- (www) **“PRM”** has the meaning set out in Section 4.12(b);
- (xxx) **“Proceeding”** means any action, claim, demand, lawsuit, assessment, hearing, arbitration, judgment, award, decree, order, injunction and prosecution, or other similar proceeding;
- (yyy) **“Public Disclosure Documents”** means, collectively, all of the documents which have been filed by or on behalf of the Buyer with the relevant securities regulators pursuant to the requirements of Applicable Securities Laws, including all documents publicly available on the Buyer’s SEDAR profile;
- (zzz) **“Purchase Consideration Shares”** has the meaning set out in Section 2.2(c);
- (aaaa) **“Purchase Price”** has the meaning set out in Section 2.2;
- (bbbb) **“Purchased Company Subsidiary Share”** means 1 ordinary share in the capital of the Company Subsidiary held by the Seller;
- (cccc) **“Purchased Shares”** means 999,999 ordinary shares in the capital of the Company held by the Seller, and one share held by Mr. John McCluskey, representing 100% of the issued and outstanding shares of all classes in the capital of the Company;
- (dddd) **“Release”**, when used as a verb, includes release, spill, leak, emit, deposit, discharge, pump, pour, inject or dispose of into the environment or any other similar act, however defined in applicable Environmental Laws, and the term **“Release”** when used as a noun has a correlative meaning;
- (eeee) **“Reporting Jurisdictions”** means the Provinces of British Columbia and Alberta;
- (ffff) **“REPSE”** has the meaning set out in Section 4.25(c);
- (gggg) **“Sanctioned Entity”** means (i) a country or a government of a country, (ii) an agency of the government of a country, (iii) an organization directly or indirectly controlled by a country or its government, (iv) a Person resident in or determined to be resident in a country, in each case, that is subject to a country Sanctions program administered and enforced by OFAC or by any Canadian Governmental Authority;

- (hhhh) **“Sanctioned Person”** means (i) any person listed in any sanctions-related list of designated persons maintained by any Canadian Governmental Authority, or (ii) a person named on the list of Specially Designated Nationals maintained by OFAC;
- (iii) **“Security Documents”** has the meaning set out in Section 2.6(g);
- (jjjj) **“Seller”** means Minas de Oro Nacional, S.A. de C.V., a corporation existing under the laws of Mexico;
- (kkkk) **“Seller Disclosure Letter”** means the disclosure letter dated the Execution Date executed by Seller and delivered to the Buyer in connection with the execution of this Agreement;
- (llll) **“Seller Fundamental Representation”** means the Seller’s representations and warranties in Sections 4.1, 4.2 and 4.4;
- (mmmm) **“Stream Agreement”** means a silver metal purchase stream agreement entered into between the Buyer and the Seller (or an Affiliate) at the Time of Closing in the form attached as Schedule “B” hereto;
- (nnnn) **“Subscription Receipt”** means the subscription receipts to be issued by the Buyer pursuant to the Concurrent Financing;
- (oooo) **“Surface Agreements”** has the meaning set out in Section 4.12(a);
- (pppp) **“Tax”** or **“Taxes”** means all foreign, federal, national, provincial, state, city or municipal taxes, levies, duties, assessments, reassessments and other charges in the nature of a tax, including income tax, profits tax, capital gains tax, gross receipts tax, corporation tax, mining tax, royalties, sales and use tax, wage tax, payroll tax, workers’ compensation levy, capital tax, stamp duty, real and personal property tax, land transfer tax, customs or excise duty, excise tax, turnover or value added tax on goods sold or services rendered, goods and services tax, withholding tax, social security, government pension plan and employment insurance charges or retirement contributions and any interest, penalties or other additions to tax;
- (qqqq) **“Tax Report”** means has the meaning set out in Section 3.11;
- (rrrr) **“Tax Return”** means any return (including any information return), report, statement, schedule, notice, form, declaration, claim for refund or other document or information filed with, or required to be filed with, any Governmental Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any legal requirement relating to any Tax;
- (ssss) **“Third Party”** has the meaning set out in Section 7.9(c);
- (tttt) **“Third Party Claim”** has the meaning set out in Section 7.6(a);

- (uuuu) **“Threshold Amount”** means the amount equal to 10% of the Purchase Price actually paid by the Buyer to the Seller at the applicable time;
- (vvvv) **“Time of Closing”** means 9:00 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as may be agreed to in writing by the Seller on the one hand and the Buyer on the other hand;
- (www) **“Transfer Agent”** means Odyssey Trust Company located at 323 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2;
- (xxxx) **“TSXV”** means the TSX Venture Exchange;
- (yyyy) **“Underlying Royalty”** means the underlying 3% net smelter royalty payable by the Company to Recursos Cruz Del Sur. S.A. de C.V. in respect of the Company Material Property;
- (zzzz) **“Unit”** means the units to be issued by the Buyer upon the conversion of the Subscription Receipts which will consist of one Buyer Share and one half of one share purchase warrant to acquire an additional Buyer Share;
- (aaaa) **“VDR”** means the virtual database set up by Alamos Gold Inc. provided to the Buyer and its consultants, containing documents and information relevant to the businesses of the Company, as of the Execution Date.

1.2 Rules of Construction

- (a) In this Agreement:
- (i) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
 - (ii) references to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;
 - (iii) the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
 - (iv) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa;
 - (v) unless otherwise indicated, any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;

- (vi) the words “include”, “includes” and “including” mean “include”, “includes” or “including”, in each case, “without limitation”;
- (vii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (viii) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (ix) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.

1.3 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in United States dollars.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Knowledge

References in this Agreement to; (i) “the knowledge of the Seller” means the actual knowledge of Messers Luis Chavez and Marcelo Martinez after making reasonable inquiry of other responsible officers and employees of the Seller and the Company to inform themselves as to the relevant matters; and (ii) “the knowledge of the Buyer” means the actual knowledge of Messers Bryan Slusarchuk, Jonathan Richards, Chris Wilson and Charles Hethey, after making reasonable inquiry of other responsible officers and employees of the Buyer to inform themselves as to the relevant matters; but, in each case, without the requirement to make any inquiries of third parties or Governmental Authorities or to perform any search of any public registry office or system.

1.6 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule “A”		Description of the Esperanza Gold Project
Schedule “B”		Stream Agreement
Schedule “C”		Investor Rights Agreement

ARTICLE 2

TRANSFER OF PURCHASED SHARES AND CLOSING ARRANGEMENTS

2.1 Transfer of Purchased Shares

Subject to the terms and conditions hereof, at the Time of Closing, the Seller shall sell, assign and transfer to the Buyer and the Buyer shall purchase from the Seller the Purchased Shares and the Purchased Company Subsidiary Share, free and clear of all Encumbrances for the Purchase Price which shall be paid as set out in Section 2.2. For clarity, Closing shall not occur unless and until the components of the transaction as set forth in Section 2.2(a)(i), 2.2(b) and 2.2(c) are completed.

2.2 Purchase Price

The purchase price for the Purchased Shares and the Purchased Company Subsidiary Share (the “**Purchase Price**”) shall be satisfied as follows:

- (a) The Buyer shall deliver cash by wire transfer or certified cheque to an account designated by the Seller in the amounts as follows:
 - (i) \$5,000,000 on the Closing Date (the “**Initial Payment**”);
 - (ii) \$5,000,000 within sixty (60) days after approval of the Environmental Impact Assessment Report by the Mexican Environmental Authority;
 - (iii) \$14,000,000 within sixty (60) days of the earlier of: (A) completion of a Feasibility Study with respect to all or portion of the Company Material Property, or (B) the Buyer announcing a decision to commence construction of a mine on the Company Material Property; and
 - (iv) \$20,000,000 within one hundred and eighty (180) days after the Commencement of Commercial Production.
- (b) The Buyer and the Seller (or an Affiliate) shall enter into the Stream Agreement at the Time of Closing providing for a deposit amount of \$6,000,000.
- (c) The Buyer shall issue 12,140,000 Buyer Shares at a price of CDN\$1.05 per Buyer Share (the “**Purchase Consideration Shares**”) to the Seller at the Time of Closing. The Purchase Consideration Shares will be issued at a price equal to the pricing of the Concurrent Financing. The Buyer shall deliver to the Seller (or as the Seller may otherwise direct in writing at least three Business Days before the Closing Date) certificates representing the Purchase Consideration Shares at the Time of Closing.

In respect of payments due under paragraphs 2.2(a)(ii), 2.2(a)(iii) and 2.2(a)(iv) (the “**Contingent Payments**”), subject to the restrictions set forth below on the Seller holding more than 19.99% of the issued and outstanding Buyer Shares (on a partially diluted basis) and subject to TSXV approval, the Buyer may elect to issue to the Seller additional Buyer Shares (“**Additional Shares**”) to satisfy up to fifty percent (50%) of the value of such payments. The number of Additional Shares

issuable will be determined by dividing the amount to be paid in Buyer Shares by the 10 day volume weighted average price of the Buyer Shares on the TSXV prior to issuance of such Additional Shares and by converting United States dollars to Canadian dollars using the closing exchange rate published by the Bank of Canada on the Business Day immediately preceding the date of issuance of such Additional Shares. The total number of Additional Shares issuable to the Seller by the Buyer together with any Buyer Shares held by the Seller on such date shall not exceed 19.99% of the issued and outstanding Buyer Shares (on a partially diluted basis) and any outstanding payment obligations following the application of the 19.99% threshold shall be paid by the Buyer to the Seller in cash.

2.3 Closing Date

Subject to compliance with the terms and conditions hereof, the transfer of the Purchased Shares and the Purchased Company Subsidiary Share shall be deemed to take effect as at the Time of Closing on the Closing Date or on such other date as the Seller on the one hand and the Buyer on the other hand, may mutually determine.

2.4 Place of Closing

The Closing shall take place at the offices of Osler, Hoskin & Harcourt LLP, counsel to the Buyer, at 1055 West Hastings Street, Suite 1700, The Guinness Tower, Vancouver, British Columbia.

2.5 Delivery of Closing Documentation from the Seller to the Buyer

At the Time of Closing, the Seller shall deliver or cause to be delivered to the Buyer:

- (a) a certificate of status for the Seller;
- (b) an equivalent of a good standing certificate issued by the relevant Governmental Authority (*Constancia de Situación Fiscal* and *Folio Mercantil* issued by the Public Registry of Commerce that corresponds to the Seller's domicile) no more than 30 days prior to the Closing Date for the Company;
- (c) a certificate from a senior officer of the Seller certifying: (i) the constating documents of the Seller; (ii) the incumbency of certain officers of the Seller; and (iii) the resolutions of the board of directors of the Seller relating to this Agreement and the transactions contemplated hereby;
- (d) a certificate from a senior officer of the Seller certifying: (i) the constating documents of the Company; (ii) the incumbency of certain officers of the Company; and (iii) any applicable corporate authorizations of the Company relating to this Agreement and the transactions contemplated hereby;
- (e) the certificates contemplated by Sections 6.2(a), 6.2(b) and 6.2(c);
- (f) certificates representing the Purchased Shares and the Purchased Company Subsidiary Share, duly endorsed for transfer, executed and delivered by the Seller and John McCluskey, as applicable;

- (g) evidence that the transfer of the Purchased Shares in favor of the Buyer has been duly recorded in the stock registry book (*libro de registro de acciones*) of the Company;
- (h) a release from the Seller in favour of the Company, releasing and discharging the Company from and against all claims, demands, damages, debts, liabilities, obligations, costs, expenses, actions and causes of action to the extent arising prior to Closing out of the Company and the Assets, in a form satisfactory to the Buyer and the Seller, acting reasonably, duly executed by the Seller and the Company;
- (i) a written resignation and an executed mutual release from each director and officer of the Company, substantially in a form to be agreed by the Seller and the Buyer, acting reasonably, such resignations and releases to be effective as at the Closing Date, and duly executed terminations of all powers of attorney granted to such directors and officers;
- (j) the Investor Rights Agreement, duly executed by the Seller;
- (k) the Stream Agreement, duly executed by the Seller;
- (l) a transfer agreement in a form satisfactory to the Buyer providing for the transfer of the share in the capital of the Company held by John McCluskey to the Buyer or a Buyer Nominee, duly executed by the Seller and John McCluskey;
- (m) all minute books, corporate records, share registry books and capital variation books of the Company.

2.6 Delivery of Closing Documentation to the Seller

At the Time of Closing, the Buyer shall deliver to the Seller:

- (a) the Initial Payment;
- (b) a certificate of status (or equivalent thereof) for each member of the Buyer Group;
- (c) a certificate from a senior officer of the Buyer certifying: (i) the constating documents of the Buyer; (ii) the incumbency of certain officers of the Buyer; and (iii) any applicable corporate authorizations of the Buyer relating to this Agreement and the transactions contemplated hereby, including without limitation, the issuance of the Purchase Consideration Shares;
- (d) proof acceptable to the Seller and its counsel, acting reasonably, of the due approval of the TSXV of the Transaction, including the issuance by the Buyer of the Purchase Consideration Shares;
- (e) a share certificate or DRS statement representing the Purchase Consideration Shares;

- (f) the certificates contemplated by Sections 6.3(a), 6.3(b) and 6.3(c);
- (g) security required in favour of the Seller in support of the Buyer's obligations in respect of the Contingent Payments pursuant to security documents in a form acceptable to Buyer and Seller, acting reasonably, (the "**Security Documents**") creating a first priority charge over the Company Material Property and a pledge over all the Purchased Shares, subject to the permitted encumbrances described therein, together with an opinion of Mexican counsel to the Buyer in form and substance satisfactory to Seller, acting reasonably, with respect to the Security Documents;
- (h) the Investor Rights Agreement, duly executed by the Buyer; and
- (i) the Stream Agreement duly executed by the Buyer.

2.7 Publication of transfer of the Purchased Shares

Within ten (10) Business Days after Closing, pursuant to the provisions of Article 129 of the General Law of Commercial Companies of Mexico, the Company shall publish a notice of the transfer of the Purchased Shares on the Corporations Electronic Publications System of the Economy Ministry in Mexico.

ARTICLE 3 **COVENANTS OF THE PARTIES**

3.1 Actions to Satisfy Closing Conditions

Each Party shall: (i) take all such reasonable actions as are within its power and otherwise use all commercially reasonable efforts so as to: (A) ensure compliance with the conditions set forth in Article 6; and (B) cause the Closing to occur as promptly as reasonably practicable following the date hereof; and (ii) not take or agree to take any action that would reasonably be expected to delay or prevent the consummation of the transactions contemplated by this Agreement.

3.2 Conduct of Business of the Company

Other than: (i) as expressly required or permitted by this Agreement; (ii) as required pursuant to applicable Laws; (iii) as set out in the Seller Disclosure Letter; (iv) actions required to reasonably and prudently respond to an emergency or disaster (including the right to take forthwith any action required to ensure the safety and integrity of Operations and the Employees and if any such actions shall be taken, the Seller shall forthwith advise the Buyer in writing of same, with full particulars); or (v) as consented to in writing by the Buyer (such consent not to be unreasonably withheld, delayed or conditioned), during the period of time from the Execution Date to and including the Closing Date, the Seller shall:

- (a) cause the Company to: (i) conduct its business including maintaining the Company Material Mining Rights in force and in good standing; and (ii) continue to make ordinary capital expenditures; in both cases only in the ordinary and normal course of business;

- (b) ensure that the Company shall not: (i) amend or modify its charter documents; (ii) alter the terms and conditions of the shares of the Company or any of its securities (including any share split or conversion or exchange of securities for other securities or property); or (iii) create, authorize or agree to issue or grant any equity securities or securities convertible into or exchangeable or exercisable for equity securities of the Company;
- (c) ensure that the Company shall not declare, set aside or pay any cash dividend or non-cash distribution or payment (whether in securities or property) in respect of any of its securities of any class, unless after the payment of such dividend or non-cash distribution or payment;
- (d) ensure that the Company shall not acquire any business;
- (e) ensure that the Company shall not be dissolved or wind up;
- (f) ensure that the Company shall not sell, transfer, dispose of, lease, encumber, relinquish, reduce, modify, abandon or grant any royalty, option to purchase, right of first offer/refusal or promise to enter into any Contract capable of becoming any of the foregoing over any Assets, except for the sale of inventory in the ordinary course of business;
- (g) ensure that the Company shall not start any proceedings with any Governmental Authority whose determination may result in modification or change to or affect in any way the perimeter, surface or any other right comprising the Company Material Property, including, but not limited to, the location of the mining concessions shown on the titles of the mining concessions;
- (h) ensure that the Company shall not enter into or amend any collective agreement with the Employees;
- (i) ensure that the Company shall not grant to any Employee an increase in compensation, except in the ordinary course of business and consistent with past practice or as is necessary to comply with applicable Laws or an existing employment or services agreement;
- (j) ensure that the Company shall not hire any new Employee or dismiss any Employee whose annual aggregate compensation is in excess of \$80,000, except: (i) the termination of any Employee for cause; or (ii) the hiring of any person to fill an existing vacancy or to replace any Employee that has resigned or has been terminated;
- (k) ensure that the Company shall not make any material change in its methods of accounting, except as required by IFRS;
- (l) ensure that the Company shall not make or change any material Tax election, change any annual tax accounting period, adopt or change any method of Tax

accounting, enter into any closing agreement with respect to a material amount of Taxes or settle any material Tax claim, audit or assessment;

- (m) ensure that the Company shall not: (A) incur any indebtedness for borrowed money other than short-term indebtedness, letters of credit or sureties in the ordinary course of business consistent with past practice; (B) incur any indebtedness for borrowed money other than short-term indebtedness, letters of credit or sureties in the ordinary course of business; and (C) grant any additional security over any Assets to any lender;
- (n) ensure that the Company shall not: (A) make any loans or advances to any person or assume or guarantee the liabilities of any person other than in the ordinary course of business; or (B) make any loans or advances to any person or assume or guarantee the liabilities of any person other than in the ordinary course of business;
- (o) ensure that the Company shall not: (A) except in the ordinary course of business, settle, offer or propose to settle, compromise, assign or release any material Proceeding brought against the Company; and (B) except in the ordinary course of business, settle, offer or propose to settle, compromise, assign or release any material Proceeding brought against the Company;
- (p) ensure that the Company shall not: (A) enter into any agreement creating a joint venture or partnership or effecting a business combination or other similar arrangement with another Person; or (B) enter into any agreement creating a joint venture or partnership or effecting a business combination or other similar arrangement with another Person;
- (q) ensure that the Company or any of its Affiliates or their respective representatives shall not solicit, encourage, or enter into any letter of intent, contract or other agreement with any person (other than the Buyer) concerning any offers to purchase, directly or indirectly, membership interests or all or substantially all of the assets of the Company or the Company Material Property including any joint venture or royalty transaction or similar arrangement, and the Company or any of its Affiliates or their respective representatives shall not initiate or participate in any discussions or negotiations with any person (other than the Buyer) with respect to any such transactions or similar transactions including transactions relating to the Assets, during the period commencing on the date hereof and ending on the termination of this Agreement;
- (r) ensure that all intercorporate indebtedness as among the Seller and its Affiliates (which Affiliates exclude the Company) on the one hand, and the Company on the other hand, are settled in full, such that as at Closing, there shall be no intercorporate indebtedness owing as between such two groups of entities (it being understood and agreed that nothing in this Section 3.2 shall prevent the foregoing from being done); and

- (s) ensure that the Company shall not attempt or agree to do any of the foregoing matters listed in paragraphs (b) through (r) above, as applicable.

3.3 Notice of Certain Events

Seller and the Buyer agree that, subject to applicable Laws, each shall provide the other prompt notice in writing of:

- (a) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
- (b) any material notice or communication from any Governmental Authority in connection with the Assets and the transactions contemplated by this Agreement;
- (c) any material Proceeding commenced or threatened against it (and in the case of the Seller, the Company and in the case of the Buyer, any member of the Buyer Group) which relates to the consummation of the transactions contemplated by this Agreement; and
- (d) any failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied under this Agreement;

and copies of all documents related thereto, provided that the giving of any such notice shall not in any way change or modify the representations and warranties of the Seller on the one hand, or the Buyer on the other hand, or any conditions in favour of the Seller on the one hand or the Buyer on the other hand, contained in this Agreement or otherwise affect the remedies available to the Seller on the one hand or the Buyer on the other hand, under this Agreement.

3.4 Access

Upon reasonable notice and subject to applicable Law and the Confidentiality Agreement and provided it would not unreasonably interfere with the business and affairs of the Company, the Seller agrees to, and to cause the Company to, provide the Buyer, the Buyer's investment bankers (so long as prior to any such access, any such investment bankers shall have provided written indemnifications satisfactory to the Seller and the Company, acting reasonably, with respect to any losses to life, limb or property that the Buyer's investment bankers may suffer as a result of such access) and their authorized representatives with reasonable access during regular business hours to: (i) all books, records and information relating to the Company in the Seller's or Company's possession and control; and (ii) at the sole risk of the Buyer, the Company Material Property. Notwithstanding the foregoing, the Buyer shall not have access to personnel records of Company relating to individual performance or evaluation records, medical histories or other information which in the Seller's opinion, acting in good faith, is sensitive or the disclosure of which could subject the Seller or the Company to risk of liability. The Buyer acknowledges and agrees that information furnished pursuant to this Section 3.4 shall be subject to the terms and conditions of the Confidentiality Agreement.

3.5 Public Statements

Each Party shall consult with the other Parties prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the transactions contemplated by this Agreement and subject to requirements of applicable Law shall provide the other Parties with a reasonable period of time to review and comment on all such press releases or statements prior to the release thereof. To the extent that any such press release or public statement is required by applicable Law, by a rule of a stock exchange on which a Party's shares (or those of any of its Affiliates) are listed or traded or by a Governmental Authority, the press release or public announcement shall be issued or made after consultation with the other Parties and after taking into account the other Parties' comments. If such advance consultation is not reasonably practicable or legally permitted, to the extent permitted by applicable Law, the disclosing Party shall provide the other Parties with a copy of any written disclosure made by such disclosing Party as soon as practicable thereafter.

3.6 Insurance Matters

Until the Closing, the Seller shall: (i) keep in full force and effect all of the Company Existing Insurance Policies; and (ii) give any notice or present any claim under any Company Existing Insurance Policy consistent with past practices of the Company in the ordinary course of business.

3.7 Financing

The Buyer covenants and agrees that it shall take all commercially reasonable steps to ensure the closing of the Concurrent Financing and that at Closing the Buyer will have sufficient funds on hand to pay the cash component of the Purchase Price in full and the Buyer will have sufficient funds on hand to pay the cash component of the Contingent Payments as, if and when they become due.

3.8 Assistance with Financial Statements and Technical Report

- (a) Prior to Closing and as soon as reasonably practicable: (i) the Seller, the Company and the Buyer shall furnish to each other such information and shall provide such assistance as the Buyer may reasonably request in order to prepare any filings or submissions or notices to be made or given by them; and (ii) the Seller and the Company shall provide to the Buyer, on a timely basis, all financial information the Buyer reasonably requires related to the Company and the Company Material Mining Rights, provided that the Buyer has provided the Seller or the Company with reasonable notice of such request, in order to meet its schedule for the preparation of the financial statements related to the Company. Without limiting the generality of the foregoing, prior to Closing, the Seller and the Company shall use commercially reasonable efforts to provide all required financial information with respect to the Company and the Company Material Mining Rights to the Buyer and its auditors in sufficient time and detail to permit the Buyer's auditors to take all steps and perform all reviews necessary to provide sufficient assistance to the Buyer with respect to information to be included in such financial statements.

- (b) Prior to Closing and as soon as reasonably practicable, the Seller shall use its commercially reasonable efforts to provide the Buyer with the technical information to the extent in possession of the Company or available to the Seller, necessary for the Buyer to cause an independent third party technical consultant to prepare a current independent technical report for the Company Material Property prepared in accordance with the requirements of NI 43-101 of the relevant securities regulators. The Buyer acknowledges and agrees (which acknowledgement and agreement shall survive Closing without limitation as to time) that none of the Seller or any of its respective Affiliates: (i) shall have responsibility for the content of such technical report or any disclosure therein; (ii) make any representation or warranty with respect to such technical report or any data, information, statement, representation or conclusion contained therein; or (iii) shall have any liability or obligation related to such technical report or any disclosure therein.
- (c) Prior to Closing and as soon as reasonably practicable, in addition to the documents that the Seller shall make available to the Buyer under Sections 3.8(a) and 3.8(b) above and to the extent not provided in the VDR, the Seller shall use its commercially reasonable efforts to provide the Buyer with: (i) all documents and information relating to the mining concessions comprising the Company Material Property which demonstrate compliance with any obligations under the Laws of Mexico; (ii) all environmental and other relevant Permits held by the Company to conduct Operations on the Company Material Property; (iii) all documents and information relating to surface rights owned, leased or under temporary occupation agreements with respect to the Company Material Property and any rights of way; and (iv) any agreements with communities and local stakeholders authorizing the Operations on the Company Material Property and any documents and information relating to employees and any existing unions with respect to the Company Material Property.

3.9 The Buyer Guarantee

In the event that the Buyer assigns the right to one or more of its Affiliates (each a “**Buyer Nominee**”) to purchase all or any portion of the Purchased Shares or the Purchased Company Subsidiary Share, then the Buyer shall:

- (a) absolutely, unconditionally and irrevocably guarantees, as a direct obligation, in favour of the Seller the full and timely performance, observance and payment by any Buyer Nominee of each and every covenant, agreement, undertaking, representation, warranty, indemnity and obligation of the Buyer Nominee contained in this Agreement (the “**Buyer Obligations**”).
- (b) Subject to Section 7.5, the liability of the Buyer under this Section 3.9 shall be absolute and unconditional and shall be in effect irrespective of: (i) any failure, neglect or omission on the part of the Seller or any other person to realize upon any obligations or liabilities of any Buyer Nominee; (ii) any amalgamation, merger or reorganization of any Buyer Nominee in which event the guarantee of the Buyer

shall apply to the entity resulting therefrom; (iii) any change in the name, share capital or constating documents of any Buyer Nominee; (iv) any amalgamation, merger or reorganization of the Buyer; (v) any sale, lease or transfer of the assets of any Buyer Nominee or the Buyer; (vi) any change in the ownership of any shares in the capital of any Buyer Nominee or the Buyer; (vii) any amendment or modification of this Agreement; (viii) any other occurrence or circumstances whatsoever similar to the foregoing; or (ix) to the extent permitted by applicable Law, any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Buyer in respect of its guarantee and which do not constitute a defence available to, or a discharge of, any Buyer Nominee in respect of the Buyer Obligations.

- (c) The obligations and liabilities of the Buyer hereunder shall not be impaired, diminished, abated or otherwise affected by the commencement by or against any Buyer Nominee of any proceedings under any bankruptcy or insolvency Law or Laws relating to the relief of debtors, re-adjustment of indebtedness, reorganization, arrangements, compositions or extensions or other similar laws.
- (d) The Buyer shall promptly (and, in any case, within five Business Days) after demand in writing from the Seller, without any evidence that the Seller has demanded that any Buyer Nominee perform, observe or pay any of the Buyer Obligations or that the Buyer failed to do, perform, observe or pay the Buyer Obligations. If the Seller makes a demand upon the Buyer, the Buyer shall be held and bound to the Seller as a principal debtor in respect of the Buyer Obligations and the Buyer shall pay the Seller each of the Buyer Obligations free and clear and without deduction or withholdings of any kind.

3.10 Share Transfer Agreement

The Seller shall cause John McCluskey to enter into an agreement with the Buyer, in a form satisfactory to the Buyer, at Closing to transfer his share in the capital of the Company to the Buyer or a Buyer Nominee.

3.11 Mexican Income Tax Payable

The Buyer does hereby covenant and agree, as a post-closing covenant that shall survive Closing, to expeditiously prepare a tax report over the transfer of the Purchased Shares (“**Tax Report**”), which shall be audited by a public accountant registered under the terms of the Federal Tax Code and its Regulation and shall be provided to the Seller for review. Once the Tax Report is in form and substance satisfactory to the Parties, each acting reasonably, the Seller does hereby covenant and agree:

- (a) To file the notice to report the transfer of the Purchased Shares within the 10-calendar day of the month following such transfer, which must be signed by the Seller and the public accountant who will perform the Tax Report.

- (b) To file the Tax Report before the Tax Administration Service within the 30 days following the date on which the tax return was filed or should have been, including the following documents:
 - (i) Public accountant's report, who must be registered with the Tax Administration Service;
 - (ii) Statement of the results obtained in the transfer of the Purchased Shares, indicating the price of the Purchased Shares, their average cost, and the partial result obtained in the transfer;
 - (iii) Analysis of the average cost per share;
 - (iv) Original adjusted amount determined; the total number of the shares held by the Seller at the date of the transfer; the number of the Purchased Shares; profit or loss obtained per share and total gain obtained in the transfer; and
 - (v) Tax calculation, payable by the taxpayer, which will be determined by applying the amount obtained by dividing the total income by the number of years elapsed between the date of acquisition and the date of disposal, without exceeding 20 years.

3.12 Discharge of Security

Upon full, final and indefeasible payment to the Seller of all of the Contingent Payments but subject to the requirements of the Stream Agreement, the Seller covenants and agrees that it shall promptly take any and all action necessary, include entering into all required termination agreements, to discharge the security interest in the Purchased Shares created pursuant to the Security Documents in effect pursuant to Section 2.6(g) and to cancel all registrations against the Purchased Shares made with the corresponding Mexican public registries, as applicable.

3.13 Assignment of Company Material Property

Following the Closing, until the full, final and indefeasible payment to Seller of all of the Contingent Payments, Buyer shall not sell, transfer, assign or dispose of all or any portion of the Company Material Property or any securities in the capital of the Company without the prior written consent of the Seller and as a condition of any such consent, the transferee of the Company Material Property or any such securities, shall enter into a legally binding agreement in favour of the Seller to be bound by the terms of this Agreement, including in respect of the Contingent Payments.

3.14 Conduct of at Company Material Property

The Buyer covenants and agrees to within the three (3) year period following the Closing Date to incur, or cause the Company to incur, minimum expenditures of at least \$7,500,000 directly on the Company Material Property (excluding G&A expenses) ("**Minimum Expenditures**"), with such expenditures directed to advancing the development of the Company Material Property and to obtain approval of the Environmental Impact Assessment Report by the Mexican Environmental

Agency and upon the request of the Seller, shall provide written evidence to the Seller of such expenditures. In the event the Minimum Expenditures are not incurred in the three (3) year period following the Closing Date, the quantum between the amount of qualifying expenditures incurred in such period and the Minimum Expenditure shall be added to the amount of the next Contingent Payment to be made to the Seller under this Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller hereby represents and warrants to the Buyer as follows and acknowledges that the Buyer is relying on such representations and warranties in entering into this Agreement and completing the purchase of the Purchased Shares and the transactions contemplated hereby:

4.1 Existence of the Seller and the Company

Seller is a company validly existing and in good standing under the laws of Mexico. The Seller has the corporate power to: (i) own the shares of the Company and to carry on its business as currently conducted; and (ii) execute, deliver and perform its obligations under this Agreement. The Company is a company validly existing and in good standing under the laws of Mexico. The Company has the corporate power to carry on its business as currently conducted.

4.2 Execution, Delivery and Enforceability

The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Seller and constitutes a legal, valid and binding obligation of the Seller enforceable by the Buyer in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency and other rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

4.3 No Conflict

The entering into of this Agreement and the performance by the Seller of its obligations hereunder including the sale of the Purchased Shares will not: (i) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under any provision of the constating documents of the Seller or the Company, or any Material Contract to which the Seller or the Company is a party or by which the Seller or the Company is bound, or result in the creation of any material Encumbrance other than a Permitted Encumbrance on any of the assets of the Seller or the Company; or (ii) result in a violation in any material respect of any of the terms and provisions of any Law applicable to the Seller or the Company other than as would not result in a Material Adverse Change.

4.4 Ownership of Purchased Shares

- (a) Immediately prior to the Time of Closing, the Seller will be the direct or indirect owner of all but one of the issued and outstanding shares of the Company and the Seller will be the registered and beneficial owner of record of the Purchased Shares

other than with respect to one Purchased Share held by Mr. John McCluskey, free and clear of all Encumbrances other than Permitted Encumbrances. Immediately prior to the Time of Closing, the Company will be the direct or indirect owner of all but one of the issued and outstanding shares of the Company Subsidiary and the Seller will be the registered and beneficial owner of record of the Purchased Company Subsidiary Share, free and clear of all Encumbrances other than Permitted Encumbrances. None of the Purchased Shares is subject to any voting trust, shareholder agreement or voting agreement. Upon completion of the transactions contemplated by this Agreement, all of the Purchased Shares will be owned by the Buyer as the registered and beneficial owner of record, free and clear of all Encumbrances other than Permitted Encumbrances (except such Encumbrances as may have been granted by the Buyer). The Company does not own beneficially or of record, any securities or other ownership, equity or proprietary interests of any kind in any person other than the Company Subsidiary and will not be bound by any commitment or obligation to acquire any securities or other ownership, equity or proprietary interests of any kind in any person.

- (b) The total issued and outstanding shares in the capital of the Company consists of 191,227,501 ordinary, nominative shares, of which 1,000 shares represent the fixed portion of the capital of the Company and 191,226,501 shares represent the variable portion of the capital of the Company, all of which except one, are owned by the Seller. The Purchased Shares are duly authorized, validly issued, fully subscribed and paid and free and clear of any Encumbrance (other than a Permitted Encumbrance). There are no other securities of the Company authorized, issued or outstanding and there are no existing options, warrants, calls, pre-emptive rights, subscriptions or other rights, agreements, arrangements or commitments of any kind relating to the issued or unissued securities of the Company.
- (c) The Company is not bound by or subject to any: (i) pre-emptive or other outstanding rights, subscriptions, options, warrants, conversion, put, call, exchange or other rights, agreements, commitments, arrangements or understandings of any kind pursuant to which the Company, contingently or otherwise, is or may become obligated to offer, issue, sell, purchase, return or redeem any equity securities, (ii) shareholders agreements, voting trusts, proxies or other agreements or understandings to which the Company is a party or to which the Company is bound relating to the holding, voting, sale, purchase, redemption or other acquisition of equity securities, or (iii) agreements, commitments, arrangements, understandings or other obligations to declare, make or pay any dividends or distributions, whether current or accumulated, or due or payable, on any equity securities. Except for this Agreement, the Company is not or obligated to become a party to any Contract to sell, transfer or otherwise dispose of any equity securities.

4.5 Equity Interests or Other Outstanding Investment Obligations

The Company does not own, directly or indirectly, beneficially or of record, any equity securities of any third party, other than the Company Subsidiary. The Company is not a party to any shareholders' agreements, voting trusts or other agreements or understandings relating to the

voting, purchase, redemption or other acquisition of any equity securities of any third party. There are no outstanding obligations of the Company to make any investment in or provide funds to (whether in the form of a loan, capital contribution or otherwise) any third party. No third party is in default with respect to any obligation to repay a loan to the Company. The Company does not have any outstanding bonds, debentures, notes or other obligations which provide the holders thereof the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholders of the Company. The Company does not have any outstanding agreement to acquire any debt obligations of any third party.

4.6 Consents

- (a) No Consent of any Governmental Authority is required to be obtained or made by the Seller or the Company in connection with the consummation of the transactions contemplated by this Agreement which, if not obtained, would result in a Material Adverse Change.
- (b) No Consent is required to be obtained under any Material Contract of the Company in connection with the consummation of the transactions contemplated by this Agreement.

4.7 No Other Agreements to Purchase; No Options

No Person other than the Buyer has any written or oral agreement or option or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition from the Seller of any of the Purchased Shares or capable of becoming an agreement or option for the purchase or acquisition of any securities of the Company or the Company Subsidiary.

4.8 Company Financial Statements

Except as set out in Schedule 4.8 of the Seller Disclosure Letter, the Company Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods, are correct and complete in all material respects and present fairly in all material respects the assets and liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Company as at their respective dates and the results of operations and cash flows of the Company for the periods covered by the Company Financial Statements.

4.9 No Undisclosed Liabilities

At the Time of Closing, the Company will not have any liabilities which would be required to be disclosed on financial statements in accordance with IFRS, except: (i) those liabilities reflected or reserved against on the Company Financial Statements; (ii) liabilities incurred by the Company since the date of the Company Financial Statements in the ordinary course of business; and (iii) as set out in Schedule 4.9 of the Seller Disclosure Letter.

4.10 Indebtedness

The Company has not entered into any revolving credit or term loan agreement or other similar financing with any corporation, bank, financial institution, Governmental Authority or any other Person.

4.11 Absence of Changes

Since the date of the Company Financial Statements, the business of the Company has been conducted only in the ordinary course of business consistent with past practice and there has not been any Material Adverse Change.

4.12 Mining Rights

- (a) Schedule 4.12 of the Seller Disclosure Letter sets out a list of all of the material mining rights owned by the Company, including the Company Material Property and any material mining claim, mining concession, application for mining concession, mining lease, option agreement, mining right, agreements and/or authorizations required to access and use the surface where the Company Material Property is located including leases and temporary occupation rights (“**Surface Agreements**”), and water rights (collectively, the “**Company Material Mining Rights**”).
- (b) Except as disclosed in Schedule 4.12 of the Seller Disclosure Letter, all of the Company Material Mining Rights have currently been recorded or issued in the name of the Company, subject to minor omissions and errors that do not materially impact the ownership of the Company Material Mining Rights and registration of the mining concessions comprising the Company Material Property with the Mexican Public Registry of Mining (the “**PRM**”). Except as disclosed in Schedule 4.12 of the Seller Disclosure Letter, all of the Company Material Mining Rights are in force and in good standing, free and clear of all Encumbrances other than Permitted Encumbrances, and all material rentals, fees, duties, investments, expenditures and other payments owed in respect thereof to Governmental Authorities have been paid or incurred and will have been paid or incurred at the Time of Closing and all material filings in respect thereof have been and at the Time of Closing will have been made to Governmental Authorities. The Company has not received any notification from the Governmental Authorities requesting payment or compliance with any outstanding obligation in accordance with applicable Laws or notification that the Company Material Mining Rights will be or have been cancelled or nullified.
- (c) Other than the Underlying Royalty and royalties payable to Governmental Authorities, including the Mexican Governmental Royalties, no Person other than the Company has any preferential right or interest in the Company Material Mining Rights or the production or profits therefrom or any royalty or finder’s fee, or other payment as rent or royalty in relation to minerals, concentrates, precipitates and/or

products produced from the Company Material Property or any right to acquire any of the foregoing.

- (d) No back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which currently affect the Company Material Mining Rights,
- (e) Except as disclosed in Schedule 4.12 of the Seller Disclosure Letter, the Company Material Mining Rights are not subject to any existing exploration, exploitation, option, promise to execute an agreement, joint venture, association, joint investment, partnership, co-ownership or other agreement affecting in any material manner the ownership, use, Operations, marketable title or transferability in respect of the Company Material Mining Rights.
- (f) The Company has not requested the reduction or modification of the Company Material Property or modification of the titles of the mining concessions, nor has started any administrative proceeding before any Governmental Authority whose determination may result in modification, change or affect in any way the perimeter, surface or any other right comprising the Company Material Property.
- (g) The Company has access to the surface where the Company Material Property is located pursuant to the Surface Agreements to conduct its Operations in respect of such Company Material Property and it has not received from any third party claims or demands derived from the use of said surface other than pursuant to the terms of the Surface Agreements;
- (h) To the knowledge of the Seller, the Company Material Mining Rights do not overlap with any third party rights that may enable any such third party to explore or exploit any substance in the same area and the Company has not received from any Governmental Authority or third parties, written claims or demands derived from any overlapping of the Company Material Mining Rights with any third party right.
- (i) The Company Material Mining Rights are not located within any nature restricted area or natural reserve, as defined in the Environmental Laws, and the Company has not received any written notice from any Governmental Authority informing the Company of the creation of such an area or reserve where the Company Material Mining Rights are located, in each case other than as would result in a Material Adverse Change.
- (j) With respect to the Company Material Mining Rights that are conferred by way of a Contract (excluding the Company Material Property) (each, a “**Mining Right Contract**”), such Mining Right Contracts are legal, valid, binding and enforceable in accordance with their terms against the Company. Except as disclosed in Schedule 4.12 of the Seller Disclosure Letter: (i) the Company has performed in all material respects the obligations required to be performed by it under such Mining Right Contracts; (ii) the Company is not in material default or to the knowledge of the Seller, alleged to be in material default in respect of, any such Mining Right

Contract which would detrimentally affect the entitlement of the Company to the benefits of such Mining Right Contracts and, to the knowledge of the Seller, no counterparty is in default under any Mining Right Contract; and (iii) the Company is not participating in any negotiations regarding any material modification of or amendment to any Mining Right Contract.

4.13 Mineral Reserves and Resources

The proven and probable mineral reserves and mineral resources for the Company Material Property were prepared in all material respects in accordance with sound mining, engineering, geoscience and other applicable industry standards and practices, and in all material respects in accordance with all Applicable Securities Laws, including the requirements of NI 43-101. To the knowledge of the Seller, there has been no material change that would disaffirm or adversely change the aggregate amount of estimated mineral reserves or estimated mineral resources in respect of the Company from the amounts set forth in Company Public Documents.

4.14 Permits

The Company has duly obtained all Permits (other than those issued under or in connection with Environmental Laws) necessary to conduct its Operations (as currently conducted) and the Company is not in material default or material breach of any such material Permit. Schedule 4.14 of the Seller Disclosure Letter lists all of the Permits as of the currency date set out therein (other than those issued under or in connection with Environmental Laws). None of the Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

4.15 Real and Personal Property and Surface Agreements

Schedule 4.15 of the Seller Disclosure Letter sets out a list of all material real property (other than the Company Material Mining Rights and water rights) and Surface Agreements owned or executed by the Company. The Company is the owner of all right, title and interest in such real property described in Schedule 4.15 of the Seller Disclosure Letter, free and clear of any Encumbrances, other than Permitted Encumbrances, except where the failure to have such rights, title and interest would reasonably be expected to result in a Material Adverse Change. All Surface Agreements with community members (*parcelarios*), private owners and other legal possessors are in material compliance with their terms and no written demands exist that may result in losing the real property owned by the Company or any material rights under any Surface Agreement.

4.16 Agreements and Commitments

Schedule 4.16 of the Seller Disclosure Letter contains a list of all Material Contracts entered into by the Company. The Material Contracts are legal, valid, binding and enforceable in accordance with their respective terms against the Company. Except as disclosed in Schedule 4.16 of the Seller Disclosure Letter: (i) the Company has performed in all material respects all of the obligations required to be performed by it under such Material Contracts; (ii) the Company is entitled to all benefits under any such Material Contract; (iii) the Company is not in material default or to the knowledge of the Seller, alleged to be in material default in respect of, any such Material Contract

which would detrimentally affect the entitlement of the Company to the benefits of such Material Contracts and, to the knowledge of the Seller, no counterparty is in default under any Material Contract; (iv) the Company has not entered into and is not bound under any material oral Contract; and (v) the Company is not participating in any discussions or negotiations regarding modification of or amendment to any Material Contract or to enter into any new material contract.

4.17 Environmental Matters

- (a) Except as set forth below in this Section 4.17, no representations or warranties are being made by the Seller with respect to matters arising under or relating to Environmental Laws.
- (b) Currently and during the past three years, the Company:
 - (i) is and was in compliance in all material respects with all applicable Environmental Laws;
 - (ii) has duly obtained all material Permits necessary to conduct Operations as currently conducted in compliance in all material respects with all Environmental Laws;
 - (iii) has not received written notice that the Company is in material default or material breach of any such material Permit; and
 - (iv) has not received within the last year any written order, notice or other communication from any Governmental Authority of any actual or threatened material non-compliance with any Environmental Law which would give rise to a material undischarged liability.
- (c) There are no pending or to the knowledge of the Seller, threatened material Proceedings relating to the Company arising under or in respect of any Environmental Law during the past three years and for which written notice has been received by the Company;
- (d) To the knowledge of the Seller, there are no investigations or reviews out of the ordinary course being conducted by any Governmental Authority on the assets and properties currently owned, leased or used by the Company under Environmental Laws; and
- (e) To the knowledge of the Seller, there is no current outstanding remedial or corrective action required pursuant to Environmental Law to conduct the Operations or to own, possess, control or manage the assets and properties of the Company except for any that would not reasonably result in a Material Adverse Change to the Company.

4.18 Books and Records

- (a) As of the Execution Date hereof, the financial books, records and accounts of the Company have been maintained in accordance with IFRS and fairly reflect the material transactions and dispositions of the assets and properties of the Company.
- (b) As of the Execution Date, the corporate records for the Company are complete and correct in all material respects and have been maintained in compliance in all material respects with applicable Laws. The corporate records of the Company contain accurate and complete minutes of all shareholders' meetings and corporate company actions or written consents by the shareholders and the board of directors and committees of the Company; provided that any minutes of shareholders' meetings that have not been included in the corresponding corporate book have been duly formalized and notarized pursuant to applicable Law.

4.19 Insurance

Schedule 4.19 of the Seller Disclosure Letter sets out a list, as of the Execution Date, of all material insurance policies of the Company or with respect to which the Company is a named insured or otherwise the beneficiary of coverage (collectively, the “**Company Existing Insurance Policies**”). The Company: (i) is not in material default with respect to any of the provisions contained in any Company Existing Insurance Policy; or (ii) has not failed to give any notice or present any material claim under any insurance policy in a due and timely manner, in each case other than as would have a Material Adverse Change.

4.20 Compliance with Laws

The Company is (and has been at all times since its acquisition by the Seller) in compliance in all material respects with applicable Laws in connection with its conduct of Operations. The Company (i) has not been charged, and to the knowledge of the Seller, is not under investigation with respect to a violation of any applicable Laws, and (ii) is not a party to or bound by any order, judgment, decree, injunction, rule or award of any court, arbitration panel or other Governmental Authority, and (iii) has filed all reports and has all licenses required to be filed with any Governmental Authority on the date hereof, except for those which will not have a Material Adverse Change on the transactions contemplated hereunder or the business of the Company.

4.21 NGO and Community Groups

No material Proceeding between the Company or any of its Affiliates and any non-governmental organization, community, community group, aboriginal or indigenous peoples or aboriginal or indigenous group exists or, to the knowledge of the Seller, is threatened or imminent with respect to the Company Material Property or any Operations thereon.

4.22 Cultural Heritage

Except as disclosed in Schedule 4.22 of the Seller Disclosure Letter, to the Knowledge of the Seller, none of the areas covered by the Company Material Property (including any constructions,

remains or similar elements located thereon) have been declared as a protected cultural or archaeological site by any Governmental Authority and there have been no archeological or historical findings in the Company Material Property, in each case that would reasonably be expected to have a Material Adverse Change on the Company.

4.23 Litigation

There are no Proceedings pending or, to the knowledge of the Seller, threatened against or affecting or related to, the Company before or by any court or any Governmental Authority which would reasonably be expected to result in a Material Adverse Change.

4.24 Taxes

Except as disclosed in Schedule 4.24 of the Seller Disclosure Letter:

- (a) the Company has duly filed on a timely basis with the appropriate Governmental Authority all Tax Returns required to be filed by it and has submitted all required affidavits and complied with other accessory fiscal obligations and duties that are required to be fulfilled by or with respect to it, including keeping textbooks in compliance with all applicable Laws. All such Tax Returns were complete and accurate in all material respects. At the Time of Closing the Company will have paid all Taxes which are due and payable (including all instalments and prepayments of Tax as required by applicable Laws). At the Time of Closing, no jurisdiction or authority in or with which the Company does not file a Tax Return will have alleged that it is required to file such a Tax Return;
- (b) at the Time of Closing there will be no agreements, waivers or other arrangements providing for an extension of time for the Company to file any Tax Return or pay any Taxes or for any Governmental Authority to examine any Tax Return or levy any assessment;
- (c) at the Time of Closing, the Company will have, in all material respects, withheld from each payment made, or deemed to have been made, to any person all Taxes required to be withheld therefrom and will have paid the same to the proper Governmental Authorities within the time required under any applicable Laws;
- (d) at the Time of Closing, the Company will have collected all material Taxes required to be collected by it and remitted, in all material respects, to the appropriate Tax authority when required by Law to do so all such Taxes collected by it;
- (e) at the Time of Closing there will be no material Proceedings pending or, to the knowledge of the Seller, threatened against the Company in respect of Taxes, nor will there be any material matters under discussion by the Company with any Governmental Authority relating to Taxes;
- (f) at the Time of Closing, the Company will have complied in all material respects with the intercompany transfer pricing provisions of applicable Laws relating to

Taxes, including the contemporaneous documentation and disclosure requirements thereunder;

- (g) at the Time of Closing, no Encumbrances for Taxes have been filed, and no claims or assessments for Taxes have been asserted, by any Governmental Authority with respect to the Company;
- (h) the Company is not under audit by any Governmental Authority in respect of any Tax Return;
- (i) the Company is not a party to or bound by any tax consolidation, tax sharing agreement, tax indemnity obligation or similar agreement or arrangement with respect to Taxes; and
- (j) the Company is not a party to or subject to any ruling request, settlement agreement or similar agreement with any Governmental Authority relating to Taxes for any periods for which the statute of limitations has not yet expired.

4.25 Employment Matters

- (a) To the knowledge of the Seller, the Company has not employed or retained any individual without a written employment contract.
- (b) The Company is in compliance in all material respects with: (i) all applicable Laws relating to employment and employment practices, including terms and conditions of employment, wages, overtime, vacations, hours of work, collective bargaining, collective agreements, benefits extensions, anti-union practices, occupational safety and health, labour accidents and diseases, severance payments, bonuses, whether under applicable Law and/or their individual or collective employment agreements, all social security obligations and debts arising in connection with social security contributions, pension fund contributions, mandatory health care contributions, unemployment insurance contributions, welfare payments and insurance for work-related accidents and illnesses; (ii) any other applicable labour and social security Laws, and (iii) all applicable Laws relating to subcontracting. The Company does not have any liability in respect of post-retirement medical, dental or life insurance benefits for Employees (other than coverage mandated by applicable Law).
- (c) To the knowledge of the Seller, all subcontractors who provide services to the Company, as well as its workers, provide services in accordance with their respective service agreements executed with the Company or the Seller and they are not subject to any subordination or dependence. To the knowledge of the Seller, the appropriate registration has been obtained from the Mexican Specialized Services Subcontractors Registry (the “**REPSE**”).
- (d) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby (either alone or together with any other event, including a

termination of employment) will result in any Employee or consultant to the Company becoming entitled to, or any increase in, any material payment or benefit (including severance pay) or accelerate the timing of payment or vesting of any material compensation or benefits, in either case under any employee benefit plan of the Company in respect of the Employees.

4.26 Collective Agreements

The Company has not made any Contracts with any labour union or employee association with respect to any collective agreement. There are currently no work stoppages or strikes (legal or otherwise) pending with respect to the Company or, to the knowledge of the Seller, threatened. No labour organization has made a written demand to the Company for recognition that is pending as of the date hereof. The Company has not received written notice of any representation proceedings or written petitions seeking a representation proceeding against the Company.

4.27 Company Intellectual Property

Each of the rights in relation to Company Intellectual Property is valid, subsisting and enforceable. There are no pending proceedings of any kind or nature whatsoever, initiated or, to the knowledge of Seller, threatened against the Company or the Seller for any illegal use or infringement of any third party rights with respect to the Company Intellectual Property. The Seller has no knowledge of any written claim of infringement or breach by the Company of any industrial or intellectual property rights of any other person and the Seller and the Company have not received any written notice that any Operations, including the use of the Company Intellectual Property, infringes upon or breaches any industrial or intellectual property rights of any other person, or the trade secrets, know-how or confidential or proprietary information of any other person, and the Seller has no knowledge of any infringement or violation of any of the rights of the Company under the Company Intellectual Property.

4.28 Unlawful Contributions

- (a) Each of the Seller and the Company is in compliance with, and has not been charged under AML Legislation.
- (b) Each of the Seller and the Company, their respective officers and directors and, to the knowledge of the Seller, their employees and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in the any of the Seller or the Company being designated as a Sanctioned Person or Sanctioned Entity.

4.29 Finders' Fee

Except as disclosed in Schedule 4.29 of the Seller Disclosure Letter, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Seller or the Company who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

4.30 Transactions with Related Parties

Except as disclosed in Schedule 4.30 of the Seller Disclosure Letter, the Company has not entered into any commercial transaction with the Seller or any other related party. Any and all agreements or transactions with related parties of the Seller existing prior to the Closing Date, have been terminated and settled in full and there is no outstanding amount owed to or charged against the Company.

4.31 Bankruptcy Proceedings

The Company has not made a general assignment for the benefit of creditors or instituted any proceeding (a “**Bankruptcy Proceeding**”) seeking to declare itself bankrupt or insolvent or seeking *concurso mercantil*, liquidation, winding up or reorganization, arrangement, adjustment, protection, relief or composition of its debts or any similar arrangement under any Laws relating to bankruptcy, insolvency or reorganization and no such Bankruptcy Proceeding is contemplated as of the date hereof.

ARTICLE 5 **REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Seller as follows and acknowledges that the Seller is relying on such representations and warranties in entering into this Agreement and completing the sale of the Purchased Shares and the transactions contemplated hereby.

5.1 Existence and Corporate Approvals

The Buyer is a corporation validly existing and in good standing under the laws of the Province of British Columbia. Any Buyer Nominee shall be a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation. The Buyer has (and any Buyer Nominee shall have) the corporate power or other organization powers to: (i) own the Purchased Shares; (ii) carry on its respective business as currently conducted; and (iii) execute, deliver and perform its respective obligations under this Agreement, including without limitation, with respect to the Buyer, the issuance of the Purchase Consideration Shares.

The Buyer owns, directly or indirectly, legally and beneficially, all of the issued and outstanding shares of each of the Buyer Subsidiaries, free and clear of any and all Encumbrances other than Permitted Encumbrances.

No agreement is in force or effect which in any manner affects the voting or control of any of the securities of the Buyer or the Buyer Subsidiaries. The Buyer has no subsidiaries or affiliates other than the Buyer Subsidiaries.

At the Time of Closing, all necessary corporate action will have been taken by the Buyer to validly issue the Purchase Consideration Shares as fully paid and non-assessable shares in the capital of the Buyer.

5.2 Execution, Delivery and Enforceability

The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Buyer and constitutes a legal, valid and binding obligation of the Buyer, enforceable by the Seller in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5.3 No Conflict

The entering into of this Agreement and the performance by the Buyer of its obligations hereunder, including without limitation, the issuance of the Purchase Consideration Shares will not: (i) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under any provision of the Buyer's constating documents or any Contract to which the Buyer is a party or by which the Buyer is bound; or (ii) result in a violation in any material respects of any of the terms and provisions of any Law applicable to the Buyer other than as would not result in a Material Adverse Change.

5.4 Consents and Regulatory Approvals

Except as set out in Section 5.4 of the Buyer Disclosure Letter, no Consent of any Governmental Authority or any other third party is required to be obtained by the Buyer in connection with the consummation of the transactions contemplated by this Agreement, including without limitation, the issuance of the Purchase Consideration Shares, subject to the Buyer filing with applicable securities commissions, within 10 days from the date of the issuance of the Purchase Consideration Shares, a Form 45-106F1, if applicable, prepared and executed in accordance with the Applicable Securities Laws and accompanied by the prescribed fees and fee checklist form, if any.

5.5 The Buyer Securities

- (a) The currently issued and outstanding Buyer Shares are listed and posted for trading on the TSXV and no order ceasing or suspending trading in any securities of the Buyer or prohibiting the trading of any of the Buyer's issued securities has been issued and no proceedings for such purpose are pending or, to the knowledge of the Buyer, threatened.
- (b) The definitive form of certificate representing the Buyer Shares has been duly approved by the Buyer, complies with the provisions of the *Business Corporations Act*, British Columbia and the TSXV requirements and does not conflict with the constating documents of the Buyer.
- (c) As at the Closing Date, no holder of outstanding securities of the Buyer will be entitled to any pre-emptive or any similar rights to subscribe for any of the Buyer Shares or other securities of the Buyer and other than as set forth in Section 5.5 of the Buyer Disclosure Letter no rights, warrants or options to acquire, or instruments

convertible into or exchangeable for, any shares in the capital of the Buyer are outstanding.

- (d) The authorized capital of the Buyer consists of an unlimited number of the Buyer Shares without par value, of which, as of the close of business on February 24, 2022, 53,051,015 Buyer Shares are issued and outstanding as fully paid and non-assessable shares.

5.6 Equity Interests or Other Outstanding Investment Obligations

The Buyer Group does not own, directly or indirectly, beneficially or of record, any equity securities of any third party. None of the members of the Buyer Group is a party to any shareholders' agreements, voting trusts or other agreements or understandings relating to the voting, purchase, redemption or other acquisition of any equity securities of any third party. There are no outstanding obligations of the Buyer Group to make any investment in or provide funds to (whether in the form of a loan, capital contribution or otherwise) any third party. No third party is in default with respect to any obligation to repay a loan to the Buyer Group. The Buyer Group does not have any outstanding bonds, debentures, notes or other obligations which provide the holders thereof the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholders of the Buyer Group. The Buyer Group does not have any outstanding agreement to acquire any debt obligations of any third party.

5.7 Compliance with Laws

- (a) Except as disclosed in Section 5.7 of the Buyer Disclosure Letter, all of the members of the Buyer Group are in compliance in all material respects with applicable Laws in connection with the conduct of Operations. The Buyer is in compliance with NI 43-101 in all material respects and has filed all technical reports required thereby. The Buyer Material Property is the only material property of the Buyer and the Buyer Subsidiaries for the purposes of NI 43-101.
- (b) The Buyer is not aware of any legislation, or proposed legislation (published by a legislative body), which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Buyer and the Buyer Subsidiaries taken as a whole.
- (c) The Buyer has made available to the authors thereof prior to the issuance of the Buyer Technical Reports, for the purpose of preparing the Buyer Technical Reports, as applicable, all information requested, and to the knowledge of the Buyer, no such information contained any material misrepresentation as at the relevant time the relevant information was made available. The Buyer does not have any knowledge of a Material Adverse Change in any production, cost, price, reserves or other relevant information provided since the dates that such information was so provided.
- (d) To the knowledge of the Buyer, each of the Buyer Technical Reports complied in all material respects with the requirements of NI 43-101 as at the date of such

reports. To the knowledge of the Buyer, since the date of preparation of each of the Buyer Technical Reports, there has been no change that would disaffirm or adversely change any material aspect of the Buyer Technical Reports in any respect and the Buyer Technical Reports are current and complete.

5.8 The Buyer Financial Statements

The Buyer Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods: (i) are correct and complete in all material respects and present fairly in all material respects the assets and liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Buyer and the Buyer Subsidiaries as at their respective dates and the results of operations and cash flows of the Buyer and the Buyer Subsidiaries for the periods covered by the Buyer Financial Statements; and (ii) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Buyer and the Buyer Subsidiaries and there has been no change in the accounting policies or practices of the Buyer and the Buyer Subsidiaries since the date of the Buyer Financial Statements. The Buyer has not declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do so or otherwise effected any return of capital with respect to such securities.

5.9 No Undisclosed Liabilities

Except as disclosed in the Public Disclosure Documents, at the Time of Closing, none of the members of the Buyer Group will have any liabilities required to be disclosed in the Buyer's Financial Statements, except: (i) those liabilities reflected or reserved against on the Buyer Financial Statements; (ii) liabilities incurred by the Buyer or the Buyer Subsidiaries since the date of the Buyer Financial Statements in the ordinary course of business; and (iii) pursuant to the terms of any Contract to which any of the Buyer or the Buyer Subsidiaries is a party (but only to the extent the nature and magnitude of such liabilities can be specifically ascertained by reference to the text of such Contract and only to the extent not arising from a breach by any of the Buyer or the Buyer Subsidiaries). Other than as disclosed in Section 5.9 of the Buyer Disclosure Letter, none of the Buyer or the Buyer Subsidiaries has any loans or other indebtedness outstanding which have been made to any shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with them.

5.10 Indebtedness

The Buyer Group has not entered into any revolving credit or term loan agreement or other similar financing with any corporation, bank, financial institution, Governmental Authority or any other Person.

5.11 Absence of Changes

Since July 22, 2020 and except as disclosed in the Public Disclosure Documents, the business of the Buyer and the Buyer Subsidiaries taken as a whole has been conducted only in the ordinary

course of business consistent with past practice and there has not been and will not have been any Material Adverse Change.

5.12 Buyer Mining Rights and Ancillary Rights

- (a) Section 5.12(a) of the Buyer Disclosure Letter sets out a list of all of the material mining rights, owned by the Buyer Group, including the Buyer Material Property and any material mining claim, mining concession, application for mining concession, mining lease, option agreement and mining right, Permits required for the operation of the Buyer Material Property and any Surface Agreements (collectively the “**Buyer Mining Rights**”). The material property of the Buyer is the Buyer Material Property. The Buyer Mining Rights comprise all the material mining rights owned by the Buyer and the Buyer Subsidiaries, including any material mining claim, mining concession, mining lease, option agreement and mining right.
- (b) Except as disclosed in Section 5.12(b) of the Buyer Disclosure Letter, all of the Buyer Mining Rights are in the process of being recorded or issued in the name of the Buyer or a Buyer Subsidiary, as applicable and, subject to minor omissions and errors that do not impact the ownership of the Buyer Mining Rights. Except as disclosed in Section 5.12(b) of the Buyer Disclosure Letter, all of the Buyer Mining Rights are in force and except as disclosed in Section 5.12(b) of the Buyer Disclosure Letter in good standing, free and clear of all Encumbrances other than Permitted Encumbrances, and all material rentals, fees, duties, investments, expenditures and other payments owed in respect thereof to Governmental Authorities have been paid or incurred and will have been paid or incurred at the Time of Closing and all material filings in respect thereof have been and at the Time of Closing will have been made to Governmental Authorities. The Buyer Group has not received any notification from the Governmental Authorities requesting payment or compliance with any outstanding obligation in accordance with applicable Laws or notification that implies or confirms that any of the Buyer Mining Rights will be or have been cancelled.
- (c) Except as disclosed in Section 5.12(c) of the Buyer Disclosure Letter, no Person other than the Buyer Group has any preferential right or interest in the Buyer Mining Rights or the production or profits therefrom or any royalty or finder’s fee, or other payment as rent or royalty in relation to minerals, concentrates, precipitates and/or products produced from the Buyer Material Property or any right to acquire any of the foregoing.
- (d) There are no back- in rights, earn-in rights, rights of first refusal or similar provisions or rights which currently affect the Buyer Mining Rights.
- (e) The Buyer Mining Rights are not subject to any existing exploration, exploitation, option, promise to execute an agreement, joint venture, association, joint investment, partnership, co-ownership or other agreement affecting in any manner

the ownership, use, Operations, marketable title or transferability in respect of the Buyer Mining Rights.

- (f) The Buyer has had access to the surface where the Buyer Material Property is located either pursuant to the Surface Agreements or as the owner of the relevant surface to conduct its Operations and it has not received claims or demands from any third party with respect to the use of such surface to conduct its Operations;
- (g) To the knowledge of the Buyer, the Buyer Mining Rights do not overlap with any third party rights that may enable any such third party to explore or exploit any substance in the same area.
- (h) The Buyer Mining Rights are not located within any nature restricted area or natural reserve, as defined in the Environmental Laws, and the Buyer Group has not received any written notice from any Governmental Authority informing the Buyer Group of the creation of such an area or reserve where the Buyer Mining Rights are located, in each case other than as would result in a Material Adverse Change.

5.13 Permits

Except as disclosed in Section 5.13 of the Buyer Disclosure Letter, the Buyer and the Buyer Subsidiaries have duly obtained all material Permits (other than those issued under or in connection with Environmental Laws) to conduct its Operations on the Buyer Material Property and none of the Buyer or the Buyer Subsidiaries is in material default or material breach of any such material Permit. None of the material Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

5.14 Real and Personal Property and Surface Agreements

Section 5.14 of the Buyer Disclosure Letter sets out a list of all material real property (other than the Buyer Mining Rights and water rights) and Surface Agreements owned or executed by the Buyer Group. The Buyer and/or the Buyer Subsidiaries is the owner of all right, title and interest in such real property described in Section 5.14 of the Buyer Disclosure Letter, free and clear of any Encumbrances, other than Permitted Encumbrances, except where the failure to have such rights, title and interest would reasonably be expected to result in a Material Adverse Change. All Surface Agreements with ejidos and private owners are in material compliance with their terms and no written demands exist that may result in losing the real property owned by the Buyer Group or any material rights under any Surface Agreement.

5.15 Agreements and Commitments

Section 5.15 of the Buyer Disclosure Letter contains a list of all Material Contracts entered into by the Buyer and the Buyer Subsidiaries taken as a whole. The Material Contracts are legal, valid, binding and enforceable in accordance with their respective terms against the Buyer and the Buyer Subsidiaries. Except as disclosed in Section 5.15 of the Buyer Disclosure Letter: (i) the Buyer Group has performed in all material respects all of the obligations required to be performed by it under such Material Contracts; (ii) the Buyer Group is entitled to all benefits under any such

Material Contract; (iii) none of the members of the Buyer Group is in material default or to the knowledge of the Buyer, alleged to be in material default in respect of, any such Material Contract which would detrimentally affect the entitlement of the Buyer Group to the benefits of such Material Contracts and, to the knowledge of the Buyer, no counterparty is in default under any Material Contract; (iv) the Buyer Group has not entered into and is not bound under any material oral Contract; and (v) the Buyer Group is not participating in any discussions or negotiations regarding modification of or amendment to any Material Contract or to enter into any new material contract.

5.16 Environmental Matters

Except as set forth below in this Section 5.16, no representations or warranties are being made by the Buyer with respect to matters arising under or relating to Environmental Laws.

- (a) Except as disclosed in Section 5.16(a) of the Buyer Disclosure Letter currently and during the past three years, each of the Buyer and the Buyer Subsidiaries: (i) is and was in compliance in all material respects with all applicable Environmental Laws; (ii) has duly obtained all material Permits necessary to conduct operations as currently conducted in compliance in all material respects with all Environmental Laws; and (iii) has not received within the last three years any written order, notice or other communication from any Governmental Authority of any actual or threatened material non-compliance with any Environmental Law which would give rise to a material undischarged liability. There are no pending or, to the knowledge of the Buyer, threatened material Proceedings relating to any of the Buyer and the Buyer Subsidiaries arising under or in respect of any Environmental Law.
- (b) Except as disclosed in Section 5.16(b) of the Buyer Disclosure Letter, to the knowledge of the Buyer there are no investigations or reviews out of the ordinary course being conducted by any Governmental Authority on the assets and properties currently owned, leased or used by the Buyer and, to the knowledge of the Buyer, the Buyer Subsidiaries under Environmental Laws. Except as disclosed in Section 5.16(b) of the Buyer Disclosure Letter, to the knowledge of the Buyer there is no current outstanding remedial or corrective action required pursuant to Environmental Law to conduct of the Operations or to own, possess, control or manage the assets and properties of the Buyer or, to the knowledge of the Buyer, the Buyer Subsidiaries, any that would not reasonably result in a Material Adverse Change to the Buyer or the Buyer Subsidiaries.

5.17 Books and Records

As of the date hereof, the financial books, records and accounts of each member of the Buyer Group have been maintained in accordance with IFRS and fairly reflect the material transactions and dispositions of the assets and properties of the Buyer Group. As of the Execution Date, the corporate records for the Buyer Group have been maintained in compliance in all material respects with applicable Laws.

5.18 Insurance

Section 5.18 of the Buyer Disclosure Letter sets out a list, as of the Execution Date, of all material insurance policies of the members of the Buyer Group in force, which are the Buyer Existing Insurance Policies.

None of the Buyer or the Buyer Subsidiaries: (i) is in material default with respect to any of the provisions contained in any Buyer Existing Insurance Policy; or (ii) has failed to give any notice or present any material claim with respect to the property of the Buyer Group and Operations conducted thereon under any insurance policy in a due and timely manner, in each case other than as would have a Material Adverse Change.

5.19 Reporting Issuer

The Buyer is a reporting issuer under the Applicable Securities Laws in each of the Reporting Jurisdictions. The Buyer Disclosure Letter, the Buyer is not in default in any material respect of any requirement of Applicable Securities Laws nor is it included in a list of defaulting reporting issuers maintained by the securities commissions. In particular, without limiting the foregoing, the Buyer is in compliance at the Execution Date with its obligations to make timely disclosure of all material changes relating to it and, other than in respect of material change reports previously filed on a confidential basis and thereafter made public or material change reports previously filed on a confidential basis and in respect of which no material change ever resulted, all such disclosure and filings were true and accurate in all material respects as at the respective dates thereof, no such disclosure or filings have been made on a confidential basis and there is no material change relating to the Buyer which has occurred and with respect to which the requisite material change report has not been filed.

5.20 Ownership by Directors, Officers or Employees

None of the directors, officers or employees of the Buyer, any known holder of more than 10% of any class of shares of the Buyer, or any known associate or affiliate of any of the foregoing Persons or companies (as such terms are defined in the *Securities Act* (British Columbia)), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected, is material to or will materially affect the Buyer.

5.21 Unlawful Contributions

Neither the Buyer nor, to the knowledge of the Buyer, any director, officer, agent, employee or other person affiliated with or acting on behalf of the Buyer has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Anti-Corruption Laws; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

5.22 Transfer Agent

The Transfer Agent at its principal office in the City of Vancouver, British Columbia has been duly appointed as the registrar and transfer agent of the Buyer Shares.

5.23 NGO and Community Groups

Except as disclosed in Schedule 0 of the Buyer Disclosure Letter, no material Proceeding between the Buyer or any of its Affiliates and any non-governmental organization, community, community group, aboriginal or indigenous peoples or aboriginal or indigenous group exists with respect to the Buyer Material Property or any Operations thereon.

5.24 Cultural Heritage

Except as disclosed in Schedule 5.24 of the Buyer Disclosure Letter and the Knowledge of the Seller, none of the areas covered by the Buyer Material Property (including any constructions, remains or similar elements located thereon) have been declared as a protected cultural or archaeological site by any Governmental Authority and there have been no archeological or historical findings in the Buyer Material Property, in each case that would reasonably be expected to have a Material Adverse Change on the Buyer.

5.25 Litigation

There are no Proceedings pending, or to the knowledge of the Buyer, threatened against the Buyer or the Buyer Subsidiaries before any court or Governmental Authority nor is any member of the Buyer Group subject to any outstanding injunction, order, decree, ruling or judgment.

5.26 Financing

At Closing, the Buyer (or any Buyer Nominee) will have sufficient cash on hand, such that the Buyer (or any Buyer Nominee) will have immediately available funds equal to the cash component of the Purchase Price without resort to any external sources of financing.

5.27 Taxes

- (a) Each of the Buyer and the Buyer Subsidiaries has duly filed on a timely basis with the appropriate Governmental Authority all Tax Returns required to be filed by them and has submitted all required affidavits and complied with other accessory fiscal obligations and duties that are required to be fulfilled by or with respect to them, including keeping textbooks in compliance with all applicable Laws. All such Tax Returns were complete and accurate in all material respects. At the Time of Closing each of the Buyer and the Buyer Subsidiaries will have paid all Taxes which are due and payable (including all instalments and prepayments of Tax as required by applicable Laws). At the Time of Closing, no jurisdiction or authority in or with which any of the Buyer and the Buyer Subsidiaries does not file a Tax Return will have alleged that any of them is required to file such a Tax Return.

- (b) At the Time of Closing there will be no agreements, waivers or other arrangements providing for an extension of time for any of the Buyer and the Buyer Subsidiaries to file any Tax Return or pay any Taxes or for any Governmental Authority to examine any Tax Return or levy any assessment.
- (c) At the Time of Closing, each of the Buyer and the Buyer Subsidiaries will have, in all material respects, withheld from each payment made, or deemed to have been made, to any person all Taxes required to be withheld therefrom and will have paid the same to the proper Governmental Authorities within the time required under any applicable Laws.
- (d) At the Time of Closing, each of the Buyer and the Buyer Subsidiaries will have collected all material Taxes required to be collected and remitted, in all material respects, to the appropriate Tax authority when required by Law to do so all such Taxes collected.
- (e) At the Time of Closing there will be no material Proceedings pending or, to the knowledge of the Buyer, threatened against any of the Buyer or the Buyer Subsidiaries in respect of Taxes, nor will there be any material matters under discussion by any of the Buyer or the Buyer Subsidiaries with any Governmental Authority relating to Taxes.
- (f) At the Time of Closing, each of the Buyer and the Buyer Subsidiaries will have complied in all material respects with the intercompany transfer pricing provisions of applicable Laws relating to Taxes, including the contemporaneous documentation and disclosure requirements thereunder.
- (g) At the Time of Closing, no Encumbrances for Taxes have been filed, and no claims or assessments for Taxes have been asserted, by any Governmental Authority with respect to the Buyer.
- (h) The Buyer is not under audit by any Governmental Authority in respect of any Tax Return.
- (i) The Buyer is not a party to or bound by any tax consolidation, tax sharing agreement, tax indemnity obligation or similar agreement or arrangement with respect to Taxes.
- (j) The Buyer is not a party to or subject to any ruling request, settlement agreement or similar agreement with any Governmental Authority relating to Taxes for any periods for which the statute of limitations has not yet expired.

5.28 Financial Auditing Regarding the Buyer

- (a) The auditors of the Buyer who audited the consolidated financial statements of the Buyer for the fiscal year ended December 31, 2020 and who provided their audit

report thereon are independent public accountants as required under Applicable Securities Laws.

- (b) To the knowledge of the Buyer, there has never been a reportable disagreement (within the meaning of National Instrument 51-102 - *Continuous Disclosure*) with the present or former auditors of the Buyer.
- (c) The Buyer maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (d) The Buyer has established and maintains "disclosure controls and procedures" and "internal control over financial reporting" which the Buyer's board of directors considers reasonable and appropriate in the Buyer circumstances and in accordance with the provisions of IFRS.
- (e) The audit committee of the Buyer is comprised and operates in accordance with the requirements of National Instrument 52-110 – *Audit Committees* of the relevant securities regulators, each of whom is "independent" within the meaning of such instrument.

5.29 Employment Matters

- (a) Each of the Buyer and the Buyer Subsidiaries is in compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non-compliance would not have a Material Adverse Change on the Buyer and the Buyer Subsidiaries taken as a whole or result in a Material Adverse Change to the Buyer and the Buyer Subsidiaries taken as a whole.
- (b) There has not been and there is not currently any labour disruption or conflict which is adversely affecting or is reasonably likely to adversely affect, in a material manner, the carrying on of the business of the Buyer and the Buyer Subsidiaries taken as a whole.
- (c) All accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments of the Buyer and the Buyer Subsidiaries have been recorded in accordance with IFRS and are reflected on the books and records of the Buyer and the Buyer Subsidiaries.

- (d) There is no agreement, plan or practice relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit other than in the ordinary course of business.

5.30 Collective Agreements

Other than as disclosed in Section 5.30 of the Buyer Disclosure Letter, the Buyer has not made any Contracts with any labour union or employee association with respect to any collective agreement. There are currently no work stoppages or strikes (legal or otherwise) pending with respect to the Buyer or, to the knowledge of the Buyer, threatened. No labour organization has made a written demand to the Buyer for recognition that is pending as of the date hereof. The Buyer has not received notice of any representation proceedings or written petitions seeking a representation proceeding against the Buyer.

5.31 The Buyer Intellectual Property

Section 5.31 of the Buyer Disclosure Letter, contains a list of all the Buyer Intellectual Property owned or used by the Buyer Group. Each of the rights in relation to Buyer Intellectual Property is valid, subsisting and enforceable. There are no pending proceedings of any kind or nature whatsoever, initiated or, to the knowledge of the Buyer, threatened against the Buyer or the Buyer Group for any illegal use or infringement of any third party rights with respect to the Buyer Intellectual Property. The Buyer has no knowledge of any claim of infringement or breach by the Buyer or the Buyer Group of any industrial or intellectual property rights of any other person and the Buyer has not received any notice that Operations, including the use of the Buyer Intellectual Property, infringes upon or breaches any industrial or intellectual property rights of any other person, or the trade secrets, know-how or confidential or proprietary information of any other person, and the Buyer has no knowledge of any infringement or violation of any of the rights of the Buyer under the Buyer Intellectual Property. The Buyer has no knowledge of any state of facts which casts doubt on the validity or enforceability of any of the Buyer Intellectual Property.

5.32 Unlawful Contributions

- (a) The Buyer Group is in compliance with, and has not been charged under AML Legislation.
- (b) The Buyer Group, their respective officers and directors and, to the knowledge of the Buyer Group, their employees and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in the any of the Buyer Group being designated as a Sanctioned Person or Sanctioned Entity.

5.33 Finders' Fee

Except as disclosed in Section 5.33 of the Buyer Disclosure Letter, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of

the Buyer who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

5.34 Bankruptcy Proceedings

The Buyer has not made a general assignment for the benefit of creditors or instituted any Bankruptcy Proceeding under any Laws relating to bankruptcy, insolvency or reorganization and no such Bankruptcy Proceeding is contemplated as of the date hereof.

ARTICLE 6 **CLOSING CONDITIONS**

6.1 Mutual Conditions

The obligations of the Seller on the one hand, and the Buyer on the other hand, to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment on or before the Time of Closing of each of the following conditions:

- (a) no preliminary or permanent injunction or other order, decree or ruling issued by a Governmental Authority, and no statute, rule, regulation or executive order promulgated or enacted by a Governmental Authority, which restrains, enjoins, prohibits or otherwise makes illegal the consummation of the transactions contemplated by this Agreement, shall be in effect;
- (b) the TSXV shall have provided its conditional approval of the transactions contemplated herein including the issuance of the Purchase Consideration Shares.

The foregoing conditions are for the exclusive benefit of the Seller on the one hand, and the Buyer on the other hand, and any such condition may be waived in whole or in part by the Seller on the one hand, or the Buyer on the other hand, at or prior to the Time of Closing by each delivering to the others a written waiver to that effect. Delivery of any such waiver shall be without prejudice to any rights and remedies at law and in equity that the Seller on the one hand, or the Buyer on the other hand, may have, including any claims that the Seller on the one hand, or the Buyer on the other hand, may have for breach of covenant, representation or warranty by the other Party, and also without prejudice to the rights of termination of the Seller on the one hand, and the Buyer on the other hand, in the event of non-performance of any other conditions in whole or in part.

6.2 Closing Conditions in Favour of the Buyer

The obligations of the Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment on or before the Time of Closing of each of the following conditions:

- (a) the representations and warranties made by the Seller in this Agreement shall be true and correct in all respects, except where the failure of such representations and warranties to be true and correct do not constitute in aggregate a Material Adverse Change, in each case as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, then as of such date, or except as affected by transactions contemplated or permitted

by this Agreement), and the Seller shall have provided to the Buyer a certificate dated the Closing Date executed by a senior officer to the foregoing effect;

- (b) Seller shall have performed and complied in all material respects with all covenants, conditions and agreements required by this Agreement to be performed or complied with by the Seller on or prior to the Time of Closing, and the Seller shall have provided to the Buyer a certificate dated the Closing Date executed by a senior officer to the foregoing effect;
- (c) no Material Adverse Change with respect to the Company or the Company Material Property shall have occurred since the Execution Date, and the Seller shall have provided to the Buyer a certificate dated the Closing Date executed by a senior officer to such effect;
- (d) the completion of the Concurrent Financing; and
- (e) all deliveries contemplated by Sections 2.3, 2.4, 2.5 shall have been tabled.

The foregoing conditions are for the exclusive benefit of the Buyer and any such condition may be waived in whole or in part by the Buyer at or prior to the Time of Closing by delivering to the Seller a written waiver to that effect executed by the Buyer. Delivery of any such waiver shall be without prejudice to any rights and remedies at law and in equity the Buyer may have, including any claims the Buyer may have for breach of covenant, representation or warranty by the Seller, and also without prejudice to the rights of termination of the Buyer in the event of non-performance of any other conditions in whole or in part.

6.3 Closing Conditions in favour of the Seller

The obligations of the Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment on or before the Time of Closing of each of the following conditions:

- (a) the representations and warranties made by the Buyer in this Agreement shall be true and correct in all respects, except where the failure of such representations and warranties to be true and correct do not constitute in aggregate a Material Adverse Change, in each case as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, then as of such date, or except as affected by transactions contemplated or permitted by this Agreement), and the Buyer shall have provided to the Seller a certificate dated the Closing Date executed by a senior officer to the foregoing effect;
- (b) the Buyer shall have performed and complied in all material respects with all covenants, conditions and agreements required by this Agreement to be performed or complied with by the Buyer on or prior to the Time of Closing, and the Buyer shall have provided to the Seller a certificate dated the Closing Date executed by a senior officer to the foregoing effect;

- (c) no Material Adverse Change with respect to the Buyer Group shall have occurred since the Execution Date, and the Buyer shall have provided to the Seller a certificate dated the Closing Date executed by a senior officer to such effect;
- (d) the completion of the Concurrent Financing; and
- (e) all deliveries contemplated by Sections 2.6 and 2.7 shall have been tabled.

The foregoing conditions are for the exclusive benefit of the Seller and any such condition may be waived in whole or in part by the Seller at or prior to the Time of Closing by delivering to the Buyer a written waiver to that effect executed by the Seller. Delivery of any such waiver shall be without prejudice to any rights and remedies at law and in equity the Seller may have, including any claims the Seller may have for breach of covenant, representation or warranty by the Buyer, and also without prejudice to the rights of termination of the Seller in the event of non-performance of any other conditions in whole or in part.

ARTICLE 7

SURVIVAL AND INDEMNIFICATION

7.1 Survival of Representations, Warranties and Covenants

Subject to Section 7.7, all representations, warranties and covenants contained in this Agreement and in all other agreements, documents and certificates delivered pursuant to or contemplated by this Agreement (other than the conditions of Closing set out in Article 6) shall survive the Closing and shall not merge.

7.2 Indemnification by the Seller

Subject to the limitations set out elsewhere in this Article, the Seller shall indemnify and save harmless the Buyer from and against all Losses suffered or incurred by the Buyer as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy or breach by the Seller of any Seller Fundamental Representation;
- (b) any inaccuracy or breach by the Seller of any representation or warranty of the Seller contained in this Agreement (other than an inaccuracy or breach of a Seller Fundamental Representation); and
- (c) any breach or non-performance by the Seller of any covenant of the Seller contained in this Agreement.

7.3 Indemnification by the Buyer

Subject to the limitations set out elsewhere in this Article, the Buyer shall indemnify and save harmless the Seller from and against all Losses suffered or incurred by the Seller as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy or breach by the Buyer of any Buyer Fundamental Representation;

- (b) any inaccuracy or breach by the Buyer of any representation or warranty of the Buyer contained in this Agreement (other than an inaccuracy or breach of a Buyer Fundamental Representation); and
- (c) any breach or non-performance by the Buyer of any covenant of the Buyer contained in this Agreement.

7.4 Tax Indemnity

If the Company is liable for Taxes that are attributable to the period up to and including the Closing Date that have not been paid prior to the Closing Date, then the Seller shall be liable therefor as of the date the same shall become due and owing by the Company and the Seller shall indemnify the Buyer from all Losses suffered or incurred by the Buyer as a result of or arising directly or indirectly out of or in connection with such liability. For clarity, all Taxes of the Company that arise after the Closing Date shall not be subject to such indemnification from Seller and shall be the sole responsibility of the Company, as owned by the Buyer and its applicable Affiliates.

7.5 Limitation of Liability

- (a) The Buyer shall not be entitled to require payment in respect of any Loss pursuant to the indemnities contained in Section 7.2 and the Seller shall not be liable for any indemnity payment thereunder unless either alone or together with the amount finally agreed or adjudicated to be payable in respect of Losses for which the Buyer would otherwise be entitled to require payment under such indemnities, such Loss exceeds the Minimum Loss Amount. Once the Minimum Loss Amount has been exceeded, the Buyer shall only be entitled to require and receive payment on the indemnities contained in Section 7.2 on the portion of Losses that exceeds the Minimum Loss Amount and as against the Seller only up to:
 - (i) other than the Seller Fundamental Representations, the Threshold Amount; and
 - (ii) with respect to the Seller Fundamental Representations, the Purchase Price.
- (b) Seller shall not be entitled to require payment in respect of any Loss pursuant to the indemnities contained in Section 7.3 (other than in respect of a failure to pay a portion of the Purchase Price) and the Buyer shall not be liable for any indemnity payment thereunder unless either alone or together with the amount finally agreed or adjudicated to be payable in respect of Losses for which the Buyer would otherwise be entitled to require payment under such indemnities, such Loss exceeds the Minimum Loss Amount. Once the Minimum Loss Amount has been exceeded, the Seller shall only be entitled to require payment on the indemnities contained in Section 7.3 (other than in respect of a failure to pay a portion of the Purchase Price) on the portion of Losses that exceeds the Minimum Loss Amount and only up to the Threshold Amount.

- (c) Notwithstanding any other provision in this Article, for the avoidance of doubt, in no event shall: (i) the aggregate liability of the Buyer in respect of all indemnities under this Agreement exceed the Purchase Price; or (ii) the aggregate liability of the Seller in respect of all indemnities under this Agreement exceed the Purchase Price.
- (d) For the purposes of Sections 7.5(a) and 7.5(b):
 - (i) Losses arising out of separate sets of facts, matters or circumstances will not be treated as an individual Loss, even if each set of facts, matters or circumstances may be a breach of the same representation and warranty; and
 - (ii) Losses of the same or similar nature arising out of the same or similar facts, matters and circumstances will be treated as a single, individual Loss.

7.6 Notice of Claim

- (a) A Party that may be entitled to make a claim for indemnification (a “**Claim**”) under this Agreement (the “**Indemnified Party**”) shall give written notification to the other Party (the “**Indemnifying Party**”) of such Claim (a “**Notice of Claim**”) promptly upon becoming aware of the Claim, but in no event later than the relevant date, if any, specified in Section 7.7. The Notice of Claim shall specify whether the Claim arises as a result of a claim by a Person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity, to the extent that the information is available, the factual basis for the Claim and the amount of the Claim.
- (b) If an Indemnified Party fails to provide the Indemnifying Party with a Notice of Claim promptly as required by Section 7.6(a), the Indemnifying Party shall be relieved of the obligation to pay damages to the extent it can show that it was prejudiced in its defence of the Claim or in proceeding against a third party who would have been liable to it by the fact of the delay, but the failure to provide such Notice of Claim promptly shall not otherwise release the Indemnifying Party from its obligations under this Article.
- (c) If the date by which a Notice of Claim must be given as set out in Section 7.7 in respect of a breach of representation and warranty has passed without any Notice of Claim having been given to the Indemnifying Party, then the related Claim shall be forever extinguished, notwithstanding that by the date specified in Section 7.7 the Indemnified Party did not know, and in the exercise of reasonable care could not have known, of the existence of the Claim.

7.7 Time Limits for Notice of Claim for Breach of Representations and Warranties and Tax Indemnification

- (a) Seller shall not be required to indemnify or save harmless the Buyer pursuant to Sections 7.2 or 7.4 unless the Buyer shall have provided to the Seller a Notice of Claim within the following time limits:
 - (i) with respect to the representations and warranties set out in Section 4.17 (Environmental Matters), not later than the third anniversary of the Closing Date;
 - (ii) with respect to the representations and warranties set out in Section 4.24 (Taxes) or a claim pursuant to Section 7.4 not later than the day that is 60 days after the expiration of the period, if any, during which an assessment, reassessment or other form of recognized written demand assessing liability for Tax, interest or penalties under applicable legislation in respect of any taxation year to which such representations and warranties relate or to which the indemnity of the Seller under Section 7.4 relates, as the case may be, may be issued to the Company under such legislation;
 - (iii) with respect to a Claim for any breach of any of the representations and warranties of the Seller contained in this Agreement involving fraud on the part of the Seller, at any time after Closing;
 - (iv) with respect to the Seller Fundamental Representations, not later than three years after Closing; and
 - (v) with respect to all other representations and warranties of the Seller contained in this Agreement (excluding the Seller Fundamental Representations), not later than 12 months after the Closing Date.
- (b) The Buyer shall not be required to indemnify or save harmless the Seller pursuant to Section 7.3 unless the Seller shall have provided to the Buyer a Notice of Claim within the following time limits:
 - (i) with respect to the representations and warranties set out in Section 5.16 (Environmental Matters), not later than the third anniversary of the Closing Date;
 - (ii) with respect to the representations and warranties set out in Section 5.27 (Taxes), not later than the day that is 60 days after the expiration of the period, if any, during which an assessment, reassessment or other form of recognized written demand assessing liability for Tax, interest or penalties under applicable legislation in respect of any taxation year to which such representations and warranties relate may be issued to any member of the Buyer Group under such legislation;

- (iii) with respect to a Claim for any breach of any of the representations and warranties of the Buyer contained in this Agreement involving fraud on the part of the Buyer or a member of the Buyer Group, at any time after Closing;
- (iv) with respect to the Buyer Fundamental Representations, not later than three years after Closing; and
- (v) with respect to all other representations and warranties of the Buyer contained in this Agreement (excluding the Buyer Fundamental Representations), not later than 12 months after the Closing Date.

7.8 Direct Claims

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have 45 days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both Parties agree at or prior to the expiration of such 45-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed-upon amount of the Claim, failing which the matter shall be determined by a court of competent jurisdiction.

7.9 Third Party Claims

- (a) The Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of any Third Party Claim and if the Indemnifying Party assumes control, it shall reimburse the Indemnified Party for all of the Indemnified Party's out-of-pocket expenses prior to the time the Indemnifying Party assumed control. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to a legal conflict or actual or potential differing interests between them (such as the availability of different defences).
- (b) If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control.
- (c) If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable Law to incur losses or make a payment to any person (a "**Third Party**") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may incur such

Losses or make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under such Third Party Claim, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after the receipt of the difference from the Third Party, pay the amount of such difference, together with any interest thereon paid by the Third Party to the Indemnified Party, to the Indemnifying Party. In addition, the Indemnifying Party shall post all security required by any court, regulatory body or other authority having jurisdiction, including without limitation, for purposes of enabling the Indemnifying Party to contest any Third Party Claim.

- (d) The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

7.10 Adjustments

- (a) The amount of any Loss for which indemnification is provided in this Article will be adjusted to take into account any tax benefit or other benefit realized by the Indemnified Party by reason of the Loss for which indemnification is so provided.
- (b) In determining the amount of any Losses under this Article, such Losses will be increased to take into account any Tax actually incurred by the Indemnified Party as a result of the matter giving rise to such Losses.
- (c) Where an Indemnified Party is, or would be likely to be, entitled to recover or be compensated or indemnified by another Person, whether by way of contract, indemnity or otherwise (including under a policy of insurance), any amount in respect of a Claim made by the Indemnified Party, the Indemnified Party shall promptly notify the Indemnifying Party of such right or entitlement, take all reasonable steps to seek recovery of that amount and keep the Indemnifying Party at all times fully and promptly notified of the status of such recovery. The amount of the Claim by the Indemnified Party shall be reduced by any amount actually recovered by the Indemnified Party (net of all reasonable out of pocket costs and expenses incurred in doing so and any Tax paid or payable on the amount recovered).
- (d) If, after an Indemnifying Party has made a payment in respect of a Claim, an Indemnified Party recovers from or is paid by another Person any amount in respect of the Loss that gave rise to the Claim, the Indemnified Party shall promptly, and in any event within 10 Business Days, pay to the Indemnifying Party, the lesser of: (i) the amount of the Loss that was recovered or paid; and (ii) the amount paid by the Indemnifying Party to the Indemnified Party in respect of the Claim, in either case net of all reasonable out of pocket costs and expenses incurred in obtaining the

recovery or payment and any Tax paid or payable as a result of receiving such recovery or payment.

- (e) Any indemnity payment made under this Article, including pursuant to Section 7.10(d), shall be treated by the Seller on the one hand, and the Buyer on the other hand, as an adjustment to the Purchase Price.

7.11 Exclusivity

No Party may make any claim for damages in respect of this Agreement or any agreement, certificate or other document delivered pursuant hereto, or in respect of any breach or termination thereof, against any other Party except by making a Claim pursuant to and in accordance with this Article other than the Seller in respect of a failure by the Buyer to pay a portion of the Purchase Price pursuant to Section 2.2.

ARTICLE 8 **TERMINATION**

8.1 Termination

This Agreement may be terminated at any time prior to the Closing Date:

- (a) by mutual written agreement of the Buyer and the Seller;
- (b) by either the Buyer on the one hand, or the Seller on the other hand, if:
 - (i) the Closing has not occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(i) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur by the Outside Date; or
 - (ii) after the date hereof, there shall be enacted or made any applicable Law, or a Governmental Authority shall have issued any Order (which Order is final and non-appealable, unless such Order has been withdrawn, reversed or otherwise made inapplicable), permanently restraining or enjoining or otherwise prohibiting the transactions contemplated herein;
- (c) by the Seller by written notice to the Buyer, if:
 - (i) any of the conditions in Section 6.1 or 6.3 has not been satisfied or waived by the Outside Date or is incapable of satisfaction by the Outside Date, provided that the Seller is not then in breach of this Agreement so as to cause any of the conditions in Sections 6.1 or 6.3 not to be satisfied; or
 - (ii) any representation or warranty of the Buyer contained herein is untrue or incorrect or shall have become untrue or incorrect such that the condition

contained in Section 6.3(a) would be incapable of satisfaction, or the Buyer is in default in any material respect of any of its covenants or obligations herein such that the condition in Section 6.3(b) would be incapable of satisfaction prior to the Outside Date or a Material Adverse Change with respect to the Buyer Group shall have occurred since the date hereof such that the condition contained in Section 6.3(c) would be incapable of satisfaction prior to the Outside Date; or

- (d) by the Buyer by written notice to the Seller, if:
 - (i) any of the conditions in Sections 6.1 or 6.2 has not been satisfied or waived by the Outside Date or is incapable of satisfaction by the Outside Date, provided that the Buyer is not then in breach of this Agreement so as to cause any of the conditions set forth in Sections 6.1 or 6.2 not to be satisfied;
 - (ii) any representation or warranty of the Seller contained herein is untrue or incorrect or shall have become untrue or incorrect such that the condition contained in Section 6.2(a) would be incapable of satisfaction, or the Seller is in default in any material respect of any of its covenants or obligations herein such that the condition in Section 6.2(b) would be incapable of satisfaction prior to the Outside Date, or a Material Adverse Change with respect to the Company shall have occurred since the date hereof such that the condition contained in Section 6.2(c) would be incapable of satisfaction prior to the Outside Date.

8.2 Effect of Termination

- (a) Notwithstanding the termination of this Agreement by the Seller pursuant to Section 8.1(b) or Section 8.1(c), the Seller may bring an action against the Buyer for Losses suffered by the Seller where the event giving rise to the right of termination is a result of a breach of covenant, representation or warranty by the Buyer.
- (b) Notwithstanding the termination of this Agreement by the Buyer pursuant to Section 8.1(b) or Section 8.1(d), the Buyer may bring an action against the Seller for Losses suffered by the Buyer where the event giving rise to the right of termination is a result of a breach of covenant, representation or warranty by the Seller.

8.3 Surviving Provisions on Termination

Notwithstanding any other provisions of this Agreement, if this Agreement is terminated (whether by a Party or automatically or otherwise), the provisions of Sections 3.9, 6.1, 6.2, 6.3 and Article 7, Article 8 and Article 9 shall survive such termination and remain in full force and effect, along with any other provisions of this Agreement which expressly or by their nature survive the termination hereof.

8.4 Remedies

Seller on the one hand, and the Buyer on the other hand, acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any Party or its representatives and any such breach would cause the non-breaching Party irreparable harm. Accordingly, the Seller on the one hand, and the Buyer on the other hand, agree that, in the event of any breach or threatened breach of this Agreement by the Seller on the one hand, or the Buyer on the other hand (provided this Agreement shall not have been terminated pursuant to Section 8.1), the non-breaching Party shall also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to the Parties.

ARTICLE 9

GENERAL PROVISIONS

9.1 Notices

- (a) Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by email with confirmation receipt requested as follows:

in the case of the Buyer:

Zacatecas Silver Corp.
Suite 704, 595 Howe Street
Vancouver, BC V6C 2T5

Attention: Charles Hethey
Email: **[Redacted: Personal information]**

with a copy to:

Osler, Hoskin & Harcourt LLP
1055 West Hastings Street
Suite 1700, The Guinness Tower
Vancouver, BC V6E 2E9

Attention: Alan Hutchison
Email: **[Redacted: Personal information]**

in the case of the Seller:

c/o Alamos Gold Inc.
Bay Wellington Tower, Brookfield Place
181 Bay Street, Suite 3910

P.O. Box 823
Toronto, ON M5J 2T3

Attention: General Counsel
Email: **[Redacted: Personal information]**

with a copy to:

Torys LLP
Suite 3300, 79 Wellington St. W.
TD South Tower
Toronto, ON M5K 1N2

Attention: Braden Jebson
Email: **[Redacted: Personal information]**

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted by email (or, if such day is not a Business Day or such notice or other communication was delivered or transmitted after 5:00 p.m. (recipient's time), on the next following Business Day).
- (c) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 9.1.

9.2 Applicable Law

- (a) 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 British Columbia and the federal Laws of Canada applicable in such province.
- (b) Each of the Parties irrevocably and unconditionally: (i) submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia over any action or proceeding arising out of or relating to this Agreement; (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

9.3 Entire Agreement

This Agreement, along with the other documents contemplated herein, constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede 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 and thereof except as provided herein or therein. Notwithstanding the foregoing, the Parties acknowledge and agree that the Confidentiality Agreement remains in full force and effect.

9.4 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

9.5 No Waiver

The failure of any Party to insist upon strict adherence to any provision of this Agreement on any occasion shall not be considered a waiver or deprive that Party of the right thereafter to insist upon strict adherence to such provision or any other provision of this Agreement. No purported waiver shall be effective as against any Party unless consented to in writing by such Party. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.

9.6 Further Assurances

Each of the Parties shall, from time to time hereafter, do all such acts and execute and deliver all such further certificates or other documents, and will cause the doing of all such acts and will cause the execution of all such further certificates or other documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done and or executed in order to give full effect to the provisions of this Agreement.

9.7 Amendments

No term or provision of this Agreement may be amended except by an instrument in writing signed by the Parties.

9.8 Assignment

No Party shall assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other Parties; provided that such restriction shall not apply to an assignment by: (i) Seller (or its designee) of the Purchase Consideration Shares or the Additional Shares; or (ii) the Buyer to one or more Buyer Nominees to purchase all or any portion of the Purchased Shares, provided that the Buyer shall remain responsible for all of its covenants and other agreements contained in this Agreement including the Contingent Payments and provided that the indemnification of the Buyer for Losses as relates to the Minimum Loss Amount, the Threshold Amount and the cap with respect to the Purchase Price as and by the Seller shall be treated on an aggregate basis and shall not be increased by reason of the fact that there shall be one or more Buyer Nominees.

9.9 Enurement

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.10 Expenses

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement, the agreements contemplated herein and the transactions contemplated herein and therein, including the fees and expenses of legal counsel, financial advisors, accountants, consultants and other professional advisors.

9.11 Counterparts

This Agreement may be executed in any number of counterparts (including by pdf) each of which when so executed will be deemed to be an original and when taken together shall constitute the entire and same agreement.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first written above.

MINAS DE ORO NACIONAL, S.A. DE C.V.

By: *signed "Mario Lui Luis Chávez Martínez Loyola"*
Name: Mario Luis Chávez Martínez Loyola
Title: Legal Representative

ZACATECAS SILVER CORP.

By: *signed "Bryan Slusarchuk"*
Name: Bryan Slusarchuk
Title: Chief Executive Officer and Director

SCHEDULE A
DESCRIPTION OF THE ESPERANZA GOLD PROJECT

Company Material Properties

Mining Concession	Title No.	Area (hectares)	Issued Date	Expiry Date
La Esperanza	215624	437	March 5, 2002	March 4, 2052
Reducción Esperanza II	245883	942	September 30, 2003	September 29, 2053
Esperanza III	228265	1,359	October 20, 2006	October 19, 2056
Reducción Esperanza IV	245962	1236	April 15, 2008	April 14, 2058
Reducción Esperanza V Fracción 1	245885	27.9	May 15, 2009	May 14, 2059
Reducción Esperanza V Fracción 2	245886	8	May 15, 2009	May 14, 2059
Reducción Esperanza VI	245932	9,688.93	August 11, 2009	August 10, 2059
Esperanza VII	234784	639	August 14, 2009	August 13, 2059

SCHEDULE B
STREAM AGREEMENT

[Redacted: Confidential commercial information.]

SCHEDULE C
INVESTOR RIGHTS AGREEMENT

[Redacted: Confidential commercial information.]