

AGENCY AGREEMENT

McFarlane Lake Mining Incorporated
15 Kincora Court
Sudbury, Ontario
P3E 2B9

Attention: Mark Trevisiol, President and Chief Executive Officer

Dear Sir:

Re: Private Placement of Units and Flow-Through Shares

Canaccord Genuity Corp. (the “**Agent**” or “**Canaccord**”), as sole agent and bookrunner, understands that McFarlane Lake Mining Incorporated (the “**Corporation**”) proposes to issue and sell (i) up to 15,000,000 units of the Corporation (the “**Units**”) at a price of \$0.40 per Unit (the “**Unit Issue Price**”) for gross proceeds to the Corporation of up to \$6,000,000 and (ii) up to 10,000,000 flow-through shares of the Corporation (the “**FT Shares**”) at a price of \$.040 per FT Share (the “**FT Share Issue Price**”) for gross proceeds to the Corporation of up to \$4,000,000. Each Unit will consist of one Common Share (as defined below) (each, a “**Unit Share**”) and one-half of one Common Share purchase warrant (each full Common Share purchase warrant, a “**Warrant**”). The Warrants shall be issued pursuant to, and the exercise of the Warrants shall be governed by, the provisions of a warrant indenture (the “**Warrant Indenture**”), to be entered into between the Corporation and Odyssey Trust Company, as warrant agent, in the form and on terms satisfactory to the Corporation and the Agent, acting reasonably. Each Warrant will entitle the holder to acquire one Common Share (a “**Warrant Share**”) at a price of \$0.60 per Warrant Share until 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date (as defined below), subject to rights of adjustment in certain events, as set out in the Warrant Indenture. Each FT Share will qualify as a “flow-through share” as defined in subsection 66(15) of the *Income Tax Act* (Canada) (the “**Tax Act**”).

The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In case of any inconsistency between the description of the Warrants in this Agreement (as defined below) and the terms of the Warrants set forth in the Warrant Indenture, the provisions of the Warrant Indenture will govern.

In addition, the Corporation hereby grants the Agent an option (the “**Option**”) to arrange for the purchase and sale of up to an additional 3,750,000 Units (the “**Option Units**”) at the Unit Issue Price on terms identical to the Units, exercisable in whole or in part at any time prior to the Closing Date for additional gross proceeds to the Corporation of up to \$1,500,000. The Option shall be exercisable by the Agent by giving notice (the “**Option Notice**”) to the Corporation.

The Unit Shares and Warrants comprising the Units and Option Units as well as the FT Shares are collectively referred to in this Agreement as the “**Offered Securities**”. Unless the context otherwise requires, all references to Units shall include the Option Units, all references to Unit Shares shall include the Option Unit Shares (as defined below), all references to Warrants shall

include the Option Unit Warrants (as defined below) and all references to Warrant Shares shall include the Option Unit Warrant Shares (as defined below). The offering of the Offered Securities by the Corporation is referred to in this Agreement as the **“Offering”**.

The Offering is being conducted in conjunction with a proposed reverse take-over transaction (the **“Proposed Transaction”**) pursuant to a non-binding letter of intent entered into between the Corporation and 1287401 B.C. Ltd. (**“128 B.C. Ltd.”**) and which will be subject to the terms of a definitive agreement between the Corporation, 128 B.C. Ltd., and 1000034047 Ontario Inc. (the **“Definitive Agreement”**) setting forth the terms of the Proposed Transaction. The parties to the Proposed Transaction contemplate that the issuer resulting from the Proposed Transaction (the **“Resulting Issuer”**) will carry on the business currently carried on by the Corporation. The Corporation and 128 B.C. Ltd. have applied to list the common shares of the Resulting Issuer on the NEO Exchange (as defined below). If completed, as part of the Proposed Transaction the securities of the Issuer, including the Offered Securities, will be exchanged for the equivalent securities in the capital of the Resulting Issuer on an economically equivalent basis.

Subject to the terms and conditions of this Agreement, the Agent agrees to act as, and the Corporation appoints the Agent as, the exclusive agent of the Corporation to offer the Offered Securities for sale and purchase on a “best efforts” agency basis, and the Agent hereby agrees to act as such agent. The Agent may offer the Offered Securities and may solicit offers to purchase the Offered Securities as follows: (i) the Units and FT Shares in each of the provinces of Canada on a private placement basis; (ii) the Units in the United States to institutional accredited investors or qualified institutional buyers that satisfy the requirements of Rule 501(a) of Regulation D or Rule 144A, as the case may be, under the United States *Securities Act of 1933*, as amended (the **“U.S. Securities Act”**); and (iii) the Units in such offshore jurisdictions consented to by the Corporation where the Units may be lawfully sold in accordance with the terms of this Agreement and Applicable Securities Laws (as defined below), and provided the Corporation is not required to file a prospectus, registration statement or other disclosure document, or become subject to any continuing obligations in such jurisdictions. The Corporation acknowledges and agrees that the Agent may, but is not obligated to, purchase any of the Offered Securities as principal.

The Corporation agrees that the Agent shall be permitted to appoint other registered dealers or other dealers duly qualified in their respective jurisdictions (each, a **“Selling Firm”**), as agent, to assist in the Offering in the Selling Jurisdictions (as defined below) and that the Agent may determine, and shall be solely responsible for, the compensation payable to such other dealers appointed and no additional compensation shall be payable by the Corporation.

In consideration of the services rendered by the Agent in connection with the Offering, the Corporation shall pay or grant (as the case may be) to the Agent, at the Closing Time:

- (a) a commission equal to 7.0% of the gross proceeds of the Offering (including any gross proceeds resulting from the exercise of the Option) payable in cash or Units, or any combination of cash and Units, all at the election of the Agent (the **“Agent’s Fee”**);

- (b) a corporate finance fee (the “**Corporate Finance Fee**”) payable in Units, in an amount equal to 2.5% of the aggregate number of Offered Securities issued pursuant to the Offering; and
- (c) such number of non-transferable warrants as is equal to 7.0% of the number of Offered Securities sold under the Offering (including the Offered Securities issued as part of the Option) (the “**Broker Warrants**”). Each Broker Warrant shall entitle the holder thereof to acquire one unit of the Corporation (each, a “**Broker Unit**”) comprised of one Common Share (a “**Broker Unit Share**”) and one-half of one Common Share purchase warrant (each full Common Share purchase warrant, a “**Broker Unit Warrant**”) at a price per unit equal to the Unit Issue Price, exercisable until 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date. Each Broker Unit Warrant shall entitle the holder to purchase one Common Share (a “**Broker Unit Warrant Share**”) at a price of \$0.60 per share, exercisable until 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date, pursuant to the terms of the broker warrant certificates (the “**Broker Warrant Certificates**”).

2. Definitions

In this Agreement:

- (a) “**Advisory Agreement**” means advisory agreement between the Corporation and WD Capital Markets Inc. dated May 18, 2021;
- (b) “**affiliate**”, “**distribution**”, “**material change**”, “**material fact**”, “**misrepresentation**”, and “**subsidiary**” have the respective meanings given to them in the *Securities Act* (Ontario);
- (c) “**Agent**” has the meaning given to it above;
- (d) “**Agent's Counsel**” means Borden Ladner Gervais LLP;
- (e) “**Agent's Fee**” has the meaning given to it above;
- (f) “**Agreement**” means this agreement resulting from the acceptance by the Corporation of the offer made by the Agent hereby, including all schedules hereto, as amended or supplemented from time to time;
- (g) “**Applicable Securities Laws**” means all applicable securities, corporate and other laws, rules, regulations, notices and policies;
- (h) “**Broker Unit**” has the meaning given to it above;
- (i) “**Broker Unit Share**” has the meaning given to it above;
- (j) “**Broker Unit Warrant**” has the meaning given to it above;

- (k) **“Broker Unit Warrant Share”** has the meaning given to it above;
- (l) **“Broker Warrant”** has the meaning given to it above;
- (m) **“Broker Warrant Certificate”** has the meaning given to it above;
- (n) **“Business Day”** means any day, other than a Saturday or Sunday on which banking institutions in Toronto, Ontario are open for commercial banking business during normal banking hours;
- (o) **“CEE”** means an expense referred to in paragraph (f) of the definition of “Canadian exploration expense” in subsection 66.1(6) of the Tax Act or that would be described in paragraph (h) of such definition if the reference therein to “paragraphs (a) to (d) and (f) to (g.4)” were a reference to “paragraph (f)”, other than amounts which are the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act, prescribed to be “Canadian exploration and development overhead expense” for the purposes of paragraph 66(12.6)(b) of the Tax Act, the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act, or any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition “expense” in subsection 66(15) of the Tax Act;
- (p) **“Claim”** has the meaning given to it in Section 12(b);
- (q) **“Closing”** means the completion of the Offering;
- (r) **“Closing Date”** means December 9, 2021, or such other date as the Agent and the Corporation may agree upon in writing;
- (s) **“Closing Time”** means 8:00 a.m. (Toronto time) or such other time on the Closing Date as the Agent and the Corporation may agree upon;
- (t) **“Commitment Amount”** means the amount of \$0.40 per FT Share, multiplied by the number of FT Shares subscribed and paid for in connection with the Offering;
- (u) **“Common Share”** means a common share in the capital of the Corporation;
- (v) **“Compensation Securities”** means, collectively, the Broker Warrants, Broker Units, Broker Unit Shares, Broker Unit Warrants, the Broker Unit Warrant Shares and any Units issued pursuant to the Corporate Finance Fee;
- (w) **“Corporate Finance Fee”** has the meaning given to it above;
- (x) **“Corporation”** has the meaning given to it above;
- (y) **“Corporation’s Counsel”** means Wildeboer Dellelce LLP;
- (z) **“CRA”** means the Canada Revenue Agency;

- (aa) “**CSM**” means Canadian Star Minerals Ltd.;
- (bb) “**Disclosed Beneficial Purchaser**” means any beneficial purchaser of FT Shares (as set out in the FT Share Subscription Agreement) on behalf of which the Subscriber signs the FT Share Subscription Agreement as trustee or agent;
- (cc) “**Due Diligence Procedures**” has the meaning given to it in Section 5(w);
- (dd) “**Due Diligence Session**” has the meaning given to it in Section 7(a);
- (ee) “**Due Diligence Session Responses**” means the written or oral responses of the Corporation, as given by any director or officer of the Corporation, at the Due Diligence Session;
- (ff) “**Employment Laws**” has the meaning given to it in Section 6(ii);
- (gg) “**Engagement Letter**” means the engagement letter September 20, 2021, as amended, between the Corporation and the Agent relating to the Offering;
- (hh) “**Environmental Laws**” means any federal, provincial, state, local or foreign law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials or Conditions, and “**Hazardous Materials or Conditions**” means any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes, including uranium or derivatives thereof) or condition that is regulated by or may give rise to liability under any Environmental Laws;
- (ii) “**Financial Statements**” means the audited financial statements of the Corporation for the years ended August 31, 2021 and 2020, together with the notes thereto;
- (jj) “**Follow-On Transaction**” has the meaning given to it in Section 6(kkk) of this Agreement;
- (kk) “**FTME**” means an expense that will, once renounced to the Subscriber, qualify as a “flow-through mining expenditure” (as defined in subsection 127(9) of the Tax Act) of the Subscriber, or where the Subscriber is a partnership, of the members of the Subscriber to the extent of their respective shares of the expenses so renounced;
- (ll) “**FT Share Subscription Agreement**” means the agreements entered into by each Subscriber for FT Shares and the Corporation in respect of the Subscriber’s subscription for FT Shares in the form and on terms and conditions satisfactory to Corporation and the Agent, acting reasonably;
- (mm) “**FT Shares**” has the meaning given to it above;

- (nn) **“FT Share Issue Price”** has the meaning given to it above;
- (oo) **“Governmental Authorities”** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
 - (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
 - (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (pp) **“Governmental Licences”** has the meaning given to it in Section 6(cc);
- (qq) **“GST”** has the meaning given to it in Section 10;
- (rr) **“High Lake Property”** means the property located immediately east of the Ontario-Manitoba border in Northwestern Ontario, Canada, consisting of 20 mining leases covering an area of 341.49 hectares;
- (ss) **“IFRS”** means International Financial Reporting Standards;
- (tt) **“Indemnified Party”** has the meaning given to it in Section 12(b);
- (uu) **“Investor Presentation”** means the investor presentation relating to the Corporation dated September 2021 and titled "McFarlane Lake Mining – Exploration in Historic Mining Areas";
- (vv) **“Lien”** means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (ww) **“Lock-Up Undertaking”** has the meaning given to it in Section 5(l);
- (xx) **“Material Adverse Effect”** means any effect, change, event or occurrence that is, or is reasonably likely to be, materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation; provided that a Material Adverse Effect shall not include an adverse effect (or any condition, event or development involving a prospective effect) in the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of the Corporation that arises or results from or is in any way

connected with, either directly or indirectly: (i) any matter or prospective matter, either alone or in combination with other matters or prospective matter, either alone or in combination with other matters or prospective matters, that relate to or arise out of a matter that has been publicly disclosed as of the date of this Agreement; and (ii) conditions affecting the mining industry generally;

- (yy) **“Material Properties”** means the West Hawk Lake Property and the High Lake Property;
- (zz) **“NI 45-102”** means National Instrument 45-102 *Resale of Securities*;
- (aaa) **“NI 43-101”** means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;
- (bbb) **“Notice”** has the meaning given to it in Section 18;
- (ccc) **“NEO Exchange”** means the Neo Exchange Inc.;
- (ddd) **“OBCA”** means the *Business Corporations Act* (Ontario);
- (eee) **“Offered Securities”** has the meaning given to it above;
- (fff) **“Offering Documents”** means, collectively, the Subscription Agreements, the Warrant Indenture, the Investor Presentation and this Agreement;
- (ggg) **“Offering”** has the meaning given to it above;
- (hhh) **“Option”** has the meaning given to it above;
- (iii) **“Option Agreement”** means the agreement entered into between the Corporation and CSM in February 2021 with respect to the McMillan Mine property and the Material Properties;
- (jjj) **“Option Notice”** has the meaning given to it above;
- (kkk) **“Option Unit Shares”** means the Common Shares forming part of the Option Units, issuable upon exercise by the Agent of the Option, if any;
- (lll) **“Option Units”** has the meaning given to it above;
- (mmm) **“Option Unit Warrant Shares”** means the Common Shares underlying the Option Unit Warrants, issuable upon exercise of the Option Unit Warrants;
- (nnn) **“Option Unit Warrants”** means the Warrants forming part of the Option Units, issuable upon exercise by the Agent of the Option;
- (ooo) **“Penalty Securities”** has the meaning given to it in Section 6(n);

- (ppp) **“Prescribed Forms”** means the forms prescribed from time to time under subsection 66(12.7) of the Tax Act, to be filed by the Issuer within the prescribed time renouncing to the Subscriber the Resource Expenses incurred pursuant to this Agreement and all parts or copies of such forms required by the CRA to be delivered to the Subscriber;
- (qqq) **“Prescribed Relationship”** means a relationship between the Issuer and the Subscriber where the Subscriber and the Issuer are related or otherwise do not deal at arm’s length for purposes of the Tax Act;
- (rrr) **“Proposed Transaction”** has the meaning given to it above;
- (sss) **“Regulation S”** means Regulation S adopted by the SEC under the U.S. Securities Act;
- (ttt) **“Resource Expense”** means an expense which is a CEE, which will qualify as a FTME, and which is incurred on or after the Closing Date and on or before the Termination Date that may be renounced by the Issuer pursuant to subsections 66(12.6) or 66(12.66) of the Tax Act with an effective date not later than December 31, 2021 and in respect of which, but for the renunciation, the Issuer would be entitled to a deduction from income for income tax purposes;
- (uuu) **“Resulting Issuer”** has the meaning given to it above;
- (vvv) **“SEC”** means the United States Securities and Exchange Commission;
- (www) **“Securities Commissions”** means the securities commissions or similar regulatory authorities in the Selling Jurisdictions;
- (xxx) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval;
- (yyy) **“Selling Firm”** has the meaning given to it above;
- (zzz) **“Selling Jurisdictions”** means all of the provinces and territories of Canada, the United States, the United Kingdom and such other jurisdictions as the Agent and the Corporation may agree;
- (aaaa) **“Subscriber”** means, for the purposes of this Agreement, the person who executes a Subscription Agreement or, if such person executes a Subscription Agreement as a duly authorized agent of one or more principals, the principal or principals of such person;
- (bbbb) **“Subscription Agreements”** means, together, the Unit Subscription Agreement and the FT Share Subscription Agreement;
- (cccc) **“Technical Report”** means the technical report in respect of the Material Properties titled “NI 43-101 Technical Report on the High Lake Property and West Hawk

Lake Property” prepared by Sears, Barry & Associates Limited with an effective date of May 25, 2021;

(dddd) **“Termination Date”** means December 31, 2022;

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

(ffff) **“U.S. Securities Act”** has the meaning given to it above;

(gggg) **“Unit Issue Price”** has the meaning given to it above;

(hhhh) **“Unit Share”** has the meaning given to it above;

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

(jjjj) **“Units”** has the meaning given to it above;

(kkkk) **“Unit Subscription Agreement”** means the agreements entered into by each Subscriber for Units and the Corporation in respect of the Subscriber’s subscription for Units in the form and on terms and conditions satisfactory to the Corporation and the Agent, acting reasonably;

(llll) **“Warrant”** has the meaning given to it above;

(mmmm) **“Warrant Indenture”** has the meaning given to it above;

(nnnn) **“Warrant Share”** has the meaning given to it above; and

(oooo) **“West Hawk Lake Property”** means the property located in Southeastern Manitoba, Canada, approximately 5 kilometers west of the Ontario-Manitoba border near the community of Hawk Lake and 2 kilometers from the Trans Canada Highway, consisting of one mining lease covering an area of 318.68 hectares.

3. **Sale on Exempt Basis.**

(a) The Agent shall use (and shall cause each Selling Firm to use) its commercially reasonable efforts to arrange for the purchase and sale of the Offered Securities:

(i) in the Selling Jurisdictions in Canada on a private placement basis in compliance with applicable Securities Laws; and

(ii) in such other jurisdictions as may be agreed upon between the Corporation and the Agent, on a private placement basis in compliance with all applicable securities laws of such other jurisdictions provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction, no registration or similar requirement would apply with

respect to the Corporation in such other jurisdictions and the Corporation does not thereafter become subject to on-going continuous disclosure obligations in such other jurisdictions.

- (b) The Corporation undertakes to file or cause to be filed all forms or undertakings required to be filed by the Corporation in connection with the purchase and sale of the Offered Securities so that the distribution of the Offered Securities on the terms and conditions set forth herein may lawfully occur without the necessity of filing a prospectus or offering memorandum (other than the Investor Presentation) in Canada, the United States or elsewhere or a comparable document in any other jurisdiction (but on terms that will permit the Offered Securities acquired by the Subscribers to be sold to such Subscribers in compliance with applicable hold periods and other restrictions under Applicable Securities Laws). The Agent undertakes to use commercially reasonable efforts to cause Subscribers to complete and deliver to the Corporation any forms required by Applicable Securities Laws and any Securities Commissions in connection with the Offering. All fees payable in connection with such filings under Applicable Securities Laws shall be at the expense of the Corporation.
- (c) Neither the Corporation nor the Agent shall: (i) other than the Investor Presentation, provide to prospective Subscribers any document or other material or information that would constitute an offering memorandum within the meaning of Applicable Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Securities, including causing the sale of the Units or FT Shares to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units or FT Shares whose attendees have been invited by general solicitation or advertising.

4. Representations, Warranties and Covenants of the Agent

The Agent hereby represents, warrants, covenants and agrees with the Corporation and acknowledges that the Corporation is relying upon such representations, warranties and covenants, that:

- (a) it has been duly incorporated, or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated or formed, as the case may be and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Agent;
- (b) it has good and sufficient right and authority to enter into this Agreement and to complete the transactions contemplated under this Agreement and any other documents in connection with the Offering to which it is a party;

- (c) it has not and will not, and will require any Selling Firm to not: (i) provide prospective Subscribers with any document or other material that would constitute an offering memorandum within the meaning of Applicable Securities Laws, other than the Investor Presentation; and (ii) it will not, and will require any Selling Firms to not, solicit subscriptions for Offered Securities, trade in Offered Securities or otherwise do any act in furtherance of a trade of Offered Securities outside of the Selling Jurisdictions, provided that the Agent and Selling Firms may so solicit, trade or act within such jurisdictions only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and in accordance with this Agreement and does not (A) obligate the Corporation to take any action to register or qualify any of its securities or any trade of any of its securities, or the filing of a prospectus with respect to any of its securities; (B) obligate the Corporation to establish or maintain any office or director or officer in such jurisdiction; or (C) subject the Corporation to any reporting or other requirement in such jurisdiction;
- (d) in respect of the offer and sale of the Offered Securities, the Agent will, and will cause any Selling Firms to, conduct its activities in connection with the Offering and comply with all Applicable Securities Laws and the provisions of this Agreement and the Subscription Agreements;
- (e) it is, and will be at the Closing Time, duly registered pursuant to the provisions of the Applicable Securities Laws, and is duly registered or licensed as an investment dealer in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement, or where not so registered or licensed, the Agent will act only through members of a selling group who are so registered or licensed;
- (f) it shall not, and will require any Selling Firms not to, make any representation or warranty with respect to the Offered Securities in connection with the Offering, other than as set forth in this Agreement or the Subscription Agreements; and
- (g) it is acquiring the Broker Warrants and Corporate Finance Fee as principal for its own account and not for the benefit of any other person and is acquiring the Broker Warrants and Corporate Finance Fee for investment only and not with a view to resale or distribution of the Broker Warrants or the Corporate Finance Fee and the Agent is an “accredited investor” as defined in National Instrument 45-106.

The parties to this Agreement acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and will not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons, except to institutional accredited investors or qualified institutional buyers that satisfy the requirements of Rule 501(a) of Regulation D or Rule 144A, as the case may be, under the U.S. Securities Act. Accordingly, the Corporation and the Agent hereby agree that all offers and sales of the Offered Securities, including, but not limited to, offers and sales of the Offered Securities made in Selling Jurisdictions other than the United States, shall be conducted only in the manner specified in Schedule “B”. If there are offers and sales of the Offered Securities in the United States, the terms

and conditions of Schedule "B" will be incorporated by reference in and shall form a part of this Agreement. Notwithstanding the foregoing provisions of this section, an Agent will not be liable to the Corporation under this section or Schedule "B" with respect to a violation by another Agent or the U.S. Affiliate(s) (as defined in Schedule "B" hereto) of that other Agent of the provisions of this section or Schedule "B" if the Agent first referred to above or its U.S. Affiliate, as applicable, is not itself also in violation.

5. Delivery of Subscription Agreements

The Agent shall obtain from each Subscriber executed Subscription Agreements (including the execution of applicable schedules to such Subscription Agreements) and deliver such Subscription Agreements (including applicable schedules) to the Corporation on the Closing Date. In addition, the Agent agree to obtain from each Subscriber, and to deliver to the Corporation as necessary, such forms and other documents as may be required by the Securities Commissions and provided by the Corporation to the Agent for delivery under this Agreement.

6. Representations and Warranties of the Corporation

The Corporation represents and warrants to the Agent and acknowledges that the Agent is relying upon such representations and warranties that:

- (a) the Corporation has been duly incorporated and is subsisting under the laws of the Province of Ontario and is properly registered or licensed to carry on business under the laws of all jurisdictions in which its business is carried on;
- (b) the Corporation (i) has the requisite corporate power, authority and capacity to enter into the Offering Documents and to perform its obligations under the Offering Documents and the Corporation has the requisite corporate power, authority and capacity to own, lease and operate its property and assets and to carry on its business as currently carried on or as proposed to be carried on; and (ii) has, and at the time of execution of the Warrant Indenture will have, all requisite corporate power and authority to issue and sell the Offered Securities, to create and issue the Broker Warrants and to grant the Option and to execute, deliver and perform its obligations under this Agreement, the Warrant Indenture and the Broker Warrant Certificates;
- (c) the Corporation has authorized share capital consisting of an unlimited number of Common Shares, of which 59,075,000 Common Shares are issued and outstanding as of the date of this Agreement;
- (d) no person, firm or corporation has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation of any unissued shares of the Corporation, other than stock options and Common Share purchase warrants issued in the ordinary course;
- (e) all of the issued and outstanding securities of the Corporation have been duly and validly authorized and issued and are fully paid and non-assessable shares of the

Corporation, and none of the outstanding securities of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;

- (f) the Corporation has no subsidiaries;
- (g) the Corporation has full corporate power and authority to issue the Offered Securities and the Compensation Securities;
- (h) at the Closing Time, the Unit Shares shall be duly authorized and validly issued as fully paid and non-assessable Common Shares;
- (i) at the Closing Time, the Warrants, Broker Warrants and Broker Unit Warrants shall have been duly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Broker Warrant Certificates and the Warrant Indenture, as applicable;
- (j) the form of certificate respecting the Broker Warrants has been approved and adopted by the board of directors of the Corporation;
- (k) the Warrant Shares, Broker Unit Shares and Broker Unit Warrant Shares, issuable upon exercise of the Warrants, the Broker Warrants and the Broker Unit Warrants respectively, shall have been duly created, authorized and reserved for issuance and such shares will be, when issued upon due exercise of the Warrants and the Broker Warrants, if any, including payment of the applicable exercise price, validly issued as fully paid and non-assessable Common Shares;
- (l) at all times prior to the expiry of the Warrants, Broker Warrants and Broker Unit Warrants, a sufficient number of Common Shares shall be allocated and reserved for issuance upon due exercise of such warrants in accordance with their terms;
- (m) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of, the Offering Documents and the performance of any of the transactions contemplated by the Offering Documents by the Corporation, do not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any applicable laws, including the OBCA, or any term or provision of the articles, by-laws or resolutions of the directors or shareholders of the Corporation, or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation;
- (n) the Offering Documents and the Broker Warrant Certificates and the performance of the Corporation's obligations under the Offering Documents and Broker Warrant Certificates have been duly authorized by all necessary corporate action and the

Offering Documents and the Broker Warrant Certificates have been duly executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and, with respect to this Agreement, by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;

- (o) no approval, authorization, consent or other order of, and no filing, registration or recording with any Governmental Authority or other person is required of the Corporation in connection with the execution and delivery of or with the performance by the Corporation of its obligations under the Offering Documents or the Broker Warrant Certificates, except as required by Applicable Securities Laws with regard to the distribution of the Offered Securities and the Broker Warrants, if any, in the Selling Jurisdictions;
- (p) to the knowledge of the Corporation, there is no pending change or contemplated change to any applicable law or regulation or governmental position that would have a Material Adverse Effect;
- (q) the Financial Statements have been prepared in accordance with IFRS, contain no material misrepresentations and present fairly, in all material respects, the financial condition of the Corporation on a consolidated basis as at the date thereof and the results of the operations and cash flows of the Corporation on a consolidated basis for the period then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation on a consolidated basis that are required to be disclosed in such financial statements, and there has been no material changes in the financial condition, results of operations or accounting policies or practices of the Corporation, except as disclosed in any financial statements of the Corporation;
- (r) except for liabilities incurred in the ordinary course of the business of the Corporation and except as disclosed in the Financial Statements, there are no material liabilities whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the financial statements of the Corporation;
- (s) except for indebtedness of the Corporation to certain directors of the Corporation disclosed in the Financial Statements, as of the Closing Date, no director or officer, former director or officer, or shareholder or employee of, or any other person not dealing at arm's length with, the Corporation is engaged or, to the knowledge of the Corporation, will become engaged, in any material transaction or arrangement with or be a party to a material contract with, or has any indebtedness, liability or obligation to, the Corporation;
- (t) there is no litigation or governmental or other proceeding or investigation at law or in equity before any Governmental Authority, domestic or foreign, in progress,

pending or, to the Corporation's knowledge, threatened (and to the Corporation's knowledge there is no basis therefor) against, or involving the assets, properties or business of, the Corporation, nor are there any matters under discussion with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority and to the Corporation's knowledge there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, taxes, governmental charges, orders or assessments;

- (u) all tax returns required to be filed by the Corporation on or prior to the date of this Agreement have been filed and all taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto, due or claimed to be due have been paid and the Corporation is not a party to any agreement, waiver or arrangement with any taxing authority which relates to any extension of time with respect to the filing of any tax returns, any payment of taxes or any assessment of taxes; there is no tax deficiency which has been asserted against the Corporation and all material tax liabilities are adequately provided for in accordance with IFRS within the Financial Statements for all periods up to the date of the latest audited balance sheet; there are no assessments or investigations in progress, pending or, to the knowledge of the Corporation, threatened against the Corporation in respect of taxes; there are no Liens for taxes upon the assets of the Corporation except for taxes not yet due;
- (v) the Corporation has conducted and is conducting its business in compliance with all applicable laws, rules and regulations of each jurisdiction in which it carries on business and the Corporation has not received any notice of any alleged violation of any such laws, rules and regulations;
- (w) the Corporation or its agents have performed certain due diligence investigations in respect of 128 B.C. Ltd. in connection with the Proposed Transaction that are consistent with the due diligence investigations that a reasonable person in the context of a comparable transaction would perform (the "**Due Diligence Procedures**") and the Corporation or its agents were reasonably satisfied with the conclusions of such Due Diligence Procedures;
- (x) to the knowledge of the Corporation, the Technical Report does not contain any material misrepresentation and the Corporation has no knowledge of any material adverse change in respect of any information provided to the authors of the Technical Report since the date that such information was so provided. To the knowledge of the Corporation, the Technical Report fully complies with the requirements set out in NI 43-101;
- (y) to the knowledge of the Corporation, the description of the Material Properties included in the Technical Report constitutes an accurate description of the Material Properties;

- (z) other than pursuant to the Option Agreement, to the knowledge of the Corporation, there are no outstanding agreements or options to acquire or purchase the Material Properties or any interest in or portion thereof; other than pursuant to the Option Agreement, to the knowledge of the Corporation, no person, firm or corporation has any proprietary or possessory interest in the Material Properties;
- (aa) were the Corporation to exercise its option to purchase the Material Properties in accordance with the Option Agreement, the Corporation would not have any responsibility or obligation to pay any material commission, royalty, licence fee or similar payment to any person with respect to the Material Properties other than as described in the Option Agreement;
- (bb) other than as described in the Option Agreement, there are no other claims or basis for any claim that might or could materially and adversely effect the right of the Corporation to use, transfer or otherwise exploit the Material Properties;
- (cc) the Corporation is not in default of any material term, covenant or condition and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of the Option Agreement;
- (dd) the Corporation and, to the knowledge of the Corporation, CSM, possess such permits, licences, approvals, consents and other authorizations issued by Governmental Authorities (collectively, “**Governmental Licences**”) necessary to conduct the business now operated by them and currently proposed to be operated by them with respect to the Material Properties, and all such Governmental Licences are valid and existing and in good standing; the Corporation and, to the knowledge of the Corporation, CSM, are in compliance in all material respects with the terms and conditions of all such Governmental Licences. In particular, without limiting the generality of the foregoing, the Corporation is not aware of any notice of proceedings relating to the revocation or adverse modification of any Governmental Licences of the Corporation, if any, nor has it or, to its knowledge, CSM, received notice of the revocation or adverse modification of, or any intention to revoke or modify, any mining claims, groups of claims, exploration rights, concessions or leases relating to the Material Properties;
- (ee) to the knowledge of the Corporation, there is no claim that might or could have a Material Adverse Effect on its right to use, transfer or otherwise exploit its property or assets, and to the knowledge of the Corporation, there is no claim that might or could have a Material Adverse Effect on the rights of the Corporation to use, transfer or otherwise exploit its rights and interests relating to the Material Properties following exercise of the Option Agreement;
- (ff) any and all of the agreements and other documents and instruments pursuant to which the Corporation has an interest in the Material Properties, including the Option Agreement, are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with their terms, and, to the

knowledge of the Corporation, none of the other parties thereto are in default, of any of the material provisions of any such agreements, documents or instruments;

- (gg) to the knowledge of the Corporation, there are no pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to the Material Properties which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, orders, directions, notices of non-compliance or violation, investigation or proceedings;
- (hh) to the knowledge of the Corporation, all mineral exploration activities on the Material Properties have been conducted in accordance with good mining and engineering practices and all applicable workers' compensation and health and safety and workplace laws, regulations and policies have been duly complied with;
- (ii) (i) to the knowledge of the Corporation, the Corporation is in compliance, in all material respects, with the provisions of all applicable federal, provincial, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours (collectively, "**Employment Laws**"), (ii) no collective labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened and no individual labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened with any employee of the Corporation and, to the knowledge of the Corporation, none has occurred during the past year, and (iii) no union has been accredited or otherwise designated to represent any employees of the Corporation and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the Corporation's facilities and none is currently being negotiated by the Corporation;
- (jj) no existing supplier, manufacturer or contractor of the Corporation has indicated that it intends to terminate its relationship with the Corporation or that it will be unable to meet the Corporation's supply, manufacturing or contracting requirements;
- (kk) upon the acquisition of one or more of the Material Properties, the Corporation intends to obtain insurance by insurers of recognized financial responsibility, against such losses, risks and damages to its assets in such amounts that are customary for the business in which the Corporation is engaged and on a basis consistent with reasonably prudent persons in comparable businesses;
- (ll) the Corporation has good and marketable title to all of its assets and property and no person has any contract or any right or privilege capable of becoming a right to purchase any personal property from the Corporation;

- (mm) except for indebtedness of the Corporation to certain directors of the Corporation disclosed in the Financial Statements, the Corporation does not have any loans or other indebtedness outstanding which have been made to or from any of Corporation's shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation that are currently outstanding;
- (nn) no officer, director, employee or any other person not dealing at arm's length with the Corporation or, to the knowledge of the Corporation, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever (other than as a shareholder of the Corporation or a shareholder of any other corporation with which the Corporation transacts) which are based on production from the Corporation's properties or assets or any revenue or rights attributed to the Corporation's properties or assets;
- (oo) to the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation held by it;
- (pp) the Corporation does not have any outstanding debentures, notes, mortgages, or other indebtedness that is material to the Corporation, other than as disclosed in the Financial Statements;
- (qq) the minute books and corporate records of the Corporation made available to Agent's Counsel in connection with the Agent's due diligence investigations are the original minute books and records or true and complete copies of the original minute books and contain copies of all proceedings of the shareholders, the boards of directors and all committees of the boards of directors of each of such entities that have been minuted or resolved and there have been no other meetings, resolutions or proceedings of the shareholders, boards of directors or any committee thereof to the date of review of such corporate records and minute books not reflected in such minute books and other corporate records, other than those which are not material in the context of such entities, as applicable;
- (rr) Odyssey Trust Company, at its principal office in the City of Calgary, Alberta, has been duly appointed as registrar and transfer agent for the Common Shares;
- (ss) Odyssey Trust Company, at its principal office in the City of Calgary, Alberta, has been duly appointed as warrant agent for the Warrants under the Warrant Indenture;
- (tt) other than as contemplated by this Agreement, there is no person acting at the request of the Corporation who is entitled to any brokerage or agency fee in connection with the sale of the Offered Securities;
- (uu) there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or the operations or affairs of the Corporation;

- (vv) the representations and warranties of the Corporation in the Subscription Agreements are, or will be at the Closing Time, true and correct;
- (ww) the Corporation is, and will continue to be a “principal business corporation” as defined by subsection 66(15) of the Tax Act until such time as all of the Resource Expenses required to be renounced under this Agreement and the FT Share Subscription Agreements have been incurred (or have been deemed to be incurred) and validly renounced pursuant to the Tax Act;
- (xx) except as the result of any Follow-On Transaction or any agreement, arrangement, undertaking, or understanding to which the Corporation is not a party, upon issue, the Flow Through Shares will qualify as “flow through shares” as defined in subsection 66(15) of the Tax Act and in particular will not be “prescribed shares” as defined in section 6202.1 of the regulations to the Tax Act;
- (yy) the Corporation has no reason to believe that it will be unable to incur (or be deemed to incur), on or after the Closing Date and on or before the Termination Date or that it will be unable to renounce to the Subscribers of Flow-Through Shares effective on or before December 31, 2021, Resource Expenses in an aggregate amount equal to the Commitment Amount and the Corporation has no reason to expect any reduction of such amount by virtue of subsection 66(12.73) of the Tax Act;
- (zz) upon issuance of the Flow-Through Shares upon receipt of the aggregate purchase price therefor and otherwise in accordance with the terms and conditions of the Subscription Agreements, such Flow-Through Shares will be validly issued and outstanding as fully-paid and non-assessable Common Shares;
- (aaa) the Corporation has all necessary corporate authority to enter into this Agreement and the Subscription Agreements and to carry out its obligations thereunder, including the issuance of the Flow-Through Shares in accordance with the terms thereof;
- (bbb) the Corporation has not breached any flow-through share agreement to which it is or was a party and, in particular, the Corporation has not failed to incur and renounce expenses which it covenanted to incur and renounce nor has the Canada Revenue Agency or the Corporation reduced pursuant to subsection 66(12.73) of the Tax Act any amount renounced by the Corporation;
- (ccc) if the Corporation amalgamates with any one or more companies, any shares issued to or held by Subscribers as a replacement for the Flow Through Shares as a result of such amalgamation will qualify by virtue of subsection 87(4.4) of the Tax Act as “flow through shares” as defined in subsection 66(15) of the Tax Act and in particular will not be “prescribed shares” as defined in section 6202.1 of the regulations to the Tax Act, but for the provisions of any agreement, arrangement or understanding to which the Corporation is not a party;

- (ddd) the Corporation will incur, or be deemed to incur, Resource Expenses, in an amount equal to the Commitment Amount, on or after the Closing Date and on or before the Termination Date and will renounce those Resource Expenses to Subscribers of Flow Through Shares with an effective date no later than December 31, 2021, pursuant to subsection 66(12.6) of the Tax Act in connection with subsection 66(12.66) of the Tax Act and otherwise comply with its obligations, including all federal and applicable provincial filings, all as set forth and within the times provided for herein and in the Subscription Agreements for Flow Through Shares entered into between the Corporation and Subscribers thereof in connection with the Offering;
- (eee) the Corporation shall deliver to the Subscribers of Flow-Through Shares, on or before March 1, 2022, the relevant Prescribed Forms, fully completed and executed, renouncing to such Subscribers Resource Expenses in an aggregate amount equal to the Commitment Amount with an effective date of no later than December 31, 2021;
- (fff) the Corporation shall incur and renounce Resource Expenses pursuant to the FT Share Subscription Agreements before incurring and renouncing CEE pursuant to any other agreement which the Corporation may subsequently enter into with any Person with respect to the issue of shares or rights which are “flow-through shares” as defined in subsection 66(15) of the Tax Act. If the Corporation is required under the Tax Act or otherwise to reduce Resource Expenses previously renounced to a Purchaser of Flow-Through Shares, and unless the Purchaser is not adversely affected or otherwise agrees, the reduction shall be made pro rata by the number of Flow-Through Shares issued or to be issued pursuant to each Purchaser’s Subscription Agreement and the number of Flow-Through Shares issued under all of the Subscription Agreements, only after it has first reduced to the extent possible all Resource Expenses renounced to Persons under any agreements relating to shares or rights which are “flow-through shares” as defined in subsection 66(15) of the Tax Act entered into after the Closing Date;
- (ggg) the expenses to be renounced by the Corporation to the Subscribers:
 - (i) will constitute Resource Expenses on the effective date of the renunciation;
 - (ii) will not include expenses that are “Canadian exploration and development overhead expenses” (as defined in the regulations to the Tax Act for purposes of paragraph 66(12.6)(b) of the Tax Act) of the Corporation or amounts which constitute specified expenses for seismic data described in paragraph 66(12.6)(b.1) of the Tax Act or any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of “expense” in subsection 66(15) of the Tax Act;
 - (iii) will not include any amount that has previously been renounced by the Corporation to the Subscribers or to any other Person; and

- (iv) would be deductible by the Corporation in computing its income for the purposes of Part I of the Tax Act but for the renunciation to the Subscribers;
- (hhh) unless required to do so pursuant to subsection 66(12.73) of the Tax Act, the Corporation shall not reduce the amount renounced to the Subscribers pursuant to subsection 66(12.6) or 66(12.66) of the Tax Act;
- (iii) the Corporation shall not be subject to the provisions of subsection 66(12.67) of the Tax Act in a manner which impairs its ability to renounce Resource Expenses to the Subscribers of Flow-Through Shares in an aggregate amount equal to the Commitment Amount and shall notify such Subscribers in the event that it becomes aware of or is informed of an issue in relation to such Subscribers' ability to claim such Resource Expenses;
- (jjj) if the Corporation receives, or becomes entitled to receive, any government assistance which is described in the definition of "excluded obligation" in subsection 6202.1(5) of the regulations to the Tax Act and the receipt or entitlement or reasonable expectation to receive such government assistance has or will have the effect of reducing the amount of Resource Expenses validly renounced to the Subscribers of Flow-Through Shares to less than the Commitment Amount, the Corporation shall incur (or be deemed to incur) additional Resource Expenses using funds from sources other than the Commitment Amount in an amount equal to such assistance, so that it may renounce Resource Expenses of Flow-Through Shares in an aggregate amount not less than the Commitment Amount to such Subscribers effective no later than December 31, 2021 pursuant to the terms of the FT Share Subscription Agreements;
- (kkk) if the Corporation does not renounce to the Subscribers of Flow-Through Shares effective on or before December 31, 2021 Resource Expenses equal to the Commitment Amount, the Corporation shall indemnify and hold harmless such Subscribers and each of the partners thereof if such Purchaser is a partnership or a limited partnership (for the purposes of this paragraph each an "Indemnified Person") as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is determined, an amount equal to the amount of any tax (within the meaning of subparagraph (c) of the definition of "excluded obligation" at subsection 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under the corresponding provincial legislation) by any Indemnified Person as a consequence of such failure. In the event that the amount renounced by the Corporation to the Subscribers of Flow-Through Shares is reduced pursuant to subsection 66(12.73) of the Tax Act, the Corporation shall indemnify and hold harmless each Indemnified Person as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is determined, an amount equal to the amount of any tax (within the meaning of subparagraph (c) of the definition of "excluded obligation" at subsection 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under the corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction. This indemnity is in addition to and not in

derogation of any other recourse, rights or remedies the Subscribers of Flow-Through Shares may have against the Corporation;

- (lll) For certainty, the foregoing indemnity shall have no force or effect and the Subscribers of Flow-Through Shares shall not have any recourse or rights of action to the extent that such indemnity would otherwise cause the Flow-Through Shares to be “prescribed shares” within the meaning of Section 6202.1 of the regulations to the Tax Act; and further, this indemnity shall not apply or extend to any claim related to the reduction or denial by the CRA of any tax deductions which results from the FT Shares being “prescribed shares” for the purposes of section 6202.1 of the regulation to the Tax Act and not “flow-through shares” as defined in subsection 66(15) of the Tax Act as a consequence of the Subscriber or any Disclosed Beneficial Purchaser for whom the Subscriber is acting, as the case may be, acquiring the FT Shares with the intention of (i) donating or transferring all or a portion of such FT Shares as part of a charitable donation arrangement, or (ii) immediately selling the FT Shares to a third party, or otherwise engaging or participating in a follow-on transaction with respect to the FT Shares (each a **“Follow-On Transaction”**);
- (mmm) the Corporation shall file with the CRA, within the time prescribed by subsection 66(12.68) of the Tax Act, the forms prescribed for the purposes of such legislation together with a copy of the FT Share Subscription Agreement, as applicable, or any “selling instrument” contemplated by such legislation and shall forthwith following such filing provide to the applicable Purchaser a copy of such form certified by an officer of the Corporation;
- (nnn) the Corporation shall timely file with the CRA and any applicable provincial tax authority any return required to be filed under Part XII.6 of the Tax Act (or any corresponding provision of applicable provincial law) in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis;
- (ooo) the Corporation shall maintain proper, complete and accurate accounting books and records relating to the Resource Expenses. The Corporation shall retain all such books and records as may be required to support the renunciation of Resource Expenses contemplated by the FT Share Subscription Agreement and, upon reasonable notice, shall make such books and records available for inspection and audit by or on behalf of the Subscribers of Flow-Through Shares, at such Purchaser’s sole expense;
- (ppp) the Corporation shall not enter into any other agreement which would prevent or restrict its ability to renounce Resource Expenses to the Subscribers of Flow-Through Shares in the aggregate amount equal to the Commitment Amount;

It is further agreed by the Corporation that all representations, warranties and covenants contained in this Agreement made by the Corporation to the Agent shall also be deemed to be made for the

benefit of Subscribers as if the Subscribers were also parties to this Agreement (it being agreed that the Agent is acting for and on behalf of the Subscribers for this purpose).

7. Covenants of the Corporation

The Corporation covenants with the Agent that:

- (a) prior to the Closing Time, the Corporation shall allow the Agent the opportunity to conduct required due diligence and to obtain, acting reasonably, satisfactory results from such due diligence and in particular, the Corporation shall allow the Agent and Agent's Counsel to conduct all due diligence which the Agent may reasonably require in order to fulfill the Agent's obligations as a registrant and, in this regard, without limiting the scope of the due diligence inquiries that the Agent may conduct, the Corporation shall make available its senior management, directors and auditors to participate in a due diligence session (the "**Due Diligence Session**") to answer in person any questions that the Agent may have. The Due Diligence Session shall be held prior to the Closing Date, and the Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions;
- (b) if any of the facts or information underlying or supporting the statement provided in the Due Diligence Session Responses have changed, the Corporation shall provide the Agent with prompt notice of the particulars of any such changes;
- (c) it will comply with all the obligations to be performed by it, and all of its covenants and agreements, under and pursuant to the Offering Documents and the Broker Warrant Certificates;
- (d) during the period commencing as of the date of this Agreement and ending as of the Closing Time any press release issued by the Corporation concerning the Offered Securities is to include the following or substantially similar legend: "NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.", provided however, that any press release issued announcing the Closing of the Offering shall not be required to bear such legend;
- (e) during the period commencing on the date of this Agreement and ending at the Closing Time, it will promptly notify the Agent in writing of any of the representations or warranties made by the Corporation in this Agreement becoming untrue and/or incorrect;
- (f) during the period commencing on the date of this Agreement and ending at the Closing Time, the Corporation will promptly inform the Agent of the full particulars of any material change (actual, anticipated, contemplated or threatened) in the business, affairs, operations, capital or condition (financial or otherwise) of the Corporation or properties or assets of the Corporation; provided, however, that if the Corporation is uncertain as to whether a material change, occurrence or event

of the nature referred to in this Section 7(f) has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such a nature;

- (g) during the period commencing on the date of this Agreement and ending at the Closing Time, the Corporation will promptly inform the Agent of the receipt by the Corporation of any communication of a material nature from any Securities Commission or similar regulatory authority, any stock exchange or any other Governmental Authority relating to the Corporation or the distribution of the Offered Securities;
- (h) the Corporation will promptly, and in any event within any applicable time limitation, comply to the reasonable satisfaction of the Agent and Agent's Counsel with Applicable Securities Laws of the Selling Jurisdictions in which it is a reporting issuer with respect to any material change, occurrence or event of the nature referred to in Sections 7(f) and 7(g);
- (i) as soon as reasonably possible, and in any event by the Closing Date, the Corporation shall make commercially reasonable efforts to enable the Offered Securities to be offered for sale and sold on a private placement basis to Subscribers in the Selling Jurisdictions through the Agent or any other investment dealers or brokers registered in any of the Selling Jurisdictions by way of the exemptions set forth in Applicable Securities Laws of each of the Selling Jurisdictions;
- (j) the Corporation will use the net proceeds from the Offering to acquire mineral properties, including the Material Properties pursuant to the Option Agreement, to explore mineral properties and for general working capital purposes;
- (k) the Corporation will keep the Option Agreement in good standing and perform all of its covenants under the Option Agreement, including exercise of the Option in accordance with the terms and conditions of the Option Agreement unless it is determined by the directors of the Corporation, acting in good faith, that exercising the Option is not in the best interests of the Corporation;
- (l) the Corporation will not, for a period of 90 days following the completion of the Proposed Transaction, directly or indirectly, without the prior written consent of the Agent, on behalf of the Agent, such consent not to be unreasonably withheld or delayed, issue, offer, sell, contract to sell, secure, pledge, grant any option, right or warrant to purchase or otherwise lend, transfer or dispose of (or announce any intention to do so) any equity securities of the Corporation or any securities convertible into, or exchangeable or exercisable for, equity securities of the Corporation; other than pursuant to: (i) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the date of this Agreement; (ii) pursuant to the exercise, but not the resale, of outstanding options and warrants; (iii) obligations in respect of existing agreements in place prior to the date of this

Agreement, including for greater certainty the Advisory Agreement; and (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business;

- (m) prior to the Closing Time, it shall cause each officer, director and certain key shareholders of the Corporation as the Agent may identify enter into an undertaking (the “**Lock-Up Undertaking**”) in favour of the Agent, in form and substance satisfactory to the Agent, pursuant to which such person shall agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, dispose of or monetize, engage in any hedging transaction, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise or otherwise monetize the economic value of, any common shares in the capital of the Corporation, of 128 B.C. Ltd., or of the Resulting Issuer or other securities convertible into or exercisable or exchangeable for such securities, including, for avoidance of a doubt, the securities of the Resulting Issuer issued in exchange for securities of the Corporation and 128 B.C. Ltd. pursuant to the Proposed Transaction from the date hereof to the applicable date specified in the Lock-Up Undertaking, subject to certain exceptions described in the Lock-Up Undertaking;
- (n) from the Closing Time until the earlier of (i) the date that is one (1) year from the Closing Time and (ii) the closing date of the Corporation or Resulting Issuer’s next offering of securities by way of private placement or public offering, the Agent shall be provided with the exclusive right and opportunity to act as lead agent and sole bookrunner for any offering of securities of the Corporation or the Resulting Issuer, as applicable, to be issued and sold in Canada or the United States by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Corporation or the Resulting Issuer is intending to proceed with any such issuance or has received a proposal for any such issuance, the Corporation or the Resulting Issuer, as applicable, shall provide to the Agent notice of the proposed terms thereof (including the commission payable to that agent) and the Agent shall have an opportunity to respond to the Corporation or the Resulting Issuer that they are desirous of acting as agent, or participating, as the case may be, in such offering on behalf of the Corporation or the Resulting Issuer on the terms and conditions contained therein. If the Agent declines, in writing, the Corporation or the Resulting Issuer may proceed with such offering through another agent or underwriter, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter (it being acknowledged and agreed by the Agent that if the Corporation issues any securities to which the foregoing would apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply

to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Offered Securities pursuant to the Offering);

- (o) the Corporation will use its commercially reasonable efforts to fulfil or cause to be fulfilled each of the conditions precedent set forth in the Definitive Agreement required in order to complete the Proposed Transaction;
- (p) the Corporation will use its commercially reasonable efforts to complete the Proposed Transaction and to list the Resulting Issuer's common shares on the NEO Exchange forthwith following the satisfaction of the conditions precedent in the Definitive Agreement;
- (q) the Corporation will promptly notify the Agent in writing and disclose to the Subscribers if the Corporation no longer intends to complete the Proposed Transaction; and
- (r) if the Proposed Transaction is not completed prior to the date that is six (6) months from the Closing Date, the Issuer shall issue to Subscribers of Units, on a pro-rata basis, for no additional consideration and without any further action on the part of the holder, an additional number of Units equal to 10% of the total number of Units issued by the Corporation pursuant to the Offering (the "**Penalty Securities**"). Any Penalty Securities issued by the Corporation will be issued in accordance with Applicable Securities Law and at the sole expense of the Corporation. For clarity, Subscribers of FT Shares will not be entitled to Penalty Securities under any circumstances. No fractional Penalty Securities will be issuable. If a Subscriber would otherwise be entitled to a fractional Penalty Security, the aggregate number of Penalty Securities to be issued to the Subscriber will be rounded down to the next whole number and the Subscriber will not be entitled to any compensation in respect of such fraction.

8. Conditions to the Agent's Obligation to Purchase

The obligations of the Agent under this Agreement shall be conditional upon the Agent receiving, and the Agent shall have the right on behalf of Subscribers for Offered Securities to withdraw all Subscription Agreements delivered and not previously withdrawn by Subscribers unless the Agent receives, on the Closing Date:

- (a) a favourable legal opinion regarding customary corporate and securities law matters dated the Closing Date from the Corporation's Counsel, in form and substance satisfactory to the Agent and the Subscribers, acting reasonably, together with corresponding opinions (where relevant) of local counsel to the Corporation in relation to the laws of the Selling Jurisdictions within Canada in which the Offered Securities are sold and on which Corporation's Counsel is not qualified to express opinions, to the effect set forth below:
 - (i) the Corporation has been duly incorporated and is validly existing under the *Business Corporations Act* (Ontario) and has all requisite corporate power

and capacity to carry on its business as currently conducted and to own and lease properties and assets;

- (ii) the authorized and issued capital of the Corporation, prior to the issue of the Offered Securities;
- (iii) the Corporation has all necessary corporate power, capacity and authority to (i) execute, deliver and perform its obligations under the Offering Documents and the Broker Warrant Certificates, as applicable, (ii) to create, issue and sell the Offered Securities and Compensation Securities and (iii) to grant the Option;
- (iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this the Offering Documents and the Broker Warrant Certificates, as applicable, and the performance of its obligations under the Offering Documents and the Broker Warrant Certificates, have been duly executed and delivered by the Corporation and, as applicable, constitute legal, valid and binding obligations of the Corporation enforceable against it in accordance with their terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other standard assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in the Offering Documents and the Broker Warrant Certificates may be limited by applicable laws;
- (v) the execution and delivery of the Offering Documents and the Broker Warrant Certificates and the fulfilment of the terms of the Offering Documents and the Broker Warrant Certificates by the Corporation and the (i) issuance, sale and delivery of Offered Securities, (ii) issuance and delivery of the Broker Warrants, and (iii) grant of the Option, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the notice of articles and articles of the Corporation, any resolutions of the shareholders or directors of the Corporation,;
- (vi) the Unit Shares partially comprising the Units have been duly authorized and reserved for issuance and will be issued as fully paid and non-assessable shares in the capital of the Corporation;
- (vii) the FT Shares have been duly authorized and reserved for issuance and will be issued as fully paid and non-assessable shares in the capital of the Corporation;

- (viii) the Warrants partially comprising the Units, and the Broker Warrants have been authorized, created and validly issued by the Corporation;
- (ix) the Warrant Shares have been reserved for issuance and such Warrant Shares, when issued and delivered by the Corporation in accordance with the terms of the Warrant Indenture, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (x) the Broker Unit Warrants have been authorized, created and reserved for issuance by the Corporation;
- (xi) the Broker Unit Shares have been reserved for issuance and, when issued and delivered by the Corporation in accordance with the Broker Warrant Certificate, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xii) the Broker Unit Warrant Shares have been reserved for issuance and, when issued and delivered by the Corporation in accordance with the Broker Warrant Certificates, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xiii) the offering, sale and issuance of the Offered Securities through the Agent to the Subscribers resident in the Selling Jurisdictions in Canada and the issuance and delivery of the Broker Warrants to the Agent in accordance with the terms of this Agreement are each exempt from the prospectus requirements of Applicable Securities Laws and the Corporation is not subject to the registration requirements of Applicable Securities Laws, and the only filing, proceeding, approval, permit, consent or authorization required to be made, taken or obtained under Applicable Securities Laws is the filing by the Corporation with the applicable provincial Securities Commissions within the prescribed time periods, of a report in Form 45-106F1 (as prescribed by National Instrument 45-106 *Prospectus Exemptions*), prepared and executed in accordance with Applicable Securities Laws, together with the requisite filing fees;
- (xiv) no prospectus is required nor are any other documents, proceedings or approvals, permits, consents or authorizations of regulatory authorities required to be filed, taken or obtained (other than those which have been filed, taken or obtained) under Applicable Securities Laws to permit the issuance by the Corporation of the Offered Securities or the exercise of the Warrants, Broker Warrants or Broker Unit Warrants in accordance with their terms;
- (xv) the first trade of the Offered Securities or Compensation Securities in the Selling Jurisdictions in Canada, will be a distribution subject to the prospectus requirements under Applicable Securities Laws, unless:

- (1) at the time of the trade, the Corporation is and has been a “reporting issuer”, as defined in Applicable Securities Laws, in a province or territory of Canada for the four months immediately preceding the trade;
 - (2) at the time of the first trade, at least four months have elapsed from the “distribution date” (as such term is defined in NI 45-102) of the applicable security;
 - (3) the certificates representing the securities that are the subject of the trade were issued with a legend stating the prescribed restricted period in accordance with Section 2.5(2)3(i) of NI 45-102 or if the securities are entered into a direct registration or other electronic book entry system, or if the Subscriber did not directly receive a certificate representing the security, the Subscriber received written notice containing the legend restriction notation set out in Section 2.5(2)3(i) of NI 45-102;
 - (4) the trade is not a control distribution (as defined in NI 45-102);
 - (5) no unusual effort is made to prepare the market or create a demand for the securities that are the subject of the trade;
 - (6) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
 - (7) if the Subscriber is an insider or officer of the Corporation at the time of the trade, the Subscriber has no reasonable grounds to believe that the Corporation is in default of the securities legislation (as defined in National Instrument 14-101 - *Definitions*);
- (xvi) except as a result of any agreement, arrangement, undertaking, obligation or understanding to which the Corporation is not bound as a party, upon issue pursuant to the provisions of the Subscription Agreements, the Flow Through Shares will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and not be “prescribed shares” within the meaning of section 6202.1 of the regulations to the Tax Act;
- (xvii) provided that an officer’s certificate satisfactory to the Corporation’s Counsel is provided by an officer of the Corporation and subject to certain assumptions, based on the current provisions of the Tax Act, the Unit Shares, FT Shares, Warrants and Warrant Shares will, as of the Closing Date, be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds and tax-free saving accounts;

- (xviii) Odyssey Trust Company, at its principal office in Calgary, Alberta, has been duly appointed as registrar and transfer agent for the Common Shares;
 - (xix) Odyssey Trust Company, at its principal office in Calgary, Alberta, has been duly appointed as warrant agent for the Warrants under the Warrant Indenture;
 - (xx) to such other matters as may reasonably be requested by the Underwriters no less than 48 hours prior to the Closing Time;
- (b) if any sales of Offered Securities are made to, or for the account or benefit of, persons in the United States or U.S. Persons, the Agent receiving an opinion of U.S. counsel for the Corporation, addressed to the Agent, in form and substance reasonably satisfactory to the Agent and its counsel, acting reasonably, to the effect that no registration is required under the U.S. Securities Act, in connection with the offer, sale and delivery of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons;
 - (c) a certificate of the Corporation dated the Closing Date, addressed to the Agent and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Agent, acting reasonably, with respect to the constating documents of the Corporation, all resolutions of the board of directors of the Corporation relating to this Agreement and the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Agent may reasonably request;
 - (d) a certificate of the Corporation dated the Closing Date, addressed to the Agent and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Agent, acting reasonably, certifying that:
 - (i) the Corporation has complied with and satisfied all terms and conditions and covenants of this Agreement and the Subscription Agreements on its part to be complied with or satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of the Corporation contained in this Agreement are true and correct at the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement;
 - (iii) the Corporation has made and/or obtained on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Corporation is a party or by which it is bound, required for the execution and delivery of this Agreement and the Subscription Agreements, the offering and sale of the Offered Securities and the Broker Warrants, the grant of the Option and the consummation of the other transactions

contemplated by this Agreement (subject to completion of filings with certain regulatory authorities following the Closing Date); and

- (iv) no order, ruling or determination having the effect of suspending the sale or cease trading of the Common Shares or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officer of the Corporation, contemplated or threatened under any Applicable Securities Laws or by any other regulatory authority;
- (e) certificate of status and/or compliance, where issuable under applicable laws, for the Corporation dated within one Business Day prior to the Closing Date;
- (f) a certificate from Odyssey Trust Company as to the number of Common Shares issued and outstanding as at the end of Business Day on the date prior to the Closing Date;
- (g) a duly executed copy of the Warrant Indenture;
- (h) the Broker Warrant Certificates duly executed by the Corporation;
- (i) executed lock-up agreements from each director and officer of the Corporation in favour of the Agent in a form satisfactory to the Agent as required pursuant to Section 7(m) of this Agreement;
- (j) Subscription Agreements having been executed, endorsed or authenticated, as applicable, and delivered by the parties thereto in form and substance satisfactory to the Agent, acting reasonably;
- (k) satisfactory evidence that all requisite approvals have been obtained by the Corporation in order to complete the Offering; and
- (l) such further certificates, opinions of counsel and other documentation from the Corporation contemplated herein, provided, however, that the Agent or Agent's Counsel shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Corporation to obtain and deliver such certificate, opinion or document.

The foregoing conditions contained in this Section 8 are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and without limitation. If any of the foregoing conditions have not been met at the Closing Time, the Agent may terminate its obligations under this Agreement without prejudice to any other remedies it may have and the Agent shall have the right on behalf of the Subscribers to withdraw all Subscription Agreements delivered and not previously withdrawn by Subscribers.

9. Deliveries and Compensation

The sale of the Offered Securities and the delivery of the Broker Warrants shall be completed at the Closing Time electronically, or at such other place as the Corporation and the Agent may agree. At the Closing Time the Corporation shall deliver to the Agent:

- (a) the opinions, certificates and agreements referred to in Section 8 and all other documents required to be provided by the Corporation to the Agent pursuant to this Agreement and the Subscription Agreements;
- (b) definitive certificates representing the Unit Shares and the Warrants purchased from the Corporation registered in the name of "CDS & Co." or in such other name or names as the Agent may direct the Corporation in writing not less than three Business Days prior to the Closing Time; provided that, alternatively, if requested by the Agent at the Closing Time, the Corporation shall duly and validly deliver in uncertificated form to the Agent, or in any manner directed by the Agent in writing, the Units, comprised of the Unit Shares and Warrants, purchased from the Corporation, registered in the name of "CDS & Co." or such other name or names as the Agent may direct the Corporation in writing not less than three Business Days prior to the Closing Time;
- (c) the Units constituting the Corporate Finance Fee;
- (d) duly executed Broker Warrant Certificates in such name or names as the Agent may direct;
- (e) the Corporation's receipt for payment by the Agent of an amount equal to the aggregate purchase price for the Offered Securities sold pursuant to the Offering, less an amount equal to the Agent's Fee and the costs and expenses of the Agent provided for in Section 10; and
- (f) such further documentation as may be contemplated by this Agreement or as Agent's Counsel or the applicable regulatory authorities may reasonably require;

against:

- (g) all duly completed Subscription Agreements tendered by the Subscribers for the Offered Securities being issued and sold and, where applicable, all completed forms, schedules and certificates contemplated by the Subscription Agreements;
- (h) a wire transfer of immediately available funds in an amount equal to the aggregate purchase price for the Offered Securities sold pursuant to the Offering, less an amount equal to the Agent's Fee and the costs and expenses of the Agent provided for in Section 10; and
- (i) the Agent's receipt for the Agent's Fee, the Corporate Finance Fee and the costs and expenses of the Agent provide for in Section 10, and the Broker Warrant Certificates delivered to the Agent in accordance with this Section 9.

10. Expenses

The Corporation will pay all of its own expenses and fees in connection with the Offering, including, without limitation: (i) all expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities; (ii) the fees and expense of the Corporation's Counsel; and (iii) all costs incurred in connection with the preparation of documentation relating to the Offering. In addition, the Corporation will reimburse the Agent for its reasonable and documented out-of-pocket expenses in connection with the Offering, including, but not limited to, reasonable fees and disbursements of the Agent's legal counsel, such fees not to exceed \$100,000 without the prior written consent of the Corporation. All fees and expenses incurred by the Agent or on its behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agent and shall be payable whether or not the Offering or this Agreement is completed. Such fees and expenses incurred up to the Closing Date shall be payable by the Corporation out of its general funds on the Closing Date.

For the avoidance of doubt, the services provided by the Agent in connection with this Agreement will not be subject to the Goods and Services Tax or Harmonized Sales Tax ("GST") provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that the Canada Revenue Agency determines that GST provided for in the *Excise Tax Act* (Canada) is exigible on the Agent's Fee, the Corporation agrees to pay the amount of GST forthwith upon the request of the Agent.

11. Rights of Termination

- (a) The Agent shall be entitled to terminate its obligations under this Agreement by written notice to that effect given to the Corporation at or prior to the Closing Time if:
 - (i) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any one of the officers or directors of the Corporation where wrong-doing is alleged or any order is issued under or pursuant to any statute of Canada or any province of Canada or any statute of the United States or any state or any other governmental department, commission, board, bureau, agency or instrumentality, including without limitation, any securities regulatory authority in relation to the Corporation or any of its securities, which, in the opinion of the Agent, operates to prevent or restrict the distribution or trading of the Offered Securities;
 - (ii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence or catastrophe, pandemic (including any material adverse development due to the COVID-19 outbreak), war or act of terrorism of national or international consequence or any new or change in any law or regulation which, in the reasonable opinion of the Agent acting in good faith, materially adversely affects or involves, or will materially adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation or

the market price or value of the securities of the Corporation (including the Units);

- (iii) the state of the Canadian, U.S., or international financial markets where it is planned to market the Offered Securities is such that, in the reasonable opinion of the Agent, the Offered Securities cannot be marketed profitably;
 - (iv) there shall have occurred any material change or change in a material fact or the Agent shall discover any previously undisclosed material fact which in the reasonable opinion of the Agent would be expected to have a Material Adverse Effect on the market price or value of the securities of the Corporation (including the Common Shares) or a material adverse change or Material Adverse Effect on the business or affairs of the Corporation;
 - (v) the Corporation is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect and such representation or warranty will not be remedied prior to the Closing Time;
 - (vi) any order to cease, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest) in the securities of the Corporation prohibiting or restricting the Offering is made or threatened by a Governmental Authority or Securities Commission; and
 - (vii) the Agent is not satisfied, in its sole discretion, acting reasonably, with the completion of its due diligence investigations.
- (b) The Corporation agrees that all terms and conditions in Section 8 shall be construed as conditions and complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its commercially reasonable efforts to cause such conditions to be complied with, and that any breach or failure by the Corporation to comply with any such conditions shall entitle the Agent to terminate its obligations under this Agreement to arrange for the purchase and sale of the Offered Securities by notice to that effect given to the Corporation at any time at or prior to the Closing Time, unless otherwise expressly provided in this Agreement. The Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if such waiver or extension is in writing and signed by the Agent.
- (c) **Exercise of Termination Rights**

The rights of termination contained in Sections 11(a) and 11(b) may be exercised by the Agent and are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Corporation

in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the Agent to the Corporation or on the part of the Corporation to the Agent, except in respect of any liability which may have arisen prior to or arise after such termination under Sections 10, 12 and 13.

12. Indemnity

(a) Rights of Indemnity

The Corporation agrees to indemnify and save harmless the Agent and its subsidiaries, affiliates, directors, officers, employees, shareholders/unitholders and agents from and against all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several (including without limitation any legal fees or other expenses reasonably incurred by such persons in connection with defending or investigating any of the above, which legal fees and other expenses the Corporation shall reimburse such persons for forthwith upon demand), but excluding any loss of profits and other consequential damages, in any way caused by, or arising directly or indirectly from, this Agreement, the Offering, or in consequence of:

- (i) any information or statement (except for information relating solely to the Agent) contained in the Offering Documents, which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;
- (ii) any misrepresentation or alleged misrepresentation contained in the Offering Documents (except for a misrepresentation or alleged misrepresentation relating solely to the Agent);
- (iii) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Securities imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in Section 12(a)(ii);
- (iv) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agent or its selling group members, if any) relating to or materially affecting the trading or distribution of the Offered Securities; or

- (v) any breach of, default under or non-compliance by the Corporation with any representation, warranty, term or condition of the Offering Documents or any requirement of Applicable Securities Laws.

(b) **Notification of Claims**

If any matter or thing contemplated by Section 12(a) (any such matter or thing being referred to as a “**Claim**”) is asserted against any person or company in respect of which indemnification is or might reasonably be considered to be provided, such person or company (the “**Indemnified Party**”) will notify the Corporation as soon as possible of the nature of such Claim (but the omission so to notify the Corporation of any potential Claim shall not relieve the Corporation from any liability which it may have to any Indemnified Party and any omission so to notify the Corporation of any actual Claim shall affect the Corporation’s liability only to the extent that the Corporation is materially prejudiced by that failure). The Corporation shall assume the defence of any suit brought to enforce such Claim, provided, however, that:

- (i) the defence shall be conducted through legal counsel acceptable to the Indemnified Party, acting reasonably; and
- (ii) no settlement of any such Claim or admission of liability may be made by the Corporation without the prior written consent of the Indemnified Party, acting reasonably, unless such settlement includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim and does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party.

(c) **Right of Indemnity in Favour of Others**

With respect to any Indemnified Party who is not a party to the Offering Documents, the Agent shall obtain and hold the rights and benefits of this Section 12 in trust for and on behalf of such Indemnified Party.

(d) **Retaining Counsel**

In any such Claim, the Indemnified Party shall have the right to retain other counsel to act on his, her or its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless:

- (i) the Corporation and the Indemnified Party shall have mutually agreed to the retention of the other counsel;
- (ii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party and the Corporation and the representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them; or

- (iii) the Corporation shall not have retained counsel within seven Business Days following receipt by the Corporation of notice of any such Claim from the Indemnified Party.

(e) Indemnity Unavailable

The indemnity provisions in this Section 12 and the contribution provisions in Section 13 shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (i) the Indemnified Party has been grossly negligent or has committed an act of wilful misconduct or any fraudulent act in the course of the performance of professional services rendered to the Corporation by the Agent and/or the Indemnified Party or otherwise in connection with the matters referred to herein; and
- (ii) the expenses, losses, fees, claims, actions, damages, obligations or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence, wilful misconduct, or fraud referred to in (i).

13. Contribution

(a) Rights of Contribution

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 12 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Agent or enforceable otherwise than in accordance with its terms, the Corporation and the Agent shall contribute to the aggregate of all claims, expenses, costs and liabilities and all losses (other than loss of profits) of a nature contemplated by Section 12 in such proportions so that the Agent shall be responsible for the portion represented by the percentage that the Agent's Fee bears to the aggregate offering price of the Offered Securities being sold by the Corporation and the Corporation shall be responsible for the balance, whether or not they have been sued together or sued separately, provided, however, that:

- (i) the Agent shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the Agent's Fee actually received by the Agent from the Corporation under this Agreement; and
- (ii) no party who has engaged in any fraud, fraudulent misrepresentation or wilful misconduct, or negligence shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation or wilful misconduct or negligence.

(b) Rights of Contribution in Addition to Other Rights

The rights to contribution provided in this Section 13 shall be in addition to and not in derogation of any other right to contribution which the Agent may have by statute or otherwise at law.

(c) Calculation of Contribution

If the Corporation may be held to be entitled to contribution from the Agent under the provisions of any statute or at law, the Corporation shall be limited to contribution in an amount not exceeding the lesser of:

- (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agent is responsible, as determined in Section 13(a); and
- (ii) the amount of the Agent's Fee actually received by the Agent from the Corporation under this Agreement.

(d) Notice

If the Agent have reason to believe that a claim for contribution may arise, they shall give the Corporation notice of such claim in writing, as soon as reasonably possible, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Agent under this Section 13.

(e) Right of Contribution in Favour of Others

With respect to this Section 13, the Corporation acknowledges and agrees that the Agent is contracting on its own behalf and as agent for its affiliates, directors, officers, employees and Agent.

(f) Remedy Not Exclusive

The remedies provided for in this Section 13 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any party at law or in equity.

14. Survival of Representations and Warranties

The indemnities, agreements, representations, warranties and other statements of the Corporation, as set forth in this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results of any investigation) made by or on behalf of the Agent and shall survive delivery of and payment for the Offered Securities and the subsequent disposition of the Offered Securities by the Agent or the termination of the Agent's obligations under this Agreement for a period of two years following the Closing Date, other than the representations and warranties relating to any tax matters which shall survive until the 60th day following the date upon which the liability to which any such tax matter may relate is barred by all applicable laws. The agreements, representations, warranties and other statements of the Agent as set forth in this Agreement shall remain in full force and effect, regardless of any investigation (or any statement

as to the results of any investigation) made by or on behalf of the Agent, and shall survive in full force and effect for the benefit of the Corporation for a period of two years following the Closing Date.

15. Severability

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

16. Time

Time is of the essence in the performance of the parties' respective obligations under this Agreement.

17. Governing Law

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

18. Notice

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Corporation, addressed and sent to:

McFarlane Lake Mining Incorporated
15 Kincora Court
Sudbury, Ontario P3E 2B9

Attention: Mark Trevisiol
Email: [Redacted]

In case of any notice to the Corporation, with a copy to:

Wildeboer Dellelce LLP
Suite 800, 365 Bay Street
Toronto, Ontario M5H 2V1

Attention: Al Wiens
Email: [Redacted]

If to the Agent, addressed and sent to:

Canaccord Genuity Corp.
161 Bay Street, Suite 3000
Toronto, Ontario M5S2S1

Attention: Michael Graham, Director, Investment Banking
Email: [Redacted]

In case of any notice to the Agent, with a copy to:

Borden Ladner Gervais LLP
22 Adelaide Street West
Toronto, Ontario M5H 4E3

Attention: Andrew Powers
Email: [Redacted]

or to such other address as any of the parties to this Agreement may designate by giving notice to the others in accordance with this Section 18. Each notice shall be personally delivered to the addressee or sent by email to the addressee. A notice which is personally delivered or delivered by email shall, if delivered prior to 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

19. Agent as Trustees

The Corporation acknowledges and agrees that it is the intention of the parties to this Agreement and the Corporation hereby constitutes each of the Agent as trustee for each of the Subscribers in respect of each of the covenants, agreements and representations and warranties of the Corporation contained in this Agreement and each of the Agent shall be entitled, as trustee, in addition to any rights of the Subscribers, to enforce such covenants, agreements and representations and warranties on behalf of the Subscribers.

20. Counterparts

This Agreement may be executed by the parties to this Agreement in counterpart and may be executed and delivered by facsimile and all such counterparts shall together constitute one and the same agreement.

21. Successors and Assigns

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Agent and the Subscribers (as contemplated under the Subscription Agreements) their respective executors, heirs, successors and permitted assigns; provided that this Agreement shall not be assignable by any party without the prior written consent of the Agent (in the case of the Corporation or any Subscriber) or the Corporation (in the case of the Agent or any Subscriber), as applicable.

22. Canadian Dollars

All references herein to dollar amounts are to lawful money of Canada.

23. Headings

The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

24. Construction

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders. Wherever the word “include,” “includes” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation”. References herein to any law shall be deemed to refer to such law as amended, re-enacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder.

25. Further Assurances

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

26. Effective Date

This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

27. Language

The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressément demandées que la présente convention ainsi que tout avis, tout état de compte et tout autre document a être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

[Remainder of page intentionally left blank]

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning the same to the Agent, upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

CANACCORD GENUITY CORP.

(Signed) *Graham Saunders*

Graham Saunders
Vice Chairman, Head of Capital Markets
Origination

Accepted and agreed to effective as of the date of this Agreement.

**McFARLANE LAKE MINING
INCORPORATED**

By: (Signed) Mark Trevisiol
Mark Trevisiol
President and Chief Executive Officer

SCHEDULE “B”

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

As used in this Schedule and related exhibits, the following terms shall have the meanings indicated:

- (a) **“Directed Selling Efforts”** means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S, which, without limiting the foregoing, but for greater clarity in this Schedule, includes, subject to the exclusions from the definition of “directed selling efforts” contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities;
- (b) **“Foreign Issuer”** means “foreign issuer” as that term is defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule B, it means any issuer that is (a) the government of any country, or of any political subdivision of a country, other than the United States, or (b) a national of any country other than the United States, or (c) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States, and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
- (c) **“General Solicitation”** and **“General Advertising”** means “general solicitation” and “general advertising”, respectively, as used under Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the internet, or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- (d) **“Offshore Transaction”** means an “offshore transaction” as that term is defined in Rule 902(h) of Regulation S;
- (e) **“Qualified Institutional Buyer”** means a “qualified institutional buyer” as such term is defined in Rule 144A under the U.S. Securities Act;
- (f) **“Regulation D”** means Regulation D adopted by the SEC under the U.S. Securities Act;
- (g) **“Regulation S”** means Regulation S adopted by the SEC under the U.S. Securities Act;
- (h) **“SEC”** means the United States Securities and Exchange Commission;

- (i) **“Substantial U.S. Market Interest”** means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S;
- (j) **“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (k) **“U.S. Affiliate”** means the U.S. registered broker-dealer affiliate of an Agent that makes offers of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons; and
- (l) **“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings assigned to them in the Agreement to which this Schedule is attached.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, acknowledges, covenants and agrees with the Agent, as at the date hereof and as at the Closing Date, that:

1. The Corporation is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to any of its equity securities.
2. The Corporation is not, and after giving effect to the Offering contemplated hereby and the application of the proceeds, will not be, registered or required to be registered as an “investment company” (as such term is defined under the *Investment Company Act of 1940*, as amended), under such Act.
3. The Corporation acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws, and that the Offered Securities may be offered and sold only in transactions exempt from or not subject to the registration requirements of, the U.S. Securities Act and applicable state securities laws. Except with respect to sales of Offered Securities by the Agent, the U.S. Affiliates or any members of the selling group formed by them (as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), neither the Corporation nor any of its affiliates, nor any person acting on any of their behalf (other than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person; or (B) any sale of Offered Securities unless, at the time the buy order was or will have been originated, the Subscriber is (i) outside the United States and not a U.S. Person, or (ii) the Corporation, its affiliates, and any person acting on any of their behalf reasonably believe that the Subscriber is outside the United States and not a U.S. Person.
4. None of the Corporation, any of its affiliates nor any person acting on any of their behalf (other

than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has engaged or will engage in any Directed Selling Efforts, or has taken or will take any action that would cause the applicable exemption afforded by Section 4(a)(2) of the U.S. Securities Act to be unavailable for offers and sales of the Offered Securities pursuant to this Agreement, or the exclusion afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities in Offshore Transactions pursuant to this Agreement.

5. None of the Corporation, any of its affiliates nor any person acting on any of their behalf (other than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has offered or will offer to sell, or has solicited or will solicit offers to buy, any of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
6. Neither the Corporation nor any person acting on behalf of the Corporation has, within six months prior to the commencement of the Offering, sold, offered for sale or solicited any offer to buy any of the Corporation's securities, and will not do so during or for a period of six months following the completion of this Offering, in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration set forth in Section 4(a)(2) of the U.S. Securities Act and Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Securities.
7. Neither the Corporation nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
8. None of the Corporation, its affiliates or any person acting on any of their behalf (other than the Agent, the U.S. Affiliates, or any members of the selling group formed by them, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of Offered Securities contemplated hereby.
9. The Corporation shall provide to a Subscriber that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Corporation as a "qualified electing fund" for the purposes of the United States *Internal Revenue Code of 1986*, as amended, should the Corporation determine that the Corporation is a "passive foreign investment company" in any calendar year following such Subscriber's purchase of the Offered Securities.
10. None of the Corporation or to the knowledge of the Corporation, any member, officer, agent, employee or affiliate of the Corporation or any of its affiliates is currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of Treasury ("OFAC"); and the Corporation will not directly or indirectly use the proceeds hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture

partner or other person or entity, for the purpose of financing the activities of any person currently subject to any sanctions administered by OFAC.

11. None of the Corporation or any of its predecessors has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.

Representations, Warranties and Covenants of the Agent

The Agent, on its own behalf and on behalf of its U.S. Affiliate, severally (and not jointly and severally) represents, warrants and covenants to and with the Corporation, as at the date hereof and as at the Closing Date, that:

1. It acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. It has offered for sale by the Corporation, and will offer for sale by the Corporation, any Offered Securities only as follows: (a) offers of Offered Securities in Offshore Transactions in accordance with Rule 903 of Regulation S; or (b) offers of Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons that are institutional accredited investors or Qualified Institutional Buyers, in transactions that are exempt from the registration requirements of the U.S. Securities Act and state blue sky laws, as provided in paragraphs 2 through 12 below. Accordingly, none of the Agent, its U.S. Affiliate, any of their affiliates or any persons acting on behalf of any of them, has made or will make (except as permitted in paragraphs 2 through 12 below) any: (x) offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, any person in the United States or any U.S. Person; (y) any sale of Offered Securities to any Subscriber unless, at the time the buy order was or will have been originated, the Subscriber was outside the United States and not a U.S. Person, or such Agent, U.S. Affiliate, affiliate or person acting on any of their behalf reasonably believed that such Subscriber was outside the United States and not a U.S. Person; or (z) Directed Selling Efforts.
2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Securities, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and each selling group member to agree, for the benefit of the Corporation, to comply with, and shall use its commercially reasonable efforts to ensure that its U.S. Affiliate and each selling group member complies with, the provisions of this Schedule applicable to the Agent as if such provisions applied directly to its U.S. Affiliate and such selling group member.
3. All offers of Offered Securities for sale by the Corporation to, or for the account or benefit of, persons in the United States and U.S. Persons shall be solicited and arranged by the Agent through its U.S. Affiliate, which on the dates of such offers and subsequent sales by the Corporation was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state securities laws (unless exempted therefrom), and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. in accordance with all applicable United States state and federal securities (including broker-dealer) laws.

4. It and its U.S. Affiliate and their respective affiliates, either directly or through a person acting on behalf of any of them, have not solicited and will not solicit offers for, and have not offered to sell and will not offer to sell, any of the Offered Securities in the United States by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
5. Any offer, or solicitation of an offer to buy, Offered Securities that has been made or will be made to, or for the account or benefit of, a person in the United States or a U.S. Person was or will be made only to institutional accredited investors or Qualified Institutional Buyers.
6. Immediately prior to soliciting any Subscriber that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person, the Agent, its U.S. Affiliate, their respective affiliates, and any person acting on behalf of any of them, had reasonable grounds to believe and did believe that each such Subscriber was an institutional accredited investors or Qualified Institutional Buyer, as applicable, and at the time of completion of each sale by the Corporation to, or for the benefit or account of, a person in the United States or a U.S. Person identified by such Agent and U.S. Affiliate, the Agent, its U.S. Affiliate, their respective affiliates, and any person acting on behalf of any of them will have reasonable grounds to believe, and will believe, that each Subscriber designated by the Agent or the U.S. Affiliate to purchase Offered Securities from the Corporation is an institutional accredited investors or Qualified Institutional Buyer, as applicable.
7. Prior to arranging for any sale of Offered Securities by the Corporation to, or for the account or benefit of, a person in the United States or a U.S. Person, it shall cause each Subscriber to execute a Subscription Agreement.
8. At least three Business Days prior to the applicable Closing Date, the transfer agent for the Corporation will be provided with a list of the names and addresses of all Subscribers of the Offered Securities in the United States.
9. At the Closing, the Agent and its U.S. Affiliate that has offered or solicited offers and arranged for the sale of the Offered Securities by the Corporation to, or for the account or benefit of, persons in the United States or U.S. Persons, will provide a certificate, substantially in the form of Exhibit I, relating to the manner of the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, or be deemed to represent and warrant that no offers or sales of the Offered Securities were made to, or for the account or benefit of, persons in the United States or U.S. Persons by such persons.
10. Each Subscriber will be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being offered by the Agent through its U.S. Affiliate and sold by the Corporation to such Subscriber in reliance on an exemption from the registration requirements of the U.S. Securities Act.

None of the Agent, its U.S. Affiliate or any person acting on any of their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the offering of Offered Securities contemplated hereby.

**EXHIBIT I TO SCHEDULE B
(TERMS AND CONDITIONS OF U.S. SALES)**

FORM OF AGENT'S CERTIFICATE

In connection with the offer and sale to, or for the account or benefit of, persons in the United States and U.S. Persons of units (“**Units**”) of McFarlane Lake Mining Incorporated (the “**Corporation**”) pursuant to an agency agreement (the “**Agency Agreement**”) effective as of [●], 2021 between the Corporation and the Agent named in the Agency Agreement, [●] (the “**Agent**”) and [●] (the “**U.S. Affiliate**”), the U.S. broker-dealer affiliate of the Agent, hereby certify as follows:

- (i) on the date hereof and on the date of each offer, solicitation of an offer, or sale, of Units to, or for the account or benefit of, a person in the United States or a U.S. Person by the undersigned, the U.S. Affiliate is and was: (A) a duly registered broker-dealer with the United States Securities and Exchange Commission and under the laws of each state where offers and sales of Units were made (unless exempted therefrom); and (B) a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;
- (ii) all offers of Units for sale by the Corporation to, or for the account or benefit of, persons in the United States and U.S. Persons have been and will be effected and arranged by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements;
- (iii) immediately prior to offering or soliciting offers for the Units to or from offerees that were, or were acting for the account or benefit of, persons in the United States or U.S. Persons, we had reasonable grounds to believe, and did believe, that each such offeree was an institutional accredited investor or Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each such person purchasing Units from the Corporation is an institutional accredited investors or Qualified Institutional Buyer;
- (iv) no form of “general solicitation” or “general advertising” (as those terms are used in Regulation D under the U.S. Securities Act) was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the internet, or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons;
- (v) no Directed Selling Efforts were made by us in the United States in connection with the offer or sale of the Units;
- (vi) the offers and solicitations of offers of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons have been conducted by us in accordance with the terms of the Agency Agreement; and
- (vii) in connection with each sale of Units to, or for the account or benefit of, a person in the United States or a U.S. Person, we caused each such Subscriber to execute and deliver to the Corporation a Subscription Agreement, including all applicable schedules thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

Dated this ____ day of _____, 2021.

[INSERT NAME OF AGENT]

[INSERT NAME OF U.S. AFFILIATE]

By: _____

Name:

Title:

By: _____

Name:

Title: