

UNDERWRITING AGREEMENT

February 7, 2025

Borealis Mining Company Limited

5th Floor – 410 West Georgia Street
Vancouver, BC V6B 1Z3

Attention: Kelly Malcolm – President, CEO & Director

Ladies and Gentlemen:

The undersigned, Haywood Securities Inc. ("**Haywood**"), as lead underwriter and sole bookrunner, together with Red Cloud Securities Inc. and Stephen Avenue Securities Inc. (collectively with Haywood, the "**Underwriters**" and each individually an "**Underwriter**"), understand that Borealis Mining Company Limited (the "**Corporation**") proposes to issue and sell to the Underwriters 17,857,750 units in the capital of the Corporation (the "**Units**") at a price of \$0.56 per Unit (the "**Issue Price**").

Each Unit consists of one Common Share (as defined below) (a "**Unit Share**") and one-half of one common share purchase warrant of the Corporation (each whole common share purchase warrant, a "**Warrant**"). Each Warrant shall entitle the holder thereof to acquire one Common Share (a "**Warrant Share**") at a price of \$0.78 per Warrant Share for a period of 24 months following the Closing Date. The Warrants shall be issued and governed pursuant to the terms of the Warrant Indenture (as defined below). The Units, including the Unit Shares and the Warrants comprising the Units, are collectively referred to as the "**Offered Securities**". The offering by the Corporation of the Offered Securities is referred to in this Agreement as the "**Offering**".

The Underwriters also understand that the Corporation is eligible and prepared to file, concurrently with the execution of this agreement (the "**Underwriting Agreement**") a preliminary short form prospectus dated the date hereof (the "**Preliminary Prospectus**"), and all other necessary documents required to obtain a decision document issued by the British Columbia Securities Commission as the principal regulator, evidencing that a receipt (or deemed receipt) was issued for the Preliminary Prospectus in each of the Qualifying Jurisdictions (as defined below). The Underwriters also understand that the Corporation shall prepare and will file within the time limits, and on the terms set out below a (final) short form prospectus (the "**Final Prospectus**"), and all other necessary documents in order to qualify the Offered Securities for distribution to the public in each of the Qualifying Jurisdictions.

The Underwriters propose to distribute the Offered Securities in Canada pursuant to the Final Prospectus, and in the United States (i) in compliance with Schedule A attached hereto, which forms part of this Agreement, and allows for the Underwriters, acting through their U.S. Affiliates (as defined below), to re-offer and re-sell the Offered Securities in the United States to Qualified Institutional Buyers (as defined below) in accordance with Rule 144A (as defined herein) and to U.S. Accredited Investors (as defined below) in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act (as defined below); (ii) be conducted in such a manner so as not to require registration thereof or the filing of a registration statement or a prospectus with respect thereto under the U.S. Securities Act and (iii) be conducted through one or more duly registered U.S. Affiliates in compliance with applicable federal and state securities laws of the United States. With respect to Offered Securities sold in the United States to U.S. Accredited Investors, although this Agreement is presented on behalf of the Underwriters as purchasers of the Offered Securities, any Offered Securities sold to U.S. Accredited Investors in accordance with Rule 506(b) of the U.S. Securities Act shall be sold directly by the Corporation to such U.S. Accredited Investors as substituted purchasers on the Closing Date, and not by the Underwriters.

Based on the foregoing, and subject to the terms and conditions contained in this Agreement, the Underwriters severally and not jointly, on the basis of the percentages set forth in Section 22(1) of this Agreement (subject to such adjustments to eliminate fractional Units as Haywood, on behalf of the Underwriters, may determine), agree to purchase from the Corporation and, by its acceptance hereof, the Corporation agrees to sell to the Underwriters, all but not less than all of the Units at the Closing Time (as hereinafter defined) at the Issue Price (except for any sales directly by the Corporation to U.S. Accredited Investors as substituted purchasers, as described in the preceding paragraph).

The description of the Warrants herein is a summary only and are 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 and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

The Underwriters and the Corporation acknowledge Schedule A and Schedule B form part of this Agreement.

Section 1 Definitions

In this Agreement:

“Action” has the meaning given to such term in Section 19(1);

“affiliate”, “distribution”, “material change”, “material fact”, “misrepresentation”, and “subsidiary” have the respective meanings given to them in the *Securities Act* (British Columbia);

“Agreement” means the agreement resulting from the acceptance by the Corporation of the offer made by the Underwriters by this letter;

“Borealis Project” means the gold project comprised of 751 unpatented mining claims of approximately 20 acres each totalling approximately 15,020 acres and one unpatented mill site claim of about five acres located in western Nevada collectively, as described in the Technical Report;

“Business Day” means any day, other than a Saturday or Sunday, on which chartered banks in Toronto, Ontario or Vancouver, British Columbia are open for commercial banking business during normal banking hours;

“Canadian Securities Laws” means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the securities regulatory authorities in the Qualifying Jurisdictions, including the rules and policies of the TSXV;

“Canadian Securities Regulators” means the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

“Cash Fee” has the meaning given to it in Section 14;

“Closing” means the completion of the issue and sale by the Corporation, and the purchase by the Underwriters, of the Offered Securities;

“Closing Date” means February 25, 2025 or such other date as the Corporation and the Underwriters may agree upon in writing, or as may be changed pursuant to this Agreement, but in any event shall not be later than the day that is 42 days after the date of the receipt of the Final Prospectus;

“Closing Time” means 8:00 a.m. (Toronto time) on the Closing Date;

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

“Compensation Option Certificates” means the certificates issued to the Underwriters representing the Compensation Options;

“Compensation Option Shares” means the Common Shares issuable pursuant to the due exercise of the Compensation Options;

“Compensation Options” means common share purchase option of the Corporation exercisable by the holder thereof to acquire one Compensation Option Share at an exercise price equal to the Issue Price for a period of 24 months following the Closing Date;

“Corporation” has the meaning given to it above and a reference to the Corporation shall be deemed to include a reference to the Material Entities and any subsidiary where applicable;

“Employment Laws” has the meaning given to it in Section 7(1)(mm);

“Environmental Laws” means any federal, state, provincial, territorial or local 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 any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) or condition that is regulated by or may give rise to liability under any Environmental Laws;

“Final Prospectus” has the meaning given to it above, and for greater certainty includes all documents incorporated by reference therein;

“Financial Statements” means (i) the audited annual consolidated financial statements of the Corporation as at, and for the year ended July 31, 2024, and for the period from the date of incorporation (November 17, 2022) to July 31, 2023, together with the notes thereto, and the auditor’s report thereon and (ii) the unaudited condensed interim consolidated financial statements of the Corporation as at, and for the three months ended October 31, 2024 and October 31, 2023, together with the notes thereto, all as included in the Prospectus;

“Gold Bull” means Gold Bull Resources Corp.;

“Gold Bull Agreement” means the definitive arrangement agreement entered into between the Corporation and Gold Bull dated December 9, 2024, as amended, pursuant to which the Corporation will acquire all of the issued and outstanding common shares of Gold Bull;

“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;

- (a) 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
- (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“Governmental Licences” has the meaning given to it in Section 7(1)(jj);

“Haywood” has the meaning given to it above;

“IFRS” means International Financial Reporting Standards;

“Indemnified Person” has the meaning given to it in Section 19(1).

“ITA” means the *Income Tax Act* (Canada) and the regulations made thereunder, both as amended from time to time;

“Laws” means applicable laws (including common law and civil law), statutes, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, decrees, judgments, awards or requirements, in each case of any Governmental Authority;

“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;

“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, business operations or prospects of the Corporation or any fact, event or change that would result in the Prospectus containing a misrepresentation;

“Material Entities” means collectively, Borealis Holdings Inc. and Borealis Mining Company, LLC, each a direct or indirect wholly owned subsidiary of the Corporation, and each is a **“Material Entity”**;

“McGovern” means the Corporation’s auditors, McGovern Hurley LLP;

“MI 11-102” means Multilateral Instrument 11-102 - *Passport System* adopted by certain of the Canadian Securities Regulators;

“Money Laundering Laws” has the meaning given to it in Section 7(1)(qqq);

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

“Notice” has the meaning given to it in Section 28;

“Offered Securities” has the meaning given to it above;

“Passport Procedures” means the procedures provided for under National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* among the securities commissions and other securities regulatory authorities in each of the provinces and territories of Canada;

“Person” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“Personnel” has the meaning given to it in Section 19(1).

“Preliminary Prospectus” has the meaning given to it above, and for greater certainty includes the documents incorporated by reference therein;

“President’s List” means the list of purchasers provided by the Corporation to the Underwriters prior to the date of this Agreement entitled to purchase up to such number of Units at the Issue Price for gross proceeds of up to \$1,000,000, which amount and allocation to such purchasers the Underwriters acknowledge and agree shall not be reduced;

“Prospectus” means, collectively, the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment;

“Prospectus Amendment” means any amendment to the Preliminary Prospectus or the Final Prospectus;

“Qualified Institutional Buyer” means a qualified institutional buyer as such term is defined in Rule 144A;

“Qualifying Jurisdictions” means all of the provinces of Canada, except Québec;

“Rule 144A” means Rule 144A adopted by the U.S. Securities and Exchange Commission under the U.S. Securities Act;

“Sandman Project” means the gold project 100% owned by Gold Bull, located in Nevada, USA;

“SEDAR+” means the System for Electronic Data Analysis and Retrieval + established by National Instrument 13-103 – *System for Electronic Data Analysis and Retrieval + (SEDAR+)* of the Canadian Securities Administrators;

“Selling Firm” has the meaning given to it in Section 4(1);

“Standard Listing Conditions” has the meaning given to it in Section 5(1)(d);

“Tax” and **“Taxes”** have the meanings given to them in Section 7(1)(hh);

“Technical Report” means the technical report dated June 28, 2024, effective as of June 25, 2024, entitled “NI 43-101 Technical Report – Project Status Report, Borealis Mine, Nevada, U.S.A.”, prepared for the Corporation by SRK Consulting (U.S.), Inc.;

“TSXV” means the TSX Venture Exchange;

“U.S. Accredited Investor” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

“U.S. Affiliate” means the U.S. registered broker-dealer affiliate of an Underwriter;

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“U.S. Placement Memorandum” means the preliminary and final U.S. private placement memorandum (which shall include the Preliminary Prospectus and Final Prospectus, respectively, as well as a Prospectus Amendment, if any) used to make offers and sales of Offered Securities in the United States;

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

“U.S. Securities Law” means the U.S. Securities Act, the U.S. Exchange Act and the state blue-sky laws, as applicable;

“Underwriter” and **“Underwriters”** have the respective meanings given to them above;

“Underwriters’ Information” has the meaning given to it in Section 6(1)(a);

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

“Unit Shares” has the meaning given to it above;

“Units” has the meaning given to it above;

“Warrant Indenture” means the warrant indenture dated the Closing Date between the TSX Trust Company, as warrant agent, and the Corporation pursuant to which the Warrants will be issued and providing for the definitive terms of the Warrants;

“Warrant Shares” has the meaning given to it above; and

“Warrants” has the meaning given to it above.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to “Sections”, “paragraphs” and “clauses” are to the appropriate section, paragraph or clause of this Agreement.

All references to dollars or “\$” are to Canadian dollars unless otherwise expressed.

Section 2 Compliance with Securities Laws

- (1) The Corporation shall, as soon as possible and in any event by 5:00 p.m. (Toronto time) on February 7, 2025, have prepared and filed the Preliminary Prospectus with the Canadian Securities Regulators, pursuant to the Passport Procedures, and shall use its commercially reasonable efforts to obtain a receipt from the British Columbia Securities Commission for the Preliminary Prospectus. Pursuant to MI 11-102, a receipt for the Preliminary Prospectus will be deemed to be issued by the regulator in each of the Qualifying Jurisdictions other than the Province of British Columbia if the conditions of MI 11-102 have been satisfied. The Corporation shall use commercially reasonable efforts to promptly resolve all comments received from the Canadian Securities Regulators in respect of the Preliminary Prospectus and prepare and file, by no later than 5:00 p.m. (Toronto time) on February 14, 2025 (or such later date as may be agreed between the Underwriters and the Corporation), the Final Prospectus (in form and substance satisfactory to the Underwriters, acting reasonably) with the Canadian Securities Regulators, pursuant to the Passport Procedures, and shall have obtained a receipt from the British Columbia Securities Commission for the Final Prospectus. Pursuant to MI 11-102, a receipt for the Final Prospectus will be deemed to have been issued by the regulator in each of the Qualifying Jurisdictions other than the Province of British

Columbia if the conditions of MI 11-102 have been satisfied. The Corporation will promptly fulfil and comply with, to the satisfaction of the Underwriters, acting reasonably, the Canadian Securities Laws required to be fulfilled or complied with by the Corporation to enable the Offered Securities to be lawfully distributed to the public in the Qualifying Jurisdictions through the Underwriters or any other investment dealers or brokers registered as such in the Qualifying Jurisdictions (and, in the case of offers and sales of Offered Securities in the United States, applicable U.S. federal and state securities Laws).

(2) During the distribution of the Offered Securities:

- (a) the Corporation shall prepare, in consultation with the Underwriters, any marketing material (including any template version thereof) to be provided to potential investors of Offered Securities, and approve in writing any such marketing materials (including any template version thereof), as may reasonably be requested by the Underwriters no less than three (3) Business Days prior to its intended use, such marketing materials to comply with Canadian Securities Laws and U.S. Securities Laws, to the extent applicable, and to be acceptable in form and substance to the Underwriters and their counsel, acting reasonably;
- (b) the Underwriters shall approve in writing any such marketing material, as contemplated by and prepared in compliance with Canadian Securities Laws and U.S. Securities Laws, to the extent applicable, prior to any marketing materials being provided to potential investors of Offered Securities and/or filed with the Canadian Securities Regulators;
- (c) the Corporation shall: (i) file any such marketing materials (or any template version thereof) with the Canadian Securities Regulators as soon as reasonably practicable after such marketing materials are so approved in writing by the Corporation and the Underwriters, on behalf of the Underwriters, and in any event on or before the day the marketing materials are first provided to any potential investor of the Offered Securities; and (ii) remove or redact any comparable from any template version so filed, in compliance with NI 44-101, prior to filing such template version with the Canadian Securities Regulators (provided that a complete template version containing such comparables and any disclosure relating to the comparable, if any, shall be delivered to the Canadian Securities Regulators in compliance with NI 44-101 by the Corporation, and a copy thereof provided to the Underwriters as soon as practicable following such filing);
- (d) the Corporation shall prepare, in consultation with the Underwriters, with respect to offers and sales of the Offered Securities in the United States, the U.S. Placement Memorandum; and
- (e) the Underwriters shall not provide any potential investor of Offered Securities with any materials or information in relation to the distribution of the Offered Securities or the Corporation other than: (i) such marketing materials that have been approved and filed in accordance with this Section; (ii) any standard term sheets (provided the disclosure of such term sheets is in compliance with Canadian Securities Laws) approved in writing by the Corporation and the Haywood, on behalf of the Underwriters; and (iii) the Prospectus and the U.S. Placement Memorandum in accordance with this Agreement.

Section 3 Due Diligence

Prior to the filing of the Preliminary Prospectus and the Final Prospectus, the Corporation shall permit the Underwriters to review and participate in the preparation of the Prospectus and the U.S. Placement Memorandum and shall allow each of the Underwriters to conduct any due diligence investigations which it reasonably requires in order to fulfil its obligations as an underwriter under Canadian Securities Laws and in order to enable it to responsibly execute the certificates in the Preliminary Prospectus and the Final Prospectus required to be executed by it. Following the filing of the Final Prospectus up to the later of the Closing Date and the date of completion of the distribution of the Offered Securities, the Corporation shall allow each of the Underwriters to conduct any due diligence investigations which it reasonably requires in order to fulfill its obligations as an underwriter under Canadian Securities Laws. For greater certainty, the foregoing includes the Corporation making available to the Underwriters, their legal counsel and technical consultants, on a timely basis, all corporate and operating records, contracts, resource and reserve reports, technical reports, financial information, budgets, forecasts, reports, key officers, and other relevant documentation or information necessary in order to complete the due diligence investigation of the Corporation and its business operations, properties, assets, affairs, prospects and financial condition for this purpose, and without limiting the scope of the due diligence inquiries the Underwriters and their counsel may conduct one or more due diligence sessions to be held prior to the Closing at which management of the Corporation, its legal counsel, McGovern and the author(s) of the Technical Report shall participate.

Section 4 Restrictions on Sale

- (1) The Corporation agrees that the Underwriters will be permitted to appoint, at their sole expense, other registered dealers or brokers as their agents to assist in the distribution of the Offered Securities. The Underwriters shall, and shall require any such dealer or broker, other than the Underwriters, with which the Underwriters have a contractual relationship in respect of the distribution of the Offered Securities (a “**Selling Firm**”), to comply with Canadian Securities Laws in connection with the distribution of the Offered Securities and shall offer the Offered Securities for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Final Prospectus and this Agreement. The Underwriters shall, and shall require any Selling Firm, to offer for sale to the public and sell the Offered Securities only in those jurisdictions where they may be lawfully offered for sale or sold.
- (2) The Underwriters shall, and shall require any Selling Firm to agree to, observe and distribute the Offered Securities in a manner that complies with, all applicable Laws and regulations (including Rule 144A and Regulation D under the U.S. Securities Act) in each jurisdiction into and from which they may offer to sell the Offered Securities or distribute the Prospectus or the U.S. Placement Memorandum in connection with the distribution of the Offered Securities and will not, directly or indirectly, offer, sell or deliver any Offered Securities or deliver the Prospectus or the U.S. Placement Memorandum to any person in any jurisdiction other than in the Qualifying Jurisdictions and, in the case of the U.S. Placement Memorandum, the United States, or any other jurisdictions outside of Canada and the United States as mutually agreed to by the Corporation and the Underwriters provided the Corporation will not be required to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the applicable Laws of such other jurisdictions.
- (3) Notwithstanding the foregoing, an Underwriter will not be liable for any breach under this Section 4 or Schedule A to this Agreement by another Underwriter if the Underwriter first mentioned or its U.S. Affiliate (as defined in Schedule A hereto) is not itself also in breach of this Section 4 or Schedule A.
- (4) For the purposes of this Section 4, the Underwriters shall be entitled to assume that the Offered Securities are qualified for distribution in any Qualifying Jurisdiction where a receipt or similar document for the Final Prospectus shall have been obtained from the applicable Canadian Securities Regulator following the filing of the Final Prospectus.

- (5) The Corporation and the Underwriters hereby 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 may not be offered or sold in the United States except to Qualified Institutional Buyers in accordance with Rule 144A, or directly by the Corporation to U.S. Accredited Investors in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act, and in each case under the applicable Laws of any U.S. state. Accordingly, the Corporation and each of the Underwriters hereby agree that offers and sales of the Offered Securities in the United States shall be conducted only in the manner specified in Schedule A hereto, which terms and conditions are hereby incorporated by reference in and form a part of this Agreement.
- (6) Each Underwriter acknowledges and agrees that the Compensation Options and Compensation Option Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Compensation Option, each Underwriter represents, warrants, and covenants that it is acquiring the Compensation Options as principal for its own account and not for the benefit of any other person. Each Underwriter represents, warrants, and covenants that (i) it is not a U.S. Person and is not acquiring the Compensation Options in the United States, or on behalf of a U.S. Person or a person located in the United States; and (ii) this Agreement was executed and delivered outside the United States. Each Underwriter acknowledges and agrees that the Compensation Options may not be exercised by, or for the account or benefit of, a U.S. Person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act and the applicable securities laws of any state of the United States. Each Underwriter agrees that it will not offer or sell any Compensation Options or Compensation Option Shares in the United States or to U.S. Persons unless in compliance with an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

Section 5 Delivery of Documents

- (1) On or prior to the time of filing of the Preliminary Prospectus and the Final Prospectus, the Corporation shall deliver to each of the Underwriters (except to the extent such documents have been previously delivered to the Underwriters):
- (a) a copy of each of the Preliminary Prospectus and the Final Prospectus, including for greater certainty each of the documents incorporated by reference therein to the extent not available on SEDAR+ signed and certified by the Corporation as required by Canadian Securities Laws in the Qualifying Jurisdictions;
 - (b) copies of the U.S. Placement Memorandum;
 - (c) copies of any other document required to be filed by the Corporation under Canadian Securities Laws;
 - (d) concurrently with the filing of the Final Prospectus, evidence satisfactory to the Underwriters of the approval (or conditional approval) of the issuance of the Unit Shares, Warrants, Compensation Options, Warrant Shares and Compensation Option Shares and listing of the Unit Shares, Warrant Shares and Compensation Option Shares, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSXV in similar circumstances (the “**Standard Listing Conditions**”); and
 - (e) in the case of the Final Prospectus, a “long-form” comfort letter of McGovern, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditors no later than two Business Days prior to the date of the Final Prospectus), addressed to the Underwriters, the Corporation and the directors of the

Corporation, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to certain financial and numerical information relating to the Corporation contained in the Final Prospectus, which letter shall be in addition to the auditors' report contained in the Final Prospectus and any auditors' comfort letter addressed to the Canadian Securities Regulators.

- (2) In the event that the Corporation is required by Canadian Securities Laws to prepare and file a Prospectus Amendment, the Corporation shall prepare and deliver promptly to the Underwriters signed and certified copies of such Prospectus Amendment. Any Prospectus Amendments shall be in form and substance satisfactory to the Underwriters, acting reasonably. Concurrently with the delivery of any Prospectus Amendment, the Corporation shall deliver to the Underwriters, with respect to such Prospectus Amendment, documents similar to those referred to in Section 5(1)(b), Section 5(1)(c) and Section 5(1)(f).

Section 6 Representations of the Corporation as to Prospectus and Prospectus Amendments and the U.S. Placement Memorandum

- (1) Filing of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment shall constitute a representation and warranty by the Corporation to the Underwriters that, as at their respective dates and as at the date of filing:
 - (a) the information and statements (except information and statements relating solely to the Underwriters which have been provided by the Underwriters in writing specifically for use in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment (collectively, "**Underwriters' Information**")) contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum and any Prospectus Amendment are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offered Securities, the Warrant Shares, the Compensation Options and the Compensation Option Shares;
 - (b) no material fact has been omitted from such disclosure (except the Underwriters' Information) that is required to be stated in such disclosure or that is necessary to make a statement contained in such disclosure not misleading in light of the circumstances under which it was made; and
 - (c) except with respect to any Underwriters' Information, such documents comply with the requirements of Canadian Securities Laws.
- (2) Such filings shall also constitute the Corporation's consent to the Underwriters' use of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment in connection with the distribution of the Offered Securities in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws and the use of the U.S. Placement Memorandum for offers and sales of the Offered Securities in the United States pursuant to Rule 144A or Rule 506(b) under Regulation D of the U.S. Securities Act.

Section 7 Additional Representations, Warranties and Covenants of the Corporation

- (1) The Corporation represents, warrants and covenants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations, warranties and covenants in purchasing the Offered Securities that:
 - (a) the Corporation is a corporation duly incorporated under the Laws of the Province of British Columbia, is validly existing and in good standing under the *Business Corporations Act* (British Columbia) and is properly registered or licensed to carry on

business under the Laws of each jurisdiction in which its business is carried on, except where the failure to be so registered or licensed would not, individually or in the aggregate, have a Material Adverse Effect;

- (b) the Corporation has no subsidiaries other than the Material Entities. Except as disclosed in the Prospectus, the Corporation is the direct or indirect registered and beneficial owner of all of the issued and outstanding shares of each of its subsidiaries, in each case free and clear of all Liens or adverse interests whatsoever, and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation or any subsidiary of any of the shares or other securities of any subsidiary;
- (c) the Corporation has the requisite corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder (including the execution and delivery of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendments and the filing of each of them with the Canadian Securities Regulators), 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;
- (d) except as otherwise disclosed in the Prospectus, since the date of the most recent audited balance sheet, (i) there has been no material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation, (ii) there have been no transactions entered into by the Corporation which are material with respect to the Corporation other than those in the ordinary course of business, and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Corporation on any class of its shares;
- (e) The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at the date of this Agreement, there are outstanding:
 - (i) 83,253,433 Common Shares;
 - (ii) warrants to acquire an aggregate of up to 15,986,400 Common Shares;
 - (iii) stock options to acquire an aggregate of up to 4,500,000 Common Shares;
 - (iv) restricted share units to acquire an aggregate of up to 175,000 Common Shares;
 - (v) compensation options and broker warrants, to acquire an aggregate of up to 1,119,636 Common Shares and 36,850 Common Shares, respectively; and
 - (vi) Common Shares issuable pursuant to the Gold Bull Agreement.
- (f) all outstanding Common Shares, and the Common Shares issuable upon an exercise of the options, restricted share units, warrants and pursuant to the Gold Bull Agreement listed in Section 7(1)(e) have been duly authorized. The outstanding Common Shares were, and the Common Shares issuable upon an exercise of the options, restricted share units, warrants and pursuant to the Gold Bull Agreement listed in Section 7(1)(e) will be when issued, validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights.

- (g) all corporate action required to be taken by the Corporation for the valid issuance, creation, sale and delivery, as applicable, of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options and the Compensation Option Shares has been validly taken at the date hereof or will have been taken prior to the Closing Time;
- (h) all consents, approvals, permits, authorizations or filings as may be required under Securities Laws necessary for (i) the issuance, creation, sale and delivery, as applicable, of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options and the Compensation Option Shares and (ii) the consummation of the transactions contemplated hereby and thereby, have been made or obtained, as applicable, other than filings required to be submitted within the applicable time frame pursuant to Canadian Securities Laws;
- (i) the currently issued and outstanding Common Shares are listed and posted for trading on the TSXV and no order ceasing or suspending trading in the Common Shares or prohibiting the sale of the Offered Securities has been issued and to the knowledge of the Corporation, no proceedings, actions, inquiries, or investigations for such purpose has been threatened or are pending;
- (j) the Corporation has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSXV and the Corporation is currently in compliance with the rules and policies of the TSXV in all material respects;
- (k) the Corporation is a "reporting issuer", not included in a list of defaulting reporting issuers maintained by the Canadian Securities Regulators in the provinces of British Columbia, Alberta, Manitoba and Saskatchewan and in particular, without limiting the foregoing, the Corporation has in all material respects, complied with its obligations to make timely disclosure of all material changes and material facts relating to it and there is no material change or material fact relating to the Corporation which has occurred or arisen and with respect to which the requisite news release has not been disseminated or material change report has not been filed with the Canadian Securities Regulators in the provinces of British Columbia, Alberta, Manitoba and Saskatchewan;
- (l) the Unit Shares have been duly and validly authorized for issuance and sale and when issued and delivered by the Corporation pursuant to this Agreement, against payment of the consideration set forth herein, will be validly issued as fully paid and non-assessable Common Shares;
- (m) the Warrants have been duly and validly created and authorized for issuance and sale and when issued and delivered by the Corporation pursuant to this Agreement and the Warrant Indenture, against payment of the consideration set forth herein, will be validly issued;
- (n) the Compensation Options have been duly and validly created and authorized for issuance and when issued and delivered by the Corporation pursuant to this Agreement and the Compensation Option Certificates, will be validly issued;
- (o) the Warrant Shares have been authorized and reserved for issuance and when issued and delivered by the Corporation upon the due exercise of the Warrants in accordance with the terms of the Warrant Indenture, against payment in full of the exercise price therefor, will be validly issued as fully paid and non-assessable Common Shares;

- (p) the Compensation Option Shares have been authorized and reserved for issuance and when issued and delivered by the Corporation upon the due exercise of the Compensation Options in accordance with the terms of the Compensation Option Certificates, against payment in full of the exercise price therefor, will be validly issued as fully paid and non-assessable Common Shares;
- (q) except as disclosed in the Prospectus, the Corporation does not own, directly or indirectly, any shares or any other equity or debt securities of any corporation or company or have any equity interest in any firm, partnership (limited, general or otherwise), limited liability company, unlimited liability company, joint venture, association or other entity;
- (r) the Financial Statements of the Corporation included in the Prospectus have been prepared in conformity with IFRS applied on a consistent basis throughout the periods involved and present fairly in all material respects the financial position, results of operations and cash flows of the Corporation as at the dates of such statements;
- (s) the Corporation has not incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise) that continue to be outstanding except (i) as disclosed or contemplated in the Prospectus, or (ii) as incurred in the ordinary course of business by the Corporation and which do not have a Material Adverse Effect;
- (t) except as disclosed in the Prospectus, no acquisition has been made by the Corporation during its three most recently completed fiscal years that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Corporation has progressed to a state where a reasonable person would believe that the likelihood of the Corporation completing the acquisition is high and that, if completed by the Corporation at the date of the Prospectus, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Prospectus pursuant to such Laws;
- (u) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any difference;
- (v) 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 will continue after the Closing to be engaged in any material transaction or arrangement with or to be a party to a material contract with, or has any indebtedness, liability or obligation to, the Corporation, except as disclosed in the Prospectus or for employment or consulting arrangements with employees or consultants or those serving as a director or officer of the Corporation as described in the Prospectus;
- (w) except as would not have a Material Adverse Effect, the Corporation is not in breach or violation of, and the execution and delivery of this Agreement and the performance by the Corporation of its obligations hereunder will not result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents or articles of the Corporation, or any

resolution of the directors or shareholders of the Corporation, or any material contract, mortgage, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease, judgment, decree, order, statute, rule, licence or regulation applicable to the Corporation, and will not give rise to any Lien in or with respect to the properties or assets now owned or hereafter acquired by the Corporation or the acceleration of or the maturity of any debt under any indenture, mortgage, lease, agreement or instrument binding or affecting it or any of its properties or assets;

- (x) 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 this Agreement, except as disclosed in the Prospectus or as required by Canadian Securities Laws with regard to the distribution of the Offered Securities in the Qualifying Jurisdictions;
- (y) the Corporation is not aware of any pending change or contemplated change to any applicable Law or regulation or governmental position that would have a Material Adverse Effect;
- (z) this Agreement and the performance of the Corporation's obligations hereunder (including the execution and delivery of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendments and the filing of each of them with the Canadian Securities Regulators) has been duly authorized by all necessary corporate action and no other corporate proceedings or the part of the Corporation are required to authorize this Agreement. This Agreement has been duly executed and delivered by the Corporation and constitutes, or will constitute, a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the rights of creditors generally and 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;
- (aa) to the knowledge of the Corporation and except as disclosed in the Prospectus, 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 Offered Securities, the Common Shares or the operations or affairs of the Corporation;
- (bb) the attributes attaching to the Offered Securities, the Compensation Options and the Compensation Option Shares, when issued, will be consistent in all material respects with the description thereof in the Prospectus;
- (cc) to the knowledge of the Corporation, no securities commission, stock exchange or comparable authority has issued any order requiring trading in any of the Corporation's securities to cease, preventing or suspending the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or preventing the distribution of the Offered Securities in any Qualifying Jurisdiction or the United States nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;
- (dd) TSX Trust Company, at its principal office in the City of Toronto, has been duly appointed as registrar and transfer agent for the Common Shares;

- (ee) TSX Trust Company, at its principal office in the City of Toronto, has been duly appointed as warrant agent under the Warrant Indenture;
- (ff) except as disclosed in the Prospectus, there is no litigation or governmental or other proceeding, action, suit investigation, audit, claim or proceeding at law or in equity before any Governmental Authority, domestic or foreign, in progress, pending or, to the Corporation's knowledge, threatened (and the Corporation does not know of any 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, assessments or reassessments 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, action, suit, investigation, audit, claim or proceeding, in respect of Taxes, governmental charges, orders, assessments or reassessments;
- (gg) McGovern is independent with respect to the Corporation within the meaning of the Chartered Professional Accountants Code of Professional Conduct (Ontario); and there has not been any reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with such firm or any other prior auditor of the Corporation;
- (hh) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto, including any penalty and interest payable with respect thereto (collectively, "**Taxes**", and each one a "**Tax**") due and payable or claimed to be due or payable by the Corporation, have been paid except those Taxes being contested in good faith and for which adequate reserves have been provided on its books and records; all Tax returns, declarations, remittances and filings required to be filed by the Corporation on or prior to the date hereof have been filed with the appropriate Governmental Authorities and no Tax returns, declarations, remittances and filings contained a misrepresentation as at the respective dates thereof; 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 thereof; there is no Tax deficiency which has been asserted against the Corporation which would have a Material Adverse Effect, and all material Tax liabilities are adequately provided for in accordance with IFRS within the Financial Statements of the Corporation for all periods up to date of latest audited balance sheet; there are no Liens for Taxes upon the assets of the Corporation;
- (ii) the Corporation has conducted and is conducting its business in material compliance with all applicable Laws 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;
- (jj) the Corporation possesses such permits, licences, approvals, consents and other authorizations (collectively, "**Governmental Licences**") issued by Governmental Authorities necessary to conduct the business now operated by it, except as disclosed in the Prospectus or where the failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect and all such Governmental Licences are valid and existing and in good standing. The Corporation is in compliance with the terms and conditions of all such Governmental Licences, except where the failure to so comply would not, individually or in the aggregate, have a Material Adverse Effect;

- (kk) except as described in the Prospectus or for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, (i) the Corporation is not in violation of any Environmental Laws, (ii) the Corporation has all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, and (iii) 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 any Environmental Law against the Corporation, and there are no facts or circumstances 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;
- (ll) except as described in the Prospectus or for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, all mineral exploration and mining operations currently being conducted by the Corporation are being conducted in all material respects pursuant to all applicable environmental rules and regulations and in accordance with acceptable environmental practices;
- (mm) (i) 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 that would have a Material Adverse Effect, 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;
- (nn) 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 requirements, except as would not have a Material Adverse Effect;
- (oo) the Corporation is not in default or breach, in any material respect, of any real property lease, and the Corporation has not received any notice or other communication from the owner or manager of any real property leased by the Corporation that the Corporation is not in compliance with any real property lease, and to the knowledge of the Corporation, no such notice or other communication is pending or has been threatened;
- (pp) the Corporation maintains such policies of insurance, issued by responsible insurers, as are appropriate to its operations, property and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets and all such policies of insurance will at Closing continue to be in full force and effect; and the Corporation is not in default as to the payment of premiums or otherwise, under the terms of any such policy;

- (qq) except as disclosed in the Prospectus, 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 that would have a Material Adverse Effect;
- (rr) the Corporation's only material mineral property for purposes of NI 43-101 is the Borealis Project;
- (ss) except as disclosed in the Prospectus, all of the Corporation's material mineral interests and rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law or otherwise) (collectively, the "**Mineral Rights**"), are accurately set forth in the Prospectus. Other than the Borealis Project and the Mineral Rights set out in the Prospectus, the Corporation does not own or have any interest in any material real property or any material mineral interests and rights;
- (tt) except as set forth in the Prospectus, the Technical Report or a title report deliverable under Section 17(a)(iv), the Corporation is the sole legal and beneficial owner of all right, title and interest in and to the Borealis Project and the Mineral Rights, free and clear of any Liens, (ii) the Corporation has the exclusive right to deal with the Borealis Project and all of the Mineral Rights, (iii) no Person other than the Corporation has any interest in the Borealis Project or any of the Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest, and (iv) there are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect the Corporation's interest in the Borealis Project or any of the Mineral Rights;
- (uu) other than as set forth on the title report deliverable under Section 17(a)(iv), all of the Mineral Rights have been properly located and recorded in compliance with applicable Law and are comprised of valid and subsisting mineral claims;
- (vv) all of the Mineral Rights are in good standing under applicable Law and, to the knowledge of the Corporation, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made;
- (ww) there is no material adverse claim against or challenge to the title to or ownership of the Borealis Project or any of the Mineral Rights;
- (xx) there are no material restrictions on the ability of the Corporation to use, transfer or exploit the Borealis Project or any of the Mineral Rights, except pursuant to applicable Law;
- (yy) the Corporation has not received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any interest of the Corporation in the Borealis Project or any of the Mineral Rights;
- (zz) the Corporation has all surface rights, including fee simple estates, leases, easements, rights of way and permits or licences operations from landowners or Governmental Authorities permitting the use of land by the Corporation, and mineral interests that are required to exploit the development potential of the Borealis Project and the Mineral Rights as contemplated in the Prospectus and no third party or group

holds any such rights that would be required by the Corporation to develop the Borealis Project or any of the Mineral Rights as contemplated in the Prospectus;

- (aaa) all future abandonment, remediation and reclamation obligations known to the Corporation as of the date hereof have been accurately set forth in the Prospectus without omission of information necessary to make the disclosure not misleading;
- (bbb) there is no current mineral resource estimate for the Borealis Project under the requirements of NI 43-101;
- (ccc) all information regarding the Borealis Project and the Mineral Rights, including all drill results, technical reports and studies, that are required to be disclosed by Law, have been disclosed in the Prospectus on or before the date hereof;
- (ddd) the Technical Report complied with the requirements of NI 43-101 at the time of filing thereof and the Technical Report remains current as of the date hereof;
- (eee) the representations and warranties of the Corporation contained in the Gold Bull Agreement are true and correct in all material respects as of the date hereof (subject to any qualifications, standards of materiality and limitations as set out therein);
- (fff) to the Corporation's knowledge, the representations and warranties of Gold Bull contained in the Gold Bull Agreement are true and correct in all material respects as of the date of such agreement (subject to any qualifications, standards of materiality and limitations as set out therein);
- (ggg) the Corporation is not aware of any defects, failures or impairments in the title of Gold Bull to the Sandman Project, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party which in aggregate would have a material adverse effect on the Corporation after giving effect to the acquisition of Gold Bull by the Corporation pursuant to the Gold Bull Agreement;
- (hhh) except as disclosed in the Prospectus, the Corporation does not have outstanding any debentures, notes, mortgages, or other indebtedness that is material to the Corporation;
- (iii) the minute books and corporate records of the Corporation made available to Stikeman Elliott LLP, counsel to the Underwriters, in connection with the Underwriters' due diligence investigations are the original minute books and records or true and complete copies thereof 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;
- (jjj) neither the Corporation nor any affiliate of the Corporation has taken, nor will the Corporation or any affiliate take, any action which constitutes stabilization or manipulation of the price of any security of the Corporation to facilitate the sale or resale of the Offered Securities;

- (kkk) any statistical and market-related data included in the Prospectus is based on or derived from sources that the Corporation believes to be reliable and accurate, and the Corporation has obtained the consent to the use of such data from such sources to the extent required;
- (lll) other than as contemplated hereby, 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;
- (mmm) the Corporation intends to apply the net proceeds from the issue and sale of the Offered Securities substantially in accordance with the disclosure set out under the heading "Use of Proceeds" in the Prospectus, except in circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary;
- (nnn) upon satisfaction of the listing conditions of the TSXV, on the Closing Date, the Offered Securities will be qualified investments under the ITA and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts;
- (ooo) there are no transfer Taxes or other similar fees or charges (including, without limitation, sales Taxes, goods and services Taxes or harmonized sales Taxes imposed under Part IX of the *Excise Tax Act* (Canada)) under Canadian or U.S. federal Law or the Laws of any state, province or any political subdivision thereof, required to be paid in connection with the execution, delivery and performance of this Agreement or the issuance by the Corporation or sale by the Corporation of the Offered Securities;
- (ppp) no stamp duty, registration or documentary Taxes, duties or other similar charges are payable under the federal Laws of Canada or the Laws of any province of Canada in connection with the creation, issuance, sale and delivery to the Underwriters of the Offered Securities or the authorization, execution, delivery and performance of this Agreement or the resale of any Offered Securities by an Underwriter to a purchaser resident in the United States;
- (qqq) operations of the Corporation are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or Governmental Authority or any arbitrator involving the Corporation with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;
- (rrr) the Corporation has complied in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Closing Time in connection with the Offering. All filings and fees required to be made and paid by the Corporation pursuant to Canadian Securities Laws and general corporate Law have been made and paid, except for certain TSXV fees related to the Offering which are not required to be paid prior to the Closing Time. The Corporation is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will have a Material Adverse Effect;

- (sss) the Corporation is in compliance in all material respects with its continuous disclosure obligations under Canadian Securities Laws and, the Corporation is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part XXIII.1 – *Civil Liability for Secondary Market Disclosure of the Securities Act* (Ontario) and analogous provisions under Securities Laws in the other Qualifying Jurisdictions; and
 - (ttt) all information which has been prepared by the Corporation relating to the Corporation, the Material Entities, the Borealis Project and any of its business, properties and liabilities, and either publicly disclosed or provided to the Underwriters is, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom which would make such information misleading.
- (2) The representations, warranties and covenants of the Corporation set out in the schedules to this Agreement (including, for the avoidance of doubt, Schedule A hereto with respect to offers and sales of Offered Securities in the United States) are hereby incorporated herein by reference.

Section 8 Covenants of the Corporation

The Corporation covenants with the Underwriters that:

- (a) it will advise the Underwriters, promptly after receiving notice thereof, of the time when each of the Preliminary Prospectus and Final Prospectus has been filed and when the receipt(s) in respect thereof have been obtained and will provide evidence satisfactory to the Underwriters of each filing and the issuance or deemed issuance of receipts from all of the Canadian Securities Regulators;
- (b) it will advise the Underwriters, promptly after receiving notice or obtaining knowledge, of (i) the issuance by any Canadian Securities Regulator or U.S. securities regulator of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment; (ii) the suspension of the qualification of the Offered Securities for distribution or sale in any of the Qualifying Jurisdictions; (iii) the institution or threatening of any proceeding for any of those purposes; or (iv) any requests made by any Canadian Securities Regulator for amending or supplementing the Prospectus, or for additional information, and will use their reasonable best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal of the order promptly;
- (c) prior to the filing of the Final Prospectus with the Canadian Securities Regulators, the Corporation will file or cause to be filed with the TSXV all necessary documents and will take, or cause to be taken, all necessary steps to ensure that the issuance of the Unit Shares, Warrants, Compensation Options, Warrant Shares and Compensation Option Shares and the Unit Shares, the Warrant Shares and the Compensation Option Shares for listing and for trading on the TSXV have, in each case, been approved (or conditionally approved) by the TSXV, subject only to satisfaction by the Corporation of the Standard Listing Conditions, and the Corporation shall thereafter, fulfill the Standard Listing Conditions within the time period prescribed by the TSXV;
- (d) subject to compliance with applicable Law, any press release of the Corporation relating to the Offering will be provided in advance to Haywood, on behalf of the Underwriters, and its counsel and the Corporation will agree to the form and substance thereof with Haywood, on behalf of the Underwriters, prior to the release thereof, and any press release shall include the following legend: "Not for distribution

to United States newswire services or for dissemination in the United States”, as well as any other legend required by Rule 135e under the U.S. Securities Act;

- (e) the Corporation will use its commercially reasonable efforts to remain, and to cause each of the Material Entity to remain, until the date that is two years from the Closing Date, a corporation validly subsisting under the Laws of its jurisdiction of incorporation or amalgamation, and to be duly licensed, registered or qualified as an extra-provincial or foreign corporation or entity in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and to carry on its business in the ordinary course and in compliance in all material respects with all applicable Laws of each such jurisdiction; provided that the Corporation shall not be required to comply with this Section following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation ceases to be a “reporting issuer” (within the meaning of the *Business Corporations Act* (British Columbia));
- (f) the Corporation will use its commercially reasonable efforts (including, without limitation, making application to the Canadian Securities Regulators for all consents, orders and approvals necessary) to maintain the listing of the Common Share on the TSXV or such other recognized stock exchange or quotation system as Haywood, on behalf of the Underwriters, may approve, acting reasonably, and to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of Canadian Securities Laws of each of the Qualifying Jurisdictions which have such a concept and will comply with all of its obligations under applicable Laws in all material respects, until the date that is two years from the Closing Date; provided that (i) the foregoing is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation, (ii) the shareholders of the Corporation may authorize any of the foregoing matters at any time without regard to this Agreement and (iii) the Corporation shall not be required to comply with this Section 8(f) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation may cease to be a “reporting issuer” (within the meaning of the *Business Corporations Act* (British Columbia)); and
- (g) the Corporation will not, at any time prior to the Closing Time, halt the trading of the Common Shares on the TSXV without the prior consent of Haywood, on behalf of the Underwriters.

Section 9 Commercial Copies

The Corporation shall cause commercial copies of the Preliminary Prospectus, the Final Prospectus and the U.S. Placement Memorandum (and any preliminary version or amended or supplemented version thereof) to be delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written or oral instructions to the printer of such documents. Such delivery shall be effected as soon as possible after filing thereof with the Canadian Securities Regulators, but in any event on or before 5:00 p.m. (local time) on the date that is the next Business Day (for deliveries in Toronto or Vancouver) and on or before the date that is the second Business Day (for deliveries in Canada other than Toronto or Vancouver). Such deliveries shall constitute the consent of the Corporation to the Underwriters’ use of the Prospectus for the distribution of the Offered Securities in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws and the use of the U.S. Placement Memorandum for the purposes of confirming sales to purchasers that are in the United States in accordance with Rule 144A or Rule 506(b) under Regulation D of the U.S. Securities Act. The Corporation shall similarly cause to be delivered commercial copies of any Prospectus Amendments.

Section 10 Change of Closing Date

Subject to the termination provisions contained in Section 18, if a material change or a change in a material fact occurs prior to the Closing Date, the Closing Date shall be, unless the Corporation and the Underwriters otherwise agree in writing or unless otherwise required under Canadian Securities Laws, the sixth (6th) Business Day following the later of:

- (a) the date on which all applicable filings or other requirements of Canadian Securities Laws with respect to such material change or change in a material fact have been complied with in all Qualifying Jurisdictions and any appropriate receipt(s) obtained for such filings and notice of such filings from the Corporation or its counsel have been received by the Underwriters; and
- (b) the date upon which the commercial copies of any Prospectus Amendments have been delivered in accordance with Section 9.

Section 11 Completion of Distribution

The Underwriters shall, and shall cause each Selling Firm to, after the Closing Time:

- (a) use commercially reasonable efforts to complete distribution of the Offered Securities as promptly as possible; and
- (b) give prompt written notice to the Corporation when, in the opinion of the Underwriters, they have completed distribution of the Offered Securities, including notice of the total proceeds realized or number of Offered Securities sold in each of the Qualifying Jurisdictions and any other jurisdiction from such distribution.

Section 12 Material Change or Change in Material Fact During Distribution

- (1) During the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Offered Securities under the Final Prospectus and the U.S. Placement Memorandum, the Corporation shall promptly notify the Underwriters in writing of:
 - (a) any of the representations or warranties made by the Corporation in this Agreement being no longer true and correct;
 - (b) any filing made by the Corporation of information relating to the Offering with any stock exchange, Canadian Securities Regulator or Governmental Authority in Canada or the United States or any other jurisdiction;
 - (c) the receipt by the Corporation of any material communication, whether written or oral, from any Canadian Securities Regulator, the TSXV or any other competent authority, relating to the Prospectus, the U.S. Placement Memorandum, the Offering, the Offered Securities, the Warrant Shares, the Compensation Options, the Compensation Option Shares or the Corporation;
 - (d) any notice or other correspondence received by the Corporation from any other Governmental Authority and any requests from such bodies for information, a meeting or a hearing relating to the Offering, the Offered Securities, the Warrant Shares, the Compensation Options, the Compensation Option Shares, the Corporation, or any other event or state of affairs that the Corporation reasonably believes could have a material adverse effect on the Corporation on a consolidated basis; or

- (e) the issuance by any Canadian Securities Regulator, the TSXV or any other competent authority of any order to cease or suspend trading or distribution of any securities of the Corporation or of the institution, threat of institution of any proceedings for that purpose or any notice of investigation that could potentially result in an order to cease or suspend trading or distribution of any securities of the Corporation;
 - (f) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation;
 - (g) any material fact which has arisen or has been discovered and would have been required to have been stated in the Final Prospectus or the U.S. Placement Memorandum had the fact arisen or been discovered on, or prior to, the date of such document; and
 - (h) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or which would result in the Final Prospectus or any Prospectus Amendment not complying (to the extent that such compliance is required) with Canadian Securities Laws, in each case, as at any time up to and including the later of the Closing Date and the date of completion of the distribution of the Offered Securities.
- (2) The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriters, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws as a result of a fact or change referred to in Section 12(1), provided that the Corporation shall not file any Prospectus Amendment or other document without first obtaining from the Underwriters the approval of the Underwriters, after consultation with the Underwriters with respect to the form and content thereof, which approval will not be unreasonably withheld, conditioned or delayed. The Corporation shall in good faith discuss with the Underwriters any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 12.

Section 13 Change in Canadian Securities Laws

If during the period of distribution of the Offered Securities there shall be any change in Canadian Securities Laws which requires the filing of a Prospectus Amendment, the Corporation shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file such Prospectus Amendment with the appropriate regulatory authority in each of the Qualifying Jurisdictions where such filing is required.

Section 14 Fees

In consideration of the services rendered by the Underwriters in underwriting the distribution of and purchasing the Units, the Corporation shall (i) pay the Underwriters a cash fee equal to 6.0% of the aggregate gross proceeds raised from the issuance of the Units, except in respect of the gross proceeds raised from the issuance of Units to purchasers under the President's List, for which a reduced fee of 2.0% shall be payable (collectively, the "**Cash Fee**"), and (ii) issue to the Underwriters

such number of Compensation Options as is equal to 6.0% of the aggregate number of Units issued under the Offering, except in respect of the Units sold to purchasers under the President's List, for which a reduced number of Compensation Options of 2.0% shall be issuable. The obligation of the Corporation to pay the Cash Fee and deliver the Compensation Options shall arise at the Closing Time, all in accordance with Section 15.

Section 15 Delivery of Purchase Price, Fees and Offered Securities

- (1) The purchase and sale of the Offered Securities shall be completed electronically through the exchange of electronic documents, or in such other manner or at such other place as the Underwriters and the Corporation may agree upon.
- (2) At the Closing Time, the Corporation shall duly and validly deliver to the Underwriters definitive certificates representing the Unit Shares and the Warrants registered in the name of "CDS & Co." or in such other name or names as Haywood, on behalf of the Underwriters, may direct the Corporation in writing not less than 48 hours prior to the Closing Time (provided, however, that in the case of any Offered Securities sold to a U.S. Accredited Investor pursuant to Rule 506(b) under Regulation D of the U.S. Securities Act, the Corporation shall cause TSX Trust Company to deliver to such U.S. Accredited Investor physical certificates or a direct registration statement representing such Offered Securities, bearing the applicable "restricted securities" legend under the U.S. Securities Act). Alternatively, if requested by Haywood, at the Closing Time, the Corporation shall duly and validly deliver in uncertificated form to the Underwriters, or in the manner directed by the Underwriters in writing, the Unit Shares and the Warrants registered in the name of "CDS & Co." or in such other name or names as Haywood, on behalf of the Underwriters, may direct the Corporation in writing not less than 48 hours prior to the Closing Time.
- (3) At the Closing Time, the Corporation shall duly and validly deliver to the Underwriters the Compensation Option Certificates registered in the name of the applicable Underwriter, each representing the amount of Compensation Options due to such Underwriter, or in such other name or names or amounts as Haywood, on behalf of the Underwriters, may direct the Corporation in writing not less than 48 hours prior to the Closing Time.
- (4) Delivery by the Corporation of the Offered Securities and the Compensation Options shall be against payment by the Underwriters to the Corporation of the aggregate purchase price for the Offered Securities, net of the Cash Fee plus applicable expenses (in accordance with Section 21), by wire transfer of immediately available funds together with a receipt signed by Haywood, on behalf of the Underwriters, for such Offered Securities, the Compensation Options and for the Cash Fee and applicable expenses at the Closing Time.

Section 16 Delivery of Offered Securities

- (1) The Corporation shall, prior to the Closing Date, make all necessary arrangements for the preparation and delivery (and, in the case of definitive certificates, execution of such definitive certificates representing the Unit Shares and the Warrants) of the Unit Shares and the Warrants on the Closing Date in the City of Toronto or Vancouver, as necessary.
- (2) The Corporation shall pay all fees and expenses payable to TSX Trust Company in connection with the preparation and delivery (and, in the case of definitive certificates, execution of such definitive certificates representing the Unit Shares and the Warrants) of the Unit Shares and the Warrants contemplated by this Section 16 and the fees and expenses payable to TSX Trust Company as may be required in the course of the distribution of the Unit Shares and the Warrants, including all fees and expenses payable in connection with TSX Trust Company acting as warrant agent under the Warrant Indenture.

Section 17 Conditions to Underwriters' Obligation to Purchase

The Underwriters' obligation to purchase the Offered Securities at the Closing Time shall be subject to the representations and warranties of the Corporation contained in this Agreement being accurate as of the date of this Agreement and as of the Closing Date, to the Corporation having performed all of its obligations under this Agreement and to the following additional conditions:

(a) Delivery of Opinions

- (i) The Underwriters shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters from Irwin Lowy LLP, counsel to the Corporation, as to the Laws of Canada and the Qualifying Jurisdictions, which counsel in turn may rely upon the opinions of local counsel and United States counsel where it deems such reliance proper as to the Laws other than those of Canada and Ontario and British Columbia (or alternatively make arrangements to have such opinions directly addressed to the Underwriters) and as to matters of fact, on certificates of Governmental Authorities and officers of the Corporation and letters from stock exchange representatives and transfer agents, with respect to the following matters:
 - (A) as to the existence of the Corporation under the Laws of its jurisdiction of incorporation and as to the corporate power and capacity of the Corporation to own and lease property and assets and carry on activities as described in the Prospectus and to execute, deliver and perform its obligations under this Agreement and the Warrant Indenture;
 - (B) as to the authorized and issued capital of the Corporation, including issued and outstanding Common Shares;
 - (C) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus and the Final Prospectus and, if applicable, any Prospectus Amendments and the filing of such documents under Canadian Securities Laws in each of the Qualifying Jurisdictions;
 - (D) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the Warrant Indenture, the performance of its obligations hereunder and under the Warrant Indenture and to create, issue and deliver to the Underwriters the Offered Securities and the Compensation Options;
 - (E) that this Agreement and the Warrant Indenture 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 respective terms, subject to customary qualifications for enforceability opinions;
 - (F) that the execution and delivery of this Agreement and the Warrant Indenture and the performance of the Corporation's obligations hereunder and under the Warrant Indenture do not and will not result in a breach (whether after notice or lapse of time or both) of any of

the terms, conditions or provisions of the articles or by-laws or conflict with any corporate or securities Laws of the Province of British Columbia or the Laws of Canada applicable to the Corporation;

- (G) the Unit Shares have been validly issued as fully paid and non-assessable Common Shares;
- (H) the Warrants have been duly and validly created and issued and the Warrant Shares have been authorized and allotted for issuance and, upon the due exercise of the Warrants in accordance with the provisions of the Warrant Indenture (and warrant certificates, if any), the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;
- (I) the Compensation Options have been duly and validly created and issued and the Compensation Option Shares have been authorized and allotted for issuance and, upon the due exercise of the Compensation Options and in accordance with the provisions of the Compensation Option Certificates, the Compensation Option Shares will be validly issued as fully paid and non-assessable Common Shares;
- (J) the form of certificates, as applicable, representing the Common Shares, the Warrants and the Compensation Options have been approved by the directors of the Corporation and comply with the *Business Corporations Act* (British Columbia) and in the case of certificate for Common Shares, the articles of the Corporation;
- (K) that the attributes of the Unit Shares, the Warrants, the Warrants, the Compensation Options and the Compensation Option Shares conform in all material respects with the description thereof in the Prospectus;
- (L) that the statements under the heading "*Eligibility for Investment*" and "*Certain Canadian Federal Income Tax Considerations*" in the Prospectus are accurate, subject to the assumptions, qualifications, limitations and restrictions set out in the Prospectus;
- (M) that TSX Trust Company at its principal offices in the city of Toronto, Ontario has been duly appointed as the transfer agent and registrar for the Common Shares and as warrant agent under the Warrant Indenture;
- (N) that all documents have been filed, all requisite proceedings have been taken and all legal requirements have been fulfilled by the Corporation to qualify the Offered Securities for distribution and sale to the public in each of the Qualifying Jurisdictions through dealers registered under the applicable Laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such applicable Laws;

- (O) that the Unit Shares, Warrant Shares and Compensation Option Shares have been conditionally approved for listing by the TSXV, subject only to the satisfaction by the Corporation of the Standard Listing Conditions;
 - (P) the Corporation being a reporting issuer (or the equivalent) under the Canadian Securities Laws of the Qualifying Jurisdictions and not being included on a list of defaulting reporting issuers maintained by any Canadian Securities Regulator; and
 - (Q) such other matters as the Underwriters or their counsel may reasonably request in writing.
- (ii) The Underwriters receiving at the Closing Time a favourable legal opinion from counsel to each Material Entity, dated the Closing Date, in form and substance acceptable to the Underwriters' counsel, acting reasonably, as to: (i) the incorporation and existence of the Material Entity; (ii) the corporate power and authority of such Material Entity to carry on its business as presently carried on and to own its assets and properties; and (iii) as to the registered ownership of the issued and outstanding shares of the Material Entity.
 - (iii) If any of the Offered Securities are sold in the United States, the Underwriters shall have received at the Closing Time an opinion of Nauth LPC, special U.S. securities counsel to the Corporation, in form and substance satisfactory to the Underwriters, acting reasonably to the effect that in connection with the offer, sale and delivery of the Offered Securities in the United States, no registration will be required under the U.S. Securities Act.
 - (iv) The Underwriters shall have received at the Closing Time a title report with respect to the Borealis Project, in form and substance satisfactory to the Underwriters, acting reasonably.
- (b) **Delivery of Comfort Letter**
- The Underwriters shall have received at the Closing Time a letter dated the Closing Date, in form and substance satisfactory to the Underwriters, addressed to the Underwriters and the directors of the Corporation from McGovern, confirming the continued accuracy of the comfort letter to be delivered to the Underwriters pursuant to Section 5(1)(e) with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, provided such changes are acceptable to the Underwriters, acting reasonably.
- (c) **Delivery of Certificates**
- (i) The Underwriters shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriters (and, if necessary for opinion purposes, counsel to the Underwriters) and signed by two senior officers of the Corporation acceptable to the Underwriters, acting reasonably, with respect to the constating documents of the Corporation, solvency, all resolutions of the board of directors of the Corporation relating to this Agreement and the Offering and the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Underwriters may reasonably request.

- (ii) The Underwriters shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriters and counsel to the Underwriters and signed on behalf of the Corporation by the Chief Executive Officer and the Chief Financial Officer or other officers of the Corporation acceptable to the Underwriters, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiry and after having carefully examined the Final Prospectus, the U.S. Placement Memorandum and any Prospectus Amendments:
 - (A) that since the respective dates as of which information is given in the Final Prospectus, as amended by any Prospectus Amendments, and the U.S. Placement Memorandum: (1) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation; and (2) no transaction has been entered into by the Corporation which is material to the Corporation, other than as disclosed in the Final Prospectus, the U.S. Placement Memorandum or the Prospectus Amendments, as the case may be, or as was made publicly available by the Corporation through filing on SEDAR+;
 - (B) that the Prospectus and the U.S. Placement Memorandum do not contain a misrepresentation and each contains full, true and plain disclosure of all material facts relating to the Offered Securities (other than any Underwriters' Information);
 - (C) that no order, ruling or determination having the effect of suspending the sale or ceasing the 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 officers, contemplated or threatened under any of Canadian Securities Laws or by any other regulatory authority;
 - (D) that the Corporation has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with up to the Closing Time; and
 - (E) that the representations and warranties of the Corporation contained in this Agreement are true and correct in all material respects (or if qualified by materially or Material Adverse Effect, in all respects) as of 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 Underwriters shall have received at the Closing Time a certificate from TSX Trust Company dated the Closing Date and signed by an authorized officer of TSX Trust Company, confirming the issued share capital of the Corporation;
- (iv) the Underwriters shall have received at the Closing Time a certificate from TSX Trust Company confirming its appointment as warrant agent under the Warrant Indenture; and

(v) the Underwriters shall have received a certificate of compliance or the equivalent in respect of the Corporation issued by the appropriate regulatory authority in the jurisdiction in which the Corporation is incorporated.

(d) **Delivery of Indenture**

The Warrant Indenture, in the form and substance satisfactory to the Underwriters, acting reasonably, shall have been executed and delivered by the Corporation and in respect of the Warrant Indenture and warrant certificates, if any, countersigned and/or authenticated by the warrant agent as applicable.

(e) **Delivery of Compensation Option Certificates**

The Compensation Option Certificates, in the form and substance satisfactory to the Underwriters, acting reasonably, shall have been executed and delivered by the Corporation.

(f) **TSXV Approval**

The issuance of the Unit Shares, Warrants, Compensation Options, Warrant Shares and Compensation Option Shares and listing of the Unit Shares, Warrant Shares and Compensation Option Shares shall have been conditionally accepted by the TSXV, subject only to the satisfaction by the Corporation of the Standard Listing Conditions.

Section 18 Rights of Termination

(1) **Regulatory Proceedings Out**

If, after the date hereof and prior to the Closing Time, any order, inquiry, action, suit, investigation or other proceeding (whether formal or informal) is instituted, announced or threatened or any order is issued by any Governmental Authority, including, without limitation, the TSXV or any of the Canadian Securities Regulators, or otherwise in respect of the Corporation or any of its directors or officers (other than an inquiry, investigation, proceeding or order based upon the activities or alleged activities of the Underwriters); or there is any change of Law, or the interpretation or administration thereof; or any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Corporation is made by a Governmental Authority and that order is still in effect, which in the reasonable opinion of any of the Underwriters operates to prevent or restrict the trading in the Common Shares or the distribution of the Offered Securities or which, in the reasonable opinion of any Underwriter, acting in good faith, would be reasonably expected to have a Material Adverse Effect on the market price or value of the Offered Securities or the Common Shares, then such Underwriter shall be entitled, at its option and in accordance with Section 18(6), to terminate its obligations under this Agreement by notice to that effect given to the Corporation any time at or prior to the Closing Time.

(2) **Disaster Out**

If, prior to the Closing Time, there should develop, occur or come into effect or existence any event, action, state, or condition or any action, Law or regulation, inquiry, including, without limitation, accident, pandemic (including, but not limited to any material escalation in the severity of the COVID-19 pandemic after the date hereof), any outbreak or escalation of war, hostilities or terrorism (including but not limited to any material escalation of the ongoing Israeli-Hamas conflict and/or of the Russian Federation's invasion of Ukraine after the date hereof), natural disaster, public protest or major financial, political or economic occurrence of national or international consequence, or any action, government, Law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of any of the Underwriters, seriously adversely affects or involves, or may

seriously adversely affect or involve, the financial markets in Canada or the U.S. or the business, operations or affairs of the Corporation or marketability of the Units or the Common Shares, as the case may be, then such Underwriter shall be entitled, at its option and in accordance with Section 18(6), to terminate its obligations under this Agreement by written notice to that effect given to the Corporation at any time at or prior to the Closing Time.

(3) Material Change or Change in Material Fact Out

If, after the date hereof and prior to the Closing Time, there shall occur or come into effect any material change in the business, affairs (including, for greater certainty, any change to the board of directors or executive management of the Corporation, including the departure of the Corporation's CEO or CFO (or persons in equivalent position)), financial condition, prospects, capital or control of the Corporation and its subsidiaries, taken as a whole, or change in a material fact or a new material fact, or there should be discovered any previously undisclosed fact which, in the reasonable opinion of any of the Underwriters, would be expected to have a significant adverse effect on the market price or value of the Common Shares and/or the marketability of the Offered Securities, then such Underwriter shall be entitled, at its option, in accordance with Section 18(6), to terminate its obligations under this Agreement by written notice to that effect given to the Corporation any time at or prior to the Closing Time.

(4) Non-Compliance with Conditions

The Corporation agrees that all terms and conditions in this Agreement 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 or any breach of any representation, warranty or covenant in this Agreement, entitle any of the Underwriters to terminate its obligations to purchase 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. Each Underwriter 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 an Underwriter only if such waiver or extension is in writing and signed by the Underwriter.

(5) Due Diligence Out

If prior to the Closing Time, any of the Underwriters are not satisfied in their sole discretion, acting reasonably, with their due diligence review and investigations in respect of the Corporation, then such Underwriter shall be entitled, at its option, in accordance with Section 18(6), to terminate its obligations under this Agreement by written notice to that effect given to the Corporation any time at or prior to the Closing Time.

(6) Exercise of Termination Rights

The rights of termination contained in Section 18(1), Section 18(2), Section 18(3), Section 18(4) and Section 18(5) may be exercised by the Underwriters and are in addition to any other rights or remedies the Underwriters 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 Underwriters to the Corporation or on the part of the Corporation to the Underwriters except in respect of any liability which may have arisen prior to or arise after such termination under Section 19 and Section 21. A notice of termination given by an Underwriter under Section 18(1), Section 18(2), Section 18(3), Section 18(4) and Section 18(5) shall not be binding upon any other Underwriter who has not also executed such notice.

(7) **Mutual Agreement**

This Agreement may be terminated in writing by mutual written agreement between the Underwriters and the Corporation.

Section 19 Indemnity

- (1) The Corporation hereby agrees to indemnify and hold harmless the Underwriters, each of the associates and affiliates of the Underwriters and each of the officers, directors, employees, shareholders, partners, advisors and agents of the Underwriters and of each of the associates and affiliates of the Underwriters (such officers, directors, employees, shareholders, partners, advisors and agents are hereinafter collectively referred to as the **"Personnel"** and the Underwriters, the associates and affiliates of the Underwriters and the Personnel are collectively referred to as the **"Indemnified Persons"** and individually as an **"Indemnified Person"**) from and against any and all expenses, costs, losses, claims, actions, payments, damages and liabilities (including the aggregate amount paid in settlement of any litigation, action, suit, proceeding, claim or investigation (each an **"Action"**) and the reasonable fees and expenses of counsel that may be incurred in respect of receiving advice in connection with, or in investigating, defending or settling, any Action) of whatsoever nature or kind, joint or several, to which any Indemnified Person may become subject or otherwise involved in any capacity under statute or common law or otherwise by reason of, in connection with, or insofar as such expense, cost, loss, claim, action, payment, damage or liability is caused by, results from, arises out of or is based upon, directly or indirectly, the engagement of the Underwriters hereunder, the provision of services by the Underwriters hereunder or otherwise in connection with any matter referred to in, or related to, this Agreement; provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall have determined that:
- (a) the Indemnified Person has been grossly negligent or dishonest, has been guilty of willful misconduct or has committed a fraudulent act in the course of rendering such services or has materially breached this agreement; and
 - (b) the expense, cost, loss, claim, action, payment, damage or liability in respect of which indemnification is claimed was directly caused or occasioned by the gross negligence, dishonesty, willful misconduct, fraud or material breach referred to in Section 19(1)(a).
- (2) If for any reason (other than the occurrence of any of the events referred to in Section 19(1)(a)), the foregoing indemnification is unavailable to an Indemnified Person or, while available, is insufficient to hold such Indemnified Person harmless, then the Corporation shall contribute to the amount paid or payable by such Indemnified Person as a result of such expense, cost, loss, claim, action, payment, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Person on the other hand but also the relative degrees of fault of the Corporation and the Indemnified Person, as well as any other relevant equitable considerations, provided that in any event the Corporation shall contribute to the amount paid or payable by the Indemnified Person as a result of such expense, cost, loss, claim, action, payment, damage or liability any excess of such amount over the amount of the fees actually received by the Indemnified Person from the Corporation hereunder. Subject to the exceptions outlined in (i) and (ii) above, the Corporation hereby agrees that no Indemnified Person shall have any liability to the Corporation or any associate or affiliate thereof or to any of the officers, directors, holders of securities or creditors of the Corporation or of any associate or affiliate thereof in respect of any Action and hereby waives any right to contribution which the Corporation may have against any Indemnified Person from the Corporation. The Corporation hereby waives any right which the Corporation may have of

first requiring any Indemnified Person to proceed or enforce any right, power, remedy or security or to claim payment from any other person before claiming under the indemnity provided under this Section 19.

- (3) In case any Action is brought against an Indemnified Person or an Indemnified Person has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Corporation, the Indemnified Person will give the Corporation prompt written notice of any such Action of which the Indemnified Person has knowledge and the Corporation will undertake the investigation and defense thereof on behalf of the Indemnified Person, including the prompt employment of counsel acceptable to the Indemnified Persons affected and the payment of all expenses. The omission to so notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to any Indemnified Person hereunder provided that any such delay in or failure to give notice as herein required does not materially prejudice the defense of the Action and does not result in any material increase in the liability which the Corporation would otherwise have under the indemnity contained herein had the Indemnified Person not so delayed in giving, or failing to give, the notice herein required.
- (4) No admission of liability nor settlement, compromise or termination of any Action shall be made without the Corporation's consent and the consent of the Indemnified Persons affected, such consents not to be unreasonably withheld. Notwithstanding that the Corporation will undertake the investigation and defense of any Action, an Indemnified Person will have the right to employ separate counsel with respect to any Action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Person unless:
- (a) the payment of such expenses has been authorized in writing by the Corporation;
 - (b) the Corporation has not assumed the defense of the Action within a reasonable period of time after receiving notice of the Action;
 - (c) the named parties to any such Action include both the Corporation and the Indemnified Person and the Indemnified Person shall have been advised by counsel to the Indemnified Person in writing that there is a conflict of interest between the Corporation and the Indemnified Person; or
 - (d) there are one or more defenses available to the Indemnified Person which are different from or in addition to those available to the Corporation;

in which case such fees and expenses of such counsel to the Indemnified Person will be for the Corporation's account. The rights accorded to the Indemnified Persons hereunder shall be in addition to any rights an Indemnified Person may have at common law or otherwise.

- (5) The Corporation hereby acknowledges that Haywood acts as trustee for all of the other Indemnified Persons of the covenants and obligations of the Corporation contained in this Section 19 with respect to such Indemnified Persons and Haywood hereby accepts such trust and agrees to hold such covenants and obligations on behalf of itself and the other Indemnified Persons.
- (6) The indemnity and contribution obligations of the Corporation contained herein shall be in addition to, and not in substitution for, any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to all Indemnified Persons and shall be binding upon and enure to the benefit of the respective successors and assigns of the Corporation and of each of the Indemnified Persons, as the case may be.

Section 20 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.

Section 21 Expenses

Whether or not the transactions contemplated by this Agreement shall be completed, all expenses of or incidental to the issue, sale and delivery of the Offered Securities and all expenses of or incidental to all other matters in connection with the offering of the Offered Securities pursuant to the Prospectus shall be borne by the Corporation including, without limitation, all fees and disbursements of all legal counsel to the Corporation (including U.S., foreign and local counsel), all fees and disbursements of the Corporation's accountants and auditors, all expenses related to roadshows and marketing activities, all printing costs incurred in connection with the offering of the Offered Securities, including preparation and printing of the Prospectus, the U.S. Placement Memorandum, Prospectus Amendments, bluesheets or greensheets and certificates, if any, representing the Offered Securities, all prospectus filing and other filing fees, all fees and expenses relating to listing the Offered Securities on any exchanges, all fees and expenses of the Corporation's auditors and roadshow consultants, all transfer agent fees and expenses, all reasonable out-of-pocket expenses of the Underwriters incurred in connection with the offering of the Offered Securities, including without limitation the reasonable fees, Taxes and disbursements of the Underwriters' legal counsel (subject to a maximum of [*commercially sensitive information redacted*]), any advertising, printing, courier, telecommunications, data search, presentation, travel and other expenses incurred by the Underwriters together with all related Taxes (including, without limitation, provincial sales Taxes, GST and HST). All fees and expenses incurred by the Underwriters or on their behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriters. At the option of Haywood, such expenses may be deducted from the gross proceeds otherwise payable to the Corporation at Closing.

Section 22 Obligations to Purchase

(1) Obligation of Underwriters to Purchase

The obligation of the Underwriters to purchase the Offered Securities at the Closing Time shall be several and not joint, and each of the Underwriters shall be obligated to purchase only that percentage of the Offered Securities set out opposite the name of such Underwriter below.

Haywood Securities Inc.	80%
Red Cloud Securities Inc.	10%
StephenAvenue Securities Inc.	10%

(2) Purchases by Other Underwriters

Subject to Section 22(3), in the event that any of the Underwriters shall fail to purchase its applicable percentage of the Offered Securities at the Closing Time, the others shall have the right, but shall not be obligated, to purchase on a pro rata basis, all of the percentage of the Offered Securities which would otherwise have been purchased by such Underwriter which is in default. In the event that such right is not exercised, the others which are not in default shall be relieved of all obligations to the Corporation under this Agreement, and the obligations of the Corporation under this Agreement shall be automatically terminated.

(3) Exercise of Termination Rights

In the event that one or more but not all of the Underwriters shall exercise their right of termination under Section 18, the others shall have the right, but shall not be obligated, to purchase on a pro rata basis all of the percentage of the Offered Securities which would otherwise have been purchased by such Underwriters which have so exercised their right of termination.

(4) Pro Rata Division if More Demand

In the circumstances contemplated by Section 22(2) or Section 22(3) above, if the amount of the Offered Securities which the remaining Underwriters wish, but are not obliged, to purchase exceeds the amount of the Offered Securities which would otherwise have been purchased by an Underwriter which is in default (in the case of Section 22(2) above), or which remain available for purchase (in the case of Section 22(3) above), such Offered Securities shall be divided pro rata among the Underwriters desiring to purchase such Offered Securities in proportion to the percentage of Offered Securities which such Underwriters have agreed to purchase as set out in Section 22(1).

(5) No Obligation to Sell Less than All; Further Liability

Nothing in this Section 22 shall oblige the Corporation to sell to the Underwriters less than all of the Offered Securities or relieve from liability to the Corporation any Underwriter which may be in default. In the event of the termination of the Corporation's obligations under this Agreement, there shall be no further liability on the part of the Corporation to the Underwriters except in respect of any liability which may have arisen or may arise under Section 19 and Section 21.

Section 23 Corporation Lock-Up

During the period beginning on the Closing Date and ending on the date that is 180 days after the Closing Date, the Corporation shall not, directly or indirectly, without the prior written consent of Haywood, on behalf of the Underwriters (not to be unreasonably withheld), sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including without limitation by making any short sale, engaging in any hedging, monetization or derivative transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares or other securities of the Corporation or securities convertible into, exchangeable for, or otherwise exercisable into Common Shares or other securities of the Corporation, whether or not cash settled), in a public offering or by way of private placement or otherwise, any Common Shares or any other securities of the Corporation, or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing, other than issuances:

- (a) under existing director or employee stock options, bonus or purchase plans or similar share or equity-linked compensation arrangements as detailed in the Corporation's most recently filed management discussion and analysis;
- (b) under director or employee stock options or bonuses granted subsequent to the date of this Agreement, in accordance with regulatory approval;
- (c) upon the exercise of any securities convertible into, exchangeable for, or otherwise exercisable into Common Shares outstanding on the date hereof or issuable pursuant to the Offering; and
- (d) pursuant to previously announced and scheduled property payments and/or corporate acquisitions (including pursuant to the Gold Bull Agreement).

Section 24 Management Lock-Up Agreements

It shall be a condition of closing of the Offering in favour of the Underwriters that each of the directors, officers and significant shareholders (as determined by Haywood, on behalf of the Underwriters) of the Corporation shall agree, in a lock-up agreement in the form attached hereto as Schedule B to be executed concurrently with the closing of the Offering, that in consideration of the benefit that the Offering will confer upon such persons that for a period of 90 days following the Closing Date, each will not directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any securities of the Corporation, whether now owned or acquired after the date hereof, owned, directly or indirectly, or under such person's control or direction, or with respect to which such person has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than (i) pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Corporation, without the prior written consent of Haywood, such consent not to be unreasonably withheld, provided that, in the event such transaction is not completed, such securities shall remain subject to the terms of the lock-up agreement; (ii) in respect of sales to immediate family members, associates or affiliates of such shareholder, including as a result of the death of any individual shareholder, but solely to the extent that such immediate family members, associates or affiliates agree in writing to be bound by the terms of the lock-up agreement; (iii) a sale of Common Shares for bona fide tax planning purposes where there is no change in beneficial ownership; (iv) a pledge of the Common Shares to a bank or other financial institution for the purpose of giving collateral for a debt made in good faith, but solely to the extent that such bank or financial institution agrees in writing to be bound by the terms of the lock-up agreement; (v) in connection with the exercise or conversion any convertible securities of the Corporation, provided the Common Shares issued upon such exercise or conversion are subject to the lock-up agreement; or (vi) the written consent of Haywood, on behalf of the Underwriters, which consent may be withheld, delayed or conditioned for any reason.

Section 25 Survival of Representations, Warranties and Covenants

The representations, warranties, covenants, obligations and agreements of the Corporation contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Securities shall survive the purchase of the Offered Securities and shall continue in full force and effect unaffected by any subsequent disposition of the Offered Securities by the Underwriters or the termination of the Underwriters' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the preparation of the Prospectus, any Prospectus Amendments or the distribution of the Offered Securities.

Section 26 Time

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

Section 27 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable in the Province of Ontario. The parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or relating hereto.

Section 28 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:

Borealis Mining Company Limited
5th Floor – 410 West Georgia Street
Vancouver, BC V6B 1Z3

Attention: Kelly Malcolm, President, CEO & Director
E-mail: kmalcolm@borealismining.com

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

Irwin Lowy LLP
217 Queen Street W., Suite 401
Toronto, ON M5V 0R2

Attention: Chris Irwin
E-mail: CIrwin@irwinlowy.com

If to the Underwriters, c/o Haywood, addressed and sent to:

Haywood Securities Inc.
Waterfront Centre
200 Burrard Street, Suite 700
Vancouver, BC V6C 3A6

Attention: Kevin Campbell, Managing Director, Investment Banking
E-mail: kcampbell@haywood.com

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

Stikeman Elliott LLP
666 Burrard Street, Suite 1700
Vancouver, BC V6C 2X8

Attention: Victor Gerchikov
E-mail: vgerchikov@stikeman.com

or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 28. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee. A notice which is personally delivered or delivered by e-mail shall, if delivered prior to 5:00 p.m. (Vancouver 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.

Section 29 Authority of Haywood

- (1) All steps which must or may be taken by the Underwriters in connection with this Agreement, with the exception of the matters contemplated by Section 12(2), Section 18 and Section 19 shall be taken by Haywood on the Underwriters' behalf and the execution of the Agreement by the Underwriters shall constitute the Corporation's authority for accepting notification of any such steps from, and for giving notice to, Haywood.
- (2) The Corporation hereby acknowledges that (i) the purchase and sale of the Offered Securities pursuant to this Agreement is an arm's-length commercial transaction between the Corporation, on the one hand, and each of the Underwriters and any affiliate through which it may be acting, on the other, (ii) each of the Underwriters is acting as principal and not as an agent or fiduciary of the Corporation and (iii) the Corporation's engagement of each of the Underwriters in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity.

Section 30 Counterparts

This Agreement may be executed by the parties to this Agreement in counterpart and may be executed and delivered by facsimile or other electronic means (including PDF or DocuSign) and all such counterparts and facsimiles and other electronic deliveries shall together constitute one and the same agreement.

[The remainder of this page has been left blank intentionally.]

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 Underwriters upon which this letter as so accepted shall constitute an agreement among us.

Yours very truly,

HAYWOOD SECURITIES INC.

By: (signed) "Kevin Campbell"
Name: Kevin Campbell
Title: Managing Director, Investment Banking

RED CLOUD SECURITIES INC.

By: (signed) "Bruce Tatters"
Name: Bruce Tatters
Title: Chief Executive Officer

STEPHENAvenue SECURITIES INC.

By: (signed) "Michael Cappuccitti"
Name: Michael Cappuccitti
Title: President

The foregoing offer is accepted and agreed to as of the date first above written.

BOREALIS MINING COMPANY LIMITED

By: *(signed) "Kelly Malcolm"*

Name: Kelly Malcolm
Title: President, CEO & Director

SCHEDULE A
UNITED STATES OFFERS AND SALES

1. Definitions

Capitalized terms used but not defined herein will have the meanings ascribed to them in the Underwriting Agreement to which this Schedule A is annexed and the following terms will have the meanings indicated::

“Affiliate” means “affiliate” as that term is defined in Rule 405 under the U.S. Securities Act;

“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 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;

“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 A, it means any issuer which is: (a) the government of any foreign country or of any political subdivision of a foreign country; or (b) a corporation or other organization incorporated under the laws of any foreign country, 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 held of record either directly or indirectly by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors of the issuer 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;

“General Solicitation” and **“General Advertising”** mean “general solicitation” and “general advertising”, respectively, as used in Rule 502(c) under the U.S. Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media 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;

“Investment Company Act” means the Investment Company Act of 1940, as amended;

“Offshore Transaction” means “offshore transaction” as that term is defined in Rule 902(h) of Regulation S under the U.S. Securities Act;

“Regulation S” means Regulation S adopted by the SEC under the U.S. Securities Act;

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

“Substantial U.S. Market Interest” means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S;

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings given to them in the Underwriting Agreement to which this Schedule is attached and of which this Schedule forms a part.

2. Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants and covenants to the Underwriters and the U.S. Affiliates that:

- (a) it is, and at the Closing Date will be, a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the common shares of the Corporation;
- (b) except with respect to offers and sales to Qualified Institutional Buyers through the Underwriters and their U.S. Affiliates in reliance upon the exemption from registration provided by Rule 144A or sales to substituted purchasers that are U.S. Accredited Investors in reliance on the exemption from registration provided by Rule 506(b) under Regulation D of the U.S. Securities Act, neither the Corporation nor any of its Affiliates, nor any person acting on its or their behalf (other than the Underwriters, their respective Affiliates or any person acting on its or their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (a) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to a person in the United States; or (b) any sale of Offered Securities unless, at the time the buy order was or will have been originated, (i) the purchaser is outside the United States; or (ii) the Corporation, its Affiliates, and any person acting on its or their behalf reasonably believe that the purchaser is outside the United States.
- (c) the Corporation is not, and after giving effect to the offering of the Offered Securities and the application of the proceeds as contemplated in the Underwriting Agreement and the U.S. Placement Memorandum will not be, an investment company within the meaning of the Investment Company Act;
- (d) neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates, or any members of the banking and selling group formed by them, as to whom the Corporation makes no representation), has engaged or will engage in any Directed Selling Efforts with respect to the Offered Securities, or has taken or will take any action that would cause the exemption afforded by Rule 144A or Rule 506(b) of Regulation D under the U.S. Securities Act or the exclusion from registration afforded under Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities pursuant to this Agreement (including this Schedule A);
- (e) none of the Corporation, any of its Affiliates or any person acting on its or their behalf (other than the Underwriters, their respective Affiliates or any person acting on its or their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Offered Securities in the United States in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (f) none of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates, or any members of the banking and selling group formed by them, as to whom the Corporation makes no representation) has offered or will offer to sell, or has solicited or will solicit offers to buy, any of the Offered Securities in the United States by means of any form of General Solicitation or General Advertising;
- (g) except with respect to the offer and sale of the Offered Securities as provided in this Agreement, including this Schedule A (the “Offering”), the Corporation has not, for a period of six months prior to the commencement of the Offering, sold, offered for sale or solicited any offer to buy, and will not during the Offering and for a period ending six months after completion of the Offering sell, offer for sale or solicit any offer to

buy, any of its securities in the United States in a manner that would be integrated with the offer and sale of the Offered Securities and which would require the offer and sale of the Offered Securities to be registered under the U.S. Securities Act or cause the exemption from registration set forth in Rule 506(b) of Regulation D under the U.S. Securities Act to become unavailable with respect to the offer and sale of the Offered Securities to U.S. Accredited Investors;

- (h) the Corporation will complete and file with the SEC a notice on Form D within 15 days after the first sale of the Offered Securities pursuant to Rule 506(b) of Regulation D, and will make such filings with state securities commissions as the Corporation shall determine are required;
- (i) the Offered Securities are not, and as of the Closing Time will not be, and no Offered Securities of the same class as the Offered Securities are: (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act; (ii) quoted in an “automated inter-dealer quotation system”, as such term is used in the U.S. Exchange Act; or (iii) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for Offered Securities so listed or quoted;
- (j) for so long as the Offered Securities are outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act nor subject to and in compliance with Section 13 or 15(d) of the U.S. Exchange Act, the Corporation shall provide to holders of Offered Securities and any prospective purchasers designated by such holders, upon request of such holders, the information required to be provided pursuant to Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Offered Securities to effect resales under Rule 144A);
- (k) the Offered Securities are not Offered Securities of an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the Investment Company Act;
- (l) the Corporation will provide to offerees within the United States an opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and review such information, if any, concerning the Corporation as such offerees may reasonably request in connection with their investment to acquire the Offered Securities;
- (m) with respect to the Offered Securities to be offered and sold hereunder in reliance on Rule 506(b) under the U.S. Securities Act (“Regulation D Securities”), none of the Corporation, any of its predecessors, any director, executive officer, other officer of the Corporation participating in the Offering, any beneficial owner (as that term is defined in Rule 13d-3 under the U.S. Exchange Act) of 20.0% or more of the Corporation’s outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale of any Regulation D Securities (but, in each case, excluding the Underwriters and their U.S. Affiliates as to whom no representation is made) (each, an “Issuer Covered Person” and, collectively, “Issuer Covered Persons”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a “Disqualification Event”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the U.S. Securities Act. The Corporation has exercised reasonable care to determine (i) the identity of each person that is an Issuer Covered Person; and (ii) whether any Issuer Covered Person is subject to a

Disqualification Event. The Corporation has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) under the U.S. Securities Act;

- (n) none of the Corporation or 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; and
- (o) the Offering is not part of a scheme to evade the registration requirements of the U.S. Securities Act.

3. Representations, Warranties and Covenants of the Underwriters

Each of the Underwriters (on its own behalf and on behalf of its U.S. Affiliate) acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or applicable 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. Accordingly, each Underwriter (on its own behalf and on behalf of its U.S. Affiliate) severally and not jointly represents, warrants, covenants and agrees to and with the Corporation that:

- (a) it acknowledges 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 may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and state securities laws. It has not offered and sold, and will not offer and sell, any Offered Securities except (A) in an Offshore Transaction in accordance with Rule 903 of Regulation S, or (B) to persons that are in the United States whom it reasonably believes to be Qualified Institutional Buyers in transactions that are exempt from the registration requirements of the U.S. Securities Act provided by Rule 144A, or offers on behalf of the Corporation for sales directly by the Corporation to substituted purchasers it reasonably believes are U.S. Accredited Investors in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D under the U.S. Securities Act, in each case in compliance with applicable state securities laws and this Schedule A. Accordingly, neither the Underwriter nor any of its Affiliates, nor any persons acting on their behalf, has made or will make (except as permitted herein) (i) any offer to sell or any solicitation of an offer to buy, any Offered Securities to any person in the United States; (ii) any sale of Offered Securities to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States (and was offered Offered Securities outside the United States), or such Underwriter, affiliate or person acting on its or their behalf reasonably believed that such purchaser was outside the United States; or (iii) any Directed Selling Efforts with respect to the Offered Securities;
- (b) it and its affiliates, including its U.S. Affiliate, have not, either directly or through a person acting on its or their behalf, 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;
- (c) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its U.S. Affiliates, any selling group members or with the prior written consent of the Corporation;

- (d) it shall require each U.S. Affiliate and selling group member to agree, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that each U.S. Affiliate and selling group member complies with, the provisions of this Schedule A applicable to the Underwriter as if such provisions applied to such U.S. Affiliate or selling group member;
- (e) all offers and sales of Offered Securities in the United States shall be made by the Underwriter in accordance with Rule 15a-6 under the U.S. Exchange Act or through its U.S. Affiliate, which on the dates of such offers and sales was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state Offered Securities laws and a member of, and in good standing with, the Financial Industry Regulatory Authority, in accordance with all applicable United States state and federal Offered Securities (including broker-dealer) laws. The Underwriter and its U.S. Affiliate will make all offers and sales of Offered Securities in compliance with all applicable United States federal and state broker-dealer requirements and this Schedule A;
- (f) its U.S. Affiliate selling the Offered Securities in the United States is a Qualified Institutional Buyer;
- (g) it will solicit (and will cause its U.S. Affiliate to solicit) offers for the Offered Securities in the United States only from, and will offer the Offered Securities only to, (i) persons whom it reasonably believes to be, Qualified Institutional Buyers, in accordance with Rule 144A, and shall require each purchaser that is in the United States or is purchasing the Offered Securities on behalf of a person the United States person to complete a Qualified Institutional Buyer Investment Letter in the form attached as an Exhibit I to the U.S. Placement Memorandum or (ii) substituted purchasers who are reasonably believed by the Underwriter or its U.S. Affiliate to be U.S. Accredited Investors, in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act, and each such substituted purchaser shall complete a Subscription Agreement in the form attached as an Exhibit II to the U.S. Placement Memorandum;
- (h) it will inform (and will cause its U.S. Affiliate to inform) all purchasers of the Offered Securities that are in the United States that were Offered Securities in the United States that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such purchasers without registration in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or Rule 506(b) under Regulation D of the U.S. Securities Act;
- (i) any offer, sale or solicitation of an offer to buy Offered Securities that has been made or will be made in the United States was or will be made only to persons whom it reasonably believes to be Qualified Institutional Buyers in transactions that are exempt from registration under applicable state securities laws or (ii) substituted purchasers who are reasonably believed by the Underwriter or its U.S. Affiliate to be U.S. Accredited Investors, in transactions that are exempt from registration under applicable state securities laws;
- (j) at Closing it, together with its U.S. Affiliate offering or selling Offered Securities in the United States, will provide a certificate, substantially in the form of Exhibit I to this Schedule A, relating to the manner of the offer and sale of the Offered Securities in the United States, or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold Offered Securities in the United States;

- (k) each offeree in the United States shall be provided, prior to the time of such offeree's purchase of any Offered Securities, with a copy of the preliminary and final U.S. private placement offering memorandum (which shall include the Canadian preliminary and final prospectus, respectively) (the "U.S. Placement Memorandum") and no other written material shall be used in connection with the offer or sale of the Offered Securities in the United States. The preliminary and final U.S. Placement Memorandum shall be in form and substance satisfactory to the Corporation;
- (l) with respect to Regulation D Securities to be offered and sold hereunder, the Underwriter represents that none of (i) the Underwriter or its U.S. Affiliate, (ii) the Underwriter or its U.S. Affiliate's general partners or managing members, (iii) any of the Underwriter's or its U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the Underwriter's or its U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the Offering of the Regulation D Securities or (v) any other person associated with any of the above persons, including any selling firm and any such persons related to such selling firm, that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Regulation D Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**"), is subject to any of the "**Bad Actor**" disqualifications described in Rule 506(d)(1) under Regulation D under the U.S. Securities Act;
- (m) the Offering is not part of a scheme to evade the registration requirements of the U.S. Securities Act;
- (n) at least one Business Day prior to the Closing, it and its U.S. Affiliate will provide the Corporation (a) a list of all purchasers of the Offered Securities in the United States, or to or for the account or benefit of, a person in the United States, and all purchasers of Offered Securities who were offered Offered Securities in the United States, or to or for the account or benefit of, a person in the United States, and (b) all executed Qualified Institutional Buyer Investment Letter in the form attached as Exhibit I to the U.S. Placement Memorandum or Subscription Agreement in the form attached as Exhibit II to the U.S. Placement Memorandum; and
- (o) neither it nor its U.S. Affiliate has taken or will take any action that would constitute a violation of Regulation M of the U.S. Exchange Act in connection with the offer or sale of the Offered Securities.

EXHIBIT I
UNDERWRITERS' CERTIFICATE

In connection with the offer and sale of Units (the "Offered Securities") of Borealis Mining Company Limited (the "Corporation") in the United States pursuant to the Underwriting Agreement dated as of February 7, 2025 among the Corporation and the underwriters party thereto (the "Underwriting Agreement"), the undersigned [name of Underwriter] (the "Underwriter") and [name of U.S. affiliate of Underwriter], in its capacity as placement agent in the United States for the Underwriter (the "U.S. Affiliate"), each hereby certifies that:

- (a) the U.S. Affiliate is a duly registered broker or dealer pursuant to Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended, and under the laws of each applicable state of the United States (unless exempted from the respective state's broker-dealer registration requirements), and was and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made by it in the United States and all offers and sales of Offered Securities in the United States have been effected by the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
- (b) all offers of Offered Securities in the United States were made only through the U.S. Affiliate and to Qualified Institutional Buyers or U.S. Accredited Investors and have been effected in accordance with all applicable U.S. broker-dealer requirements and U.S. securities laws;
- (c) each offeree that is in the United States, was provided prior to the time of such offeree's purchase of any Offered Securities, with a copy of the preliminary and final U.S. Placement Memorandum and no other written material was used in connection with the offer or sale of the Offered Securities in the United States;
- (d) immediately prior to our transmitting the preliminary U.S. Placement Memorandum to offerees that are in the United States, we had reasonable grounds to believe and did believe that each such offeree was either (i) a Qualified Institutional Buyer (and took reasonable steps to confirm that such offeree was a Qualified Institutional Buyer), and, on the date hereof, we continue to believe that such purchaser of Offered Securities that is in the United States or that was offered Offered Securities in the United States is a Qualified Institutional Buyer, or (ii) a U.S. Accredited Investor and, on the date hereof, we continue to believe that such purchaser of Offered Securities that is in the United States or that was offered Offered Securities in the United States is a U.S. Accredited Investor;
- (e) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Offered Securities in the United States;
- (f) prior to any sale of the Offered Securities in the United States, each purchaser thereof was required to execute and deliver to the Underwriter and its U.S. Affiliate making such sale either, (i) a Qualified Institutional Buyer Investment Letter for QIBs purchasing pursuant to Rule 144A substantially in the form attached as Exhibit I to the U.S. Placement Memorandum; or (ii) a subscription agreement for U.S. Accredited Investors purchasing pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act substantially in the form attached as Exhibit II to the U.S. Placement Memorandum; and
- (g) the offering of the Offered Securities has been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule A thereto.

Capitalized terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

DATED this _____ day of _____, **[year]**.

[INSERT NAME OF UNDERWRITER]

[INSERT NAME OF U.S. AFFILIATE]

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

**SCHEDULE B
FORM OF LOCK-UP AGREEMENT**

February _____, 2025

To: **Haywood Securities Inc. ("Haywood"), Red Cloud Securities Inc. and Stephen Avenue Securities Inc. (together with Haywood, the "Underwriters" and each individually an "Underwriter")**

Re: **Borealis Mining Company Limited - Lock-up Agreement**

Dear Sirs/Mesdames:

The undersigned understands that the Underwriters have entered into an underwriting agreement dated February 7, 2025 (the **"Underwriting Agreement"**) with Borealis Mining Company Limited (the **"Corporation"**) providing for a public offering of units of the Corporation (the **"Offering"**). Initially capitalized terms not otherwise defined herein shall have the meaning given to them, respectively, in the Underwriting Agreement.

In consideration of the benefit that the Offering will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date hereof and ending on the day that is 90 days following the Closing Date, the undersigned will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, assign, pledge, or otherwise dispose of, or transfer, or announce any intention to do so, any securities of the Corporation owned, directly or indirectly, or under control or direction, or with respect to which the undersigned has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of any securities of the Corporation, whether such transaction is settled by delivery of any securities of the Corporation, other securities, cash or otherwise, other than: (i) pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Corporation, without the prior written consent of Haywood, such consent not to be unreasonably withheld, provided that, in the event such transaction is not completed, such securities shall remain subject to the terms of the lock-up agreement; (ii) in respect of sales to immediate family members, associates or affiliates of such shareholder, including as a result of the death of any individual shareholder, but solely to the extent that such immediate family members, associates or affiliates agree in writing to be bound by the terms of the lock-up agreement; (iii) a sale of Common Shares for bona fide tax planning purposes where there is no change in beneficial ownership; (iv) a pledge of the Common Shares to a bank or other financial institution for the purpose of giving collateral for a debt made in good faith, but solely to the extent that such bank or financial institution agrees in writing to be bound by the terms of the lock-up agreement; (v) in connection with the exercise or conversion any convertible securities of the Corporation, provided the Common Shares issued upon such exercise or conversion are subject to the lock-up agreement; or (vi) the written consent of Haywood, on behalf of the Underwriters, which consent may be withheld, delayed or conditioned for any reason.

The undersigned understands that the Corporation and the Underwriters are relying upon this lock-up agreement in proceeding toward consummation of the Offering. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned's legal representatives, successors and assigns, and shall enure to the benefit of the Corporation, the Underwriters and their legal representatives, successors and assigns.

The undersigned hereby represents and warrants that he or she has full power and authority to enter into this agreement, and that he or she will do all such acts and take all such steps as reasonably required in order to fully perform and carry out the provisions of this agreement. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned.

This lock-up agreement will be governed by the laws of the province of Ontario and the laws of Canada applicable therein.

This lock-up agreement may be executed by counterpart signatures (including counterparts by facsimile or other means of each electronic transmission) each of which shall be effective as original signatures.

Yours truly,

NAME OF SECURITYHOLDER:

(Name)

(Signature)

(Signature of Witness)

Number and type of securities of the
Corporation subject to this lock-up
agreement:

Haywood Securities Inc. hereby acknowledges this lock-up agreement, on behalf of the Underwriters,
this ____ day of February, 2025.

HAYWOOD SECURITIES INC.

Per: _____
Authorized Signing Officer