**UNDERWRITING AGREEMENT**

February 21, 2017

Fortune Minerals Limited
148 Fullarton Street
Suite 1600
London, Ontario
N6A 5P3

**Attention: Robin Goad – President & Chief Executive Officer**

Dear Sir:

The undersigned, Cormark Securities Inc. ("**Cormark**" or the **"Underwriter**"), understands that Fortune Minerals Limited (the "**Corporation**") proposes to issue and sell to the Underwriter units ("**Units**"), each Unit consisting of one common share in the capital of the Corporation (each a "**Unit Share**") and one-half of one common share purchase warrant in the capital of the Corporation (each whole common share purchase warrant, a "**Warrant**"), with each Warrant entitling the holder thereof to purchase one common share in the capital of the Corporation (each a "**Warrant Share**") at any time prior to 5:00 p.m. (Toronto time) on the first Business Day that is 24 months after the Closing Date upon payment of the exercise price of $0.35 per Warrant Share. The Warrants will be issued pursuant to a warrant indenture to be dated the Closing Date between the Corporation and Computershare Trust Company, as warrant agent, providing for the creation and issuance of the Warrants (the "**Warrant Indenture**"). The Units will immediately separate into Unit Shares and Warrants following closing of the offering.

Subject to the terms and conditions set out below, the Underwriter agrees to purchase and by its acceptance of the terms and conditions set out below, the Corporation agrees to issue and sell to the Underwriter a total of 22,800,000 Units (the "**Committed Units**") at a price of $0.25 per Unit (the "**Offering Price**"), for aggregate gross proceeds from the sale of such Committed Units of $5,700,000 (the "**Offering**"). Any reference to "**Purchased Securities**" in this Agreement shall be construed as a reference to the Unit Shares and Warrants comprising the Committed Units.

In addition, the Corporation hereby grants to the Underwriter an option (the "**Over-Allotment Option**") to purchase up to an additional 3,000,000 Units (the "**Additional Units**") each comprised of one common share (the "**Additional Unit Shares**") and one half of a Warrant (the "**Additional Warrants**"), or Additional Unit Shares or Additional Warrants upon the terms and conditions set forth herein for the purposes of covering over-allotments and for market stabilization purposes. The additional common shares of the Corporation issuable upon the exercise of Additional Warrants are hereinafter referred to as the "**Additional Warrant Shares**". The Over-Allotment Option may be exercised by the Underwriter in respect of: (i) Additional Units at the Offering Price; or (ii) Additional Unit Shares at a price of $0.235 per Additional Unit Share; or (iii) Additional Warrants at a price of $0.03 per Additional Warrant; or (iv) any combination of Additional Unit Shares and Additional Warrants that may be issued under the Over-Allotment Option, provided that the number of Additional Unit Shares and/or Additional Warrants does not exceed 3,000,000 Additional Unit Shares and 1,500,000 Additional Warrants,

as applicable. The Units, including the Unit Shares, Warrants, Warrant Shares, Additional Unit Shares, Additional Warrants and Additional Warrant Shares shall have the attributes described in and contemplated by the Prospectus which is referred to below. Any reference to "**Additional Securities**" in this Agreement shall be construed as a reference to Additional Units, Additional Unit Shares and/or Additional Warrants, as the context requires, based on whether or not the Over-Allotment Option is exercised and the allocation of Additional Unit Shares and/or Additional Warrants. The Over-Allotment Option may be exercised in whole or in part (to the extent of the Underwriter's over-allocation position) at any time prior to 5:00 p.m. (Toronto time) on the first Business Day which is not less than 30 days after the Closing Date (as defined below) by written notice from the Underwriter to the Corporation setting forth the aggregate number of Additional Securities to be purchased.

The Underwriter understands the Corporation intends to allocate $0.235 of the Offering Price as consideration for the issue of each Unit Share (including any Additional Units Shares) and $0.015 of the Offering Price as consideration for the issue of each one-half Warrant (including any Additional Warrants).

The Underwriter proposes to distribute the Purchased Securities and Additional Securities in Canada pursuant to the Final Prospectus (as defined below) and to, or for the account or benefit of, persons in the United States (as defined below) or U.S. Persons (as defined below) in transactions that are exempt from the registration requirements of the U.S. Securities Act (as defined below) pursuant to the U.S. Private Placement Memorandum (as defined below), all in the manner contemplated by this Agreement.

The Corporation agrees that the Underwriter will be permitted to appoint other registered dealers or brokers as its agents to assist in the Offering and that the Underwriter may determine the remuneration, if any, payable to such other dealers or brokers, in which case the Underwriter will be responsible for paying the remuneration to such other dealers or brokers.

In consideration of the Underwriter's services to be rendered in connection with the Offering, the Corporation shall pay to the Underwriter a cash fee (the "**Underwriter's Fee**") equal to 5.0% of the aggregate Offering Price of Purchased Securities and Additional Securities sold under the Offering.

The Purchased Securities and the Additional Securities are collectively referred to in this Agreement as the "**Offered Securities**".

To the extent that purchasers ("**Substituted Purchasers**") purchase the Offered Securities at the Closing Date directly from the Corporation pursuant to Regulation D, the obligations of the Underwriter to do so will be reduced by the number of Offered Securities purchased from the Corporation by such Substituted Purchasers.

## DEFINED TERMS

"**Additional Securities**" has the meaning given to it above;

"**Additional Unit Shares**" has the meaning given to it above;

"**Additional Units**" has the meaning given to it above;

"**Additional Warrant Shares**" has the meaning given to it above;

"**Additional Warrants**" has the meaning given to it above;

"**affiliate**", "**distribution**", "**material change**", "**material fact**", "**misrepresentation**", and "**subsidiary**" have the respective meanings given to them in the *Securities Act* (Ontario);

"**Agreement**" means the agreement resulting from the acceptance by the Corporation of the offer made by the Underwriter by this letter, including the schedule attached to this letter, as amended or supplemented from time to time;

"**Applicable Securities Laws**" means all applicable securities, corporate and other laws, rules, regulations, notices and policies;

"**Arctos JV**" means the unincorporated joint venture known as the Arctos Anthracite Joint Venture established by the Corporation with POSCO Canada Ltd. and POSCO Klappan Coal Ltd.;

"**Business Day**" means any day, other than a Saturday or Sunday on which banking institutions in Toronto, Ontario are open for commercial banking business during normal banking hours;

"**Claim**" has the meaning given to it Section 10(b);

"**Closing**" means the completion of the Offering;

"**Closing Date**" means March 8, 2017, or such other date as the Corporation and the Underwriter may agree; provided that in no event shall such date be later than the Latest Closing Date;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Corporation and the Underwriter may agree;

"**Committed Units**" has the meaning given to it above;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Cormark**" has the meaning given to it above;

"**Corporation**" has the meaning given to it above;

"**Corporation's Auditors**" means BDO Canada LLP;

"**Corporation's Counsel**" means Norton Rose Fulbright Canada LLP;

"**Directors**" means, collectively, the directors of the Corporation;

"**Documents Incorporated by Reference**" means the documents set out in the Preliminary Prospectus under the heading "Documents Incorporated by Reference" and all other documents

incorporated or deemed to be incorporated by reference into the Final Prospectus and any Prospectus Amendment by Applicable Securities Laws;

"**Employment Laws**" has the meaning given to it in Section 7(ii);

"**Engagement Letter**" means the engagement letter dated February 14, 2017 entered into between the Corporation and Cormark, as amended by the letter agreement dated February 15, 2017 between the Corporation and Cormark;

"**Environmental Laws**" has the meaning given to it Section 7(hh);

"**Environmental Permit**" has the meaning given to it Section 7(hh);

"**Final Prospectus**" means the final short form prospectus of the Corporation relating to the Offering, including the Documents Incorporated by Reference;

"**Financial Statements**" means (i) the audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2015, as amended and restated on February 21, 2017, together with the notes to such audited consolidated financial statements and the report of the auditors on such audited consolidated financial statements; (ii) the unaudited interim financial statements of the Corporation as at and for the nine months ended September 30, 2016, as amended and restated on February 21, 2017, together with the notes to such unaudited interim financial statements; and (iii) any other financial statements of the Corporation included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors' report on such statements, where applicable;

"**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:

(i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or

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

"**Governmental Licenses**" has the meaning given to it in Section 7(gg);

"**Hazardous Substance**" has the meaning given to it Section 7(hh);

"**Indemnified Persons**" means the Underwriter and its respective directors, officers, employees, shareholders, affiliates, subsidiaries and agents;

"**Inactive Subsidiaries**" means Fortune Minerals Mining Limited, a corporation incorporated under the laws of Ontario, and Fortune Minerals Marketing Limited, a corporation incorporated under the laws of Barbados;

"**Intellectual Property**" means, without limitation, (i) registered and unregistered trademarks including service marks, certification marks, distinguishing guises, trade dress, get up, logos and other indications of origin and source and any applications and registrations therefor; (ii) trade names, business names, Internet domain names, and corporate names; (iii) inventions and any and all patents and patent applications therefor; (iv) industrial designs and design patents and applications therefor; (vi) copyrights, writings and other copyrightable works of authorship (whether registered or unregistered); and (iv) trade secrets (proprietary, confidential, and non-public information) including know how, inventions, discoveries, improvements, concepts, ideas, methods, processes, designs, formulae, technical data, drawings, specifications, research and development information, customer lists, and business plans and marketing plans;

"**Latest Closing Date**" means the date that is 42 days after the date of the receipt issued for the Final Prospectus;

"**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 or business operations of the Corporation and its Material Subsidiaries taken as a whole;

"**Material Contracts**" means, collectively, (i) the Participating Interest and Asset Purchase Agreement dated as of May 1, 2014 ("PIAPA") relating to purchase of the Revenue Silver Mine, as amended; (ii) the Master Restructuring Agreement dated July 17, 2015 between the Corporation and LRC-FRSM LLC; and (iii) the agreement dated May 1, 2015 between the Corporation, POSCO Canada Ltd. and POSCO Klappan Coal Ltd., as vendors, and Her Majesty the Queen in Right of the Province of British Columbia and British Columbia Railway Company, as purchaser, in respect of the Arctos coal project located in British Columbia.

"**Material Subsidiary**" means each of Fortune Minerals Saskatchewan Inc., Fortune Minerals NWT Inc. and Fortune Coal Limited, and "**Material Subsidiaries**" means all of them;

"**MI 11-102**" means Multilateral Instrument 11-102 – *Passport System*;

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

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NICO Project**" means the mineral exploration project located in the Northwest Territories as described in the NICO Technical Report;

"**NICO Technical Report**" means the report entitled "*Technical Report on the Feasibility Study for the NICO Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada*" with an effective date of April 2, 2014 and a signing date of May 5, 2014;

"**notice**" has the meaning given to it in Section 19;

"**Offered Securities**" has the meaning given to it above;

"**Offering**" has the meaning given to it above;

"**Offering Documents**" has the meaning given to it in Section 7(m);

"**Offering Price**" has the meaning given to it above;

"**Option Closing Time**" has the meaning given to it in Section 6(b);

"**Option Closing Date**" has the meaning given to it in Section 6(b);

"**OTCQX**" means the OTCQX market operated by OTC Markets Group, Inc.

"**Over-Allotment Option**" has the meaning given to it above;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation relating to the Offering, including the Documents Incorporated by Reference;

"**Prospectus**" means, collectively, the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment, including in each case the Documents Incorporated by Reference;

"**Prospectus Amendment**" means any amendment or supplement to the Preliminary Prospectus or to the Final Prospectus, including the Documents Incorporated by Reference;

"**Purchased Securities**" has the meaning given to it above;

"**Qualified Institutional Buyers**" means "qualified institutional buyers" as such term is defined in Rule 144A(a)(1) of the U.S. Securities Act;

"**Qualifying Jurisdictions**" means, collectively, all of the provinces of Canada, other than Québec;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A under the U.S. Securities Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Substituted Purchasers**" has the meaning given to it above;

"**Transfer Agent**" means Computershare Investor Services Inc., the transfer agent and registrar of the Common Shares;

"**TSX**" means the Toronto Stock Exchange;

"**Underwriter**" has the meaning given to it above;

"**Underwriter's Counsel**" means Borden Ladner Gervais LLP;

"**Underwriter's Fee**" has the meaning given to it above;

"**Unit Shares**" has the meaning given to it above;

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

"**U.S. Accredited Investor**" means an "accredited investor", as such term is defined in Rule 501(a) of Regulation D;

"**U.S. Affiliates**" means the Underwriter's United States registered broker dealer affiliate(s);

"**U.S. Private Placement Memorandum**" means the private placement-offering memorandum in connection with the offer and sale of the Offered Securities in the United States or to, or for the account or benefit of, persons within the United States or U.S. Persons, which will include and supplement the Prospectus;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations made under the United States Securities Exchange Act of 1934, as amended;

"**U.S. Person**" means a "U.S. person", as defined in Regulation S;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations made United States Securities Act of 1933, as amended;

"**U.S. Securities Laws**" means all applicable securities legislation in the United States, including, without limitation, the U.S. Exchange Act, U.S. Securities Act, the state securities legislation of any state of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time;

"**Warrants**" has the meaning given to it above;

"**Warrant Indenture**" has the meaning given to it above; and

"**Warrant Share**" has the meaning given to it above.

## TERMS AND CONDITIONS

### 1. Filing Prospectus

The Corporation shall, as soon as possible and in any event not later than 5:00 p.m. (Toronto time) on February 21, 2017, have prepared and filed in each of the Qualifying Jurisdictions the Preliminary Prospectus and other related documents relating to the proposed distribution of the Offered Securities. The Corporation shall, as soon as possible after any comments of the securities regulatory authorities in the Qualifying Jurisdictions have been resolved and in any event not later than 5:00 p.m. (Toronto time) on March 2, 2017, have prepared and filed in each of the Qualifying Jurisdictions the Final Prospectus and other related documents relating to the proposed distribution of the Securities and obtained a receipt for the Final Prospectus from the Ontario Securities Commission as contemplated by MI 11-102, with the result that a receipt shall be deemed to have been issued by each of the securities regulatory authorities in the Qualifying Jurisdictions for the Final Prospectus, and shall have fulfilled and complied with, to the reasonable satisfaction of the Underwriter, the Applicable Securities Laws required to be fulfilled or complied with by the Corporation to enable the Securities to be lawfully distributed to the Underwriter or distributed to the public, as the case may be, in the Qualifying Jurisdictions through the Underwriter or any other investment dealers or brokers registered as such in the Qualifying Jurisdictions. The Corporation shall fulfil and comply with Applicable Securities Laws required to be fulfilled or complied with by the Corporation to permit the sale of the Offered Securities in the Qualifying Jurisdictions as freely tradeable securities, subject to any required regulatory approval, and the Corporation shall use all commercially reasonable efforts to obtain any such regulatory approval as soon as practicable after the date of this Agreement.

### 2. Due Diligence

Prior to the filing of the Final Prospectus, and if applicable, prior to the filing of any Prospectus Amendment, the Corporation shall have allowed the Underwriter to participate fully in the preparation of the Prospectus, shall have provided access to the Corporation's management and shall have allowed the Underwriter to conduct all due diligence investigations which it reasonably requires to fulfil its obligations as Underwriter and in order to enable it to execute the certificates required to be executed by it in the Prospectus. All information requested by the Underwriter, its counsel and its technical consultants in connection with the due diligence investigations of the Underwriter will be used only in connection with the Offering. The Underwriter shall have the full cooperation of the Corporation's management to provide such assistance in marketing the Offering as the Underwriter may reasonably require.

It shall be a condition precedent to (i) the Underwriter's execution of any certificate in any Prospectus, that the Underwriter be satisfied as to the form and substance of the document, and (ii) the delivery of each U.S. Private Placement Memorandum to any purchaser or prospective purchaser, that the Underwriter and its U.S. Affiliates be satisfied as to the form and substance of such document.

**3. Restrictions on Sales Outside the Qualifying Jurisdictions**

The Underwriter agrees not to distribute or offer the Offered Securities in such a manner as to require registration of any of them or the filing of a prospectus or any similar document under the laws of any jurisdiction outside the Qualifying Jurisdictions and to distribute or offer the Offered Securities only in the Qualifying Jurisdictions and in accordance with all applicable laws. However, the Corporation and each Underwriter acknowledge that the U.S. Affiliates of the Underwriter may (i) offer and resell the Offered Securities to, or for the account or benefit of, persons within the United States or U.S. Persons to Qualified Institutional Buyers pursuant to Rule 144A, and (ii) offer the Offered Securities for sale by the Corporation to, or for the account or benefit of, persons in the United States or U.S. Persons to Substituted Purchasers who are U.S. Accredited Investors pursuant to Rule 506(b) of Regulation D, all in accordance with Schedule A, provided that no such action on the part of the Underwriter or its U.S. Affiliates shall in any way oblige the Corporation to register any Securities under the U.S. Securities Act or the securities laws of any state in the United States.

Any agreements between the Underwriter and the members of any selling group will contain restrictions which are substantially the same as those contained in this Section 3.

Notwithstanding the foregoing, an Underwriter will not be liable to the Corporation under this section or Schedule A with respect to a violation by another Underwriter or its U.S. Affiliate(s) of the provisions of this section or Schedule A if the former Underwriter or its U.S. Affiliate, as applicable, is not itself also in violation.

**4. (a) Deliveries on Filing**

Concurrently with the filing of the Preliminary Prospectus or Final Prospectus, as the case may be, under Applicable Securities Laws, the Corporation shall deliver to the Underwriter:

(i) a copy of the Preliminary Prospectus or Final Prospectus, as applicable, including all Documents Incorporated by Reference (to the extent not available on SEDAR), signed and certified as required by the Applicable Securities Laws applicable in the Qualifying Jurisdictions;

(ii) a copy of the preliminary U.S. Private Placement Memorandum or the final U.S. Private Placement Memorandum, as applicable;

(iii) a copy of any other document required to be filed by the Corporation in compliance with Applicable Securities Laws in connection with the Offering;

(iv) in the case of the Final Prospectus, a “long-form” comfort letter of the Corporation’s Auditors dated as of the date of the Final Prospectus (with the requisite procedures to be completed by the Corporation’s Auditors no later than two Business Days prior to the date of the Final Prospectus) addressed to the Underwriter, the Corporation and the Directors in form

and substance satisfactory to the Underwriter, acting reasonably, with respect to certain financial and accounting information relating to the Corporation and other numerical data in the Final Prospectus, including all Documents Incorporated by Reference, which letter shall be in addition to the auditors' report incorporated by reference into the Prospectus and any auditors' comfort letters addressed to the securities regulatory authorities in the Qualifying Jurisdictions; and

(v) prior to or concurrent with the filing of the Final Prospectus, evidence satisfactory to the Underwriter and the Underwriter's Counsel, acting reasonably, that the Unit Shares, the Additional Unit Shares, the Compensation Shares and the Compensation Warrant Shares have been conditionally approved for listing and posting for trading on the TSX, subject to satisfaction of certain usual conditions of the TSX.

**(b) Delivery of Prospectus Amendments**

If the Corporation is required to prepare a Prospectus Amendment, the Corporation shall also prepare and deliver promptly to the Underwriter a signed copy of such Prospectus Amendment along with all Documents Incorporated by Reference which have not been previously delivered or which are not available on SEDAR. Concurrently with the delivery of any Prospectus Amendment, the Corporation shall deliver to the Underwriter documents, opinions and comfort letters substantially similar to those referred to in Sections 4(a)(ii), (iii), (iv) and (v), to the extent they require updating or revision.

**(c) Representations as to the Prospectus**

Delivery of the executed form of the Prospectus and a copy of the U.S. Private Placement Memorandum to the Underwriter shall constitute a representation and warranty by the Corporation to the Underwriter that as at the date of delivery:

(i) all information and statements (except information and statements relating solely to the Underwriter) contained in the Prospectus are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the securities offered by the Prospectus;

(ii) no material fact or information has been omitted from such disclosure (except that no representation or warranty is given regarding facts or information relating solely to the Underwriter) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made;

(iii) such document complies in all material respects with the requirements of Applicable Securities Laws; and

(iv) the U.S. Private Placement Memorandum contains no untrue statement of a material fact nor does it omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Such deliveries shall also constitute the Corporation's consent to the Underwriter's use of the Prospectus and the U.S. Private Placement Memorandum for the distribution of the Securities in compliance with the provisions of this Agreement and Applicable Securities Laws and applicable U.S. Securities Laws.

**(d) Commercial Copies**

The Corporation shall deliver, without charge to the Underwriter, commercial copies of the Preliminary Prospectus, the Final Prospectus, the preliminary U.S. Private Placement Memorandum and the final U.S. Private Placement Memorandum (and in the event of any Prospectus Amendment, such Prospectus Amendment and amendment to the U.S. Private Placement Memorandum) in such numbers and cities as the Underwriter may reasonably request. Such delivery shall be effected as soon as possible and, in any event, on or before a date which is one Business Day (for deliveries in Toronto) and on or before a date which is two Business Days (for deliveries in any other cities) after the issuance of the receipt under Applicable Securities Laws for the Preliminary Prospectus, the Final Prospectus or Prospectus Amendment, as the case may be.

**(e) Notice of Completion of Distribution**

The Underwriter shall after the Closing Date:

(i) use its commercially reasonable efforts to complete the distribution and offering of the Offered Securities as soon as reasonably practicable; and

(ii) give prompt written notice to the Corporation when, in the opinion of the Underwriter, it has completed the distribution and offering of the Securities and of the total proceeds realized in each of the Qualifying Jurisdictions from the sale of the Offered Securities.

**5. Material Change During Distribution**

**(a) Material Changes**

During the period from the date of this Agreement to the completion of the distribution of the Offered Securities, the Corporation shall promptly notify the Underwriter in writing of:

(i) the full particulars of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or control of the Corporation or any of its Material Subsidiaries;

(ii) any material fact which has arisen or been discovered and would have been required to have been stated in the Prospectus or U.S. Private Placement Memorandum had the fact arisen or been discovered on, or prior to, the date of the Prospectus; and

(iii) 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) which fact or change is, or may be, of such a nature as to render any statement in the Prospectus or U.S. Private Placement Memorandum misleading or untrue or which would result in a misrepresentation or which would result in the Prospectus not complying with Applicable Securities Laws or the U.S. Private Placement Memorandum not complying with U.S. Securities Laws.

The Corporation shall in good faith discuss with the Underwriter any fact or change in circumstances (actual or anticipated) which is of such a nature that there is reasonable doubt whether written notice need be given under this section 5(a).

**(b) Change in Applicable Securities Laws**

If during the period of distribution of the Offered Securities, there shall be any change in the Applicable Securities Laws which, in the reasonable opinion of the Underwriter (on advice from legal counsel), requires the filing of a Prospectus Amendment, the Corporation shall, to the satisfaction of the Underwriter, acting reasonably, promptly prepare and file such Prospectus Amendment with the appropriate securities regulatory authority in each of the Qualifying Jurisdictions where such filing is required.

**(c) Filings Relating to Material and Other Changes**

The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the reasonable satisfaction of the Underwriter, with all applicable filings and other requirements under Applicable Securities Laws as a result of facts or changes referred to in Sections 5(a) and (b) of this Agreement; provided that the Corporation shall not file any Prospectus Amendment or other document without first obtaining the approval of the Underwriter, after consultation with the Underwriter with respect to the form and content of such Prospectus Amendment or other document, which approval will not be unreasonably withheld. The Corporation shall cooperate in all respects with the Underwriter to allow and assist the Underwriter to participate fully in the preparation of any Prospectus Amendment or amendment to the U.S. Private Placement Memorandum and shall allow the Underwriter to conduct any and all “due diligence” investigations which in the opinion of the Underwriter are reasonably required in order to enable the Underwriter to responsibly execute any certificates required to be executed by the Underwriter in any Prospectus Amendment and to fulfil its obligations under Applicable Securities Laws and U.S. Securities Laws.

**(d) Change in Date of Closing**

If a material change or a change in a material fact occurs prior to the Closing, then, subject to Section 9, the date of the Closing shall be, unless the Corporation and the Underwriter otherwise agree, the sixth Business Day following the later of:

(i) the date on which all applicable filings or other requirements of Applicable 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 receipts obtained for such filings and notice of such filings from the Corporation or the Corporation's Counsel have been received by the Underwriter; and

(ii) the date upon which the commercial copies of any Prospectus Amendment have been delivered in accordance with Section 4(b);

provided, that in no event shall the date of the Closing be later than the Latest Closing Date.

**6. (a) Delivery of Purchase Price, Underwriter's Fee and Certificates**

The Closing shall be completed at the Closing Time at the offices of the Underwriter's Counsel in Toronto, or at such other place in Toronto as the Underwriter and the Corporation may agree. At the Closing Time, the Corporation shall deliver to the Underwriter:

(i) the opinions, certificates and agreements referred to in Section 8 and all other documents required to be provided by the Corporation to the Underwriter pursuant to this Agreement;

(ii) definitive certificates representing the Units purchased from it registered in the name of "CDS & CO." or in such other name or names as Cormark may direct the Corporation in writing not less than 24 hours prior to the Closing Time; provided that, alternatively, if requested by Cormark, at the Closing Time, the Corporation shall duly and validly deliver in uncertificated form to the Underwriter, or in any manner directed by the Underwriter in writing, the Unit Shares and Warrants comprising the Units purchased from it, registered in the name of "CDS & CO." or such other name or names as Cormark may direct the Corporation in writing not less than 24 hours prior to the Closing Time;

(iii) definitive certificates representing the Unit Shares and Warrants comprising the Units purchased from it by U.S. Accredited Investors, if any, in compliance with Schedule A and registered in the manner indicated in the subscription agreement attached as Exhibit I to the U.S. Private Placement Memorandum;

(iv) the Corporation's receipt for payment by Cormark to the Corporation of (x) an amount equal to the aggregate Offering Price for the Purchased Securities sold to purchasers, less (y) an amount representing the Underwriter's Fee and the Underwriter's expenses and out-of-pocket costs and legal expenses; and

(v) such further documentation as may be contemplated by this Agreement or as Underwriter's Counsel or the applicable regulatory authorities may reasonably require;

against:

(vi) a wire transfer of immediately available funds in an amount equal to the amount specified in clause 6(a)(iv); and

(vii) the Underwriter's receipt for the Underwriter's Fee and the Underwriter's expenses and out-of-pocket costs and legal expenses.

**(b) Closing of Purchase and Sale of Additional Units**

The closing of the purchase and sale of any Additional Units shall be completed at 8:00 a.m. (Toronto time) or at such other time as may be agreed to by the Corporation and the Underwriter on such date, which may be the same as the Closing Date but shall in no event be earlier than the Closing Date, nor less than three nor more than five Business Days after the giving of the notice referred to below (provided that if such date is the same as the Closing Date, such notice may be given not less than two Business Days prior to such date), as shall be specified in a written notice from the Underwriter to the Corporation of the Underwriter's determination to purchase that number of Additional Units specified in such notice. The time and date for such closing of the purchase and sale of any Additional Units are referred to in this Agreement as the "**Option Closing Time**" and "**Option Closing Date**", respectively. The closing of the purchase and sale of any Additional Units shall be completed at the offices of the Underwriter's Counsel in Toronto, or at such other time and place as may be agreed upon in writing by the Corporation and the Underwriter.

At the Option Closing Time, the Corporation shall deliver to the Underwriter definitive certificates representing the Additional Units being purchased at that time registered in such name or names as Cormark may notify the Corporation in writing not less than 24 hours prior to the Option Closing Date against payment by the Underwriter to the Corporation, or as directed by the Corporation, of the aggregate Offering Price for such Additional Units net of the Underwriter's Fee in respect of such Additional Units purchased, in lawful money of Canada by wire transfer of immediately available funds, together with a receipt signed by Cormark, on behalf of itself and the other Underwriter, for such certificates. The Underwriter shall contemporaneously deliver a receipt for the Underwriter's Fee signed by Cormark, on behalf of itself and the Underwriter.

**(c) Delivery of Certificates**

The Corporation shall, prior to the Closing Date, make all necessary arrangements with the Transfer Agent and any other parties for the delivery at the Closing of the definitive certificates (unless the Corporation and the Underwriter agree to electronic settlement) representing the Unit Shares and Warrants and the Additional Unit Shares and Additional Warrants, if any, in forms satisfactory to the Underwriter in such numbers and registered in such names as shall be designated by the Underwriter not less than 24 hours prior to the Closing Date.

The Corporation shall pay all fees and expenses payable to the Transfer Agent in connection with the preparation, issuance, delivery, certification and exchange of the Offered Securities contemplated by this Section 6(c) and the fees and expenses payable to the Transfer Agent in connection with the initial or additional transfers as may be required in the course of the distribution of the Offered Securities pursuant to the Offering.

**7. Representations, Warranties and Covenants of the Corporation**

The Corporation represents and warrants to, and covenants with, the Underwriter, acknowledging that the Underwriter is relying upon such representations, warranties and covenants in purchasing the Offered Securities that:

(a) since January 1, 2015, the Corporation has been and is in compliance in all material respects with its timely disclosure obligations under Applicable Securities Laws and the rules and regulations of each of the TSX and the OTCQX; no confidential material change report has been filed by the Corporation under Applicable Securities Laws that remains confidential at the date of this Agreement; all of the material contracts and agreements of the Corporation and its Material Subsidiaries not made in the ordinary course of business, if required under the Applicable Securities Laws, have been filed with the securities commissions in each of the provinces and territories of Canada;

(b) other than as disclosed in the Prospectus, since December 31, 2015 there (i) 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 and its Material Subsidiaries taken as a whole, (ii) have been no transactions entered into by the Corporation or any of its Material Subsidiaries which are material with respect to the Corporation and its Material Subsidiaries taken as a whole, other than those in the ordinary course of business, and (iii) has been no dividend or distribution of any kind declared, paid or made by the Corporation on any class of its shares;

(c) the Corporation and each Material Subsidiary has been duly incorporated and organized and is validly subsisting under the laws of its jurisdiction of formation and is properly registered or licensed to carry on business under the laws of all jurisdictions in which its business is carried on, except where the failure to be so

registered or licensed could not be reasonably expected to have a Material Adverse Effect;

(d) the Corporation does not have any subsidiaries other than the Material Subsidiaries and the Inactive Subsidiaries; each of the Inactive Subsidiaries (i) has no current operations and activities, and (ii) has no material assets or liabilities; none of the Corporation or the Material Subsidiaries has guaranteed, or is otherwise responsible for, the obligations of either of the Inactive Subsidiaries;

(e) the Arctos JV has been duly established as an unincorporated joint venture under the laws of British Columbia, Canada; the Corporation owns, beneficially and of record, an undivided 50% interest in the Arctos JV;

(f) the Corporation has the requisite corporate power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement (including execution and delivery of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendments and the filing of each them with the securities regulatory authorities in the Qualifying Jurisdictions and the preparation and delivery of the U.S. Private Placement Memorandum) and the Corporation and each of its Material Subsidiaries 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;

(g) the Corporation has authorized share capital consisting of an unlimited number of Common Shares, of which 271,524,007 Common Shares are issued and outstanding as of the date of this Agreement. Other than options and warrants outstanding to acquire up to 91.886.533 Common Shares, no person, firm or corporation has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation of any unissued Common Shares;

(h) all of the issued and outstanding securities of the Corporation have been duly and validly authorized and issued and all of the issued and outstanding Common Shares of the Corporation are fully paid and non-assessable shares of the Corporation and none of the outstanding securities of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;

(i) the Corporation is the beneficial owner and holder of record of all of the issued and outstanding shares in the capital of each of the Material Subsidiaries, with good and valid title to all such shares, free and clear of all Liens and encumbrances;

(j) the Corporation has full corporate power and authority to issue the Offered Securities, the Warrant Shares and the Additional Warrant Shares;

(k) the Unit Shares and Additional Unit Shares, at the Closing Time, the Warrant Shares and Additional Warrant Shares, upon exercise of the Warrants and Additional Warrants, respectively, shall be duly authorized, validly issued, and fully paid and non-assessable Common Shares of the Corporation, provided that in the case of the Warrant Shares and Additional Warrant Shares, the Corporation has received the exercise price therefor;

(l) on or prior to the Closing Time, the forms of any certificates representing the Offered Securities will have been approved by the Directors and adopted by the Corporation and will comply with all legal and stock exchange requirements and will not conflict with the Corporation's constating documents;

(m) the Preliminary Prospectus, the Final Prospectus, any Prospectus Amendment and the U.S. Private Placement Memorandum (collectively, the "**Offering Documents**") will, at their respective dates of delivery, contain full, true and plain disclosure of all material facts relating to each of the Offering, the Corporation and the Offered Securities;

(n) the attributes of the Securities conform in all material respects with the description of the Securities in the Offering Documents;

(o) none of the Offering Documents will contain a misrepresentation;

(p) no Document Incorporated by Reference contained a misrepresentation or a material omission as at its date of public dissemination;

(q) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of, this Agreement and the performance of any of the transactions contemplated by this Agreement by the Corporation, do not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any applicable laws or any term or provision of the articles, notice of articles or resolutions of the directors or shareholders of the Corporation, or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound (including without limitation the Material Contracts), or any judgment, decree, order, statute, rule or regulation applicable to the Corporation, which default or breach might reasonably be expected to have a Material Adverse Effect;

(r) this Agreement and the performance of the Corporation's obligations under this Agreement has been duly authorized by all necessary corporate action, and this Agreement has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as enforcement 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;

(s) 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 required by Applicable Securities Laws or the rules and policies of the TSX or except as have been or will be obtained or made prior to the Closing Time;

(t) no securities commission, stock exchange or other regulatory authority has issued any order preventing or suspending the use of the Prospectus or trading in the Common Shares of the Corporation;

(u) the Corporation is a "reporting issuer" in each of the provinces and territories of Canada, is not in default in any material respect under any Applicable Securities Laws applicable in such provinces and is in compliance, in all material respects, with the by-laws, rules, policies and regulations of the TSX and the OTCQX;

(v) the net proceeds of the Offering will be used for the purposes set out in the Prospectus under the heading "Use of Proceeds";

(w) the Material Contracts are in full force and effect, unamended, as of the date hereof; the Corporation is not in breach or default of, and has not received notice of any alleged breach or default, of any of the Material Contracts, and is not aware of any of the counterparties to the Material Contracts being in breach or default of any of the Material Contracts;

(x) 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;

(y) the Financial Statements have been prepared in conformity with Canadian generally accepted accounting principles applied on a consistent basis throughout the periods involved, contain no misrepresentations and present fairly in all material respects the financial position, results of operations and cash flows of the Corporation on a consolidated basis as at the dates of such statements;

(z) the Corporation maintains a system of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles and maintains a system of disclosure controls and procedures that is designed to provide reasonable assurances that information required to be disclosed by the Corporation under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified under Applicable Securities Laws and to ensure that information required to be disclosed by the Corporation under Applicable

Securities Laws is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure;

(aa) other than as disclosed in the Prospectus, 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 or its Material Subsidiaries 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 or its Material Subsidiaries, except for employment or consulting arrangements with employees or consultants or those serving as a director or officer of the Corporation or its Material Subsidiaries as described in the Prospectus or in the ordinary course of business;

(bb) neither the Corporation nor any of its Material Subsidiaries has 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 or its Material Subsidiaries, as the case may be, and which could not reasonably be expected to have a Material Adverse Effect;

(cc) other than as disclosed in the Prospectus or to the Underwriter in writing, there is no litigation or governmental or other proceeding or investigation at law or in equity before any Governmental Authority, domestic or foreign, in progress, pending or, to the Corporation's knowledge, threatened (and the Corporation does not know of any basis for any such litigation or governmental or other proceeding or investigation) against, or involving the assets, the property or business of, the Corporation, nor are there any matters under discussion with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority other than non-material amounts or those being contested in good faith and for which adequate reserves have been provided and to the Corporation's knowledge there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, taxes, governmental charges, orders or assessments;

(dd) BDO Canada LLP is independent with respect to the Corporation within the meaning of the rules of professional conduct applicable to auditors in Ontario and there has not been any reportable event (within the meaning of NI 51-102) with such firm or any other prior auditor of the Corporation or any of its Material Subsidiaries;

(ee) all tax returns required to be filed by the Corporation and its Material Subsidiaries on or prior to the date of this Agreement have been filed, and all taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable to such taxes or other assessments, due or claimed to be due have been paid, other

than non-material amounts or those being contested in good faith and for which adequate reserves have been provided, and neither the Corporation nor any of its Material Subsidiaries is a party to any agreement, waiver or arrangement with any taxing authority which relates to any extension of time with respect to the filing of any tax returns, any payment of taxes or any assessment of taxes; there is no tax deficiency which has been asserted against the Corporation or any of its Material Subsidiaries which would have a Material Adverse Effect, and all material tax liabilities are adequately provided for in accordance with Canadian generally accepted accounting principles within the Financial Statements of the Corporation for all periods up to date of latest audited balance sheet; there are no assessments or investigations in progress, pending or, to the knowledge of the Corporation, threatened against the Corporation or any Material Subsidiary in respect of taxes; there are no Liens for taxes upon the assets of the Corporation or any Material Subsidiary;

(ff) the Corporation and each of its Material Subsidiaries has conducted and are conducting their business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which they carry on business and neither the Corporation nor any of its Material Subsidiaries has received any notice of any alleged violation of any such laws, rules and regulations;

(gg) each of the Corporation and its Material Subsidiaries possesses such permits, licences, approvals, consents and other authorizations issued by Governmental Authorities (collectively, "**Governmental Licences**") necessary to conduct the business now operated by them, except where the failure to so possess could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and all such Governmental Licences are valid and existing and in good standing. Each of the Corporation and its Material Subsidiaries is in compliance with the terms and conditions of all such Governmental Licences, except where the failure to so comply could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(hh) except as set forth in the Prospectus, and except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect (i) neither the Corporation nor any Material Subsidiary is in material violation of any applicable federal, state, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "Environmental Laws"), including without limitation laws relating to the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substance ("**Hazardous Substances**"); (ii) the Corporation and its Material Subsidiaries have obtained all material licenses, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the "**Environmental Permits**") necessary as at the date hereof for the operation of the businesses carried on or proposed to be commenced by the Corporation and the Material Subsidiaries and each Environmental Permit to the knowledge of the Corporation is valid, subsisting and

in material good standing and to the knowledge of the Corporation neither the Corporation nor the Material Subsidiaries is in default or breach of any Environmental Permit which would have a Material Adverse Effect, and no proceeding is pending or, to the knowledge of the Corporation or the Material Subsidiaries, threatened, to revoke or limit any Environmental Permit; (iii) neither the Corporation nor the Material Subsidiaries has used, except in material compliance with all Environmental Laws and Environmental Permits, and other than as may be incidental to mineral resource exploration, development, mining, recovery, processing or milling, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance; (iv) neither the Corporation nor the Material Subsidiaries has received any notice of, or been prosecuted for an offence alleging, non-compliance with any Environmental Law that would have a Material Adverse Effect; (v) to the knowledge of the Corporation there are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation or the Material Subsidiaries, nor has the Corporation or the Material Subsidiaries received notice of any of the same; (vi) neither the Corporation nor the Material Subsidiaries has received any notice wherein it is alleged or stated that the Corporation or a Material Subsidiary is potentially responsible for a federal, provincial, territorial, state, municipal or local clean-up site or corrective action under any Environmental Laws; and (vii) neither the Corporation nor the Material Subsidiaries has received any request for information in connection with any federal, provincial, territorial, state, municipal or local inquiries as to disposal sites;

(ii) (i) the Corporation and each Material Subsidiaries is in compliance, in all material respects, with the provisions of all applicable federal, provincial, state, 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, except as disclosed in the Prospectus, 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 or its Material Subsidiaries that could reasonably be expected to 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 or any Material Subsidiary and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or any Material Subsidiary, and no collective agreement or collective bargaining agreement or modification of a collective bargaining agreement has expired or is in effect in any of the Corporation or any Material Subsidiary's

facilities and none is currently being negotiated by the Corporation or any Material Subsidiary;

(jj) no existing supplier, manufacturer, service provider or contractor of the Corporation has indicated that it intends to terminate its relationship with the Corporation or that it will be unable to meet the Corporation's supply, manufacturing, service or contracting requirements;

(kk) neither the Corporation nor any Material Subsidiary is in default or breach, in any material respect, of any real property lease, and neither the Corporation nor any Material Subsidiary has received any notice or other communication from the owner or manager of any real property leased by the Corporation or any Material Subsidiary that the Corporation or any such Material Subsidiary is not in compliance, in any material respect, with any real property lease, and to the knowledge of the Corporation, no such notice or other communication is pending or has been threatened;

(ll) 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 neither the Corporation nor any of its Material Subsidiaries is in default as to the payment of premiums or otherwise, under the terms of any such policy;

(mm) the Corporation and each of its Material Subsidiaries 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 or any of its Material Subsidiaries that would have a Material Adverse Effect;

(nn) the Corporation or one of its Material Subsidiaries holds freehold title, mining leases, mining claims, mining concessions or other conventional proprietary interests or rights recognized in the Northwest Territories, in respect of the mineral deposits and minerals located on the NICO Project under valid, subsisting and enforceable title documents, contracts, leases, licenses of occupation, mining concessions, permits, or other recognized and enforceable instruments and documents, sufficient to permit the Corporation or one of its Material Subsidiaries, as the case may be, to explore for, extract, exploit, remove, process or refine the minerals relating thereto, with only such exceptions as could not reasonably be expected to have a Material Adverse Effect. In addition, the Corporation or one of its Material Subsidiaries has all necessary surface rights, access rights and water rights, and all other presently required rights and interests granting the Corporation or one of its Material Subsidiaries, as the case may be, the rights and ability to explore for, mine, extract, remove or process the minerals derived from the NICO Project, with only such exceptions as are described in the Prospectus, or could not reasonably be expected to have a Material Adverse

Effect. Each of the aforementioned interests and rights is currently in good standing or those interests and rights which, if not kept in good standing, would not have a Material Adverse Effect;

(oo) the Corporation is in compliance in all material respects with the provisions of NI 43-101 and the Corporation has filed all technical reports required by NI 43-101;

(pp) other than as disclosed in the Prospectus, the Corporation does not have any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation that are currently outstanding;

(qq) no officer, director, employee or any other person not dealing at arm's length with the Corporation or, to the knowledge of the Corporation, any associate or affiliate of any such person owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the Corporation's properties or assets or any revenue or rights attributed to such properties or assets;

(rr) to the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation held by it;

(ss) other than as disclosed in the Prospectus, none of the Corporation nor any of its Material Subsidiaries has outstanding any debentures, notes, mortgages, or other indebtedness that is material to the Corporation and its Material Subsidiaries taken as a whole;

(tt) to the knowledge of the Corporation (i) neither the Corporation nor any of its Material Subsidiaries, or any of their respective directors, officers, agents or employees, in each case acting on behalf of the Corporation or its Material Subsidiaries, has taken any action, directly or indirectly, that could result in a violation by such persons of the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *United States Foreign Corrupt Practices Act of 1977*, as amended, or *Title 18 United States Code Section 1956 and 1957 (US)* or the *Bribery Act 2010 (UK)* or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation or its Material Subsidiaries and their respective operations (collectively, the "**Acts**"), including without limitation, making (A) any contribution, payment or gift of funds or property of the Corporation or its Material Subsidiaries or other unlawful expense relating to political activity to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction, or (B) any direct or indirect contribution from corporate funds to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the Acts; the Corporation and its

Material Subsidiaries have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with the Acts; and (ii) the operations of the Corporation and its Material Subsidiaries are and have been conducted at all times in compliance with the Acts and no suit, action or proceeding by or before any governmental authority or any arbitrator involving the Corporation or its Material Subsidiaries with respect to the Acts is in progress, pending or threatened;

(uu) except as disclosed in the Prospectus, to the knowledge of the Corporation, the conduct of the business of the Corporation and its Material Subsidiaries has not infringed, violated, misappropriated or otherwise conflicted with any Intellectual Property right of any Person and neither the Corporation nor any Material Subsidiary is a party to any action or proceeding, nor, to the knowledge of the Corporation, is or has any action or proceeding been threatened that alleges the Corporation or any Material Subsidiary has infringed, violated or misappropriated any Intellectual Property right of any Person, and, to the knowledge of the Corporation, except as disclosed in the Prospectus, no Person is infringing on the Intellectual Property of the Corporation or any Material Subsidiary and neither the Corporation nor any Material Subsidiary is a party to any action or proceeding that alleges that any Person has infringed, violated or misappropriated any Intellectual Property of the Corporation or any Material Subsidiary;

(vv) all material contracts of the Corporation or any subsidiary, are in full force and effect and are binding on the Corporation or the applicable subsidiary (as the case may be), and the relevant counterparty, and there are no amendments which have not been disclosed to the Underwriter and its counsel, and true copies of these contracts together with all side letters and exhibits have been provided to the Underwriter and its counsel;

(ww) the Corporation is qualified under National Instrument 44-101 – *Short Form Prospectus Distributions* to file a prospectus in the form of a short form prospectus;

(xx) the minute books and corporate records of the Corporation and its Material Subsidiaries made available to Underwriter's Counsel in connection with the Underwriter's due diligence investigations are the original minute books and records or true and complete copies of the original minute books and contain copies of all proceedings of the shareholders, the boards of directors and all committees of the boards of directors of each of such entities that have been minuted or resolved and there have been no other meetings, resolutions or proceedings of the shareholders, boards of directors or any committee of the board of directors 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;

(yy) Computershare Investor Services Inc., at its principal office in the City of Toronto, has been duly appointed as registrar and transfer agent for the Common Shares;

(zz) there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or its Material Subsidiaries or the operations or affairs of the Corporation or its Material Subsidiaries; and

(aaa) other than as contemplated by this Agreement, there is no person acting at the request of the Corporation who is entitled to any brokerage or agency fee in connection with the Offering.

The representations, warranties and covenants of the Corporation set out in Schedule A to this Agreement are hereby incorporated by reference in this Agreement.

## 8. Conditions to the Purchase of Securities

### (a) Closing Time

The obligation of the Underwriter to purchase the Purchased Securities on the Closing Date shall be subject to the accuracy of the representations and warranties of the Corporation contained in this Agreement both as of the date of this Agreement and as of the Closing Date, the performance by the Corporation of its obligations under this Agreement and the following additional conditions:

(i) the Underwriter shall have received a favourable legal opinion dated the Closing Date from Corporation's Counsel, addressed to the Underwriter, in form and substance satisfactory to the Underwriter, acting reasonably, together with corresponding opinions (where relevant) of local counsel to the Corporation in relation to the laws of the Qualifying Jurisdictions and the United States in which the Offered Securities are sold and on which Corporation's Counsel is not qualified to express opinions (which includes, for the avoidance of doubt, an opinion dated the Closing Date from the Corporation's U.S. counsel, Dorsey & Whitney LLP, addressed to the Underwriter, in form and substance reasonably satisfactory to the Underwriter, to the effect that no registration is required under the U.S. Securities Act, in connection with the offer, sale and delivery of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons);

(ii) the Underwriter shall have received a letter dated the Closing Date from the Corporation's Auditors addressed to the Underwriter, the Corporation and the Directors, in form and substance satisfactory to the Underwriter, acting reasonably, confirming the continued accuracy of the comfort letter to be delivered to the Underwriter pursuant to Section 4(a)(iv) with such

changes as may be necessary to bring the information in such letter forward to within two Business Days of the Closing Date, which changes shall be acceptable to the Underwriter, acting reasonably;

(iii) the Underwriter shall have received a certificate of the Corporation dated the Closing Date, addressed to the Underwriter and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Underwriter, acting reasonably, with respect to the constating documents of the Corporation, solvency, all resolutions of the Directors relating to this Agreement and the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Underwriter may reasonably request;

(iv) the Underwriter shall have received a certificate of the Corporation dated the Closing Date, addressed to the Underwriter and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Underwriter, acting reasonably, certifying, after having made due enquiry and after having examined the Prospectus and the U.S. Private Placement Memorandum, that:

(A) the Corporation has duly complied with all covenants and satisfied all the terms and conditions in this Agreement on its part to be performed or satisfied at or prior to the Closing Time;

(B) no order, ruling or determination having the effect of suspending the sale or ceasing, suspending or restricting the trading of the Offered Securities or any other securities of the Corporation in any of the Qualifying Jurisdictions has been issued or made by any stock exchange, securities commission or regulatory authority and is continuing in effect and no proceedings, investigations or enquiries for that purpose have been instituted or are pending or, to the knowledge of such officers, are contemplated or threatened under any of the Applicable Securities Laws or by any other regulatory authority;

(C) since the respective dates as of which information is given in the Final Prospectus, as amended by any Prospectus Amendment, and the U.S. Private Placement Memorandum, to the date of such certificate, there has been no material change (actual or anticipated) in any of the business, affairs, operations, assets and liabilities (contingent or otherwise) of the Corporation together with its Material Subsidiaries considered as a whole or in the capital of the Corporation, other than as disclosed in the Final Prospectus or any Prospectus Amendment and the U.S. Private Placement Memorandum, as the case may be; and

(D) the representations and warranties of the Corporation contained in this Agreement are true and correct as of the Closing Time on the Closing Date, 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;

(v) the Underwriter shall have received at the Closing Time a certificate from the Transfer Agent dated the Closing Date and signed by an authorized officer of the Transfer Agent, confirming the issued share capital of the Corporation;

(vi) the Underwriter shall have received standstill instruments, substantially in a form agreed to by Cormark from the officers and directors of the Corporation pursuant to which such parties will have agreed not to sell or agree to sell (subject to customary exceptions) Common Shares or securities convertible or exchangeable into Common Shares (or announce any intention to do so) for a period of 90 days from the Closing Date without the prior written consent of Cormark, which consent will not be unreasonably withheld;

(vii) all necessary approvals of the TSX, the OTCQX and all other securities regulatory authorities having jurisdiction over the Corporation have been obtained and the Corporation shall have complied with the conditions of those approvals; and

(viii) the Underwriter shall have received such other instruments and closing documents as they may reasonably request within a reasonable period prior to the Closing Time that is sufficient for the Corporation to obtain and deliver such instruments and closing documents and, in any event, at least 24 hours prior to the Closing Time.

**(b) Option Closing Time**

The obligations of the Underwriter to purchase the Additional Securities under this Agreement are subject to the delivery to the Underwriter on the Option Closing Date of a certificate dated the Option Closing Date substantially similar to the certificate referred to in Section 8(a)(iv) and such other documents as they may reasonably request at least 48 hours prior to the Option Closing Time with respect to the good standing of the Corporation and other matters related to the issuance of the Additional Securities.

**9. Rights of Termination**

**(a) Material Change**

If, after the acceptance of the Engagement Letter and prior to the Closing Time, there shall occur any material change or change in a material fact which, in the reasonable opinion of the Underwriter, would be expected to have a significant adverse effect on the

market price or value of the Corporation's securities, the Underwriter shall be entitled, at its option, 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.

**(b) Regulatory Proceedings Out**

If, after the acceptance of the Engagement Letter and prior to the Closing Time, any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is instituted, commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental authority, commission, board, bureau, agency or instrumentality including, without limitation, the TSX, or any securities regulatory authority (other than any such inquiry, action, suit investigation or other proceeding or order relating solely to the Underwriter) or any law or regulation is enacted or proposed or changed that, in the reasonable opinion of the Underwriter, operates to prevent or restrict the distribution or trading of the Offered Securities, the Underwriter shall be entitled, at its option, 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.

**(c) Disaster Out**

If there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, any acts of terrorism or hostilities or escalation of hostilities or other calamity or crisis, or any law or regulation which, in the opinion of the Underwriter, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Corporation and its Material Subsidiaries taken as a whole, the Underwriter shall be entitled, at its option, 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.

**(d) Non-Compliance with Conditions**

The Corporation agrees that all material terms and conditions of this Agreement shall be construed as conditions and complied with so far as the same 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 of such conditions shall entitle the Underwriter, at its option, to terminate its obligations under this Agreement by notice to that effect given to the Corporation at the Closing Time unless otherwise expressly provided in this Agreement. The 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 of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Underwriter only if such waiver or extension is in writing and signed by the Underwriter.

**(e) Exercise of Termination Rights**

The rights of termination contained in sections 9(a), (b), (c) or (d) of this Agreement may be exercised by the Underwriter; and such rights of termination are in addition to any other rights or remedies that the Underwriter 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 Underwriter to the Corporation or on the part of the Corporation to the Underwriter except in respect of any liability which may have arisen or may arise after such termination under Sections 10, 11 or 13 of this Agreement.

**10. (a) Indemnity**

The Corporation agrees to indemnify and save harmless the Underwriter and its affiliates, directors, officers, employees and agents from and against all liabilities, claims, losses, costs, damages and expenses (including without limitation any legal fees or other expenses reasonably incurred by such persons in connection with defending or investigating any of the above, which legal fees and other expenses the Corporation shall reimburse such persons for forthwith upon demand), but excluding any loss of profits and other consequential damages, in any way caused by, or arising directly or indirectly from, or in consequence of:

(i) any information or statement (other than any information or statement relating solely to the Underwriter and furnished to the Corporation by the Underwriter in writing) contained in the Prospectus, the U.S. Private Placement Memorandum or any certificate of the Corporation delivered under this Agreement which at the time and in light of the circumstances under which it was made contains or is alleged to contain a misrepresentation or an untrue statement of a material fact;

(ii) any omission or alleged omission to state in the Prospectus, the U.S. Private Placement Memorandum or any certificate of the Corporation delivered under this Agreement or pursuant to this Agreement any material fact or information required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;

(iii) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission or other competent authority based upon any untrue statement or omission, or alleged untrue statement or alleged omission or any misrepresentation or alleged misrepresentation (except a statement or omission or alleged statement or omission relating solely to the Underwriter and furnished to the Corporation by the Underwriter in writing) in the Prospectus or the U.S. Private Placement Memorandum or based upon any failure to comply with Applicable Securities Laws and U.S. Securities Laws, preventing or restricting the

trading in or the sale or distribution of the Offered Securities in any of the Qualifying Jurisdictions;

(iv) any material breach of a representation or warranty made in this Agreement by the Corporation or the failure of the Corporation to comply with any of its obligations under this Agreement in any material respect; or

(v) the Corporation not complying with any requirement of any Applicable Securities Laws or U.S. Securities Laws applicable to it in connection with the offering and sale of the Offered Securities as contemplated by this Agreement;

provided that the indemnity provided in this Section 10 shall not apply in respect of an Indemnified Person in the event and to the extent that a court of competent jurisdiction or a regulatory authority in a final judgment from which no appeal can be made shall determine that an Indemnified Person was negligent or committed a fraudulent or illegal act in the course of the performance of the Underwriter's services and that such negligence or fraudulent or illegal act was the cause of such Claims.

**(b) Notification of Claims**

If any matter or thing contemplated by this Section 10 (any such matter or thing being referred to as a "**Claim**") is asserted against any one or more of the Indemnified Persons, such Indemnified Person will notify the Corporation as soon as reasonably practicable in writing of the nature of such Claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such Claim; provided, however, that the defence shall be conducted through legal counsel acceptable to the Indemnified Person, acting reasonably, that no settlement of any such Claim may be made by the Corporation or the Indemnified Person without the prior written consent of the other party and the Corporation shall not be liable for any settlement of any such Claim unless it has consented in writing to such settlement, such consent not to be unreasonably withheld.

**(c) Retaining Counsel**

In any such Claim, the Indemnified Person shall have the right to retain other counsel to act on his, her or its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Person unless (i) the Corporation on behalf of itself and the Indemnified Person shall have mutually agreed to the retention of other counsel, or (ii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Person, on the one hand, and the Corporation, on the other hand, and the representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them. Where more than one Indemnified Person is entitled to retain separate counsel in the circumstances described in this Section 10(c), all Indemnified Persons shall be represented by one separate legal counsel and the fees and disbursements of only one separate legal counsel for all

Indemnified Persons shall be paid by the Corporation, unless (i) the Corporation and the Indemnified Persons have mutually agreed to retention of more than one legal counsel for the Indemnified Persons or (ii) the Indemnified Persons have or any one of them has been advised in writing by legal counsel thereto that representation of all of the Indemnified Persons by the same legal counsel would be inappropriate due to actual or potential differing interests among them. Notwithstanding the foregoing, the Corporation shall not be liable for any settlement of any Claim unless the Corporation has consented in writing to such settlement, such consent not to be unreasonably withheld.

**11. (a) Contribution**

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 10 of this Agreement would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Underwriter or enforceable otherwise than in accordance with its terms, the Corporation and the Underwriter, shall contribute to the aggregate of all claims, expenses, costs and liabilities and all losses (other than loss of profits) of a nature contemplated in Section 10 in such proportions so that the Underwriter is responsible for the portion represented by the percentage that the aggregate fee payable by the Corporation to the Underwriter pursuant to Section 10 bears to the aggregate offering price of the Offered Securities and the Corporation is responsible for the balance, whether or not they have been sued together or sued separately. The Underwriter shall not in any event be liable to contribute, in the aggregate, any amount in excess of such aggregate fee or any portion of such fee actually received. However, no party who has engaged in any fraud, illegal act or negligence shall be entitled to claim contribution from any person or company who has not engaged in such fraud, illegal act or negligence.

**(b) Right of Contribution in Addition to Other Rights**

The rights to contribution provided in this Section 11 shall be in addition to and not in derogation of any other right to contribution which the Underwriter or the Corporation may have by statute or otherwise at law.

**(c) Calculation of Contribution**

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

(i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriter is responsible, as determined in Section 11(a) of this Agreement; and

(ii) the amount of the aggregate fee actually received by the Underwriter from the Corporation under this Agreement.

**(d) Notice**

If the Underwriter has reason to believe that a claim for contribution may arise, it shall give the Corporation notice of such claim in writing, as soon as reasonably practicable, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Underwriter under this Section 11 except to the extent by which the Corporation is prejudiced by such failure.

If the Corporation has reason to believe that a claim for contribution may arise, it shall give the Underwriter notice of such claim in writing, as soon as reasonably practicable, but failure to notify the Underwriter shall not relieve any Underwriter of any obligation which it may have to the Corporation under this Section 11 except to the extent by which such Underwriter is prejudiced by such failure.

**(e) Right of Contribution in Favour of Others**

With respect to Section 10 and this Section 11, the Corporation acknowledges and agrees that the Underwriter is contracting on its own behalf and as agent and trustee for each Indemnified Person.

**(f) Remedy Not Exclusive**

The remedies provided for in this Section 12 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any party at law or in equity.

**12. Severability**

If any provision of this Agreement shall be adjudged by a competent authority to be invalid or for any reason unenforceable in whole or in part, such invalidity or unenforceability shall not affect the validity, enforceability or operation of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

**13. Expenses**

Whether or not the transactions contemplated by this Agreement shall be completed, including in the event this Agreement is terminated pursuant to Section 9 hereof, 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 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 marketing activities, all printing costs incurred in connection with the Offering, all filing fees, all fees and expenses relating to listing the Offered Securities on any exchanges, all fees and expenses of the Corporation's auditors, all transfer agent fees and expenses, all reasonable out-of-pocket expenses of the Underwriter incurred in connection with the Offering, including without limitation the reasonable fees, taxes and disbursements of Underwriter's Counsel, as set out and limited in the Engagement Letter, and any advertising,

printing, courier, telecommunications, data search, presentation, travel and other expenses incurred by Cormark together with all related taxes (including, without limitation, HST).

## 14. Change to Offering Price

After the Underwriter has made reasonable efforts to sell all of the Purchased Securities at the Offering Price, such price may be decreased and further changed from time to time to an amount not greater than the Offering Price; provided, however, that in no event shall the Corporation receive less than the net proceeds of $0.2375 per Purchased Security.

## 15. Restriction on Offerings

During the period beginning on the Closing Date and ending on the date that is 90 days after the Closing Date, the Corporation shall not, directly or indirectly, without the prior written consent of Cormark, 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 other securities of the Corporation or any securities convertible into, exchangeable for, or otherwise exercisable into Common Shares or 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 (i) pursuant to this Offering and the exercise of the Over-Allotment Option; (ii) under existing director or employee stock options, bonus or purchase plans or similar share compensation arrangements as detailed in the Corporation's most recently-filed management discussion and analysis; (iii) upon the exercise of convertible securities, warrants or options outstanding prior to the Closing Date or issued in connection with renegotiation of existing debt facilities; or (iv) in connection with a *bona fide* transaction or transactions to acquire an interest in an exploration or other properties, for which consideration shall include the issuance of Common Shares or other securities of the Corporation.

## 16. Survival of Representations and Warranties

The respective indemnities, agreements, representations, warranties and other statements of the Corporation and the Underwriter, as set forth in this Agreement, which includes Schedule A hereto, or made by or on behalf of it, respectively, pursuant to this Agreement, which includes Schedule A hereto, shall remain in full force and effect, regardless of any investigation (or any statement as to the results of any investigation) made by or on behalf of the Underwriter or the Corporation and shall survive delivery of and payment for the Offered Securities and the subsequent disposition of the Offered Securities by the Underwriter or the termination of the Underwriter's obligations under this Agreement.

## 17. Time

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

## 18. 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.

## 19. 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:

Fortune Minerals Limited
148 Fullarton Street, Suite 1600
London, Ontario N6A 5P3

Attention: Robin Goad, President & CEO
Email: RGoad@fortuneminerals.com

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

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84,
Toronto, Ontario M5J 2Z4

Attention: David Knight
Fax: (416) 216-3930
Email: david.knight@nortonrosefulbright.com

If to the Underwriter, addressed and sent to:

Cormark Securities Inc.
200 Bay Street, Suite 2800
South Tower Royal Bank Plaza
Toronto, Ontario M5J 2J2

Attention: Jeff Kennedy, Managing Director of Equity Capital Markets and Operations

Fax: (416) 943-6496
Email: jkennedy@cormark.com

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

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, Ontario M5H 4E3

Attention: Philippe Tardif
Fax: (416) 367-6060
Email: ptardif@blg.com

or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 19. Each notice shall be personally delivered to the addressee or sent by fax or email to the addressee. A notice which is personally delivered or delivered by fax or email shall, if delivered prior to 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

**20. Counterparts**

This Agreement may be executed by any one or more of the parties to this Agreement by facsimile, by email or in any number of counterparts, each of which shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

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 Cormark upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

**CORMARK SECURITIES INC.**

By: *(signed) Jeff Kennedy*

Jeff Kennedy
Managing Director, Equity Capital
Markets and Operations

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

**FORTUNE MINERALS LIMITED**

By: *(signed) Robin Goad*
Robin Goad
President & Chief Executive Officer

## SCHEDULE A

## COMPLIANCE WITH UNITED STATES SECURITIES LAWS

1. Capitalized terms used in this Schedule A and not defined in this Schedule A shall have the meanings given in the Underwriting Agreement to which this Schedule A is annexed and the following terms shall have the meanings indicated:

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule A, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Securities, the Warrant Shares or the Additional Warrant Shares and shall include, without limitation, the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of such securities;

"**Disqualification Event**" means any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D;

"**Foreign Issuer**" means a "**foreign issuer**" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule A, it means any issuer that is (a) the government of any country, or of any political subdivision of a country, other than the United States, or (b) a national of any country other than the United States, or (c) a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States, and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

"**General Solicitation**" and "**General Advertising**" means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communication published on the Internet or in any newspaper, magazine or similar media or broadcast over television, radio or on the internet, or any seminar or meeting whose attendees had been invited by 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;

"**Offshore Transaction**" means "offshore transaction" as defined in Regulation S;

"**Regulation D Offered Securities**" means the Offered Securities to be offered and sold to U.S. Accredited Investors in the Offering in reliance on Rule 506(b) of Regulation D;

"**Selling Firms**" means the Underwriter together with other investment dealers and brokers which participate in the offer and sale of Offered Securities under the terms of this Agreement, including this Schedule A;

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Regulation S; and

"**U.S. Purchaser**" means any purchaser of the Offered Securities that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person, or any person offered the Offered Securities in the United States.

2. The Corporation represents, warrants and covenants to the Underwriter and the U.S. Affiliates that, as of the date of this Agreement, the Closing Time and any Option Closing Time:

(a) the Corporation is a Foreign Issuer, and there is no Substantial U.S. Market Interest with respect to the Offered Securities or any other class of equity securities of the Corporation;

(b) none of the Corporation, its affiliates (as defined in Rule 405 under the U.S. Securities Act) or any person acting on its or their behalf (except for the Underwriter, its respective U.S. Affiliates and any person acting on its behalf, as to whom no representation, warranty or covenant is made) (i) has engaged or will engage in any Directed Selling Efforts, (ii) has taken or will take any action that would cause the exemptions afforded by Rule 506(b) of Regulation D and Rule 144A to be unavailable for offers and sales of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons in accordance with this Schedule A, or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities in Offshore Transactions in accordance with the Underwriting Agreement, or (iii) has engaged in or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;

(c) the Offered Securities satisfy the requirements set forth in Rule 144A(d)(3) under the U.S. Securities Act;

(d) so long as any Offered Securities which have been sold to, or for the account or benefit of, persons in the United States or U.S. Persons in reliance upon Rule 144A 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 neither exempt from reporting pursuant to Rule 12g3-2(b) of 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 will furnish to any holder of such Offered Securities and any prospective purchaser of the Offered Securities designated by such holder, upon request of such holder, the information required to be delivered 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 such Offered Securities to effect resales under Rule 144A);

(e) except with respect to the offer and sale of the Offered Securities offered under this Agreement, the Corporation has not, within six months before the commencement of the offer and sale of the Offered Securities, and will not within six months after the latest of the Closing Date and any Option Closing Date, offer or sell any securities in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemptions from registration pursuant to Rule 144A or Rule 506(b) of Regulation D or the exclusion from registration set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Offered Securities;

(f) except with respect to offers and resales of Offered Securities to Qualified Institutional Buyers in reliance on Rule 144A, and offers of Offered Securities by the Underwriter through the U.S. Affiliates for sale directly by the Corporation to Substituted Purchasers that are U.S. Accredited Investors in reliance on Rule 506(b) of Regulation D, none of the Corporation, any of its affiliates, or any person acting on their behalf has made or will make (i) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person, or (ii) any sale of the Offered Securities unless, at the time the buy order was or will have been originated, the purchaser is outside the United States and not a U.S. Person or the Corporation, its affiliates an any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person;

(g) the Corporation is not, and after giving effect to the offer and sale of the Offered Securities and the application of the proceeds as described in the Prospectus, will not be, an "investment company" within the meaning of the United States *Investment Company Act of 1940*, as amended;

(h) neither the Corporation nor any of the predecessors or affiliates thereof 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 concerning the filing of a notice of sales on Form D;

(i) the Corporation will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable blue sky laws in connection with the offer and sale of the Offered Securities;

(j) none of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Underwriter, its respective U.S. Affiliates or any person acting on its behalf, as to whom no representation, warranty or covenant is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer or sale of the Offered Securities;

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

(l) with respect to Regulation D Offered Securities, none of the Corporation, any of its predecessors, any affiliated issuer issuing securities in the offering of Regulation D Offered Securities, any director, executive officer, other officer of the Corporation participating in the offering of Regulation D Offered Securities, any beneficial owner of 20% 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 in the offering of Regulation D Offered Securities (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to a Disqualification Event. The Corporation has exercised reasonable care to determine 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), and has furnished to the Underwriter and U.S. Affiliates a copy of any disclosures provided thereunder.

3. The Underwriter represents and warrants to the Corporation that, as of the date of this Agreement, the Closing Time and any Option Closing Time:

(a) it 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 not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons, except pursuant to transactions exempt from or not subject to the registration requirements under the U.S. Securities Act and exemptions from registration under applicable state securities laws. Accordingly, it has offered and sold, and will offer and sell, the Offered Securities forming part of its allotment only (a) in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) as provided in paragraphs 3(b) through 3(n) below. None of it, its U.S. Affiliate or any person acting on its or their behalf, has made or will make (except as permitted in paragraphs 3(b) through 3(n) below): (i) any offer to sell or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, any person in the United States or any U.S. Person; or (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 not a U.S. Person, or it, its U.S. Affiliate or persons acting on their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person. None of it, its U.S. Affiliate, or any persons acting on its or their behalf has engaged or will engaged in any Directed Selling Efforts;

(b) 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. Affiliate, any U.S. Affiliate of any Selling Firms or with the prior written consent of the Corporation. It shall require each Selling Firm and its U.S. Affiliate to agree, for

the benefit of the Corporation, to be bound by and to comply with, and shall use its commercially reasonable efforts to ensure that each Selling Firm and its U.S. Affiliate complies with, the provisions of this Schedule A as if such provisions applied to such Selling Firm or U.S. Affiliate;

(c) all offers and sales of the Offered Securities by it to, or for the account or benefit of, persons in the United States or U.S. Persons have been and will be effected only by its U.S. Affiliate, and in all such cases in compliance with all applicable United States federal and state laws relating to the registration and conduct of securities brokers and dealers and all applicable state securities laws and such U.S. Affiliate is a Qualified Institutional Buyer;

(d) its U.S. Affiliate is, and will be on the date of each offer and sale of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state securities laws (unless exempt therefrom) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.;

(e) it and its affiliates have not solicited and will not solicit, either directly or through a person acting on its or their behalf, offers for, and have not offered to sell and will not offer to sell, Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by any form of General Solicitation or General Advertising;

(f) immediately prior to soliciting any offerees of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, the Underwriter, its U.S. Affiliate and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree solicited by it pursuant to Rule 144A was a Qualified Institutional Buyer with which it has a pre-existing relationship and each offeree solicited by it pursuant to Rule 506(b) of Regulation D was a U.S. Accredited Investor with which it has a pre-existing relationship, and at the time of completion of each sale of Offered Securities to, or for the account or benefit of, such person in the United States or such U.S. Person, the Underwriter, its U.S. Affiliate, and any person acting on its or their behalf will have reasonable ground to believe and will believe, that each purchaser thereof is a Qualified Institutional Buyer or U.S. Accredited Investor, as applicable. Any sales of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons made to U.S. Accredited Investors will be made directly by the Corporation to U.S. Accredited Investors purchasing as Substituted Purchasers, and the Underwriter and its U.S. Affiliate shall act in the capacity as placement agent for such sales;

(g) each offeree of Offered Securities solicited by it that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person shall be provided with a copy of the U.S. Private Placement Memorandum and each purchaser of Offered Securities from it that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person shall be provided, prior to the time of its purchase of any Offered Securities, with a copy of the final U.S.

Private Placement Memorandum and no other written material will be used in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;

(h) at least one Business Day prior to the time of delivery, the Corporation and its transfer agent will be provided with a list of all purchasers of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;

(i) prior to any sale of Offered Securities to a U.S. Purchaser, (i) it shall cause each such U.S. Purchaser that is a U.S. Accredited Investor purchasing such Offered Securities from the Corporation pursuant to Rule 506(b) of Regulation D to execute a subscription agreement substantially in the form attached as Exhibit I to the final U.S. Private Placement Memorandum; and (ii) it shall cause each U.S. Purchaser who is a Qualified Institutional Buyer purchasing such Offered Securities pursuant to Rule 144A to execute a qualified institutional buyer letter substantially in the form of Exhibit II to the final U.S. Private Placement Memorandum;

(j) at the Closing, the Underwriter (together with its U.S. Affiliate) that participated in the offer of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, will provide a certificate, substantially in the form of Appendix I to this Schedule A, relating to the manner of the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons or be deemed to have represented and warranted to the Corporation as of the Closing Date (or any Option Closing Date) that neither it nor its U.S. Affiliate offered or sold any Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;

(k) it will inform, and will cause its U.S. Affiliate to inform, all purchasers of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by delivery of the U.S. Private Placement Memorandum that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being sold to them without registration under the U.S. Securities Act in reliance upon an exemption from such registration pursuant to Rule 144A or Rule 506(b) of Regulation D, as applicable;

(l) none of the Underwriter, its affiliates, or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with its offers or sales of the Offered Securities;

(m) with respect to Regulation D Offered Securities, (i) the Underwriter or the U.S. Affiliate, (ii) the Underwriter's or the U.S. Affiliate's general partners or managing members, (iii) any of the Underwriter's or U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Regulation D Offered Securities, (iv) any of the Underwriter's or the U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers

participating in the offering of the Regulation D Offered Securities or (v) any other person associated with any of the above persons (including without limitation, any Selling Firm and any such person related to any Selling Firm) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Regulation D Offered Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**"), is subject to any to any Disqualification Event. The Underwriter has exercised reasonable care to determine whether any Dealer Covered Person is subject to a Disqualification Event. The Underwriter and the U.S. Affiliate have complied, to the extent applicable, with their disclosure obligations under Rule 506(e), and have furnished to the Corporation a copy of any disclosures provided thereunder; and

(n) as of the Closing Date (and any Option Closing Date), the Underwriter is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Regulation D Offered Securities.

**APPENDIX I**
**TO SCHEDULE A**

**UNDERWRITER'S CERTIFICATE**

In connection with the private placement to, or for the account or benefit of, persons in the United States or U.S. Persons of Offered Securities of Fortune Minerals Limited (the "**Corporation**") pursuant to the underwriting agreement dated February ●, 2017, between the Corporation and the Underwriter named in the underwriting agreement (the "**Underwriting Agreement**"), each of the undersigned does hereby certify as follows:

(a) the U.S. Affiliate is a duly registered broker or dealer with the United States Securities and Exchange Commission, and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date of this certificate and on the date of each offer and sale of Offered Securities made by it, and all offers and sales of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons have been effected by the U.S. Affiliate in accordance with all applicable U.S. broker-dealer requirements;

(b) each purchaser of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons was, prior to the sale of Offered Securities to such purchaser, provided with a copy of the final U.S. Private Placement Memorandum, and we and our U.S. Affiliates have not used and will not use any written material other than the U.S. Private Placement Memorandum in connection with the offering of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;

(c) immediately prior to our transmitting the U.S. Private Placement Memorandum to offerees of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, we had reasonable grounds to believe, and did believe, that each offeree was a Qualified Institutional Buyer or a U.S. Accredited Investor with whom we have a pre-existing relationship, and on the date of this certificate we continue to believe that each purchaser of the Offered Securities purchasing from us through our U.S. Affiliate is a Qualified Institutional Buyer and that that each purchaser of the Offered Securities solicited by us and purchasing directly from the Corporation is a U.S. Accredited Investor;

(d) no form of General Solicitation or General Advertising was used by us or our U.S. Affiliate in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;

(e) in connection with each sale of Offered Securities to U.S. Purchasers that are U.S. Accredited Investors purchasing pursuant to Rule 506(b) of Regulation D, we caused each such U.S. Purchaser to execute and deliver a subscription agreement substantially in the form attached as Exhibit I to the final U.S. Private Placement Memorandum; and we caused each U.S. Purchaser who is a Qualified Institutional Buyer purchasing such Offered Securities pursuant to Rule 144A to

execute and deliver a qualified institutional buyer letter substantially in the form of Exhibit II to the final U.S. Private Placement Memorandum;

(f) we have not engaged and will not engage in any violation of Regulation M under the U.S. Exchange Act in connection with its offers or sales of the Offered Securities;

(g) with respect to Regulation D Offered Securities, each of the undersigned represents that none of its Dealer Covered Persons is subject to any Disqualification Event except for a Disqualification Event a description of which has been furnished in writing to the Corporation prior to the date hereof;

(h) as of the Closing, each of the undersigned is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Regulation D Offered Securities; and

(i) the offering of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons has been conducted by us in accordance with the Underwriting Agreement, including Schedule A to the Underwriting Agreement.

Capitalized terms used in this certificate and not defined in this certificate have the meanings ascribed thereto in the Underwriting Agreement (including the Schedule A to the Underwriting Agreement).

DATED the ____day of _____, 2017.

●

By: _____

Name: ●

Title: ●