

SHARE EXCHANGE AGREEMENT

THIS AGREEMENT is made effective October 7, 2016,

AMONG:

DAMON CAPITAL CORP., a company incorporated under the laws of British Columbia and having an office at Suite 303, 595 Howe Street, Vancouver, British Columbia, V6C 2T5

(“**Damon**”)

AND:

ARIZONA SILVER CORPORATION, a company incorporated under the laws of the Province of British Columbia and having a registered office at Suite 2600, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1

(“**Arizona**”)

AND:

THE HOLDERS OF SHARES ISSUED BY ARIZONA as listed in Schedule "A" attached hereto

(collectively, the “**Arizona Shareholders**”)

WHEREAS:

- A. Damon is a company whose common shares are listed on the NEX board of the TSXV;
- B. The Arizona Shareholders are the owners of all of the common shares issued by Arizona; and
- C. Damon wishes to purchase all of the issued and outstanding common shares of Arizona from the Arizona Shareholders in exchange for common shares of Damon, upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto do covenant and agree each with the other as follows:

1. INTERPRETATION

1.1 Defined terms – The following terms have the following meanings in this Agreement:

- (a) “**Acquisition**” means the acquisition of the Arizona Shares by Damon in exchange for Damon Shares on the basis of ten (10) Damon Shares for every one (1) Arizona Share held, upon and subject to the terms and conditions of this Agreement;
- (b) “**Applicable Laws**” means all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority or stock exchange having jurisdiction over the transactions contemplated hereby or the parties to this Agreement;

- (c) “**Arizona Financial Statements**” means the audited financial statements of Arizona for the years ended August 31, 2016 and 2015, and, if required by the TSXV, the year ended August 31, 2014;
- (d) “**Arizona Insiders**” means Gregory Hahn, Ronald Bell, Christopher Douglas and Allan Juhas, and their respective associates and affiliates;
- (e) “**Arizona Lease Agreements**” means, collectively:
 - (i) the Ramsey Property lease and option agreement dated February 23, 2015 between Arizona and J & D Development Inc.; and
 - (ii) the Ramsey Property lease and option agreement dated November 25, 2014 between Greg Hahn Consulting LLC and Precious Metals LLC, which agreement was subsequently amended and assigned to Arizona pursuant to amendments dated November 12, 2015 and August 18, 2016;
- (f) “**Arizona Ledgers**” means the general ledger of Arizona for the year ended August 31, 2016, as provided to Damon by emails on various dates in August 2016;
- (g) “**Arizona Properties**” means the Ramsey Silver Property, as described in Schedule "B";
- (h) “**Arizona Shareholders**” means the Persons listed in Schedule "A";
- (i) “**Arizona Shares**” means the 558,770 issued and outstanding common shares in the capital of Arizona, being all of the issued and outstanding common shares in the capital of Arizona;
- (j) “**Business Day**” means any day except Saturday, Sunday or a statutory holiday in Vancouver, British Columbia, Canada;
- (k) “**Closing Date**” means October 21, 2016, or such other date on or before the Completion Deadline upon which Damon and Arizona may mutually agree;
- (l) “**Closing**” means the completion of the Acquisition on the Closing Date pursuant to the terms and conditions contained in this Agreement;
- (m) “**Completion Deadline**” means November 30, 2016 or such later date upon which Damon and Arizona may mutually agree;
- (n) “**Damon Financial Statements**” means collectively the audited financial statements of Damon for the year ended August 31, 2016, the interim financial statements for the fiscal quarter ended May 31, 2016, as disclosed in the Public Record;
- (o) “**Damon Shares**” means the common shares in the capital of Damon;
- (p) “**Disqualification Event**” means any of the “bad actor” disqualifications described in Rule 506(d)(1) of Regulation D;
- (q) “**Effective Date**” means the date of this Agreement;
- (r) “**Employee Benefits**” means:

- (s) “**Environmental Laws**” means all Applicable Laws currently in effect relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, the use, consumption, handling, transportation, storage or Release of Hazardous Substances;
- (t) “**Environmental Order**” means any prosecution, order, decision, notice, direction, report, recommendation or request issued, rendered or made by any Governmental Authority in connection with Environmental Laws;
- (u) “**Financing Shares**” means the common shares of Damon to be offered and sold under the Financing;
- (v) “**Financing**” means the private placement offering and sale of Financing Shares to raise gross proceeds of not less than \$750,000 or such other amount as required to satisfy the initial listing requirements of the TSXV for a Tier 2 Mining Issuer, to a maximum of up to \$1,500,000 at a purchase price of not less than \$0.10 per Financing Share or such other price as may be agreed by Damon and Arizona, where the proceeds, if received in advance of completion of the Financing and the Acquisition, are held by Damon in escrow pending completion of the Acquisition and released on terms mutually agreeable to Arizona and Damon;
- (w) “**Governmental Authority**” means any government or governmental, administrative, regulatory or judicial body, department, commission, authority, tribunal, agency or entity;
- (x) “**Hazardous Substance**” means any substance, combination of substances or by-product of any substance which is or may become hazardous, toxic, injurious or dangerous to any person, property, air, land, water, flora, fauna or wildlife; and includes but is not limited to contaminants, pollutants, wastes and dangerous, toxic, deleterious or designated substances as defined in or pursuant to any Environmental Laws or Environmental Orders;
- (y) “**Intellectual Property**” means (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions, invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics and documentation relating to any of the foregoing; (iii) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade-mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (iv) computer software and programs; and (v) any other intellectual property;
- (z) “**Name Change**” means the change of name of Damon to "Arizona Silver Exploration Inc." or such other name as may be agreed upon by Damon and Arizona;
- (aa) “**NI 45-102**” means National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators;
- (bb) “**Parties**” means each of Damon, Arizona and the Arizona Shareholders and “**Party**” means each one of them, as applicable;
- (cc) “**Person**” means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint

stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority;

- (dd) **“Public Record”** means all information and documents publicly filed by or on behalf of Damon since September 29, 2011 and to the date of this Agreement with securities regulatory authorities in Canada, and appearing under Damon's profile page on SEDAR at www.sedar.com.
- (ee) **“Regulation D”** means Regulation D promulgated under the U.S. Securities Act;
- (ff) **“Regulation S”** means Regulation S promulgated under the U.S. Securities Act;
- (gg) **“Regulatory Approvals”** means all regulatory approvals required to be obtained prior to Closing for all of the transactions contemplated herein, including without limitation all required approvals of the TSXV;
- (hh) **“Release”** includes abandon, add, deposit, discharge, disperse, dispose, dump, emit, empty, escape, leach, leak, migrate, pour, pump, release or spill;
- (ii) **“Resulting Issuer”** means Arizona Silver Exploration Inc., upon completion of the Acquisition and Name Change;
- (jj) **“Securities Acts”** means the British Columbia *Securities Act*, the Alberta *Securities Act* and the Ontario *Securities Act*, as amended from time to time;
- (kk) **“Security Interest”** includes a mortgage, debenture, charge, encumbrance, lien, pledge, assignment or deposit by way of security, bill of sale, lease, hypothecation, hire purchase, credit sale, agreement for sale on deferred terms, caveat, claim, covenant, interest or power in or over an interest in an asset and any agreement or commitment to give or create any such security interest or preferential ranking to a creditor including set off;
- (ll) **“Sponsor”** means any sponsor or broker (as such terms are used in the TSXV Corporate Finance Manual) engaged by Damon in order to satisfy the requirements of TSXV in respect of the Acquisition, if required;
- (mm) **“Subsidiary”** means 9355448 Canada Corp., a wholly owned, federally incorporated subsidiary of Damon;
- (nn) **“Technical Report”** means an independent technical report in Form 43-101F1 in respect of the Arizona Properties in a form acceptable to Damon, the TSXV and the Sponsor;
- (oo) **“Time of Closing”** means 10:00 a.m. (Vancouver time) on the Closing Date, or such other time as Damon and Arizona may agree;
- (pp) **“Title Opinion”** means an opinion of counsel, addressed to Damon and such other Persons as Damon may reasonably require, as to the ownership of the Arizona Properties, and as to such other matters as may be required by Damon, the Sponsor if required or their respective counsel, acting reasonably;
- (qq) **“TSXV”** means the TSXV Venture Exchange;
- (rr) **“U.S. Person”** has the meaning set forth in Rule 902(k) of Regulation S; and
- (ss) **“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended.

- (tt) **“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (i) agreements or arrangements with any labour union or employee association, written or oral employment agreements or arrangements and agreements or arrangements for the retention of the services of independent contractors, consultants or advisors;
 - (ii) insurance, health, welfare, drug, disability, pension, retirement, travel, hospitalization, medical, dental, legal counseling, eye care and other similar benefits, plans or arrangements; and
 - (iii) salaries, wages, bonuses, vacation entitlements, commissions, fees, stock option plans, stock purchase plans, incentive plans, deferred compensation plans, profit-sharing plans and other similar benefits, plans or arrangements;

1.2 **Schedules** – The following schedules attached hereto constitute a part of this Agreement:

- Schedule "A" – List of Arizona Shareholders
- Schedule "B" – List of Arizona Properties
- Schedule "C" – List of Damon Subsidiaries
- Schedule "D" – Certification of U.S. Arizona Shareholder

1.3 **Headings** – The headings in this Agreement are for reference only and do not constitute terms of the Agreement.

1.4 **Interpretation** – Unless the context of this Agreement otherwise requires, to the extent necessary so that each clause will be given the most reasonable interpretation, the singular number will include the plural and vice versa, the verb will be construed as agreeing with the word so substituted, words importing the masculine gender will include the feminine and neuter genders, words importing persons will include firms and corporations and words importing firms and corporations will include individuals.

1.5 **Currency** – Unless otherwise stated, all references to money in this Agreement shall be deemed to be references to the currency of Canada.

1.6 **Knowledge** – Whenever in this Agreement a representation and warranty is qualified by the statement “to the best knowledge” of a Party or any similar statement, that statement shall mean to the best knowledge of the Party's directors and officers after having made due and reasonable enquiries and investigations.

2. **PURCHASE AND SALE**

2.1 **Agreement** – Subject to the terms and conditions of this Agreement, on the Closing Date:

- (a) Each of the Arizona Shareholders hereby agrees to sell, assign and transfer all (and not less than all) of the Arizona Shares owned by it as set forth in Schedule "A" to Damon, and Damon agrees to purchase all (and not less than all) of the Arizona Shares from each of the Arizona Shareholders, in exchange for ten (10) Damon Share for each one (1) Arizona Share held, as set forth in Schedule "A", such exchange ratio to be adjusted in the event of any stock splits, consolidations, stock dividends or other events affecting the outstanding Damon Shares or Arizona Shares completed prior to the Time of Closing; and

- (b) Damon will not be obliged to complete the purchase of any Arizona Shares unless the purchase of all Arizona Shares is completed simultaneously at the Closing.

2.2 **Acknowledgements** – Each of the Arizona Shareholders hereby acknowledges and agrees with Damon as follows:

- (a) the transfer of the Arizona Shares and the issuance of Damon Shares will be made pursuant to applicable exemptions (the “**Exemptions**”) from the formal takeover bid and registration and prospectus (or equivalent) requirements of the Applicable Laws;
- (b) as a consequence of acquiring Damon Shares pursuant to the Exemptions:
 - (i) the Arizona Shareholder is restricted from using certain of the civil remedies available under the Applicable Laws;
 - (ii) the Arizona Shareholder may not receive information that might otherwise be required to be provided to the Arizona Shareholder, and Damon is relieved from certain obligations that would otherwise apply under the Securities Acts if the Exemptions were not being relied upon by Damon;
 - (iii) there is no government or other insurance covering Damon Shares;
 - (iv) there are risks associated with the acquisition of Damon Shares;
 - (v) there are restrictions on the Arizona Shareholder's ability to resell Damon Shares, and it is the responsibility of such Arizona Shareholder to find out what those restrictions are and to comply with them before selling any Damon Shares; and
 - (vi) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in Damon Shares;
- (c) the Arizona Shareholder is knowledgeable of, or has been independently advised as to, the Applicable Laws of the Securityholder's jurisdiction of residence which apply to the sale of the Arizona Shares and the issuance of Damon Shares and which may impose restrictions on the resale of such Damon Shares in that jurisdiction and it is the responsibility of the Arizona Shareholder to find out what those trade restrictions are, and to comply with such restrictions before selling its Damon Shares;
- (d) The Arizona Shareholder also acknowledges that the certificates for Damon Shares may bear a legend or legends respecting restrictions on transfers as required under Applicable Laws and that such Arizona Shareholder has been advised to consult its own legal advisor with respect to applicable resale restrictions and that it is solely responsible for complying with such restrictions;
- (e) without in any way limiting the generality of the foregoing, the Arizona Shareholder acknowledges that NI 45-102 provides that the Arizona Shareholders must hold and may not sell, transfer or in any manner dispose of the Resulting Issuer's Shares in Canada, unless the following conditions are satisfied or unless another exemption from applicable Canadian securities laws is satisfied:
 - (i) the Resulting Issuer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the sale;
 - (ii) the trade is not a “control distribution” (as defined in NI 45-102);

- (iii) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the sale;
- (iv) no extraordinary commission or consideration is paid to a Person or company in respect of the sale; and
- (v) if the selling securityholder is an insider or officer of the Resulting Issuer, the selling securityholder has no reasonable grounds to believe that Damon is in default of Canadian securities legislation.

3. DIRECTORS AND OFFICERS OF RESULTING ISSUER AND ARIZONA

3.1 New Directors and Officers

- (a) Effective as of the Closing, the directors and officers of the Resulting Issuer will consist of:

Name	Position
Gregory Hahn	Director, President and Chief Executive Officer
Richard Barnett	Secretary and Chief Financial Officer
Graham Scott	Director
Joseph Charland	Director
Mike Stark	Director
Keturah Nathe	Director

- (b) Effective as of the Closing, the directors and officers of Arizona will consist of:

Name	Position
Gregory Hahn	Director and President
Richard Barnett	Director and CFO
Mike Stark	Director

- (c) If any of the proposed directors and officers of the Resulting Issuer or Arizona set out above are not acceptable to the TSXV, the remaining directors of the Resulting Issuer shall appoint such other person as may be acceptable to the TSXV to fill such vacancy or vacancies.

3.2 **PIFs** – Arizona shall deliver to Damon as soon as practicable after the Effective Date a TSXV Form 2A – *Personal Information Form* or, if applicable and if permitted by the TSXV, a TSXV Form 2C1 – *Declaration* duly completed by each of its nominees as a director and/or officer of Damon.

3.3 Resignations – At the Closing:

- (a) Arizona shall deliver resignations of those directors and officers of Arizona who are either not continuing with Arizona or are continuing in a different capacity or role, such resignations to include mutual waivers in respect of any liabilities of Arizona to them and *vice versa* in a form acceptable to Damon, acting reasonably; and
- (b) Damon shall deliver resignations of those directors and officers of Damon who are either not continuing with Damon or are continuing in a different capacity or role, such

resignations to include mutual waivers in respect of any liabilities of Damon to them and *vice versa* in a form acceptable to Arizona, acting reasonably.

4. COVENANTS AND AGREEMENTS

4.1 **Given by Damon** – Damon covenants and agrees with Arizona that Damon will:

- (a) permit representatives of Arizona and the Arizona Shareholders full access during Damon's business hours to Damon's property, books and records including, without limitation, all of the assets, contracts, financial records and minute books of Damon, so as to permit such investigation of Damon as Arizona and the Arizona Shareholders deem reasonably necessary;
- (b) from and including the Effective Date through to and including the Time of Closing, do all such acts and things reasonably necessary to ensure that all of the representations and warranties of Damon contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any representation or warranty of Damon untrue or incorrect in any material respect;
- (c) use its reasonable commercial efforts to obtain all necessary shareholder and Regulatory Approvals as may be required for the performance of Damon of its obligations under this Agreement prior to the Closing, including approval of the TSXV of the Acquisition and the listing of the Resulting Issuer's Shares on the TSXV;
- (d) if required by the TSXV, retain a Sponsor to provide a sponsorship report to the TSXV in respect of the Acquisition;
- (e) if required by the TSXV, retain a valuator to provide a valuation of Arizona;
- (f) finance the preparation of the Title Opinion;
- (g) finance the preparation of the Technical Report;
- (h) complete the Name Change on Closing;
- (i) from and including the Effective Date through to and including the Time of Closing, except as set out in this Agreement, not issue or reach any agreement or understanding with any other party to issue any securities without the prior written consent of Arizona;
- (j) prior to Closing, it will expend its working capital towards its normal ongoing costs as a public company and towards the payment of all of its costs and fees incurred in connection with the Acquisition and the other transactions contemplated by this Agreement; and
- (k) comply with the terms of this Agreement and faithfully and expeditiously seek to close the Acquisition and related transactions by the Closing Date, or such other date prior to the Completion Deadline as may be requested by Arizona, acting reasonably.

4.2 **Given by Arizona** – Arizona covenants and agrees with Damon that Arizona will:

- (a) permit representatives of Damon, at their own cost, full access during Arizona's business hours to its books, records and property including, without limitation, all of the assets, contracts, financial records and minute books of Arizona, so as to permit Damon to make such investigation of Arizona as Damon deems necessary;

- (b) from and including the Effective Date through to and including the Time of Closing, do all such acts and things reasonably necessary to ensure that all of the representations and warranties of Arizona contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any representation or warranty untrue or incorrect in any material respect;
- (c) use its reasonable commercial efforts to obtain all necessary shareholder and Regulatory Approvals as may be required for the performance of Arizona of its obligations under this Agreement;
- (d) facilitate the preparation of a Technical Report, and cooperate with Damon and its agents and representatives in that respect;
- (e) assist Damon with obtaining all Regulatory Approvals by providing Damon with such information and documents as Damon may reasonably request;
- (f) facilitate the provision of the Title Opinion to Damon, its counsel, the TSXV and if necessary, the Sponsor if sponsorship is required by the TSXV, cooperate with the Sponsor in respect of its work to complete a sponsorship report acceptable to the TSXV;
- (g) if a valuation is required by the TSXV, cooperate with any valuator retained by Damon to value the Arizona Shares;
- (h) from and including the Effective Date through to and including the Time of Closing, maintain the Arizona Properties in good standing free and clear of all liens, charges and encumbrances, including the payment of all fees, rentals, rates, taxes, bonds and other payments relating to the Arizona Properties;
- (i) comply with the terms of this Agreement and faithfully and expeditiously seek to close the Acquisition and related transactions by the Closing Date, or such other date prior to the Completion Deadline as may be requested by Damon, acting reasonably;
- (j) in the event that this Agreement is terminated or the Closing does not occur on or before the Completion Deadline, immediately repay to Damon, by way of certified cheque, money order or wire transfer any loans made from Damon to Arizona, which, for greater certainty, shall not include the \$15,000 advanced from Damon prior to the date hereof, with interest at a rate of 7% per annum;
- (k) from and including the Effective Date through to and including the Time of Closing, except as set out in this Agreement, not reach any agreement or understanding with any other party to issue any securities without the prior written consent of Damon; and
- (l) initiate the audit and/or preparation of Arizona Financial Statements (and reviewed interim financial statements, as may be applicable) and related management's discussion and analysis for the periods required for pursuant to Applicable Laws for inclusion in any filing statement, information circular or other filing required by the TSXV and/or other applicable regulatory authorities and deliver the same as soon as practicable after the date hereof.

4.3 Given by the Arizona Shareholders – Each of the Arizona Shareholders covenants and agrees with Damon that such Arizona Shareholder will:

- (a) from and including the Effective Date through to and including the Time of Closing, do all such acts and things reasonably necessary to ensure that all of the representations and

warranties of such Arizona Shareholder contained in this Agreement remain true and correct in all material respects and not do any such act or thing that would render any such representation or warranty untrue or incorrect in any material respect;

- (b) not transfer, sell, encumber or otherwise dispose of any of its Arizona Shares or any interest therein without the prior written consent of Damon;
- (c) assist Damon with obtaining all Regulatory Approvals by providing Damon with such information and documents as may be reasonably requested by Damon;
- (d) enter into any escrow agreement in respect of the Damon Shares as may be required by Applicable Laws; and
- (e) comply with the terms of this Agreement and faithfully and expeditiously seek to close the Acquisition and related transactions by the Closing Date.

5. PRIVATE PLACEMENT

Damon and Arizona shall use their commercially reasonable best efforts to complete the Financing concurrently with the completion of the Acquisition. Damon may pay a cash commission or finder's fee of not more than 8% of the proceeds raised from any subscription in connection with the Financing to outside brokerage houses that have been formally engaged in respect of the Financing, unless Damon and Arizona agree otherwise.

6. SPONSORSHIP COST

Damon shall be responsible for the fees and costs relating to the sponsorship by a member firm of the TSXV in relation to the Acquisition, if sponsorship is required by the TSXV.

7. CONDITIONS PRECEDENT

7.1 **In favour of all parties** – The obligations of the Parties under this Agreement are subject to the fulfillment of the following conditions at or prior to the Closing:

- (a) Damon being in a position to close, and Damon closing, the Financing concurrently with the Closing;
- (b) Damon having received the conditional acceptance of the Acquisition from the TSXV, and confirmation that, following Closing and satisfaction of the conditions set out by the TSXV, the Resulting Issuer will qualify for listing as a Tier 2 Mining Issuer on the TSXV;
- (c) the Resulting Issuer entering into employment or consulting agreements with the Chief Executive Officer and Chief Financial Officer named in section 3.1(a) on terms mutually acceptable to the parties thereto;
- (d) the Resulting Issuer retaining Simco Services Inc. (“**Simco**”) to provide management and administrative services under a 12 month services contract on terms that are mutually agreed upon between the parties thereto and at similar rates to which Simco provides such services to its other clients in the resource sector;
- (e) this Agreement shall not have been terminated in accordance with its terms; and

- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Acquisition, the Financing, and the Name Change.

7.2 **In favour of Damon** – Damon's obligations under this Agreement are subject to the fulfilment of the following conditions at or prior to the Closing:

- (a) Arizona having not more than 558,770 common shares issued and outstanding on the Closing Date;
- (b) Damon having received the audited Arizona Financial Statements, which shall show a working capital deficiency that is not materially greater than the working capital deficiency set forth in the Arizona Ledgers;
- (c) other than the Arizona Shares, Arizona having not issued any additional securities or rights convertible into securities of Arizona;
- (d) the shareholders of Arizona will have given all necessary approvals for the entry into of this Agreement and all transactions to be completed by Arizona as contemplated hereunder;
- (e) Arizona and each of the Arizona Shareholders shall have complied in all material respects with all of their respective covenants and agreements contained in this Agreement;
- (f) the representations and warranties contained in this Agreement of Arizona and each of the Arizona Shareholders shall be true in all material respects as if such representations and warranties had been made by Arizona and such Arizona Shareholders as of the Time of Closing (with modifications necessary to reflect the transactions contemplated by this Agreement);
- (g) Damon having received the Technical Report;
- (h) Damon having received evidence of all expenditures incurred and payments made in relation to the Arizona Properties, as may be required to demonstrate the satisfaction of the minimum listing requirements of the TSXV;
- (i) Arizona having at the Closing, total liabilities of approximately \$80,900 plus Arizona's reasonable operating costs and costs of completing the Acquisition incurred after August 31, 2016;
- (j) all documents necessary to complete the transfer of all legal and beneficial ownership of all (and not less than all) Arizona Shares shall have been delivered at the Closing;
- (k) the absence of any material adverse change in the business, financial condition, prospects, assets or operations of Arizona;
- (l) at the Closing, Arizona shall have delivered the resignations of the directors and officers of Arizona contemplated pursuant to Section 3.3 and such other documentation necessary to appoint Arizona's proposed nominees to the board of directors of the Resulting Issuer pursuant to Section 3.1;
- (m) Damon having received the requisite audited (and, if applicable, reviewed) financial statements of Arizona, and related management's discussion and analysis, for the periods

required pursuant to Applicable Laws, for inclusion in any filing statement, information circular or other filing required by the TSXV and/or other applicable regulatory authorities;

- (n) Damon having received the Title Opinion; and
- (o) If required by the TSXV, Damon having received a favorable fairness opinion in respect of the Acquisition, in a form satisfactory to Damon.

The conditions precedent set forth above are for the exclusive benefit of Damon and may be waived by it in whole or in part on or before the Time of Closing.

7.3 In favour of Arizona – The obligations of Arizona and the Arizona Shareholders under this Agreement are subject to the fulfilment of the following conditions:

- (a) Damon shall have complied in all material respects with all of its covenants and agreements contained in this Agreement;
- (b) the representations and warranties of Damon contained in this Agreement shall be true in all material respects as if such representations and warranties had been made by Damon as of the Time of Closing (with modifications necessary to reflect the transactions contemplated by this Agreement);
- (c) the directors and officers named in Section 3.1 being appointed as the directors and officers of the Resulting Issuer, subject to approval of such directors and officers by the TSXV;
- (d) all documents necessary to complete the issuance of all Damon Shares shall have been delivered at the Closing;
- (e) the absence of any material adverse change in the business, financial condition, prospects, assets or operations of Damon;
- (f) Damon having completed the Name Change immediately prior to the Time of Closing; and
- (g) at the Closing, Damon shall have delivered the resignations of directors and officers of Damon as contemplated pursuant to Section 3.3 and such other documentation necessary to appoint, as applicable, Arizona's proposed nominees to the board of directors of Resulting Issuer pursuant to Section 3.1.

The conditions precedent set forth above are for the exclusive benefit of Arizona and the Arizona Shareholders and may be waived by Arizona (on its own behalf and on behalf of the Arizona Shareholders) in whole or in part on or before the Time of Closing.

8. REPRESENTATIONS AND WARRANTIES

8.1 Concerning Damon – In order to induce Arizona and the Arizona Shareholders to enter into this Agreement and complete their respective obligations hereunder, Damon represents and warrants to and covenants with Arizona and the Arizona Shareholders as follows:

- (a) **Incorporation and Qualification** – Damon is a corporation incorporated and existing under the laws of British Columbia and has the corporate power to own and operate its property, carry on its business and enter into and perform its obligations under this

Agreement. This Agreement constitutes a legal, valid and binding agreement of Damon and is enforceable against Damon in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.

- (b) **Reporting Issuer** – Damon is a “reporting issuer” in British Columbia, Alberta and Ontario, as that term is defined in the Securities Acts, and is not in default in any material respect of any requirement of the Securities Acts. The Damon Shares are listed on the NEX board of the TSXV. Other than the trading halt imposed upon announcement of the Acquisition, no order, agreement or memorandum of understanding that contemplates ceasing or suspending trading in the Damon Shares or any other securities of Damon is outstanding or in effect and no proceedings or agreement for this purpose have been instituted or, to the knowledge of Damon, are pending, contemplated or threatened. To the best of Damon's knowledge, all documents or information included in the Public Record were, as of their respective dates, in compliance in all material respects with Applicable Laws and did not, as of their respective dates, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (c) **Distribution** – To the best of Damon's knowledge the outstanding Damon Shares currently meet the minimum distribution requirements set out in section 2.5 of TSXV Policy 2.1.
- (d) **Corporate Authority** – The execution, delivery and performance by Damon of this Agreement and the completion of the transactions contemplated hereunder, have been duly authorized by all necessary corporate action on the part of Damon, subject to receipt of any necessary shareholder approvals if required by the TSXV.
- (e) **No Conflict** – The execution and delivery of this Agreement by Damon and the performance by Damon of its obligations under this Agreement will not:
 - (i) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of Damon, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which Damon is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which Damon is bound; or
 - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by Damon.
- (f) **Required Approvals** – Other than all necessary approvals by the TSXV in connection with the Acquisition and the other transactions contemplated by this Agreement, there is no requirement to obtain any Regulatory Approval as a condition to the lawful completion by Damon of the transactions contemplated by this Agreement.
- (g) **Corporate Records** – The corporate records, including all constating documents, minutes of meetings and resolutions of shareholders, directors and any committees, the share certificates, securities registers and register of directors of Damon are complete and accurate and all corporate proceedings and actions reflected in such corporate records have been conducted or taken in compliance with all Applicable Laws and with the constating documents of Damon. Damon's constating documents are in the form contained in its minute book and no modifications or alterations have been proposed or

approved by its shareholders. Damon has never been subject to, or affected by, any unanimous shareholders agreement.

- (h) **Authorized and Issued Capital** – Damon is authorized to issue an unlimited number of common shares, of which 5,987,300 common shares are validly issued and outstanding as fully paid and non-assessable shares as of the Effective Date. Upon their issuance, the Damon Shares to be issued in exchange for the Arizona Shares will be validly issued and outstanding as fully paid and non-assessable common shares of the Resulting Issuer, free and clear of all liens, charges or encumbrances of any kind whatsoever, and, assuming the accuracy of the representations and warranties of the Arizona Shareholders set forth in Sections 8.3 and 8.4 and assuming the accuracy of the representations and warranties of Arizona in Sections 8.2(g) and 8.2(h), the issuance of such Damon Shares in exchange for the Arizona Shares by Damon under this Agreement is exempt from prospectus requirements under the Securities Acts and all other applicable Canadian securities laws.
- (i) **No Other Agreements to Purchase** – Other than the 336,546 currently outstanding stock options of Damon, there are no options, agreements, rights of first refusal or other rights capable of becoming such to acquire common shares of Damon, nor are there any outstanding securities of any kind whatsoever calling for the issuance of any of the unissued shares of Damon, other than under this Agreement (including the securities of Damon issuable pursuant to the Acquisition and the Financing, including the finder's fees payable in connection with the Financing).
- (j) **Compliance with Laws** – Damon is conducting its business in compliance in all material respects with all Applicable Laws of British Columbia.
- (k) **Financial Condition**
 - (i) The Damon Financial Statements are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of Damon for the periods reported upon and the Damon Financial Statements have been prepared in accordance with International Financial Reporting Standards.
 - (ii) The books and records of Damon disclose all material financial transactions of Damon, and such transactions have been fairly and accurately recorded.
 - (iii) There are no material liabilities of Damon, whether direct, indirect, absolute, contingent or otherwise, which are not disclosed or reflected in the Damon Financial Statements except for those incurred in the ordinary course of business of Damon since August 31, 2016, and such liabilities are recorded in the books and records of Damon which have been provided to Arizona.
 - (iv) Damon has not granted any general security over its assets or security in any particular asset.
 - (v) Since August 31, 2016, there has not been any material adverse change of any kind whatsoever to the financial position or condition of Damon or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the business or assets of Damon or the right or capacity of Damon to carry on its business.

- (vi) Damon has not discharged, satisfied or paid any lien, charge or encumbrance of any kind whatsoever or obligation or liability of any kind whatsoever other than current liabilities in the ordinary course of its business.
- (vii) Damon is not indebted to any of its shareholders, directors or officers. None of Damon's shareholders or any director, officer or consultant of Damon is indebted or under obligation to Damon on any account whatsoever.
- (viii) Damon has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person.
- (ix) As at August 31, 2016, Damon had approximately \$19,585 in working capital. At the Closing, Damon will have no liabilities, other than accruals in connection with the transactions contemplated by this Agreement and normal ongoing costs of a public company listed on the TSXV.

(l) **Taxes**

- (i) All tax returns and reports of Damon required by law to have been filed have been filed and are substantially true, complete and correct and all taxes and other government charges of any kind whatsoever have been paid.
 - (ii) Adequate provision has been made for taxes payable by Damon for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers or other arrangements of any kind whatsoever providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax or governmental charge of any kind whatsoever by Damon.
 - (iii) Damon is not aware of any contingent tax liabilities of Damon of any kind whatsoever or any grounds which would prompt a reassessment of Damon.
 - (iv) Damon has made all collections, deductions, remittances and payments of any kind whatsoever and filed all reports and returns required by it to be made or filed under the provisions of all applicable statutes requiring the making of collections, deductions, remittances or payments of any kind whatsoever in those jurisdictions in which it carries on business.
- (m) **Litigation** – There are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Damon, at law or in equity or before or by any Governmental Authority or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to the best of its knowledge, any pending or threatened.
- (n) **No Collective Bargaining** – Damon is not now, and has never been, a party to any collective agreement with any labour union or other association of employees of any kind whatsoever.
- (o) **Employment** – As of the date hereof, Damon has no full or part-time employees, and no independent contractors or other non-employees who supply their services under personal services contracts (whether written or oral).
- (p) **No Employee Plans** – Damon does not maintain, sponsor or fund any employee benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, health, welfare, life insurance or similar plan.

(q) **No Breach of Laws** – To the best of its knowledge, Damon is not in breach in any material respect of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever.

(r) **Material Contracts** – The material contracts of Damon are as follows:

- Form 2F CPC Escrow Agreement dated October 28, 2011 between Damon, Olympia Trust Company (now Computershare Investor Services Inc.) and certain securityholders of Damon; and
- Fixed Stock Option Plan dated November 9, 2011.

copies of which have been provided to Arizona. Damon has performed all of the obligations required to be performed by it and is entitled to all benefits under its material contracts. Damon is not in default of any such material contract.

(s) **Insurance** – Copies of Damon's insurance policies, if any, have been provided to Arizona. Damon is not in default of any of the material provisions contained in any insurance policies, the payment of any premiums under any insurance policy and has not failed to give any notice or to present any claim under any insurance policy in a due and timely fashion.

(t) **Subsidiaries** – Damon has:

- (i) no subsidiaries or affiliates other than the Subsidiary, which is duly incorporated and validly existing and in good standing under the laws of its jurisdiction of incorporation and no proceedings have been instituted or are pending for the dissolution or liquidation or winding-up of the Subsidiary.
- (ii) Damon's direct or indirect percentage ownership of the shares of the Subsidiary is correctly disclosed in Schedule "C", and all such shares are legally and beneficially owned by Damon free and clear of all liens, charges and encumbrances of any kind whatsoever.
- (iii) the Subsidiary has the corporate power and capacity to own any assets owned by it and to carry on the business carried on and proposed to be carried on by it, but has never owned any assets and has continually been inactive.

(u) **Certain United States Securities Law Matters**

- (i) Damon is a “foreign private issuer” as such term is defined in Rule 405 under the U.S. Securities Act.
- (ii) Damon is not now, and as a result of the completion of the Acquisition will not be, required to be registered as an “investment company” under the United States Investment Company Act of 1940, as amended.
- (iii) None of Damon, any of its predecessors, any “affiliated” (as such term is defined in Rule 501(b) of Regulation D) issuer, any director, executive officer or other officer of Damon participating in the offering of the Damon Shares contemplated hereby, any beneficial owner of twenty percent (20%) or more of Damon's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act)

connected with Damon in any capacity at the Closing Time, is subject to any Disqualification Event.

(v) **Complete Disclosure**

- (i) To the best of its knowledge, information and belief, all documents and written information delivered by Damon or its representatives under or in connection with this Agreement to Arizona or its representatives are complete and correct in all material respects as of the date of this Agreement.
- (ii) To the best of its knowledge, information and belief, Damon has not withheld from Arizona any material information necessary to enable Arizona and the Arizona Shareholders to make an informed assessment and valuation of the business, assets and liabilities of Damon.

8.2 **Concerning Arizona** – In order to induce Damon to enter into this Agreement and complete its obligations hereunder, Arizona represents and warrants to and covenants with Damon as follows:

- (a) **Incorporation and Qualification** – Arizona is a corporation incorporated and existing under the laws of British Columbia and has the corporate power to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement. This Agreement constitutes a legal, valid and binding agreement of Arizona and is enforceable against Arizona in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.
- (b) **Not Reporting Company** – Arizona is not a reporting company in any jurisdiction and its common shares are not listed or quoted on any stock exchange or trading facility. Arizona is not subject to any regulatory decision or order prohibiting or restricting trading in its shares.
- (c) **No Conflict** – The execution and delivery of this Agreement by Arizona and the performance by Arizona and the Arizona Shareholders of their obligations under this Agreement will not:
 - (i) conflict with, or result in the breach or the acceleration of, any indebtedness under, or constitute default under the constating documents of Arizona, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which Arizona is a party, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which Arizona is bound; or
 - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind.
- (d) **Required Approvals** – There is no requirement to obtain any Regulatory Approval or other third party consent or approval as a condition to the lawful completion by Arizona of the transactions contemplated by this Agreement.
- (e) **Corporate Authority** – The execution, delivery and performance by Arizona of this Agreement and the completion of the transactions contemplated hereunder, have been duly authorized by all necessary corporate action on the part of Arizona.

- (f) **Corporate Records** – The corporate records, including all constating documents, minutes of meetings and resolutions of shareholders, directors and any committees, the share certificates, register of securityholders and register of directors of Arizona are complete and accurate and all corporate proceedings and actions reflected in such corporate records have been conducted or taken in compliance with all Applicable Laws and with the constitution of Arizona. The constating documents of Arizona are in the form contained in its respective minute books and no modifications or alterations have been proposed or approved by its shareholders. Arizona has never been subject to, or affected by, any unanimous shareholders agreement.
- (g) **Authorized and Issued Capital** – Arizona is authorized to issue an unlimited number of common shares without par value, of which 558,770 fully paid common shares are validly issued and outstanding as of the date hereof. A true and complete list of the Arizona Shareholders, their names, addresses and holdings of Arizona Shares is set out in Schedule "A".
- (h) **Outstanding Securities** – Other than the Arizona Shares, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Arizona (as that term is defined in the Securities Acts).
- (i) **No Other Agreements to Purchase** – There are no options, agreements, rights of first refusal or other rights capable of becoming such to acquire all or any part of the Arizona Shares.
- (j) **Dividends and Distributions** – No dividends or other distributions of any kind whatsoever on any shares in the capital of Arizona have been made, declared or authorized.
- (k) **Licenses and Permits** – To the best of its knowledge, Arizona holds all licenses and permits that are required for carrying on its business in the manner in which such business has been carried on.
- (l) **Compliance with Laws** – To the best of its knowledge, Arizona has conducted and is conducting its business in compliance with all Applicable Laws in the jurisdictions in which such business is carried on.
- (m) **No Unlawful Payments** – To the best of its knowledge, Arizona nor any director, officer, agent, employee or other person associated with or acting on behalf of Arizona has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of applicable foreign corrupt practices legislation, including the *Corruption of Foreign Public Officials Act* (Canada), the *U.S. Foreign Corrupt Practices Act*, or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.
- (n) **Sufficiency of Assets** – Arizona's business of mineral exploration and development is the only business operation carried on by Arizona. Arizona's assets include all rights and property necessary to enable Arizona to conduct its business after the Closing substantially in the same manner as it was conducted prior to the Closing.
- (o) **Title to Assets** – Arizona owns (with good title) all of the properties and assets (whether real, personal or mixed and whether tangible or intangible) that it purports to own

including all the properties and assets reflected as being owned by Arizona in its financial books and records, including the Arizona Financial Statements. Arizona has legal and beneficial ownership of their assets free and clear of all liens, charges and encumbrances.

- (p) **No Options to Purchase Assets** – There are no written or oral agreements, options, understandings or commitments, or any right or privilege capable of becoming such for the purchase or other acquisition from Arizona of any of its assets, other than assets which are obsolete or inventory to be sold in the ordinary course.
- (q) **Condition of Tangible Assets** – To the best of Arizona's knowledge, the buildings, plants, structures, vehicles, equipment, technology and communications hardware and other tangible personal property of Arizona are in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. To the best of Arizona's knowledge, none of such buildings, plants, structures, vehicles, equipment or other property are in need of maintenance or repairs except for routine maintenance and repairs in the ordinary course that are not material in nature or cost.
- (r) **Leases** – Other than the Arizona Lease Agreements, Arizona is not a party to, or under any agreement to become a party to, any lease with respect to real property.
- (s) **Financial Condition**
 - (i) The Arizona Ledgers are, and the Arizona Financial Statements will be, true and correct in every material respect and present or, in the case of the Arizona Financial Statements will present, fairly and accurately the financial position and results of the operations of Arizona for the periods reported upon, and the Arizona Financial Statements will be prepared in accordance with International Financial Reporting Standards.
 - (ii) The books and records of Arizona disclose all material financial transactions of Arizona, and such transactions have been fairly and accurately recorded.
 - (iii) There are or, in the case of the Arizona Financial Statements there will be, no material liabilities of Arizona, whether direct, indirect, absolute, contingent or otherwise, which are not disclosed or reflected in the Arizona Ledgers and the Arizona Financial Statements except for those incurred in the ordinary course of business of Arizona since the respective dates of such financial statements, and such liabilities are recorded in the books and records of Arizona which have been provided to Damon.
 - (iv) Arizona has not granted any general security over its assets or security in any particular asset.
 - (v) Since August 31, 2016, there has not been any material adverse change of any kind whatsoever to the financial position or condition of Arizona or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the business or assets of Arizona or the right or capacity of Arizona to carry on its business.
 - (vi) Since August 31, 2016 has not waived or surrendered any right of any kind whatsoever of material value.

- (vii) Since August 31, 2016, Arizona has not discharged, satisfied or paid any lien, charge or encumbrance of any kind whatsoever or obligation or liability of any kind whatsoever other than current liabilities in the ordinary course of its business.
- (viii) Arizona is not indebted to, or does not have any liability (contingent or otherwise) to, any of the Arizona Shareholders, Arizona Insiders or other directors, officers or insiders of Arizona, other than amounts recorded in the Audited Financial Statements. None of the Arizona Shareholders, Arizona Insiders nor any director, officer or other insider of Arizona is indebted or under obligation to Arizona on any account whatsoever.
- (ix) Arizona has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person.
- (x) There has been no change in any material respect in accounting policies or practices of Arizona since August 31, 2016.
- (t) **Taxes**
 - (i) All tax returns and reports of Arizona required by law to have been filed, if any, have been filed and are substantially true, complete and correct and all taxes and other government charges of any kind whatsoever of Arizona have been paid.
 - (ii) Adequate provision has been made for taxes payable by Arizona for the current period for which tax returns are not yet required to be filed and there are no agreements, waivers or other arrangements of any kind whatsoever providing for an extension of time with respect to the filing of any tax return by, or payment of, any tax or governmental charge of any kind whatsoever by Arizona.
 - (iii) Arizona is not aware of any contingent tax liabilities of Arizona of any kind whatsoever or any grounds which would prompt a reassessment of Arizona.
 - (iv) Arizona has made all collections, deductions, remittances and payments of any kind whatsoever and filed all reports and returns required by it to be made or filed under the provisions of all applicable statutes requiring the making of collections, deductions, remittances or payments of any kind whatsoever in those jurisdictions in which Arizona carry on business.
- (u) **Litigation** – There are no outstanding actions, suits, judgments, investigations or proceedings of any kind whatsoever against or affecting Arizona or the Arizona Properties at law or in equity or before or by any Governmental Authority or other governmental department, commission, board, bureau or agency of any kind whatsoever nor are there, to the best knowledge of Arizona, any pending or threatened.

- (v) **Employment and Employee Benefit Matters**
 - (i) As at the date hereof, Arizona has no full or part-time employees, and no independent contractors or other non-employees who supply their services under personal services contracts (whether written or oral).
 - (ii) Arizona does not maintain, sponsor or fund any Employee Benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, health, welfare, life insurance or similar plan.
- (w) **No Breach of Laws** – To the best knowledge of Arizona, Arizona is not in breach of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever.
- (x) **Insurance** – Arizona does not carry any insurance policies.
- (y) **Material Contracts** – Other than the Arizona Lease Agreements, there are no other material contracts of Arizona. Arizona has performed all of the obligations required to be performed by it and, to the best of the knowledge of Arizona, Arizona is entitled to all benefits under its material contracts. Arizona is not in default of any such material contract.
- (z) **Material Transactions** – All of the material transactions of Arizona have been promptly and properly recorded or filed in, or with, the books or records of Arizona, as applicable, and the minute books of Arizona contain all records of the meetings and proceedings of shareholders and directors of Arizona since its incorporation.
- (aa) **Arizona Properties**
 - (i) Schedule "B" sets forth a true, accurate and complete description of the Arizona Lease Agreements and the Arizona Properties including a listing of the details of the mineral tenements comprising the Arizona Properties.
 - (ii) Arizona has the exclusive right to become the full legal and beneficial owner of each of the Arizona Properties, subject only to the terms of the Arizona Lease Agreements.
 - (iii) The Arizona Properties are free from all Security Interests and Arizona is not a party to any agreement to grant any Security Interest over any of the Arizona Properties.
 - (iv) To the best of the knowledge of Arizona, the mineral tenements, claims and properties comprising the Arizona Properties have been validly located and are now duly recorded, are valid and in good standing in accordance with Applicable Laws.
 - (v) The terms and conditions of the mineral tenements comprising the Arizona Properties have been complied with in all material respects.
 - (vi) All expenditure obligations and work commitments required to keep the Arizona Properties in good standing have been met.
 - (vii) All required filings with Governmental Authorities relating to the Arizona Properties have been made with the applicable Governmental Authority.

- (viii) Other than as set out in the Arizona Lease Agreements, no person has any right to any interest in the Arizona Properties or rights to any royalty or any minerals in situ or produced from the Arizona Properties, whether such right is exercisable now or in the future or is contingent or otherwise.
- (ix) No option, right of first refusal, farm in or pre-emptive right of any nature has been granted or issued by Arizona in relation to the Arizona Properties.
- (x) All fees, rentals, royalties, rates, taxes, bonds and other payments in respect of the Arizona Properties have been fully paid or satisfied within the time required for payment.
- (xi) The Arizona Lease Agreements are the only agreements that Arizona has entered into with respect to the Arizona Properties.
- (xii) There is no judgment, decree, injunction, ruling or order of any court, Governmental Authority, instrumentality or arbitrator and no claim, suit, action, litigation, arbitration or governmental proceeding is in progress, pending or, to the best of the knowledge of Arizona, threatened against, relating to or affecting any of the Arizona Properties.
- (xiii) To the best of the knowledge of Arizona, all activities and operations that have been carried out by or on behalf of Arizona on the Arizona Properties have been in compliance in all material respects with all Applicable Laws and directives of all Governmental Authorities and Arizona has not received notice of non-compliance from any such Governmental Authorities.
- (xiv) Arizona has not entered into any labour contracts, collective bargaining agreements, or any other labour-related obligations and liabilities which may affect the Arizona Properties or any operations conducted thereon.
- (xv) To the best knowledge of Arizona, all the lands covered by the Arizona Properties are free and clear of any Hazardous Substance and there is no judicial or administrative proceeding pending and no Environmental Order has been issued or, to the best knowledge of Arizona, threatened, concerning the possible violation of any Environmental Laws or Environmental Orders in respect of the Arizona Properties.
- (xvi) To the best knowledge of Arizona, there are no obligations or liabilities of any nature due, outstanding, threatened, prospective, contingent or otherwise, under any applicable Environmental Laws, mining or other law, including reclamation or rehabilitation work, associated or in connection with the Arizona Properties or arising out of past exploration, development and/or mining activities carried out thereon by Arizona or any previous owner.
- (xvii) All environmental approvals required with respect to activities carried out by Arizona on any part of the lands covered by the Arizona Properties have been obtained, are valid and in full force and effect, have been complied with and there have been and, to the best knowledge of Arizona, there are no proceedings commenced or threatened to revoke or amend any such environmental approvals.
- (xviii) To the best knowledge of Arizona, Arizona possesses and owns all exploration reports, studies, assessments, information and materials prepared in relation to

the Arizona Properties (whether these reports and materials were prepared by Arizona or any other party).

- (xix) No tenure has been granted under any other Applicable Laws which overlaps the area of the Arizona Properties.
- (xx) Arizona has not received any notice that any of the Arizona Properties will be revoked, suspended, modified or will not be renewed and is not aware of any circumstance which may give rise to any such action.
- (bb) **Intellectual Property** – Arizona does not own any right, title or interest in and to any material Intellectual Property.
- (cc) **Complete Disclosure**
 - (i) To the best of Arizona's knowledge, information and belief, all documents and written information delivered by Arizona or its representatives under or in connection with this Agreement to Damon or its representatives are complete and correct in all material respects as of the date of this Agreement.
 - (ii) To the best of Arizona's knowledge, information and belief, neither Arizona nor the Arizona Insiders have withheld from Damon any material information necessary to enable Damon to make an informed assessment and valuation of the business, assets and liabilities of Arizona.
- (dd) **Not a Reporting Issuer, No Published Market** – Arizona is not a reporting issuer in any jurisdiction and there is no published market for the Arizona Shares.

8.3 **Concerning the Arizona Shareholders** – In order to induce Damon to enter into this Agreement and complete its obligations hereunder, each of the Arizona Shareholders severally represents and warrants to Damon that:

- (a) **Qualification** – He or she is of legal age and is legally competent to enter into and perform his or her obligations under this Agreement. If the Arizona Shareholder is a corporation, it is a corporation incorporated and existing under the laws of its jurisdiction of incorporation and has the corporate power to enter into and perform its obligations under this Agreement, and the consummation of the transactions contemplated by this Agreement has been duly authorized by all necessary corporate or other action on the part of such Arizona Shareholder.
- (b) **Binding Agreement** – This Agreement constitutes a legal, valid and binding agreement of the Arizona Shareholder and is enforceable against such Arizona Shareholder in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity.
- (c) **Title to Arizona Shares**
 - (i) Such Arizona Shareholder is the legal and, unless otherwise indicated in Schedule "A", beneficial owner of the Arizona Shares, registered in its name as set out in Schedule "A", with good title, free and clear of all liens, charges, encumbrances, Security Interests and resale restrictions.

- (ii) Where Schedule "A" indicates that the Arizona Shares are held in the name of a trustee (the “**Trustee**”) for the benefit of another Person (the “**Beneficiary**”), the Trustee represents and warrants that the Trustee is the duly appointed trustee for the Beneficiary disclosed in Schedule "A" with proper authority to execute all documents in connection with this Agreement on behalf of the Beneficiary and that the representations, warranties, acknowledgments and covenants of the Trustee herein, excluding this Section 8.3(c)(ii), are also hereby given with respect to such Beneficiary.
- (iii) On Closing, Damon will have good and valid title to such Arizona Shares free and clear of all liens, Security Interests and resale restrictions.
- (d) **No Other Agreements to Purchase** – Except for Damon's rights under this Agreement, there is no option, agreement or other right capable of becoming such to acquire from such Arizona Shareholder any of the Arizona Shares.
- (e) **Resale Restrictions** – Such Arizona Shareholder acknowledges and agrees to be bound by any restrictions on the resale of Damon Shares issued to it at the Closing that may be imposed by Applicable Laws, this Agreement or the TSXV and agrees that the certificates representing such Damon Shares will contain a legend or legends to that effect.
- (f) **Independent Legal and Financial Advice** – Such Arizona Shareholder has been advised prior to entering into this Agreement to obtain, and has obtained, such independent legal, financial and other advice as it deems to be necessary or advisable in connection herewith, and waives any claim which it may now or in the future have with respect to this Agreement or the subject matter hereof based in any way on the absence of, lack of access to or shortness of time available to rely on such advice.
- (g) **U.S. Securities Law Matters** – Such Arizona Shareholder is aware and accepts that the Damon Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and, subject to certain exemptions, may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person or any person in the United States. Accordingly, such Arizona Shareholder represents and warrants that it either:
 - (i) is not, and is not acquiring the Damon Shares for the account or benefit of, a person in the United States or a U.S. Person; was not offered the Damon Shares in the United States; did not execute or deliver this Agreement in the United States; and has no intention to distribute either directly or indirectly any of the Damon Shares in the United States, except in compliance with the U.S. Securities Act and any applicable state securities laws; or
 - (ii) has completed and executed the Certification of U.S. Arizona Shareholder attached hereto as Schedule "D" and hereby confirms the truth and accuracy of all statements made therein by the Arizona Shareholder.

8.4 Acknowledgment regarding foreign jurisdiction laws – If such Arizona Shareholder is not a resident of Canada, it represents and warrants to Damon that it:

- (a) is knowledgeable of, or has been independently advised as to, the applicable securities laws of its jurisdiction of residence that would apply to this transaction, if there are any;

- (b) is acquiring the Damon Shares pursuant to exemptions from any substantive or procedural requirements under the applicable securities laws of its jurisdiction of residence or, if such is not applicable, the Arizona Shareholder is permitted to acquire the Damon Shares under the applicable securities laws of its jurisdiction of residence without the need to comply with any substantive or procedural requirements of any kind whatsoever in such jurisdiction; and
- (c) will, if requested by Damon, deliver to Damon a certificate or opinion of local counsel from its jurisdiction of residence which will confirm the matters referred to in subparagraph (b) above to the satisfaction of Damon, acting reasonably.

8.5 Survival

- (a) The representations and warranties made by the Parties under this Part 8 are true and correct as of the Effective Date and shall be true and correct at the Time of Closing as though they were made at that time.
- (b) Should any of the representations and warranties made by any Arizona Shareholder in Section 8.3 or Section 8.4 not be true and correct as of the Effective Date or at the Time of Closing as though they were made at that time, Damon shall be entitled, for a period of three years following the Closing, to seek remedy against such Arizona Shareholder for any such misrepresentation or breach of warranty.
- (c) Should any of the representations and warranties made by Damon in Section 8.1(a), Section 8.1(h) or Section 8.1(i) not be true and correct as of the Effective Date or at the Time of Closing as though they were made at that time, each Arizona Shareholder shall be entitled, for a period of three years following the Closing, to seek remedy against Damon for any such misrepresentation or breach of warranty.
- (d) After the expiration of such three-year period, no Party or Parties shall have any further liability with respect to any breach of any representation or warranty contained herein, except for those alleged breaches for which notice has been given prior to the end of such three-year period. All other representations and warranties made by the Parties under this Part 8 shall terminate and be of no further force or effect immediately after the Time of Closing.

8.6 **No Limit on Rights** – The Parties each acknowledge and agree that a Party's investigations shall in no way limit or otherwise adversely affect that Party's rights under the representations and warranties given to it by any other Party or Parties under this Agreement.

8.7 **Limitations on Representations and Warranties** – The Parties shall not be deemed to have made any representation or warranty other than as expressly made in this Agreement, including without limitation Sections 8.1 to 8.4 hereof.

9. CLOSING

9.1 **Closing** – The Closing shall take place at the Time of Closing at the office of DuMoulin Black LLP, legal counsel to Damon, in Vancouver, British Columbia, Canada, or at such other place upon which Damon and Arizona may agree.

9.2 **Deliveries by Arizona and the Arizona Shareholders** – At the Closing, Arizona shall deliver to Damon the following documents:

- (a) a certified true copy of the resolutions of the directors and, if necessary, the shareholders of Arizona, evidencing that the board of directors and, if applicable, shareholders of Arizona, have approved this Agreement, the Acquisition and all of the transactions of Arizona and the Arizona Shareholders contemplated hereunder and the resolutions shall include specific reference to:
 - (i) the sale and transfer of the Arizona Shares from the Arizona Shareholders to Damon as provided for in this Agreement;
 - (ii) the cancellation of the certificates (the “**Old Share Certificates**”) representing the Arizona Shares held by the Arizona Shareholders; and
 - (iii) the issuance of one or more new certificate(s) (the “**New Share Certificate(s)**”) representing the Arizona Shares registered in the name of Damon or otherwise as directed by Damon;
- (b) evidence of any required Regulatory Approval to the transactions of the Arizona Shareholders and Arizona contemplated hereunder;
- (c) the Old Share Certificates, and if required, with the form of transfer on the reverse duly executed for transfer or accompanied by a duly executed stock power of attorney;
- (d) the New Share Certificate(s);
- (e) documentation or other confirmation, to the satisfaction of Damon and its advisors acting reasonably, that the issuance of Damon Shares to the Arizona Shareholders pursuant to this Agreement is exempt from the prospectus requirements of applicable securities laws;
- (f) resignations of the directors and officers of Arizona pursuant to Section 3.3 of this Agreement;
- (g) a certificate signed by authorized representatives of Arizona that the representations and warranties of Arizona contained in this Agreement are true and correct in every respect as of the Time of Closing on the Closing Date (with modifications necessary to reflect the transactions contemplated by this Agreement);
- (h) the Title Opinion updated as at the Closing Date; and
- (i) such other materials or documents that are, in the opinion of Damon acting reasonably, required to be delivered by Arizona and the Arizona Shareholders in order for them to meet their obligations under this Agreement.

9.3 Deliveries by Damon – At the Time of Closing on the Closing Date, Damon shall deliver to Arizona, on its own behalf and on behalf of the Arizona Shareholders, as applicable:

- (a) certified true copies of the resolutions of the directors of Damon evidencing the approval of this Agreement and all of the transactions of Damon contemplated hereunder, including without limitation the Acquisition and the Financing and the securities issuable under the Acquisition and the Financing;
- (b) evidence of the Regulatory Approval to the Acquisition, the Name Change and the Financing;

- (c) certificates representing those Damon Shares that are not subject to escrow in accordance with the requirements of the TSXV and evidence of issuance of those Damon Shares that are subject to escrow, all registered in the respective names of the Arizona Shareholders as set forth in Schedule "A";
- (d) a certificate signed by an officer of Damon confirming that the representations and warranties of Damon contained in this Agreement are true and correct in every respect as of the Time of Closing (with modifications necessary to reflect the transactions contemplated by this Agreement), and confirming the closing of the Financing and the amount raised thereunder; and
- (e) such other materials or documents that are, in the opinion of Arizona acting reasonably, required to be delivered by Damon in order for it to meet its obligations under this Agreement.

10. ORDINARY COURSE

Until the Time of Closing, neither Arizona nor Damon shall, without the prior written consent of the other, enter into any contract in respect of its business or assets, other than in the ordinary course of business, and each Party shall continue to carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Acquisition, the Closing and the Financing, and, without limitation, but subject to the above exceptions, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage in any extraordinary material transactions and shall make no distributions, dividends or special bonuses, shall not repay any shareholders' loans, or enter into or renegotiate any employment or consulting agreement with any officer, in each case without the prior written consent of the other which shall not be unreasonably withheld, and shall otherwise comply with its respective covenants as set forth in Section 4 hereof.

11. TERMINATION

11.1 **By the parties** – Each of Arizona (on its own behalf and on behalf of the Arizona Shareholders) and Damon shall, in its sole discretion, have the right to terminate this Agreement upon written notice to the other:

- (a) in the event it becomes reasonably apparent the TSXV will not approve the terms of this Agreement or the transactions contemplated herein;
- (b) if any other Party has breached or is in default of any material term of this Agreement and fails to cure or remedy such breach or default within 14 days after receiving written notice thereof from the Party not in breach or default; or
- (c) if the Closing does not occur on or before the Completion Deadline.

11.2 **Survival** – In the event this Agreement is terminated, the provisions of Sections 4.2(j), 13 and 16.4 shall survive the termination.

12. STANDSTILL AGREEMENT

From the Effective Date until completion of the transactions contemplated herein or the earlier termination hereof, Arizona, the Arizona Shareholders and Damon will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with, or provide information relating to the securities, business, operations, affairs or financial condition of Arizona or Damon to any persons in connection with the acquisition or distribution of any securities of Arizona or Damon, or any amalgamation, merger, consolidation,

arrangement, restructuring, refinancing, sale of any material assets of Arizona or Damon, unless such action, matter or transaction is part of the transactions contemplated in this Agreement (including without limitation the Financing) or is satisfactory to, and is approved in writing in advance by Arizona and Damon or is necessary to carry on the normal course of business.

13. PUBLIC DISCLOSURE

13.1 **Restrictions on disclosure** – No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by any Party without the prior written agreement of Damon and Arizona as to timing, content and method, provided that the obligations herein will not prevent any Party from making, after consultation with Damon and Arizona, such disclosure as its counsel advises is required by Applicable Laws or the rules and policies of the TSXV or as is required to carry out the transactions contemplated in this Agreement or the obligations of any of the Parties hereto.

13.2 **Confidentiality** – Except with the prior written consent of Damon and Arizona, each of the Parties and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from a Party concerning any of Damon, Arizona or any of the Arizona Shareholders in confidence and shall not be disclosed or used by the recipients thereof, except such information and documents available to the public or as are required to be disclosed by Applicable Laws. All such information in written or electronic form and documents will, at a Party's request, be promptly returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not completed.

13.3 **Personal Information** – Each of the Arizona Shareholders hereby consents to the disclosure of his or her personal information in connection with the transactions contemplated by this Agreement, including without limitation the Acquisition and Financing, and acknowledges and consents to the fact that Arizona and Damon are collecting the personal information (as that term is defined under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect in Canada from time to time) of the Arizona Shareholder for the purposes of completing this Agreement and the transactions contemplated hereby. Each Arizona Shareholder acknowledges and consents to Arizona and Damon retaining such personal information for as long as permitted or required by law or business practices. Each Arizona Shareholder further acknowledges and consents to the fact that Arizona and Damon may be required by applicable securities legislation or the rules and policies of the TSXV to provide regulatory authorities with any personal information provided by the Arizona Shareholders in this Agreement and each Arizona Shareholder further consents to the public disclosure of such information, including this Agreement in its entirety, by electronic filing or by any other means.

14. POWER OF ATTORNEY

Each of the Arizona Shareholders hereby nominates, constitutes and irrevocably appoints Gregory Hahn as his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, and in his name, place and stead, to execute any and all documents, instruments and agreements relating to the Acquisition, including duly executed stock powers of attorney authorizing the transfer to Damon of Arizona Shares held by each respective Arizona Shareholder, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully and to all intents and purposes as each of the undersigned Arizona Shareholders might or could do in person, and each of the undersigned Arizona Shareholders hereby irrevocably ratifies and agrees to ratify and confirm all actions taken by the said attorney-in-fact and agent, or his substitute or substitutes, as they may lawfully do or cause to be done by virtue hereof.

15. **FINDER'S FEE**

The Parties acknowledge that no finder's fee will be paid in connection with the Acquisition.

16. **GENERAL**

16.1 **Time** – Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement and any waiver by the Parties of this Section or any failure by them to exercise any of their rights under this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

16.2 **Entire agreement** – This Agreement constitutes the entire Agreement between the Parties hereto in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein. In particular, upon the execution and delivery of this Agreement, the Letter of Intent dated August 11, 2016 made between Damon and Arizona is hereby terminated and of no further force and effect.

16.3 **Further assurances** – The Parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any Party may, either before or after the Closing, reasonably require of the others in order that the full intent and meaning of this Agreement is carried out. The provisions contained in this Agreement which, by their terms, require performance by a Party to this Agreement subsequent to the Closing, shall survive the Closing.

16.4 **Expenses** – Damon, Arizona and each of the Arizona Shareholders shall, other than as provided herein, pay their own costs, fees and expenses incurred in connection with the transactions contemplated herein.

16.5 **Amendments** – No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid or binding upon the Parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by all of the Parties to this Agreement.

16.6 **Notices** – Any notice, request, demand, election and other communication of any kind whatsoever to be given under this Agreement shall be in writing and shall be delivered by hand, e-mail, fax or mailed by prepaid registered post to the Parties at their following respective addresses:

(a) to Arizona or the Arizona Shareholders:

Arizona Silver Corporation
Suite 2600, Oceanic Plaza,
1066 West Hastings Street
Vancouver, B.C. V6E 3X1

Attention: Gregory Hahn
E-mail: greghahn1@aol.com

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

McCullough O'Connor Irwin LLP
Suite 2600, Oceanic Plaza,
1066 West Hastings Street
Vancouver, B.C. V6E 3X1

Attention: Graham Scott
E-mail: gscott@moisolicitors.com
Fax: 604-687-7099

(b) to Damon:

Damon Capital Corp.
Suite 303, 595 Howe Street
Vancouver, British Columbia, V6C 2T5

Attention: Chief Executive Officer
Fax: 604-718-2808

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

DuMoulin Black LLP
Suite 303, 595 Howe Street
Vancouver, British Columbia, V6C 2T5

Attention: Lucy Schilling
E-mail: lschilling@dumoulinblack.com
Fax: 604-687-8772

or to such other addresses as may be given in writing by the Parties hereto in the manner provided for in this Section. Any notice delivered or faxed shall be deemed to have been given and received on the Business Day next following the date of delivery or faxing, as the case may be.

16.7 **Assignment** – This Agreement may not be assigned by any Party hereto without the prior written consent of all of the Parties hereto.

16.8 **Governing law** – This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Parties hereby attorn to the non-exclusive jurisdiction of the courts of British Columbia.

16.9 **Counterparts** – This Agreement may be executed in counterpart and by fax or other electronic means, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

16.10 **Severability** – If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

16.11 **Enurement** – This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors, permitted assigns, trustees, representatives, heirs and executors.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the Effective Date.

DAMON CAPITAL CORP.

Per:

SIGNED: "Joseph Charland"

Name: Joseph Charland

Title: President & CEO

ARIZONA SILVER CORPORATION

Per:

SIGNED: "Greg Hahn"

Name: Greg Hahn

Title: Chairman & CEO

GREG HAHN CONSULTING LLC

Per:

SIGNED: "Greg Hahn"

Name: Greg Hahn

Title: President

ENIGMA EXPLORATIONS LLC.

Per:

SIGNED: "Jay Leaver"

Name: Jay S. Leaver

Title: President

THE SAMUEL R. HAUGH REVOCABLE TRUST U/A

Per:

SIGNED: "Samuel R. Haugh"

Name: Samuel R. Haugh

Title: Trustee

THE KELLY D. McMILLAN REVOCABLE TRUST U/A

Per:

SIGNED: "Kelly D. McMillan"

Name: Kelly D. McMillan

Title: Trustee

OROPASS LTD.

Per:

SIGNED: "John C. Cunningham"

Name: John C. Cunningham

Title: President

STARKKOLLECTIONS

Per:

SIGNED: "Mike Stark"

Name: Mike Stark

Title: President

GRAHAM SCOTT LAW CORPORATION

Per:

SIGNED: "Graham Scott"

Name: Graham Scott

Title: President

LEROY LAW CORPORATION

Per:

SIGNED: "Stewart Lockwood"

Name: Stewart Lockwood

Title: Sole Director / Sole Shareholder

SIGNED, SEALED AND DELIVERED]
by ANKE CANTZLER-KRAMER, Executrix]
of the **ESTATE OF ROBERT K. KRAMER**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Anke Cantzler-Kramer"]
ANKE CANTZLER-KRAMER, EXECUTRIX]
OF THE **ESTATE OF ROBERT K.**]
KRAMER]

SIGNED, SEALED AND DELIVERED]
by **JOHN BARRETT**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "John Barrett"]
JOHN BARRETT]

SIGNED, SEALED AND DELIVERED]
by **GREGORY A. HAHN**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Gregory A. Hahn"]
GREGORY A. HAHN]

SIGNED, SEALED AND DELIVERED]
by **CHRISTOPHER WEIKERT DOUGLAS**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Christopher W. Douglas"
CHRISTOPHER WEIKERT DOUGLAS

SIGNED, SEALED AND DELIVERED]
by **MARK BILLINGS**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Mark Billings"
MARK BILLINGS

SIGNED, SEALED AND DELIVERED]
by **PHILIP BAYLISS**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Philip Bayliss"
PHILIP BAYLISS

SIGNED, SEALED AND DELIVERED]
by **ALLAN P. JUHAS**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Allan P. Juhas"
ALLAN P. JUHAS

SIGNED, SEALED AND DELIVERED]
by **ALAN LIGHTFOOT**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Alan Lightfoot"
ALAN LIGHTFOOT

SIGNED, SEALED AND DELIVERED]
by **JAMES ALLAN GARNETT**]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "James A. Garnett"
JAMES ALLAN GARNETT

SIGNED, SEALED AND DELIVERED]
by CHERYL AND MARTIN PODGORNIK]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Cheryl Podgornik"]
CHERYL PODGORNIK]

SIGNED: "Martin Podgornik"]
MARTIN PODGORNIK]

SIGNED, SEALED AND DELIVERED]
by WALTER AMICK]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Walter Amick"]
WALTER AMICK]

SIGNED, SEALED AND DELIVERED]
by RONALD S. BELL]
in the presence of:]

_____]]
Name]
_____]]
Address]
_____]]
City]
_____]]
Occupation]

SIGNED: "Ronald S. Bell"]
RONALD S. BELL]

SCHEDULE "A"

**TO THE SHARE EXCHANGE AGREEMENT
DATED OCTOBER 7, 2016**

LIST OF HOLDERS OF ARIZONA SHARES

Name and Address of Arizona Shareholder	Beneficial Ownership (if different)	No. of Arizona Shares owned	No. of Damon Shares to be issued	Registration Details (including name, address, telephone and email) for Damon Shares to be issued (if different from address in column one)
Anke Cantzler-Kramer (Executrix, Estate of Estate Robert K. Kramer) [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
John Barrett [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Gregory Hahn [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]

Name and Address of Arizona Shareholder	Beneficial Ownership (if different)	No. of Arizona Shares owned	No. of Damon Shares to be issued	Registration Details (including name, address, telephone and email) for Damon Shares to be issued (if different from address in column one)
Gregory Hahn Consulting LLC, ██████████ ██████████	██████████	██████████	██████████	██████████ ██████████ ██████████
Enigma Explorations LLC ██████████ ██████████	██████████	██████████	██████████	██████████ ██████████ ██████████
The Samuel R. Haugh Revocable Trust U/A, ██████████ ██████████	██████████	██████████	██████████	██████████ ██████████ ██████████
The Kelly D. McMillan Revocable Trust U/A, ██████████ ██████████	██████████	██████████	██████████	██████████ ██████████ ██████████
Oropass Ltd. ██████████ ██████████	██████████	██████████	██████████	██████████ ██████████ ██████████
Starkkollections ██████████ ██████████	██████████	██████████	██████████	██████████ ██████████ ██████████
Christopher Weikert Douglas, ██████████ ██████████	N/A	██████████	██████████	██████████ ██████████ ██████████

Name and Address of Arizona Shareholder	Beneficial Ownership (if different)	No. of Arizona Shares owned	No. of Damon Shares to be issued	Registration Details (including name, address, telephone and email) for Damon Shares to be issued (if different from address in column one)
Mark Billings [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Philip Bayliss [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Allan P. Juhas [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Alan Lightfoot [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
James Allan Garnett [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Graham Scott Law Corporation, [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Leroy Law Corporation [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Cheryl and Martin Podgornik, [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]

Name and Address of Arizona Shareholder	Beneficial Ownership (if different)	No. of Arizona Shares owned	No. of Damon Shares to be issued	Registration Details (including name, address, telephone and email) for Damon Shares to be issued (if different from address in column one)
Walter Amick [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Ronald S. Bell [REDACTED]	N/A	[REDACTED]	[REDACTED]	[REDACTED]
TOTALS:		558,770	5,587,700	

SCHEDULE "B"

TO THE SHARE EXCHANGE AGREEMENT DATED OCTOBER 7, 2016

ARIZONA PROPERTIES

Arizona Lease Agreements

- A) *Lease and Option to Purchase Agreement dated February 23, 2015 between Arizona and J&D Development Inc (the "Lessor") regarding the two (2) patented claims (the "J&D Agreement")*

Payment to Lessor of US\$10,000 upon signing (which payment has been made) with annual lease payment increasing by US\$1,000 through year 5 (US\$15,000), then increasing by US\$5,000 annually through year 10, and fixed at US\$50,000 annually thereafter. Arizona makes all property tax payments. Arizona has the right to purchase the property at any time for US\$500,000. Underlying owner retains a 2% NSR, but Arizona has the right to purchase the royalty for an additional US\$500,000. The above purchase prices are indexed to the price of silver at US\$17.00/oz. The purchase prices are to be adjusted depending upon the price of silver based upon the 180-day trailing average of the NYMEX closing price of silver from the date of exercise of the respective options.

- B) *Lease and Option to Purchase Agreement dated November 25, 2014, as amended, between Arizona and Precious Metals LLC regarding the twelve (12) unpatented mining claims (the "PM Agreement")*

Payment to owner of US\$10,000 upon signing (made), with annual lease payments increasing as follows:

- US\$12,500 by Year 1 Anniversary, of which US\$10,000 has been paid and US\$2500 has been deferred pending completion of a financing/transaction,
- US\$15,000 by Year 2 Anniversary,
- US\$20,000 by Year 3 Anniversary,
- US\$25,000 by Year 4 Anniversary and before each anniversary thereafter until the claims are in production.

Arizona makes all annual BLM claim maintenance payments. Arizona has the right to purchase the leased claims at any time for US\$500,000. Precious Metals LLC retains a 2% NSR, however the Arizona has the right to purchase the NSR for US\$1,000,000.

Hahn Claims

Control of Additional 16 Unpatented Mining Claims surrounding the above referenced claims;

Arizona controls an additional 16 unpatented lode mining claims surrounding the above referenced leased claims that were staked and are held by Arizona's Chairman and CEO in trust for the benefit of Arizona. Arizona makes all annual BLM claim maintenance payments and controls 100% of these claims free and clear of any obligation to the claimant. There is an assignment and assumption agreement in place that transfers these claims to Arizona Silver upon Arizona Silver establishing a US subsidiary that can legally hold claims in the US.

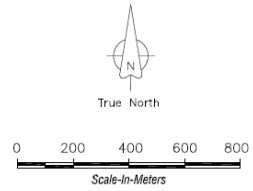
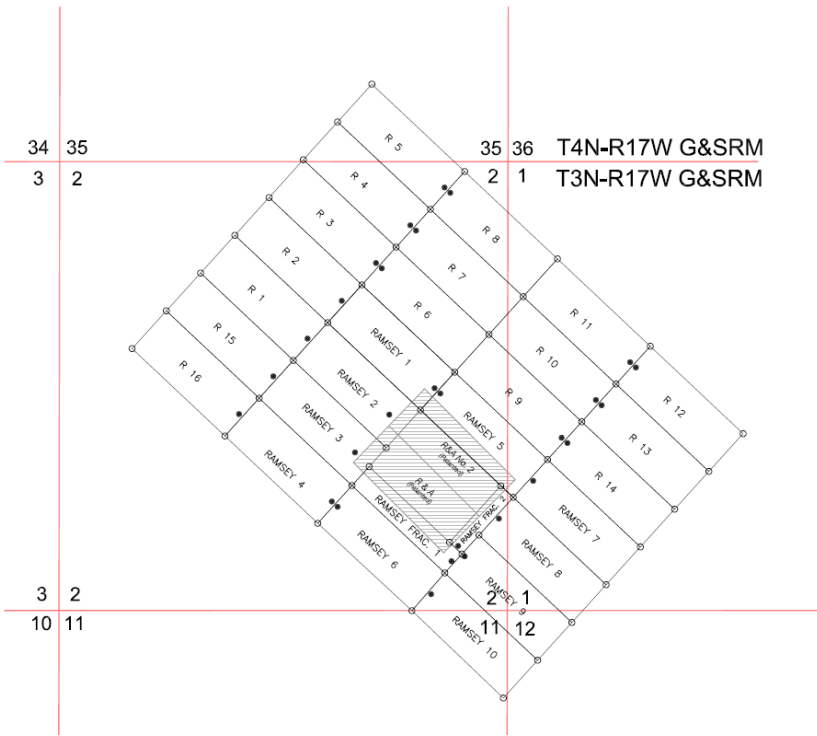
List of Claims

The table below sets out all of the claims comprising the Arizona Properties:

Claim No.	BLM Serial No.	Mineral Survey No.	Recording Date	Claimant Name	Applicable Agreement
R&A	N/A	MS 4780	N/A	N/A	J&D Agreement
R&A #2	N/A	MS 4780	N/A	N/A	J&D Agreement
Ramsey 1	AMC429645	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 2	AMC429646	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 3	AMC429647	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 4	AMC429648	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 5	AMC429649	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 6	AMC429650	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 7	AMC429651	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 8	AMC429652	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 9	AMC429653	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
Ramsey 10	AMC429654	N/A	Nov 4, 2014	Precious Metals LLC	PM Agreement
R 1	AMC430503	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 2	AMC430504	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 3	AMC430505	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 4	AMC430506	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 5	AMC430507	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 6	AMC430508	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 7	AMC430509	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 8	AMC430510	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 9	AMC430511	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 10	AMC430512	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 11	AMC430513	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 12	AMC430514	N/A	Feb 25, 2015	Gregory Hahn	N/A

R 13	AMC430515	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 14	AMC430516	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 15	AMC430517	N/A	Feb 25, 2015	Gregory Hahn	N/A
R 16	AMC430518	N/A	Feb 25, 2015	Gregory Hahn	N/A
Ramsey Fract. 1	AMC431069	N/A		Precious Metals LLC	PM Agreement
Ramsey Fract. 2	AMC431070	N/A		Precious Metals LLC	PM Agreement

Below is a claim map of the Ramsey Mine property.



Ramsey Silver Property		
Landstatus		
<i>La Paz County, Arizona</i>		
Date: Nov, 2015	Scale:	LAND

SCHEDULE "C"

**TO THE SHARE EXCHANGE AGREEMENT
DATED OCTOBER 7, 2016**

DAMON SUBSIDIARY

Entity Name	Jurisdiction	Ownership Percentage
9355448 Canada Corp.	Canadian Federal and Ontario Extra- Provincially Registered	100%

SCHEDULE "D"

**TO THE SHARE EXCHANGE AGREEMENT
DATED OCTOBER 7, 2016**

CERTIFICATION OF U.S. ARIZONA SHAREHOLDER

TO: Damon Capital Corp. (“**Damon**”)

Capitalized terms not specifically defined in this certification have the meaning ascribed to them in the Share Exchange Agreement to which this Schedule "D" is attached. In the event of a conflict between the terms of this certification and such Share Exchange Agreement, the terms of this certification shall prevail.

In addition to the covenants, representations and warranties contained in the Share Exchange Agreement to which this Schedule "D" is attached, the undersigned Arizona Shareholder covenants, represents and warrants to Damon that:

- (a) It is (i) a U.S. Person, a person in the United States, or acquiring Damon Shares for the account or benefit of a U.S. Person or a person in the United States, and (ii) authorized to consummate the acquisition of the Damon Shares.
- (b) It either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Damon Shares, and has so evaluated the merits and risks of such investment.
- (c) Damon has provided to it the opportunity to ask questions and receive answers concerning the terms and conditions of the Acquisition and it has had access to such information concerning Damon as it has considered necessary or appropriate in connection with its investment decision to acquire the Damon Shares, including access to Damon's public filings available on the Internet at www.sedar.com, and that any answers to questions and any request for information have been complied with to the Arizona Shareholder's satisfaction.
- (d) It is acquiring the Damon Shares for its own account, for investment purposes only and not with a view to any resale, distribution or other disposition of the Damon Shares in violation of the United States securities laws.
- (e) The address of the Arizona Shareholder set out in Schedule "A" to the Share Exchange Agreement is the true and correct principal address of the Arizona Shareholder and can be relied on by Damon for the purposes of state securities laws and, if the Arizona Shareholder is not a natural person, it has not been formed for the specific purpose of acquiring the Damon Shares.
- (f) It understands that (i) the Damon Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and will be “restricted securities”, as defined in Rule 144 under the U.S. Securities Act; (ii) the Damon Shares are being offered and sold to the Arizona Shareholder in reliance upon the exemption from such registration requirements provided by Rule 506(b) of Regulation D and/or Section 4(a)(2) under the U.S. Securities Act and similar exemptions from state securities laws; (iii) subject to certain exceptions provided under the U.S. Securities Act, the Damon Shares may not be offered, sold or otherwise transferred in the United States, or to, by or for the account or benefit of a U.S. Person or a person in the United States, unless such Damon Shares are registered under the U.S. Securities Act and applicable state securities laws, or unless an exemption from such registration requirements is available; and (iv) as a consequence, the Arizona Shareholder may be required to bear the economic risks of the investment in the Damon Shares for an indefinite period of time, and the Arizona Shareholder is able to bear such risks and is able to afford a complete loss of such investment.
- (g) The Arizona Shareholder and any persons for whose account or benefit the Arizona Shareholder is purchasing the Damon Shares EITHER:

- (i) is not an “accredited investor” as defined in Rule 501(a) of Regulation D (an “**Accredited Investor**”); OR
- (ii) is an Accredited Investor by virtue of meeting one or more of the following criteria (**please hand-write your initials on the appropriate lines and write “SUB” for the criteria the Arizona Shareholder meets and “BEN” for the criteria any persons for whose account or benefit the Arizona Shareholder is purchasing the Damon Shares meets**):

Initials _____ A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of Closing Time, exceeds US\$1,000,000 (for the purposes of calculating net worth: (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the Closing Time, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the Closing Time exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability); or

Initials _____ A natural person that had annual gross income during each of the last two full calendar years in excess of US\$200,000 (or together with his or her spouse in excess of US\$300,000) and reasonably expects to have annual gross income in excess of US\$200,000 (or together with his or her spouse in excess of US\$300,000) during the current calendar year, and no reason to believe that his or her annual gross income will not remain in excess of US\$200,000 (or that together with his or her spouse will not remain in excess of US\$300,000) for the foreseeable future; or

Initials _____ A director or executive officer of Damon; or

Initials _____ An organization described in Section 501(c)(3) of the United States *Internal Revenue Code*, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Damon Shares offered, with total assets in excess of US\$5,000,000; or

Initials _____ A trust, with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the Damon Shares offered, whose investment decision is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or

Initials _____ An employee benefit plan within the meaning of the United States *Employee Retirement Income Security Act of 1974* in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of US\$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; or

Initials _____ A broker or dealer registered pursuant to Section 15 of the United States *Securities Exchange Act of 1934*, as amended; or

Initials _____ Any entity in which all of the equity owners meet the requirements of at least one of the above categories (if this alternative is checked, you must identify each equity owner and provide statements signed by each demonstrating how each qualifies as an accredited investor).

- (h) If the Arizona Shareholder decides to offer, sell, pledge or otherwise transfer any of the Damon Shares, it will not offer, sell, pledge or otherwise transfer any of such Damon Shares, directly or indirectly, unless:
- (i) the sale is to Damon;
 - (ii) the sale is made outside the United States in an “offshore transaction” meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act, if applicable, and in compliance with applicable local laws and regulations;
 - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
 - (iv) the securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities,

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to Damon an opinion of counsel reasonably satisfactory to Damon stating that such transaction is exempt from registration under applicable securities laws and that the legend referred to in the following paragraph may be removed.

- (i) The certificates representing the Damon Shares issued hereunder, as well as all certificates issued in exchange for or in substitution of the foregoing, until such time as is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws, will bear, on the face of such certificate, the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”;

provided, that if the Damon Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legends set forth above may be removed by providing an executed declaration to the registrar and transfer agent of Damon, in substantially the form set forth as Appendix II attached hereto (or in such other forms as Damon may prescribe from time to time) and, if requested by Damon or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to Damon and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Damon Shares are being sold otherwise than in accordance with Regulation S and other than to Damon, the legend may be removed by delivery to the registrar and transfer agent and Damon of an opinion of counsel, of recognized standing reasonably satisfactory to Damon, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (j) It understands and agrees that there may be material tax consequences to the Arizona Shareholder of an acquisition or disposition of the Damon Shares. Damon gives no opinion and makes no representation with respect to the tax consequences to the Arizona Shareholder under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of such Damon Shares; in particular, no determination has been made whether Damon will be a "passive foreign investment company" (commonly known as a "PFIC") within the meaning of Section 1297 of the United States *Internal Revenue Code*.
- (k) It understands and agrees that the financial statements of Damon have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards and therefore may be materially different from financial statements prepared under U.S. generally accepted accounting principles and therefore may not be comparable to financial statements of United States companies.
- (l) It consents to Damon making a notation on its records or giving instructions to any transfer agent of Damon in order to implement the restrictions on transfer set forth and described in this certification and the Subscription Agreement.
- (m) It understands and agrees that notwithstanding the completion of the Acquisition of the Arizona Shares by Damon, Damon will be an issuer that has previously been an issuer with no or nominal operations, and no or nominal assets other than cash and cash equivalents (a "shell company" as defined in Rule 405 under the U.S. Securities Act), with the result that Rule 144 and Rule 145(d) under the U.S. Securities Act will not be available for resales of any Damon Shares.
- (n) It understands and acknowledges that Damon has no obligation or present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Damon Shares in the United States, or to take any other action (including, without limitation, in respect of Rule 144 or Rule 145(d) under the U.S. Securities Act) to facilitate the resale of any of the Damon Shares in the United States.
- (o) It acknowledges that the representations, warranties and covenants contained in this Certification are made by it with the intent that they may be relied upon by Damon in determining its eligibility or the eligibility of others on whose behalf it is contracting to acquire Damon Shares upon completion of the Acquisition. It agrees that by accepting Damon Shares it shall be representing and warranting that the representations and warranties above are true as at the Closing Date with the same force and effect as if they had been made by it at the Closing Date and that they shall survive the acquisition by it of Damon Shares and shall continue in full force and effect notwithstanding any subsequent disposition by it of such Damon Shares.

ONLY U.S. ARIZONA SHAREHOLDERS NEED COMPLETE AND SIGN THIS CERTIFICATION

Dated _____ 2016.

X _____
Signature of individual (if Arizona Shareholder **is** an individual)

X _____
Authorized signatory (if Arizona Shareholder **is not** an individual)

Name of Arizona Shareholder (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

**Appendix "T" to
CERTIFICATION OF U.S. ARIZONA SHAREHOLDER**

Form of Declaration for Removal of Legend

To: Arizona Silver Corporation (the "**Corporation**")

And To: Registrar and transfer agent for the shares of the Corporation.

The undersigned (A) acknowledges that the sale of _____ (the "**Securities**") of the Corporation, represented by certificate number _____, to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not (a) an "affiliate" of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), (b) a "distributor" as defined in Regulation S or (c) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or any other "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace such securities with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

Dated _____ 20____.

X _____
Signature of individual (if Seller is an individual)

X _____
Authorized signatory (if Seller is **not** an individual)

Name of Seller (**please print**)

Name of authorized signatory (**please print**)

Official capacity of authorized signatory (**please print**)

**Affirmation by Seller's Broker-Dealer
(Required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of our customer, _____ (the "Seller") dated _____, with regard to the sale, for such Seller's account, of _____ common shares (the "**Securities**") of the Corporation represented by certificate

number _____. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no “directed selling efforts” were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker’s commission that would be received by a person executing such transaction as agent.

For purposes of these representations: “**affiliate**” means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; “**directed selling efforts**” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and “**United States**” means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Corporation shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated: _____ 20_.

Name of Firm

By: _____
Authorized Officer