

## AGENCY AGREEMENT

December 8, 2025

South Pacific Metals Corp.  
710 – 1030 West Georgia Street  
Vancouver, British Columbia  
V6E 2Y3  
Canada

**Attention:** Michael Darren Murphy, Chairman

Dear Sir:

**Re:** Private Placement of Common Shares

BMO Nesbitt Burns Inc., as sole bookrunner (the “**BMO**”), along with Paradigm Capital Inc. and Velocity Trade Capital Ltd. (collectively with BMO, the “**Agents**”), understand that South Pacific Metals Corp. (the “**Corporation**”) proposes to issue and sell on a private placement basis pursuant to the listed issuer financing exemption (the “**Listed Issuer Financing Exemption**”) under Part 5A of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) and in reliance on the amendments to Part 5A of NI 45-106 set forth in Coordinated Blanket Order 45-935 – *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption* (the “**Order**”) up to 14,814,814 units of the Corporation (“**Units**”) at a price of \$0.54 per Unit (the “**Issue Price**”) for maximum gross proceeds to the Corporation of \$8,000,000 (the “**Offering**”). The Corporation has prepared and filed an offering document on SEDAR+ (as defined herein) dated November 25, 2025 in respect of the Offering and which satisfies the requirements of NI 45-106, including those of Form 45-106F19 and the Order (the “**Offering Document**”).

Each Unit will consist of one common share in the capital of the Corporation (each, an “**Offered Share**”) and the common shares in the capital of the Corporation being the “**Common Shares**”) and one-half of one Common Share purchase warrant of the Corporation (each whole common share purchase warrant, a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one Common Share (each, a “**Warrant Share**”) at a price per Warrant Share of \$0.90 for a period of 24 months from the Closing Date (as defined herein). The Units, the Offered Shares and the Warrants are herein referred to as the “**Offered Securities**”. The Warrants will be created and issued pursuant to a warrant indenture (the “**Warrant Indenture**”) dated the date hereof and entered between the Corporation and Odyssey Trust Company, in its capacity as warrant agent thereunder (the “**Warrant Agent**”).

The Agents have been granted an option (the “**Agents’ Option**”), which Agents’ Option may be exercised, in whole or in part, at the Agents’ sole discretion and without obligation, to sell up to an additional 2,222,222 Units (the “**Option Units**”) at the Issue Price on terms identical to the Units, for additional gross proceeds of up to \$1,200,000 in the aggregate, upon the terms and conditions set forth herein. The Agents’ Option shall be exercisable by the Agents at any time up to 48 hours prior to the Closing Time (as defined herein), after which time the Agents’ Option shall be void and of no further force and effect. The Agents have no obligation whatsoever to

exercise the Agents' Option. All references herein to "**Units**" and "**Offered Securities**" shall be deemed to include the Option Units.

Subject to the terms and conditions of this Agreement, the Corporation hereby appoints the Agents, severally and not jointly, to act as the exclusive agents of the Corporation to offer the Offered Securities for sale and purchase on a commercially reasonable "best efforts" agency basis in connection with the Offering, and the Agents hereby agree to act as such agents. The Agents may offer the Offered Securities and may solicit offers to purchase the Offered Securities (i) in each of the provinces of Canada, other than Québec, on a private placement basis; (ii) to, or for the account or benefit of, persons in the United States (as defined below) and U.S. Persons (as defined below) that are U.S. Accredited Investors (as defined below) and/or Qualified Institutional Buyers (as defined below) pursuant to the exemption from the registration requirements of the U.S. Securities Act (as defined below) provided by Rule 506(b) of Regulation D under the U.S. Securities Act; and (iii) such offshore jurisdictions as agreed upon by the Agents and the Corporation pursuant to relevant prospectus or registration exemptions in accordance with Applicable Securities Laws (as defined below). The Corporation acknowledges and agrees that the Agents may, but are not obligated to, purchase any of the Offered Securities as principal.

The Corporation agrees that the Agents shall be permitted to appoint, at their sole expense, other registered dealers or other dealers duly qualified in their respective jurisdictions, as agents, to assist in the Offering in the Selling Jurisdictions (as defined below) and that the Agents may determine, and shall be solely responsible for, the remuneration payable to such other dealers appointed.

In consideration of the services rendered by the Agents in connection with the Offering, the Corporation shall pay to the Agents at the Closing Time (as defined herein), a cash commission equal to 6.0% of the gross proceeds from the Offering (the "**Agents' Fee**"), except that in respect of gross proceeds from the sale of Offered Securities to subscribers designated by the Corporation and agreed to by BMO (the "**President's List**"), there will be a reduced cash commission equal to 3.0% payable by the Corporation to the Agents.

The Corporation acknowledges and agrees that the Agents shall not be required to conduct a suitability review in respect of sales to subscribers on the President's List and that the Agents do not and will not have any liability whatsoever to the Corporation or to subscribers on the President's List with respect to such sales and the Corporation shall indemnify and save harmless the Agents from any and all losses or expenses relating to sales to subscribers on the President's List.

## **1. Definitions**

(a) In this Agreement:

- (i) "**affiliate**", "**distribution**", "**material change**", "**material fact**", "**misrepresentation**", and "**subsidiary**" have the respective meanings given to them in the *Securities Act* (Ontario);
- (ii) "**Agents**" has the meaning given to such term on page 1 hereof;
- (iii) "**Agents' Counsel**" means Osler, Hoskin & Harcourt LLP;

- (iv) “**Agents’ Fee**” has the meaning given to such term on page 2 hereof;
- (v) “**Agents’ Option**” has the meaning given to such term on page 1 hereof;
- (vi) “**Agreement**” means this agreement resulting from the acceptance by the Corporation of the offer made by the Agents hereby, including all schedules hereto, as amended or supplemented from time to time;
- (vii) “**Annual Financial Statements**” means the audited consolidated financial statements of the Corporation for the 15 months ended March 31, 2025 and the 12 months ended December 31, 2023, together with the notes to such financial statements and the report of the auditors of the Corporation on such financial statements;
- (viii) “**Applicable Law**” means, in relation to any person, agreement, property, transaction, event or other matter, all applicable laws, statutes, authorizations, ordinances, decrees, rules, regulations, by-laws, legally enforceable policies, codes or guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, directives, rulings, subpoenas, or awards, and conditions of any grant or maintenance of any approval, permission, certification, consent, registration, authority or licence, any applicable federal or provincial pricing policies, and any other requirements of any Governmental Authority, by which such Person is bound or having application to the Corporation or the Offering and any amendments or supplements to, or all replacements and substitutions of, any of the foregoing;
- (ix) “**Applicable Securities Laws**” means all applicable securities laws in each of the Selling Jurisdictions, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, multilateral and national instruments, orders, blanket rulings, notices and other regulatory instruments of the securities regulators of the Selling Jurisdictions;
- (x) “**BMO**” has the meaning given to such term on page 1 hereof;
- (xi) “**Business Day**” means any day, other than a Saturday or Sunday on which banking institutions in Toronto, Ontario are open for commercial banking business during normal banking hours;
- (xii) “**Claim**” has the meaning given to such term in Section **Error! Reference source not found.** hereof;
- (xiii) “**Closing**” means the completion of the Offering;
- (xiv) “**Closing Date**” means December 8, 2025, or such other date as BMO and the Corporation may agree upon in writing;

- (xv) “**Closing Time**” means 8:00 a.m. (Toronto time) or such other time on the Closing Date as BMO and the Corporation may agree upon;
- (xvi) “**Common Share**” means a common share in the capital of the Corporation;
- (xvii) “**Corporation**” has the meaning given to such term on page 1 hereof;
- (xviii) “**Corporation’s Auditors**” means Davidson & Company LLP;
- (xix) “**Corporation’s Counsel**” means Blake, Cassels & Graydon LLP;
- (xx) “**Due Diligence Session**” has the meaning given to such term in Section 4(a) hereof;
- (xxi) “**Employment Laws**” has the meaning given to such term in Section 3(xx) hereof;
- (xxii) “**Engagement Letter**” means the engagement letter dated November 25, 2025, between the Corporation and BMO relating to the Offering;
- (xxiii) “**Environmental Laws**” means any federal, provincial, state, municipal and local or foreign law, statute, ordinance, rule, bylaw and regulation, order, directive, decree, judgment, injunction, permit, license, authorization or other binding requirement or common law or other Applicable Law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including, without limitation, those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials or Conditions, and “**Hazardous Materials or Conditions**” means any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) or condition that is regulated by or may give rise to liability under any Environmental Laws;
- (xxiv) “**Financial Statements**” means the Annual Financial Statements and the Interim Financial Statements;
- (xxv) “**FRA**” means the Frankfurt Stock Exchange;
- (xxvi) “**Governmental Authority**” means any (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; (iii) any quasigovernmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above (including the TSXV, OTCQB and FRA); or (iv) any arbitrator exercising jurisdiction over the affairs of the applicable person, asset, obligation or other matter;

- (xxvii) “**Governmental Licences**” has the meaning given to such term in Section 3(ii) hereof;
- (xxviii) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (xxix) “**Indemnified Party**” has the meaning given to such term in Section 9 hereof;
- (xxx) “**Interim Financial Statements**” means the unaudited condensed consolidated interim financial statements of the Corporation for the three months ended June 30, 2025 and 2024, together with the notes to such financial statements;
- (xxxi) “**Issue Price**” has the meaning given to such term on page 1 hereof;
- (xxxii) “**IT Systems**” has the meaning given to such term in Section 3(fff) hereof;
- (xxxiii) “**Lien**” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (xxxiv) “**Listed Equity Security**” has the meaning ascribed thereto in NI 45-106;
- (xxxv) “**Listed Issuer Financing Exemption**” has the meaning given to such term on page 1 hereof;
- (xxxvi) “**Lock-up Agreements**” has the meaning given to such term in Section 4(p) hereof;
- (xxxvii) “**Material Adverse Effect**” means any effect, change, event or occurrence (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable) that is, or is reasonably likely to be, materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flow, prospects, income or business operations of the Corporation or its Subsidiaries;
- (xxxviii) “**Material Subsidiaries**” means, collectively, Kainantu Resources Pte. Ltd., Kainantu Resources Ltd., KRL Kili Teke Resources Ltd., and Hardrock Ltd.;
- (xxxix) “**Money Laundering Laws**” has the meaning given to such term in Section 3(mmm) hereof;

- (xl) “**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;
- (xli) “**NI 45-102**” means National Instrument 45-102 – *Resale of Securities*;
- (xlii) “**NI 45-106**” has the meaning given to such term on page 1 hereof;
- (xliiii) “**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;
- (xliv) “**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;
- (xliv) “**notice**” has the meaning given to such term in Section 14 hereof;
- (xlvi) “**Offered Securities**” has the meaning given to such term on page 2 hereof;
- (xlvii) “**Offering**” has the meaning given to such term on page 1 hereof;
- (xlviii) “**Offering Document**” has the meaning given to such term on page 1 hereof;
- (xlix) “**Offering Release**” means the news release issued by the Corporation announcing the Offering on November 25, 2025;
- (l) “**Option Units**” has the meaning given to such term on page 1 hereof;
- (li) “**Order**” has the meaning given to such term on page 1 hereof;
- (lii) “**OTCQB**” means the OTCQB Venture Market;
- (liii) “**Person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;
- (liv) “**Personal Data**” has the meaning given to such term in Section 3(fff) hereof;
- (lv) “**President’s List**” has the meaning given to such term on page 2 hereof;
- (lvi) “**Properties**” means the Anga Project, Osená Project, Kili Teke Project and May River Project and all other mineral properties as disclosed in the Public Record in which the Corporation has a direct or indirect economic interest;
- (lvii) “**Public Record**” means all information filed by or on behalf of the Corporation with the Securities Commissions via SEDAR+ in Canada since December 8, 2023, including any other information filed with any Securities Commission in Canada in compliance, or intended compliance, with any

Applicable Securities Laws of the Canadian Selling Jurisdictions and any information which, prior to the Closing Time, appears on the Corporation's website;

- (lviii) “**Qualified Institutional Buyer**” means a “qualified institutional buyer” as defined in Rule 144A(a)(1) under the U.S. Securities Act, that is also a U.S. Accredited Investor;
- (lix) “**Regulation D**” means Regulation D adopted by the SEC under the U.S. Securities Act;
- (lx) “**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;
- (lxi) “**Sanctioned Country**” has the meaning given to such term in Section 3(III) hereof;
- (lxii) “**Sanctions**” has the meaning given to such term in Section 3(III) hereof;
- (lxiii) “**SEC**” means the United States Securities and Exchange Commission;
- (lxiv) “**Securities Commissions**” means the securities commissions or similar regulatory authorities in the Selling Jurisdictions;
- (lxv) “**SEDAR+**” means the System for Electronic Data Analysis and Retrieval+;
- (lxvi) “**Selling Jurisdictions**” means all of the provinces of Canada, other than Québec, the United States and such other jurisdictions as the Agents and the Corporation may agree;
- (lxvii) “**Subscriber**” means, for the purposes of this Agreement, each Person, other than a President's List subscriber, who purchases Offered Securities under the Offering;
- (lxviii) “**Subsidiaries**” means, collectively, Kainantu Resources Pte. Ltd., Kainantu Resources Ltd., KRL Kili Teke Resources Ltd., Hardrock Ltd. and PNG Metals Ltd.;
- (lxix) “**Technical Report**” means the NI 43-101 Technical Report for the Kili Teke Cu-Au Project, Papua New Guinea dated November 18, 2022 and filed by or on behalf of the Corporation with the Securities Commissions via SEDAR+ in Canada;
- (lxx) “**TSXV**” means the TSX Venture Exchange;
- (lxxi) “**U.S. Accredited Investor**” means an “accredited investor” as such term is defined in Rule 501(a) of Regulation D;

- (lxxii) **“U.S. Affiliate”** means a United States registered broker-dealer affiliated with or appointed by an Agent;
  - (lxxiii) **“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S;
  - (lxxiv) **“U.S. Securities Act”** means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;
  - (lxxv) **“United States”** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
  - (lxxvi) **“Warrant”** has the meaning given to such term on page 1 hereof;
  - (lxxvii) **“Warrant Agent”** has the meaning given to such term on page 1 hereof;
  - (lxxviii) **“Warrant Indenture”** has the meaning given to such term on page 1 hereof; and
  - (lxxix) **“Warrant Share”** has the meaning given to such term on page 1 hereof.
- (b) Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of the Corporation, or where any other reference is made herein to the “knowledge” of the Corporation, it shall be deemed to refer to the actual knowledge of Michael Murphy, Executive Chair, and Scott Kelly, Chief Financial Officer, after reasonable enquiry.

## 2. Restrictions on Sale

The Agents hereby represent, warrant, covenant and agree, severally and not jointly, with the Corporation and acknowledge that the Corporation is relying upon such representations, warranties and covenants, that:

- (a) in respect of the offer and sale of the Offered Securities, they will conduct their activities in connection with the Offering and comply with all Applicable Securities Laws and the provisions of this Agreement; and
- (b) they are, and will be at the Closing Time, duly registered pursuant to the provisions of the Applicable Securities Laws, and are duly registered or licensed as investment dealers in those jurisdictions in which they are required to be so registered in order to perform the services contemplated by this Agreement, or where not so registered or licensed, the Agents will act only through members of a selling group who are so registered or licensed.

The parties to this Agreement acknowledge that the Offered Securities and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and the Offered Securities and Warrant Shares may not be offered or sold to, or for the account or benefit of, Persons in the United States or U.S. Persons except pursuant to transactions that are

exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Corporation and each of the Agents, severally and not jointly or jointly and severally, hereby agree that offers and sales of the Offered Securities to, or for the account or benefit of, Persons in the United States and U.S. Persons shall be conducted only in the manner specified in Schedule A, which terms and conditions are hereby incorporated by reference in and shall form a part of this Agreement. Notwithstanding the foregoing provisions of this Section, an Agent will not be liable to the Corporation under this Section or Schedule A with respect to a violation by another Agent or its U.S. Affiliate(s) of the provisions of this Section or Schedule A if the former Agent or its U.S. Affiliate, as applicable, is not itself also in violation.

The Corporation undertakes to file, or cause to be filed, all forms or undertakings required to be filed by the Corporation in connection with the issue and sale of the Offered Securities (including a Form 45-106F1 with the applicable Securities Commissions in Canada) so that the distribution of the Offered Securities to the Subscribers may lawfully occur without the necessity of filing a prospectus, registration statement or other offering document, other than the Offering Document in the Canadian Selling Jurisdictions, but on terms that will permit the Offered Securities acquired by the Subscribers to be sold at any time in the Selling Jurisdictions. All prescribed fees payable in connection with such filings shall be at the expense of the Corporation. The Agents undertake to use commercially reasonable efforts to cause Subscribers to complete and deliver to the Corporation any forms required by Applicable Securities Laws and the TSXV in connection with the Offering.

Neither the Corporation nor the Agents shall: (i) provide to prospective Subscribers any document or other material or information that would constitute an offering memorandum within the meaning of Applicable Securities Laws, except the Offering Document (and the U.S. Private Placement Memorandum (as defined in Schedule A) for U.S. Subscribers (as defined in Schedule A)); or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Securities, including causing the sale of the Offered Securities to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Offered Securities whose attendees have been invited by general solicitation or advertising.

Neither the Corporation nor the Agents shall solicit subscriptions for Offered Securities, trade in Offered Securities or otherwise do any act in furtherance of a trade of Offered Securities outside of the Selling Jurisdictions, provided that the Corporation and the Agents may so solicit, trade or act within such jurisdictions only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and does not to their knowledge (i) obligate the Corporation to file a prospectus, registration statement or similar document in such jurisdiction, other than the Offering Document in Canada; or (ii) subject the Corporation to any ongoing or continuous disclosure reporting obligation in such jurisdiction.

### **3. Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Agents and the Subscribers, and acknowledges that the Agents and the Subscribers are relying upon such representations and warranties in entering into this Agreement that:

- (a) the Corporation has been duly incorporated and is validly existing, is in good standing and is up-to-date in respect of all corporate filings, in all material respects, under the laws of the province of British Columbia and is properly registered or licensed to carry on business under the laws of all jurisdictions in which its business is carried on;
- (b) the Corporation (i) has the requisite corporate power, authority and capacity to own, lease and operate its property and assets and to carry on its business as currently carried on or as proposed to be carried on; and (ii) has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and to issue and sell the Offered Securities;
- (c) the Corporation has been and is in compliance with its continuous and timely disclosure obligations under Applicable Securities Laws in Canada and the rules and regulations of the TSXV, OTCQB and FRA; no confidential material change report has been filed by the Corporation under Applicable Securities Laws in Canada that remains confidential at the date of this Agreement; the Corporation has not completed a “significant acquisition”, which would require the Corporation to file a business acquisition report under Applicable Securities Laws in Canada which has not yet been filed; and all of the material contracts and agreements of the Corporation not made in the ordinary course of business, if required under the Applicable Securities Laws in Canada, have been filed with the applicable Securities Commissions in Canada;
- (d) the Corporation has taken, or will have taken prior to the Closing Time, all necessary corporate action to authorize the execution and delivery of this Agreement and the Warrant Indenture and the performance by the Corporation of its obligations hereunder and thereunder and the issuance of the Offered Securities, and the Offered Securities and Warrants Shares shall have the attributes corresponding in all material respects to the descriptions thereof set forth in the Offering Document;
- (e) all of the material contracts and agreements of the Corporation, if required under Applicable Securities Laws in Canada, have been or will be filed with the Securities Commissions in Canada. Neither the Corporation nor any of its subsidiaries has received any notification from any party that it intends to terminate any such material contract;
- (f) with respect to forward-looking information contained in or incorporated by reference in the Offering Document: (i) the Corporation had a reasonable basis for the forward-looking information at the time the disclosure was made; (ii) all forward-looking information is identified as such in compliance with Applicable Securities Laws in Canada, and all such documents caution users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information and states the material factors or assumptions used to develop forward-looking information;

- (g) to the knowledge of the Corporation, no securities commission, stock exchange or comparable authority has issued any order preventing or suspending the use or effectiveness of the Offering Document or preventing the trading in any securities of the Corporation in any Selling Jurisdiction nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending, contemplated or threatened;
- (h) other than as disclosed in the Public Record, since the date of the most recent audited balance sheet (i) there has been no material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation or its Subsidiaries, (ii) there have been no transactions entered into by the Corporation or its Subsidiaries which are material with respect to the Corporation or its Subsidiaries, other than those in the ordinary course of business, and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Corporation on any class of its shares;
- (i) the Corporation has authorized share capital consisting of an unlimited number of Common Shares, of which 52,103,920 Common Shares are issued and outstanding as of the date of this Agreement and has an aggregate of 3,573,500 stock options, 13,867,945 warrants and 1,175,000 restricted share units outstanding as of the date of this Agreement. Other than as disclosed in the Public Record, no Person, firm or corporation has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation of any unissued shares of the Corporation;
- (j) all of the issued and outstanding securities of the Corporation have been duly and validly authorized and issued and are fully paid and non-assessable shares of the Corporation, and none of the outstanding securities of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;
- (k) the Corporation has no subsidiaries or affiliates other than the Subsidiaries and the Corporation beneficially owns, directly or indirectly, all of the issued and outstanding shares in the capital of the Subsidiaries free and clear of all Liens, mortgages, charges, pledges, security interests, encumbrances, claims or demands of any kind whatsoever, all of such shares have been duly authorized and validly issued and are outstanding as fully paid shares and subject to no further call for contribution and no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Corporation of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of its Subsidiaries or any other security convertible into or exchangeable for any such shares;
- (l) each of the Subsidiaries has been duly incorporated, is validly existing, is in good standing and is up-to-date in respect all corporate filings under the laws of its jurisdiction of formation, continuation, amalgamation or incorporation, has all

requisite corporate power and authority and is duly qualified to carry on its business as now conducted and to own or lease its properties and assets;

- (m) no proceedings have been taken, instituted or, to the knowledge of the Corporation, are pending for the dissolution or liquidation of the Corporation or any of the Subsidiaries; neither the Corporation nor any Subsidiary has committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed for any part of its assets, had any encumbrance or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it, and at the Closing Time, neither the Corporation nor any Subsidiary will be an insolvent Person (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada));
- (n) all necessary corporate action has been taken by the Corporation so as to (i) validly authorize the issuance of and issue the Offered Shares as fully paid and non-assessable Common Shares on Closing; (ii) validly create the Warrants and authorize the issuance of and issue the Warrants on Closing; and (iii) validly allot the Warrant Shares and authorize the issuance of the Warrant Shares as fully paid and non-assessable Common Shares upon the due exercise of the Warrants in accordance with the terms of the Warrant Indenture;
- (o) the Common Shares are listed for trading or quoted, as applicable, on the TSXV, OTCQB and FRA and the Offered Shares and Warrant Shares are conditionally approved for listing on the TSXV, subject to the satisfaction of customary conditions required by the TSXV;
- (p) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of, this Agreement and the performance of any of the transactions contemplated by this Agreement, do not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any Applicable Law, or any term or provision of the notice of articles, articles or resolutions of the directors or shareholders of the Corporation, or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation;
- (q) this Agreement and the Warrant Indenture and the performance of the Corporation's obligations under this Agreement and the Warrant Indenture have been duly authorized by all necessary corporate action and this Agreement and the Warrant Indenture have been duly executed and delivered by the Corporation and

constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and, with respect to this Agreement and the Warrant Indenture, by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by Applicable Law;

- (r) no approval, authorization, consent or other order of, and no filing, registration or recording with any Governmental Authority or other Person is required of the Corporation, other than as already completed or obtained, in connection with the execution and delivery of or with the performance by the Corporation of its obligations under this Agreement and the Warrant Indenture, except as required by the TSXV and customary post-Closing obligations pursuant to Applicable Securities Laws with regard to the offer and sale of the Offered Securities, if any, in the Selling Jurisdictions;
- (s) the Corporation is not aware of any pending change or contemplated change to any Applicable Law or regulation or governmental position that would have a Material Adverse Effect;
- (t) the Financial Statements have been prepared in conformity with IFRS applied on a consistent basis throughout the periods involved, contain no material misrepresentations and present fairly in all material respects the financial position, results of operations and cash flows of the Corporation on a consolidated basis as at the date of the Financial Statements;
- (u) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with the Corporation's management's general or specific authorizations; (ii) transactions are recorded as necessary to permit the preparation of financial statements for the Corporation in conformity with IFRS and to maintain asset accountability; (iii) access to the assets of the Corporation is permitted only in accordance with the Corporation's management's general or specific authorization; and (iv) the recorded accountability for assets of the Corporation is compared with the existing assets of the Corporation at reasonable intervals and appropriate action is taken with respect to any differences;
- (v) there are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Corporation or other persons that would reasonably be expected to result in a Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole;
- (w) no director or officer, former director or officer, or shareholder or employee of, or any other Person not dealing at arm's length with, the Corporation or its Subsidiaries is engaged or, to the knowledge of the Corporation, will become engaged, in any material transaction or arrangement with or be a party to a material

contract with, or has any indebtedness, liability or obligation to, the Corporation or its Subsidiaries, except for employment or consulting arrangements with employees or consultants or those serving as a director or officer of the Corporation or its Subsidiaries as described in the Public Record;

- (x) neither the Corporation nor any Subsidiary has any liabilities, debentures, notes, mortgages, or other indebtedness or obligations (whether accrued, absolute, contingent or otherwise) that continue to be outstanding except as disclosed or contemplated in the Public Record;
- (y) except as would not be expected to have a Material Adverse Effect, there is no litigation or governmental or other proceeding or investigation at law or in equity before any Governmental Authority, domestic or foreign, in progress, pending or, to the Corporation's knowledge, threatened (and the Corporation does not know of any basis therefor) against, or involving the assets, properties or business of, the Corporation or its Subsidiaries, nor are there any matters under discussion with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority and to the Corporation's knowledge there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, taxes, governmental charges, orders or assessments;
- (z) the Corporation's Auditors, are independent public accountants as required under Applicable Securities Laws in Canada and there has never been a reportable event (within the meaning of NI 51-102) between the Corporation and the Corporation's Auditors;
- (aa) there has been no change in accounting policies or practices of the Corporation or its Subsidiaries other than as disclosed in the Financial Statements;
- (bb) the responsibilities and composition of the Corporation's audit committee comply with NI 52-110;
- (cc) each of the Corporation and its Subsidiaries is not in violation of its constating documents or in default in any material respect in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease, licence or other agreement or instrument to which it is a party or by which it or its property or assets may be bound;
- (dd) each of the Corporation and its Subsidiaries is not a party to, bound by or affected by any commitment, agreement or document containing any covenant which expressly and materially limits its freedom to compete in any line of business, transfer or move any of its respective assets or operations or which adversely materially affects the business practices, operations or condition of the Corporation or its Subsidiaries;

- (ee) to the knowledge of the Corporation, no counterparty to any material obligation, agreement, covenant or condition contained in any material contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which any the Corporation or its Subsidiaries is a party is in default in the performance or observance thereof;
- (ff) all tax returns required to be filed by the Corporation and its Subsidiaries on or prior to the date of this Agreement have been filed and all taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto, due or claimed to be due have been paid or accrued in the financial statements and neither the Corporation nor any Subsidiary is a party to any agreement, waiver or arrangement with any taxing authority which relates to any extension of time with respect to the filing of any tax returns, any payment of taxes or any assessment of taxes; there is no tax deficiency which has been asserted against the Corporation or its Subsidiaries and all material tax liabilities are adequately provided for in the Financial Statements in accordance with IFRS for all periods up to the date of the latest audited balance sheet; there are no assessments or investigations in progress, pending or, to the knowledge of the Corporation, threatened against the Corporation or its Subsidiaries in respect of taxes; and there are no Liens for taxes upon the assets of the Corporation or its Subsidiaries;
- (gg) each of the Corporation and its Subsidiaries has conducted and is conducting its business in material compliance with all Applicable Laws of each jurisdiction in which it carries on business and to the knowledge of the Corporation, neither the Corporation nor any Subsidiary has received any notice of any alleged violation of any such laws, rules and regulations, and neither the Corporation nor any Subsidiary knows of or has reasonable grounds to know of, any facts that would give rise to a notice of non-compliance with any such laws other than as would not be expected to have a Material Adverse Effect;
- (hh) all information which has been prepared or compiled by the Corporation relating to the Corporation and its Subsidiaries, and its business, properties (including the Properties) and liabilities, and either filed on SEDAR+ or provided to the Agents, including all financial, marketing, sales, technical mining and operational information, is as of the date of such information, true and correct in all material respects, and no material fact or facts have been omitted therefrom which would make such information misleading. In addition, the Corporation has filed all documents required to be filed by it under the Applicable Securities Laws in Canada and is in compliance with any order or undertaking issued by any Securities Commission in Canada and the documents filed by the Corporation constituting the Public Record did not contain a misrepresentation at the time of their filing on SEDAR+;
- (ii) each of the Corporation and its Subsidiaries possesses such permits, licences, approvals, consents and other authorizations issued by Governmental Authorities under Applicable Law, including Environmental Laws (collectively,

“**Governmental Licences**”) necessary to conduct the business now operated by them and currently proposed to be operated by them, and all such Governmental Licences are valid and existing and in good standing; each of the Corporation and its Subsidiaries is in compliance in all material respects with the terms and conditions of all such Governmental Licences and neither the Corporation nor any Subsidiary has received any notice of any material alleged violation of any such Governmental Licences, nor knows of, nor has reasonable grounds to know of, any facts that would give rise to a notice of non-compliance with or revocation of any such Governmental Licences;

- (jj) (i) the Corporation and its Subsidiaries are in compliance in all material respects with all Environmental Laws, (ii) the Corporation and its Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in material compliance with their requirements, and (iii) there are no pending or unresolved administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Corporation or its Subsidiaries and there are no facts or circumstances which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, orders, directions, notices of non-compliance or violation, investigation or proceedings;
- (kk) except as disclosed in the Public Record, the Corporation is the legal and beneficial owner of, and has title to, all of the Properties or assets thereof as described in the Public Record, such properties and assets are free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and no other property rights (including surface or access rights) are necessary for the conduct of the business of the Corporation and the Subsidiaries as currently conducted; neither the Corporation nor any Subsidiary knows of any claim or basis for any claim that might or could adversely affect the right of the Corporation or the Subsidiaries to use, transfer, access or otherwise exploit such property rights; and neither the Corporation nor any Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof;
- (ll) the Corporation and the Subsidiaries hold freehold title, mineral or mining leases, concessions or claims or other conventional property, proprietary or contractual interests or rights, including access and surface rights, recognized in the jurisdiction in which the Properties are located in respect of the exploration targets located on the Properties in which the Corporation and the Subsidiaries have an interest under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Corporation and the Subsidiaries to access the Properties and explore the minerals relating thereto as it is currently conducted, except where the failure to have such rights or interests would not have a Material Adverse Effect; all such properties, leases, concessions or claims in which the Corporation and the Subsidiaries have any interests or rights

have been validly located and recorded in accordance with all applicable laws and are valid, subsisting and in good standing;

- (mm) any and all of the agreements and other documents and instruments pursuant to which the Corporation and the Subsidiaries hold their material properties and assets (including any option agreement or any interest in, or right to earn an interest in, any properties and assets) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Corporation and the Subsidiaries are not in default of any of the material provisions of any such agreements, documents or instruments, nor has any such default been alleged. Except as disclosed in the Public Record, neither the Properties or assets (nor any option agreement or any interest in, or right to earn an interest in, properties or assets) of the Corporation or the Subsidiaries are subject to any right of first refusal or purchase or acquisition rights of a third party;
- (nn) all assessments or other work required to be performed within the areas comprising the Properties in order to maintain the Corporation's and the Subsidiaries' interest therein have been performed to date and the Corporation and the Subsidiaries have complied in all material respects with all Applicable Laws in this regard, as well as with regard to legal, contractual obligations to third parties in this regard except for any non-compliance that would not either individually or in the aggregate, have a Material Adverse Effect;
- (oo) no part of the Properties, mining rights or Governmental Licenses of the Corporation or any Subsidiary have been taken, revoked, condemned or expropriated by any Governmental Authority nor has any written notice or proceedings in respect thereof been given or commenced, or to the knowledge of the Corporation, been threatened or is pending, nor does the Corporation or any Subsidiary have any knowledge of the intent or proposal to give such notice or commence any such proceedings;
- (pp) there are no claims or actions with respect to Indigenous rights currently outstanding, or to the knowledge of the Corporation, threatened or pending, with respect to the Properties of the Corporation or any Subsidiary. There are no land entitlement claims having been asserted or any legal actions relating to Indigenous issues having been instituted with respect to the Properties of the Corporation or any Subsidiary, and no dispute in respect of the Properties of the Corporation or any Subsidiary with any local or Indigenous group exists or, to the knowledge of the Corporation, is threatened or imminent. Without limiting the foregoing, the no Property is located in an area designated or in the process of being designated as traditionally occupied by any Indigenous peoples;
- (qq) the Corporation is in compliance with the provisions of NI 43-101 in all material respects and has filed all technical reports required thereby (if any) and all such reports comply in all material respects with the requirements of NI 43-101; all scientific and technical information disclosed in the Public Record: (i) is based upon information prepared, reviewed and verified by or under the supervision of a

qualified person (as defined in NI 43-101), (ii) has been prepared and disclosed in accordance with Canadian industry standards set forth in NI 43-101 and other Applicable Securities Laws in Canada, and (iii) remains true, complete and accurate in all material respects as at the date hereof;

- (rr) the estimates of the mineral resources in the Technical Report have been prepared in accordance with the standards set in the Canadian disclosure standards set forth in NI 43-101, and the method of estimating the mineral resources and mineral reserves has been verified by mining experts who are qualified persons (as defined in NI 43-101) and the information upon which the estimates of mineral resources and mineral reserves were based, was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof;
- (ss) all the material assumptions underlying the estimated mineral resources and mineral reserves in the Technical Report, as applicable, were reasonable and appropriate at the date of the Technical Report, as applicable, subject to the qualifications, limitations and disclaimers with respect thereto included in such reports and in the Public Filings. The information set forth in the Technical Report relating to the estimated mineral resources required to be disclosed therein pursuant to Applicable Securities Laws in Canada was prepared in accordance with methods generally applied in the mining industry and conforms in all material respects with the requirements of Applicable Securities Laws in Canada. All statements of fact relating to the Corporation, the Subsidiaries and their respective activities in the Technical Report were true and accurate in all material respects as of the date thereof and no such material fact has been omitted therefrom (or information withheld) the omission of which would make any statement of fact therein, in light of the circumstances in which it was made, misleading and, except as disclosed in the Public Filings, there have been no material changes to such information since the date of delivery or preparation thereof;
- (tt) all information requested by the authors of the Technical Report was made available to such authors prior to the issuance of the Technical Report, no material information was withheld from the authors thereof for the purposes of preparing the Technical Report and, to the knowledge of the Corporation, all information provided to such authors for such purposes was true and accurate in all material respects, did not contain a material misrepresentation (as defined under Applicable Securities Laws in Canada), was not misleading and was given in good faith;
- (uu) to the knowledge of the Corporation, all exploration and development activities conducted on premises in which the Corporation and its Subsidiaries have a direct or indirect economic interest have been conducted in all respects in accordance with good mining and engineering practices and all Applicable Laws relating to workers' compensation and health and safety and have been duly complied with, except where the failure to so conduct operations could not reasonably be expected to have a Material Adverse Effect;

- (vv) to the Corporation's knowledge, there are no material environmental audits, evaluations, assessments, studies or tests relating to the Properties;
- (ww) the Corporation and the Subsidiaries maintain a good working relationship with all Governmental Authorities in the jurisdictions in which the Properties are located, or in which such parties otherwise carry on their business or operations; all such government relationships are intact and mutually cooperative and there exists no condition or state of fact or circumstances in respect of the Governmental Authorities, that would prevent the Corporation or the Subsidiaries from conducting its business and all activities in connection with the Properties as currently conducted or proposed to be conducted and there exists no actual or, to the knowledge of the Corporation, threatened termination, limitation, modification or material change in the working relationship with any Governmental Authorities;
- (xx) (i) each of the Corporation and its Subsidiaries is in compliance, in all material respects, with the provisions of all applicable federal, provincial, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours (collectively, "**Employment Laws**"), (ii) no collective labour dispute, grievance, material arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened and no individual labour dispute, grievance, material arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened with any employee of the Corporation or its Subsidiaries and, to the knowledge of the Corporation, none has occurred during the past year, except, in respect of the foregoing, those which would not be expected to have a Material Adverse Effect; and (iii) no union has been accredited or otherwise designated to represent any employees of the Corporation or its Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or its Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the Corporation's or its Subsidiaries facilities and none is currently being negotiated by the Corporation or its Subsidiaries;
- (yy) no existing supplier, manufacturer or contractor of the Corporation or its Subsidiaries has indicated that it intends to terminate its relationship with the Corporation or its Subsidiaries or that it will be unable to meet the Corporation's or Subsidiaries' supply, manufacturing or contracting requirements;
- (zz) neither the Corporation nor any Subsidiary are in default or breach, in any material respect, of any real property lease, and neither the Corporation nor any Subsidiary has received any notice or other communication from the owner or manager of any real property leased by the Corporation or its Subsidiaries that either the Corporation or its Subsidiaries is not in compliance with any real property lease, and to the knowledge of the Corporation, no such notice or other communication is pending or has been threatened;

- (aaa) the assets of the Corporation and the Subsidiaries and their respective businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Corporation has not failed to promptly give any notice or present any material claim thereunder;
- (bbb) other than as disclosed in the Public Record, each of the Corporation and its Subsidiaries has good and marketable title to all of their respective assets and property and no Person has any contract or any right or privilege capable of becoming a right to purchase any personal property from the Corporation or its Subsidiaries;
- (ccc) the minute books and corporate records of the Corporation and its Subsidiaries made available to Agents' Counsel in connection with the Agents' due diligence investigations are the original minute books and records or true and complete copies of the original minute books and contain copies of all proceedings of the shareholders, the boards of directors and all committees of the boards of directors of each of such entities that have been minuted or resolved and there have been no other meetings, resolutions or proceedings of the shareholders, boards of directors or any committee thereof to the date of review of such corporate records and minute books not reflected in such minute books and other corporate records, other than those which are not material in the context of such entities, as applicable;
- (ddd) to the knowledge of the Corporation, no Securities Commission, stock exchange or comparable authority has issued any order requiring trading in any of the Corporation's securities to cease or preventing the offer and sale of the Offered Securities in any Selling Jurisdiction nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;
- (eee) the Corporation and the Subsidiaries, as applicable, own or possess the right to use all material intellectual property rights necessary for the conduct of the business, and the Corporation is not aware of any *bona fide* claim to the contrary or any challenge by any other Person to the rights of the Corporation and the Subsidiaries with respect to the foregoing. To the knowledge of the Corporation, the business of the Corporation, including that of the Subsidiaries, as now conducted does not infringe any intellectual property rights of any Person. The Corporation has not received notice of any current *bona fide* claim made against the Corporation or the Subsidiaries alleging the infringement by the Corporation or the Subsidiaries of any intellectual property rights of any Person. Any past claim related to the alleged infringement by the Corporation or the Subsidiaries of any intellectual property rights of any Person have been settled;
- (fff) the Corporation's information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "**IT Systems**") are adequate for, and operate and perform in all

material respects as required in connection with the operation of the business of the Corporation as currently conducted, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Corporation has made backups of all material software and databases used by it and maintain such backups at a secure off-site location. The Corporation has implemented and maintained commercially reasonable controls, policies, procedures, and safeguards to maintain and protect its material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data (“**Personal Data**”)) used in connection with their businesses, and to the knowledge of the Corporation, there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other Person, nor any incidents under internal review or investigations relating to the same. The Corporation is presently in compliance with Applicable Law and its internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data in all material respects and has taken commercially reasonable steps to protect such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification. The Corporation has taken all necessary actions to comply with Canada’s *Personal Information Protection and Electronic Documents Act* (and all other Applicable Laws and regulations with respect to Personal Data for which any non-compliance with same would be reasonably likely to have a Material Adverse Effect);

- (ggg) the responses given by the Corporation and its officers and directors at all oral Due Diligence Sessions conducted by the Agents in connection with the Offering, as they relate to matters of fact, have been and shall continue to be true and correct in all material respects as at the time such responses have been or are given, as the case may be, and such responses taken as a whole have not and shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given or shall be given, as the case may be; and where the responses reflect the opinion or view of the Corporation or its officers or its directors (including responses or portions of such responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable at the time they are given;
- (hhh) Odyssey Trust Company, at its principal office in the City of Vancouver, has been duly appointed as registrar and transfer agent for the Common Shares and Warrant Agent for the Warrants;
- (iii) other than as contemplated by this Agreement, there is no Person acting at the request of the Corporation who is entitled to any brokerage or agency fee in connection with the sale of the Offered Securities;

- (jjj) there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or its Subsidiaries or the operations or affairs of the Corporation or its Subsidiaries;
- (kkk) (i) neither the Corporation nor any of the Subsidiaries has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property of the Corporation or the Subsidiaries or other unlawful expense relating to political activity to any official, employee or agent of any Governmental Authority, or (B) made any direct or indirect contribution from corporate funds to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada) or the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, or the rules and regulations promulgated thereunder, or under any other legislation of any relevant jurisdiction, covering a similar subject matter applicable to the Corporation or the Subsidiaries and their respective operations, and the Corporation and the Subsidiaries have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation; and (i) the operations of the Corporation and the Subsidiaries are and have been conducted at all times in compliance with such legislation and no suit, action or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation or any Subsidiary with respect to such legislation is in progress, or to the knowledge of the Corporation, pending or threatened. Neither the Corporation nor to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of the Corporation, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Corporation or any director, officer, employee, consultant, representative or agent of the Corporation violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any Person alleging non-compliance with any such laws;
- (lll) neither the Corporation nor any of its Subsidiaries, nor, to the knowledge of the Corporation, any director, officer, employee, consultant, representative, affiliate or agent of the Corporation or any Subsidiary (i) is, or is controlled by or is acting on behalf of, an individual or entity that is currently the subject of any sanctions administered or enforced by Canada (including sanctions administered or enforced by Global Affairs Canada and the Royal Canadian Mounted Police or other relevant sanctions authority) (collectively, "**Sanctions**"), (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory, including, without limitation, Crimea, Cuba, Sudan, Syria, Iran, Russia and North Korea (collectively, the "**Sanctioned Countries**" and each, a "**Sanctioned Country**") or (iii) shall, directly or indirectly, use the proceeds of the Offering, or lend, contribute

or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity (I) to fund or facilitate any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject or the target of Sanctions, or (II) in any other manner that would result in a violation of any applicable Sanctions by, or could result in the imposition of applicable Sanctions against, any individual or entity (including any individual or entity participating in the Offering, whether as agents, underwriter, advisor, investor or otherwise), and the Corporation and each of its Subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions;

(mmm) the operations of the Corporation and its Subsidiaries are, and have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering laws of all applicable jurisdictions, and any related or similar Applicable Laws of any applicable Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Authority involving the Corporation or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;

*Listed Issuer Financing Exemption*

(nnn) the Corporation is relying on the Listed Issuer Financing Exemption and the exemptions included in the Order for the distribution of the Offered Securities and is qualified to distribute the Offered Securities in reliance on the Listed Issuer Financing Exemption and the exemptions included in the Order;

(ooo) the Corporation is a “reporting issuer” in British Columbia, Alberta and Ontario, is not currently in default of any requirement of Applicable Securities Laws of such jurisdictions, is not included on a list of defaulting reporting issuers maintained by the Securities Commissions in each of the provinces of Canada in which it is a “reporting issuer”, has been a reporting issuer in at least one jurisdiction of Canada for the 12 months immediately before the date the Offering Release and the Offering Document were filed, and no material change relating to the Corporation has occurred with respect to which the requisite material change report has not been filed under any Applicable Securities Laws in such provinces or territories (other than in respect of the Offering), and no such disclosure has been made on a confidential basis;

(ppp) during the 12 months prior to the date of the Offering Release and the date of this Agreement, the Corporation has raised \$0 using the Listed Issuer Financing Exemption and is not otherwise raising funds under the Listed Issuer Financing Exemption other than in connection with the Offering;

(qqq) the Common Shares are Listed Equity Securities;

- (rrr) the Corporation is not, or during the 12 months immediately before the date the Corporation filed the Offering Release, the Corporation or any Person or company with whom the Corporation completed a restructuring transaction was not, either of the following: an issuer whose operations have ceased; an issuer whose principal asset is or was cash, cash equivalents, or its exchange listing, including, for greater certainty, a capital pool company, a special purpose acquisition company, a growth acquisition corporation or any similar Person or company;
- (sss) the Corporation is not an investment fund as defined under Applicable Securities Laws in Canada;
- (ttt) the Corporation has filed all periodic and timely disclosure documents that it is required to have filed under Applicable Securities Laws in Canada, including under any order issued by a Securities Commission in Canada and any undertaking to a Securities Commission in Canada;
- (uuu) as disclosed in the Offering Document, the Corporation does not intend to allocate the available funds to: (i) an acquisition that is a significant acquisition under Part 8 of NI 51-102; (ii) a restructuring transaction as such term is defined in NI 51-102; or (iii) any other transaction that requires approval of any security holder under the corporate law of the jurisdiction in which the Corporation is incorporated or continued, any requirement of the exchange on which the Corporation's Listed Equity Securities are listed for trading, or the Corporation's constating documents;
- (vvv) on the date of the issuance of the Offering Release, the total dollar amount of the Offering, combined with the dollar amount of all other distributions made by the Corporation under the Listed Issuer Financing Exemption during the 12 months immediately before the date of the Offering Release, will not, assuming completion of the Offering, exceed \$25,000,000, being the maximum amount permitted under NI 45-106, as varied by the Order;
- (www) the Offering, combined with all other distributions made by the Corporation under the Listed Issuer Financing Exemption during the 12 months immediately before the date of the Offering Release, will not result in an increase of more than 50% of the Corporation's outstanding Listed Equity Securities, as of the date of the Offering Release;
- (xxx) the Offering will not result in the creation of a new control person;
- (yyy) the Offering will not result in a Person or company acquiring beneficial ownership of, or exercising control or direction over, such number of the Corporation's Listed Equity Securities that would result in such Person or company being entitled to elect a majority of the directors of the Corporation;
- (zzz) as at the Closing Date, the Corporation reasonably expects that the Corporation will have available funds to meet its business objectives and liquidity requirements for a period of 12 months following the Closing Date;

- (aaaa) the Offering Document, together with the Public Record, contains disclosure of all material facts relating to the Offered Securities and does not contain a misrepresentation. The Offering Document complies in all material respects with the requirements of Applicable Securities Laws in Canada, including NI 45-106 and the Order; and
- (bbbb) there has been no material change (as defined under Applicable Securities Law) in respect of the Corporation since the date of the Offering Release requiring the filing of an amendment to the Offering Document and issuing and filing a news release stating that an amendment to the Offering Document addressing the material change has been filed.

It is further agreed by the Corporation that all representations, warranties and covenants contained in this Agreement made by the Corporation to the Agents shall also be deemed to be made for the benefit of Subscribers as if the Subscribers were also parties to this Agreement (it being agreed that the Agents are acting for and on behalf of the Subscribers for this purpose).

#### **4. Covenants of the Corporation**

The Corporation covenants with the Agents that:

- (a) prior to the Closing Time, the Corporation shall allow the Agents the opportunity to conduct required due diligence and to obtain, acting reasonably, satisfactory results from such due diligence and in particular, the Corporation shall allow the Agents and Agents' Counsel to conduct all due diligence which the Agents may reasonably require in order to confirm the Public Record is accurate, complete and current in all material respects and to fulfill the Agents' obligations as a registrant and, in this regard, without limiting the scope of the due diligence inquiries that the Agents may conduct, the Corporation shall make available its senior management, directors, qualified persons (as defined in NI 43-101) and the Corporation's Counsel to participate in one or more due diligence sessions (each, a "**Due Diligence Session**") to answer in Person or in written form any questions that the Agents may have. The Due Diligence Sessions shall be held prior to the Closing Date, and the Agents shall distribute a list of written questions to be answered in advance of each such Due Diligence Session and the Corporation shall provide written responses to such questions;
- (b) it will comply with all the obligations to be performed by it, and all of its covenants and agreements, under and pursuant to this Agreement;
- (c) during the period commencing on the date of this Agreement and ending at the Closing Time, it will promptly provide to the Agents, for review by the Agents and Agents' Counsel, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any financial statements of the Corporation, report to shareholders, information circular or any press release or material change report and any press release issued by the Corporation concerning the Offered Securities;

- (d) any press release issued by the Corporation concerning the Offered Securities is to include the following or substantially similar legend: “NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.” and comply with the requirements of Rule 135e under the U.S. Securities Act;
- (e) during the period commencing on the date of this Agreement and ending at the Closing Time, promptly notify the Agents in writing of any of the representations or warranties made by the Corporation in this Agreement being no longer true and correct;
- (f) during the period commencing on the date of this Agreement and ending on the Closing Time, the Corporation will promptly inform the Agents of the full particulars of any material change (actual, anticipated, contemplated or threatened) in the business, affairs, operations, capital or condition (financial or otherwise) of the Corporation or its Subsidiaries or properties or assets of the Corporation or its Subsidiaries; provided, however, that if the Corporation is uncertain as to whether a material change, occurrence or event of the nature referred to in this Section 4(f) has occurred, the Corporation shall promptly inform the Agents of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agents as to whether the occurrence is of such a nature;
- (g) during the period commencing on the date of this Agreement and ending at the Closing Time, the Corporation will promptly inform the Agents of the receipt by the Corporation of (i) any communication of a material nature from any Securities Commission or similar regulatory authority, any stock exchange or any other Governmental Authority relating to the Corporation or the distribution of the Offered Securities, and (ii) the issuance by any Securities Commission or similar regulatory authority, any stock exchange or any other Governmental Authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose;
- (h) the Corporation will promptly, and in any event within any applicable time limitation, comply to the reasonable satisfaction of the Agents and Agents’ Counsel with Applicable Securities Laws of the Canadian Selling Jurisdictions in which it is a reporting issuer with respect to any material change, occurrence or event of the nature referred to in Sections 4(f) and 4(g), including (A) complying with NI 51-102 in connection with any material change, (B) filing an amendment to the Offering Document in accordance with NI 45-106, and (C) issuing and filing a news release that states that an amendment to the Offering Document addressing the material change has been filed;
- (i) the Corporation will use the net proceeds from the Offering for the purposes described in the Offering Document;
- (j) as soon as reasonably possible, and in any event by the Closing Date, the Corporation shall take all such steps as may reasonably be necessary to enable the

Offered Securities to be offered for sale and sold on a private placement basis to Subscribers in the Selling Jurisdictions through the Agents or any other investment dealers or brokers registered in any of the Selling Jurisdictions by way of the exemptions set forth in Applicable Securities Laws of each of the Selling Jurisdictions;

- (k) the Corporation will ensure that, at all times prior to the expiry of each of the Warrants, sufficient Warrant Shares will be allotted and reserved for issuance upon the due exercise of the Warrants, as applicable, and that the Warrant Shares, upon issuance in accordance with the terms of the Warrant Indenture, as applicable, including due payment therefor, shall be duly and validly authorized and issued as fully paid and non-assessable Common Shares;
- (l) the Corporation will ensure that all required documentation for the listing of the Offered Shares and Warrant Shares has been filed with the TSXV on or prior to the Closing Date, subject to the satisfaction of customary listing conditions set out in the conditional approval letter of the TSXV for the Offering, a copy of which has been made available to the Agents;
- (m) the Corporation will ensure the Offered Shares are listed and posted for trading on the TSXV on the Closing Date;
- (n) the Corporation will use its commercially reasonable best efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws in each of the Canadian Selling Jurisdictions, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation;
- (o) the Corporation will use its commercially reasonable best efforts to maintain the listing of the Common Shares (including those issuable pursuant to the Offering) on the TSXV or such other recognized stock exchange or quotation system as the Agents may approve, acting reasonably, for a period of at least 24 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation;
- (p) the Corporation will use commercially reasonable efforts to ensure its executive officers and directors requested by BMO enter into agreements (the “**Lock-up Agreements**”) on terms and conditions satisfactory to BMO, on behalf of the Agents, in which they will covenant and agree that they will not, for a period ending 90 days following the Closing Date, directly or indirectly, sell, transfer, assign, pledge or otherwise dispose of or agree to do any of the foregoing or announce any intention to do any of the foregoing, any Common Shares or any other securities of the Corporation or securities or other financial instruments convertible into, exchangeable or having the right to acquire Common Shares or any of the economic consequences of ownership of Common Shares held by them, directly or indirectly, unless they first obtain the written consent of the BMO, on behalf of the Agents, such consent to not be unreasonably withheld; and

- (q) the Corporation will not, for a period of 90 days following the Closing Date, directly or indirectly, without the prior written consent of BMO, on behalf of the Agents, such consent not to be unreasonably withheld or delayed, issue, offer, sell, contract to sell, secure, pledge, grant any option, right, warrant or other financial instrument to purchase or otherwise lend, transfer or dispose of (or announce any intention to do so) any Common Shares or any securities or other financial instrument convertible into, or exchangeable or exercisable for, Common Shares; other than pursuant to: (i) the Offering; (ii) grant or exercise of incentive securities and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the Closing Date; or (iii) the issuance of Common Shares upon the exercise of convertible securities, warrants, options, or any other commitment or agreement outstanding prior to the Closing Date.

## **5. Conditions to the Agents' Obligation to Purchase**

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

- (a) a favourable legal opinion dated the Closing Date from Corporation's Counsel in form and substance satisfactory to the Agents, acting reasonably, together with corresponding opinions (where relevant) of local counsel to the Corporation in relation to the laws of the Canadian Selling Jurisdictions in which the Offered Securities are sold and on which Corporation's Counsel is not qualified to express opinions, with respect to the following matters;
  - (i) as to the incorporation and valid existence of the Corporation;
  - (ii) as to the authorized and issued capital of the Corporation;
  - (iii) the corporate power, capacity and authority of the Corporation to carry on its business as presently carried on and to own, lease and operate its properties and assets, and to execute, delivery and carry out its obligations under this Agreement and to issue the Offered Securities and allot and issue the Warrant Shares;
  - (iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the Warrant Indenture and the performance by the Corporation of its obligations hereunder and thereunder;
  - (v) this Agreement and the Warrant Indenture have been duly authorized and executed and delivered by the Corporation and constitutes a valid and legally binding agreement of the Corporation enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the

application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;

- (vi) the Offering Document has been duly executed and the execution and filing of the Offering Document on SEDAR+ has been duly authorized by all necessary corporate action by the Corporation;
- (vii) the execution and delivery of this Agreement and the Warrant Indenture, the performance by the Corporation of its obligations hereunder and thereunder and the issuance and sale of the Offered Securities do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any Applicable Law; (B) the constating documents of the Corporation; and (C) any resolutions of the directors and shareholders of the Corporation;
- (viii) the Offered Securities have been validly authorized for issuance by the Corporation and, upon payment therefor and the issue thereof, the Offered Shares will be validly issued as fully paid and non-assessable Common Shares and the Warrants will be validly created and issued by the Corporation;
- (ix) the Warrant Shares issuable on exercise of the Warrants have been validly allotted and authorized for issuance by the Corporation and upon payment therefor in accordance with the terms of the Warrant Indenture, will be validly issued as fully paid and non-assessable Common Shares;
- (x) the issuance and sale by the Corporation of the Offered Securities to the Subscribers in the Canadian Selling Jurisdictions in accordance with the terms of this Agreement will be exempt from the prospectus requirements of Applicable Securities Laws in Canada and, no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained, except as have already been filed, obtained or completed, by the Corporation under Applicable Securities Laws to permit such issuance and sale, subject only to the filing of the requisite post-Closing forms under Applicable Securities Laws in Canada;
- (xi) the issuance by the Corporation of the Warrant Shares upon the due exercise of the Warrants will be exempt from the prospectus requirements of Applicable Securities Laws in Canada and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained, by the Corporation under Applicable Securities Laws in Canada to permit such issuance and sale;

- (xii) the first trade by a holder of Offered Securities and Warrant Shares, other than a trade that is exempt under the securities laws of the Applicable Securities Laws in Canada, will be a “distribution” (within the meaning of Applicable Securities Laws in Canada) and subject to the prospectus requirements of the Applicable Securities Laws in Canada, unless:
  - (A) at the time of such trade, the Corporation is and has been a “reporting issuer” (as defined under Applicable Securities Laws) in a jurisdiction of Canada for the four months immediately preceding the “trade” (within the meaning of Applicable Securities Laws in Canada);
  - (B) the trade is not a “control distribution” (as defined in NI 45-102);
  - (C) no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade;
  - (D) no extraordinary commission or consideration is paid to a person or corporation in respect of the trade;
  - (E) if the selling security holder is an “insider” (within the meaning of Canadian Applicable Securities Laws) or officer of the Corporation, the selling security holder has no reasonable grounds to believe that the Corporation is in default of securities legislation (as defined in National Instrument 14-101 – *Definitions*); and
  - (F) such trade is not a transaction or series of transactions involving further purchases and sales in the course of or incidental to a “distribution” (as such term is defined in subsection 1(1) of the *Securities Act* (British Columbia));
- (xiii) in those Canadian Selling Jurisdictions where such an opinion can be provided, the Corporation being a reporting issuer (or the equivalent) under the Applicable Securities Laws of all of the Canadian Selling Jurisdictions, and not being included on a list of defaulting reporting issuers maintained by the securities regulators of such jurisdictions;
- (xiv) the TSXV has conditionally accepted the listing of the Offered Securities, subject to compliance with its conditions outlined in such conditional acceptance;
- (xv) Odyssey Trust Company having been duly appointed as the transfer agent and registrar for the Common Shares;
- (xvi) Odyssey Trust Company having been duly appointed as the warrant agent for the Warrants; and
- (xvii) such other matters as may reasonably be requested by the Agents;

- (b) a legal opinion addressed to the Agents and the Subscribers, in form and substance satisfactory to the Agents, acting reasonably, in respect of each of the Material Subsidiaries dated as of the Closing Date from the Corporation's Counsel or local counsel, as applicable, with respect to the following matters, and all such opinions may be subject to customary assumptions, reliance's and qualifications:
  - (i) the formation, existence and good standing of each of the Material Subsidiaries under the laws of its respective jurisdiction of incorporation;
  - (ii) the authorized capital of each of the Material Subsidiaries and the ownership thereof; and
  - (iii) that each of the Material Subsidiaries has all necessary corporate power under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and own and lease its properties and assets and to conduct its business;
- (c) in the event of the sale of Offered Securities to, or for the account or benefit of, a Person in the United States or a U.S. Person pursuant to this Agreement, the Agents shall have received an opinion from Troutman Pepper Locke LLP, the Corporation's special U.S. counsel, in form and substance reasonably satisfactory to the Agents and their counsel and addressed to the Agents, to the effect that no registration is required under the U.S. Securities Act, in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, Persons in the United States or U.S. Persons;
- (d) a favourable legal opinion dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, with respect to title and ownership interests of the Corporation and its Subsidiaries in the Properties;
- (e) a certificate of the Corporation dated the Closing Date, addressed to the Agents and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Agents, acting reasonably, with respect to the constating documents of the Corporation, all resolutions of the board of directors of the Corporation relating to this Agreement and the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Agents may reasonably request;
- (f) a certificate of the Corporation dated the Closing Date, addressed to the Agents and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Agents, acting reasonably, certifying that:
  - (i) the Corporation has complied with and satisfied all terms and conditions and covenants of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;

- (ii) the representations and warranties of the Corporation contained in this Agreement are true and correct at the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement; and
  - (iii) no order, ruling or determination having the effect of suspending the sale or cease trading of the Common Shares or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officer of the Corporation, contemplated or threatened under any Applicable Securities Laws or by any other regulatory authority;
- (g) certificate of status and/or compliance, where issuable under Applicable Laws, for the Corporation and the Subsidiaries each dated within one Business Day prior to the Closing Date, or otherwise agreed to by the Corporation and the Agents;
  - (h) satisfactory evidence that the Corporation is a “reporting issuer” based on the lists of reporting issuers not in default maintained by the applicable Securities Commissions in the Selling Jurisdictions;
  - (i) a certificate from Odyssey Trust Company as to the number of Common Shares issued and outstanding as at the end of the Business Day prior to the Closing Date;
  - (j) the executed Lock-up Agreements or evidence that the Corporation has used commercially reasonable commercially reasonable efforts to ensure its executive officers and directors requested by BMO enter into the Lock-up Agreements;
  - (k) the executed Warrant Indenture;
  - (l) the Agents not having exercised any rights of termination set forth in Section 8;
  - (m) satisfactory evidence that all requisite approvals have been obtained by the Corporation in order to complete the Offering, on terms which are acceptable to the Corporation and the Agents, each acting reasonably, including the approval (or conditional approval) of the listing and posting for trading of the Offered Shares and the Warrant Shares on the TSXV, subject only to satisfaction by the Corporation of standard listing conditions; and
  - (n) such further certificates, opinions of counsel and other documentation from the Corporation contemplated herein, provided, however, that the Agents or Agents’ Counsel shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Corporation to obtain and deliver such certificate, opinion or document.

The foregoing conditions contained in this Section 5 are for the sole benefit of the Agents and may be waived in whole or in part by the Agents at any time and without limitation. If any of the foregoing conditions have not been met at the Closing Time, the Agents may terminate their

obligations under this Agreement without prejudice to any other remedies they may have and the Agents shall have the right on behalf of the Subscribers to withdraw all subscriptions not previously withdrawn by Subscribers.

## **6. Deliveries and Compensation**

The sale of the Offered Securities shall be completed by electronic exchange at the Closing Time, or at such other place as the Corporation and the Agents may agree. At the Closing Time, the Corporation shall deliver to the Agents:

- (a) the opinions, certificates and agreements referred to in Section 5 and all other documents required to be provided by the Corporation to the Agents pursuant to this Agreement;
- (b) confirmation on a non-certificated basis, in accordance with the “non-certificated inventory” rules of CDS, of the Offered Securities purchased by the Subscribers from the Corporation registered in the name of “CDS & Co.” or in such other name or names as the Agents may direct the Corporation in writing not less than 48 hours prior to the Closing Time; provided that, alternatively, if requested by the Agents at the Closing Time, the Corporation shall duly and validly deliver in certificated form to the Agents, or in any manner directed by the Agents in writing, the Offered Securities purchased from the Corporation, registered in the name of “CDS & Co.” or such other name or names as the Agents may direct the Corporation in writing not less than 48 hours prior to the Closing Time;
- (c) the Corporation’s receipt for payment by the Agents of an amount equal to the aggregate purchase price for the Offered Securities sold to Subscribers pursuant to the Offering, less an amount equal to the Agents’ Fee and the costs and expenses of the Agents provided for in Section 7; and
- (d) such further documentation as may be contemplated by this Agreement or as Agents’ Counsel or the applicable regulatory authorities may reasonably require;

against:

- (e) a wire transfer of immediately available funds in an amount equal to the aggregate purchase price for the Offered Securities sold pursuant to the Offering, less an amount equal to the Agents’ Fee and the costs and expenses of the Agents provided for in Section 7;
- (f) the Agents’ receipt for the Offered Securities, the Agents’ Fee and the Agents’ costs and expenses; and
- (g) such further documentation as may be contemplated by this Agreement or as the Corporation may reasonably require, including the relevant information of the Subscribers (including Subscribers under the President’s List) and the Agents as necessary to complete and file the Form 45-106F1 with the applicable Securities Commissions in Canada.

## **7. Expenses**

The Corporation will pay all of its own expenses and fees in connection with the Offering, including, without limitation: (i) all expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities; (ii) the fees and expense of the Corporation's Counsel, subject to a maximum of \$80,000 plus taxes and disbursements; and (iii) all costs incurred in connection with the preparation of documentation relating to the Offering. In addition, the Corporation will reimburse the Agents for their reasonable and documented out-of-pocket expenses in connection with the Offering, including, but not limited to, the fees and disbursements of the Agents' Counsel, which fees shall not exceed the maximum set out in the Engagement Letter, exclusive of disbursements and applicable taxes, without the Corporation's prior written consent. All fees and expenses incurred by the Agents or on their behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agents and shall be payable whether or not the Offering is completed. Such fees and expenses incurred up to the Closing Date shall be payable by the Corporation out of its general funds on the Closing Date.

All or part of the amounts payable under this paragraph may be subject to applicable federal and/or provincial sales taxes and shall be payable by the Corporation immediately upon invoice therefor. Where tax is applicable, an additional amount equal to the amount of tax owing will be charged to and paid by the Corporation.

## **8. Rights of Termination**

- (a) Each Agent shall be entitled to terminate its obligations under this Agreement by written notice to that effect given to the Corporation at or prior to the Closing Time if:
  - (i) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any one of the officers, directors or principal shareholders of the Corporation (other than an inquiry, investigation, proceeding or other based upon the activities or alleged activities of the Agents) where wrongdoing is alleged or any order is issued under or pursuant to any Applicable Law or any state or any other governmental department, commission, board, bureau, agency or instrumentality, including without limitation, the TSXV or any securities regulatory authority in relation to the Corporation or any of its securities, which, in the opinion of the Agents (or any one of them) materially adversely affects or involves, or will materially adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation and its Subsidiaries, taken as a whole or the market price or value of the securities of the Corporation (including the Offered Securities or Warrant Shares);
  - (ii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence or catastrophe, war or act of terrorism of national or international consequence or any new or change in any law or regulation which, in the opinion of the Agents (or any

one of them) materially adversely affects or involves, or will materially adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation and its Material Subsidiaries, taken as a whole or the market price or value of the securities of the Corporation (including the Offered Securities);

- (iii) the state of financial markets in Canada, or elsewhere where it is planned to market the Offered Securities is such that, in the reasonable opinion of the Agents (or any one of them), the Offered Securities cannot be marketed profitably;
  - (iv) there shall have occurred any material change or change in a material fact or the Agents shall discover any previously undisclosed material fact which in the opinion of the Agents (or any one of them) would be expected to have a Material Adverse Effect on the market price or value of the securities of the Corporation (including the Common Shares) or a material adverse change or Material Adverse Effect on the business or affairs of the Corporation;
  - (v) the Corporation is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect (and such breach cannot be cured prior to the Closing Date);
  - (vi) any order to cease, halt or suspend trading (including an order prohibiting communications with Persons in order to obtain expressions of interest) in the securities of the Corporation prohibiting or restricting the Offering is made or threatened by a Governmental Authority or Securities Commission;
  - (vii) the Agents are not satisfied, in their sole discretion, acting reasonably, with the completion of their due diligence investigations; or
  - (viii) BMO and the Corporation agree to terminate this Agreement.
- (b) The Corporation agrees that all terms and conditions in Section 5 shall be construed as conditions and complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its best efforts to cause such conditions to be complied with, and that any breach or failure by the Corporation to comply with any such conditions shall entitle one or more of the Agents to terminate their obligations under this Agreement to arrange for the purchase and sale of the Offered Securities by notice to that effect given to the Corporation at any time at or prior to the Closing Time, unless otherwise expressly provided in this Agreement. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance, provided that

any such waiver or extension shall be binding upon the Agents only if such waiver or extension is in writing and signed by the Agents.

(c) **Exercise of Termination Rights**

The rights of termination contained in Sections 8(a) and (b) may be exercised by any one of the Agents and are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the applicable Agent to the Corporation or on the part of the Corporation to such Agent, except in respect of any liability which may have arisen prior to or arise after such termination under Sections 7 and 9.

**9. Indemnity**

As consideration for the Agents agreeing to provide the services described in this Agreement (the “**Engagement**”), the Corporation, on its own behalf and on behalf of the Subsidiaries (collectively, the “**Indemnitor**”), agrees to indemnify and hold harmless the Agents and their respective affiliates, and each of their respective current or former directors, officers, employees and agents (collectively, the “**Indemnified Parties**” and each an “**Indemnified Party**”), to the full extent lawful, from and against all expenses, losses, damages and liabilities of any nature (including the reasonable fees and expenses of their respective counsel and other expenses, but not including any amount for lost profits) (collectively, “**Losses**”) incurred in investigating, defending, settling and/or satisfying a judgment in any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or to which an Indemnified Party may become subject or otherwise involved in any capacity (collectively, the “**Claims**”) insofar as the Claims arise out of or are based upon, directly or indirectly, the Engagement together with any Losses incurred in enforcing this indemnity. This indemnity will not be available to an Indemnified Party in respect of Losses incurred to the extent a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted primarily from the fraud, negligence or willful misconduct of the Indemnified Party.

If for any reason (other than, a judicial determination that the loss resulted primarily from the fraud, negligence or willful misconduct of the Indemnified Party as described above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor will contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that an Indemnified Party will never be responsible for more than the amount of the fees received by the Indemnified Party, if any, under the Engagement.

The Indemnitor agrees that in case any legal proceeding is brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or required to respond to procedures

designed to discover information regarding, in connection with or by reason of the Engagement, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with disbursements and out-of-pocket expenses incurred by the personnel in connection therewith) shall be paid by the Indemnitor as they occur.

After receiving notice of a Claim against any Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Indemnified Party: (a) will promptly notify the Indemnitor, in writing, of such Claim or investigation stating the particulars thereof, (b) will provide copies of all relevant documentation to the Indemnitor and (c) unless the Indemnitor assumes the defence thereof, will keep the Indemnitor advised of the progress and will discuss all significant proposed actions. Failure to notify the Indemnitor will not relieve the Indemnitor of any liability that the Indemnitor may have to an Indemnified Party except, and only to the extent, that any such delay in giving or failure to give such notice results in the loss of substantive rights or defences in connection with such Claim or results in any material increase in the liability under this indemnity which the Indemnitor would not otherwise have incurred had the Indemnified Party given the required notice.

The Indemnitor will be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by experienced and competent counsel. Upon the Indemnitor notifying the Indemnified Party in writing of its election to assume the defence and retain counsel, the Indemnitor will not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence.

If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the Agents, will keep the Agents advised of the progress thereof and will discuss with the Agents all significant actions proposed.

Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of any Claim if:

- (a) the employment of such counsel has been authorized by the Indemnitor;
- (b) the Indemnitor has not assumed the defence and employed counsel therefor promptly after receiving notice of such Claim; or
- (c) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that
  - (i) there may be legal defences available to the Indemnified Party that are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf),

- (ii) there is a conflict of interest between the Indemnitor and the Indemnified Party or
- (iii) the subject matter of the Claim may not fall within the indemnity set forth herein,

in each case the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf, provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.

No admission of liability and no settlement of any Claim shall be made by the Indemnitor or an Indemnified Party without the prior written consent of the Indemnified Parties affected or the Indemnitor (as applicable) (which consent may not be unreasonably withheld or delayed) unless such settlement includes an unconditional release of each Indemnified Party or the Indemnitor (as applicable) from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by any Indemnified Party or Indemnitor (as applicable).

The Indemnitor hereby acknowledges that BMO acts as trustee for the other Indemnified Parties of the Indemnitor's covenants under this indemnity and BMO agrees to accept such trust and to hold and enforce such covenants on behalf of such Persons.

The indemnity and contribution obligations of the Indemnitor hereunder shall be in addition to any liability the Indemnitor may otherwise have (including under the Engagement), shall extend upon the same terms and conditions herein to the Indemnified Parties and shall be binding upon and continue in effect in accordance with the terms and conditions herein for the benefit of any successors, permitted assigns, heirs and personal representatives of the Indemnitor, BMO Capital Markets and any other Indemnified Party. Notwithstanding anything to the contrary in this Agreement, the foregoing provisions shall survive any termination of this Agreement.

## **10. Survival of Representations and Warranties**

The indemnities, agreements, representations, warranties and other statements of the Corporation, as set forth in this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results of any investigation) made by or on behalf of the Agents and shall survive delivery of and payment for the Offered Securities and the subsequent disposition of the Offered Securities by the Agents or the termination of the Agents' obligations under this Agreement for a period of two years following the Closing Date, other than the representations and warranties in Section 3(y) and 3(ff) in this Agreement relating to any tax matters which shall survive until the 90th day following the date upon which the liability to which any such tax matter may relate is barred by all Applicable Laws. The agreements, representations, warranties and other statements of the Agents as set forth in this Agreement shall remain in full force and effect, regardless of any investigation (or any statement as to the results of any investigation) made by or on behalf of the Agents, and shall survive in full force and effect for the benefit of the Corporation for a period of two years following the Closing Date.

## 11. Severability

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

## 12. Time

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

## 13. Governing Law

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

## 14. Notice

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

If to the Corporation, addressed and sent to:

South Pacific Metals Corp.  
710 – 1030 West Georgia Street  
Vancouver, British Columbia  
V6E 2Y3  
Canada

Attention: Michael Darren Murphy  
Email: [Redacted – Personal Information]

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

Blake, Cassels & Graydon LLP

Attention: Bob Wooder  
Email: [Redacted – Personal Information]

If to the Agents, addressed and sent to BMO:

BMO Nesbitt Burns Inc.  
1 First Canadian Place  
4th Floor, P.O. Box 150  
Toronto, ON M5X 1H3

Attention: Jesse Pearlstein  
Email: [Redacted – Personal Information]

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

Osler, Hoskin & Harcourt LLP

Attention: Alan Hutchison

Email: [Redacted – Personal Information]

or to such other address as any of the parties to this Agreement may designate by giving notice to the others in accordance with this Section 14. Each notice shall be personally delivered to the addressee or sent by email to the addressee. A notice which is personally delivered or delivered by email shall, if delivered prior to 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

## 15. Agents' Obligations

The Agents' obligations under this Agreement shall be several and not joint. The sale of the Offered Securities subject to the Offering shall be on a commercially reasonable "best efforts" private placement basis without underwriter liability and the respective obligations and rights and benefits hereunder shall be as to the percentages set out below.

BMO Nesbitt Burns Inc. <sup>(1)</sup>	60%
Paradigm Capital Inc.	20%
Velocity Trade Capital Ltd.	20%
<b>Total</b>	<b>100%</b>

(1) Sole bookrunners.

## 16. Lead Agents

The Corporation acknowledges and agrees that it is the intention of the parties to this Agreement and the Corporation hereby constitutes BMO as trustee for each of the Subscribers in respect of each of the covenants, agreements and representations and warranties of the Corporation contained in this Agreement and BMO shall be entitled, as trustee, in addition to any rights of the Subscribers, to enforce such covenants, agreements and representations and warranties on behalf of the Subscribers. All steps which must or may be taken by the Agents in connection with the Closing of the Offering, with the exception of the matters relating to termination or as otherwise specified herein, may be taken by BMO, on behalf of the other Agents, and the execution of this Agreement by the other Agents and by the Corporation shall constitute the Corporation's authority and obligation for accepting notification of any such steps from, and for delivering the definitive documents constituting the Offered Securities to, or to the order of, BMO. BMO shall fully consult with the other Agents with respect to all notices, waivers, extensions or other communications to or with the Corporation.

## **17. Counterparts**

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

## **18. Entire Agreement**

This Agreement constitutes the entire agreement between the Agents and the Corporation relating to the subject matter hereof and supersedes all prior agreements between the Agents and the Corporation relating to the Offering, including the provisions of the Engagement Letter.

## **19. Further Assurances**

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

## **20. Currency**

All references herein to dollar amounts are to lawful money of Canada, unless indicated otherwise.

## **21. Advertisements**

The Corporation shall, at the Agents' request, issue a press release announcing the closing of the Offering, include a reference to the Agents and their role in any such release or communication, and ensure that any press release concerning the Offering complies with Applicable Law. If the Offering is successfully completed, the Corporation acknowledge and agree that the Agents will be permitted to publish, at their own expense, public announcements or other communications relating to their services in connection with the Offering as they consider appropriate.

## **22. Assignment**

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Agents and the Subscribers and their respective executors, heirs, successors and permitted assigns; provided that, this Agreement shall not be assignable by any party without the written consent of the others.

## **23. Matters Relating to Engagement**

In connection with the services described herein, the Agents shall act as independent contractors, and any duties of the Agents arising out of this engagement shall be owed solely to the Corporation. The Corporation acknowledges that each of the Agents is a securities firm that is engaged in securities trading and brokerage activities, as well as providing investment banking and financial advisory services, which may involve services provided to other companies engaged in businesses similar or competitive to the business of the Corporation and that the Agents shall have no obligation to disclose such activities and services to the Corporation. The Corporation acknowledges and agrees that in connection with all aspects of the engagement contemplated

hereby, and any communications in connection therewith, the Corporation, on the one hand, and the Agents and any of its affiliates through which it may be acting, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents or their respective affiliates, and each party hereto agrees that no such duty will be deemed to have arisen in connection with any such transactions or communications. The Corporation acknowledges and agrees that it waives, to the fullest extent permitted by law, any claims the Corporation and its affiliates may have against any of the Agents for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Agents shall have no liability (whether direct or indirect) to the Corporation or any of its affiliates in respect of such a fiduciary duty claim or to any Person asserting a fiduciary duty claim on behalf of or in right of the Corporation, including stockholders, employees or creditors of the Corporation. Information which is held elsewhere within any of the Agents, but of which none of the individuals in the investment banking department or division of the Agents s involved in providing the services contemplated by this Agreement actually has knowledge (or without breach of internal procedures can properly obtain) will not for any purpose be taken into account in determining any of the responsibilities of the Agents to the Corporation under this Agreement.

#### **24. Use of Advice**

The Corporation acknowledges and agrees that all written and oral opinions, advice, analyses and materials provided by the Agents in connection with this Agreement and their engagement hereunder are intended solely for the Corporation's benefit and the Corporation's internal use only with respect to the Offering and the Corporation agrees that no such opinion, advice, analysis or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the Agents' prior written consent in each specific instance. Any advice or opinions given by the Agents hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualifications, and reservations as the Agents, in their sole judgment, deems necessary or prudent in the circumstances. The Agents expressly disclaim any liability or responsibility by reason of any unauthorized use, publication, distribution of or reference to any oral or written opinions or advice or materials provided by the Agents or any unauthorized reference to the Agents or this engagement.

*[remainder of page intentionally left blank]*

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

Yours very truly,

**BMO NESBITT BURNS INC.**

(signed) "*Haroon Chaudhry*"

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Haroon Chaudhry  
Director

**PARADIGM CAPITAL INC.**

(signed) "*Chris Glavin*"

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Chris Glavin  
Partner, Head of Syndication

**VELOCITY TRADE CAPITAL LTD.**

(signed) "*Simon Grayson*"

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Simon Grayson  
Chief Executive Officer

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

**SOUTH PACIFIC METALS CORP.**

(signed) "*Michael Darren Murphy*"

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Michael Darren Murphy

Chairman

## SCHEDULE A

### COMPLIANCE WITH UNITED STATES SECURITIES LAWS

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

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

- (i) “**Rule 144A**” means Rule 144A promulgated under the U.S. Securities Act;
- (j) “**SEC**” means the United States Securities and Exchange Commission;
- (k) “**Securities**” means the Offered Securities and the Warrant Shares;
- (l) “**Substantial U.S. Market Interest**” means “substantial U.S. market interest” as that term is defined in Rule 902(j) of Regulation S;
- (m) “**U.S. Accredited Investor**” means an “accredited investor” as such term is defined in Rule 501(a) of Regulation D;
- (n) “**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended;
- (o) “**U.S. Private Placement Memorandum**” means the U.S. private placement memorandum for the offer and sale of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, in the form agreed to by the Corporation and the Agents, and shall include, for greater certainty, the Offering Document, the Purchaser Form, and the Qualified Institutional Buyer Letter attached as Exhibit A and the U.S. Accredited Investor Certificate attached as Exhibit B; and
- (p) “**U.S. Subscriber**” means (a) any Subscriber that is in the United States or a U.S. Person or that is acting for the account or benefit of a person in the United States or a U.S. Person, (b) any Subscriber that receives or received an offer of the Offered Securities while in the United States, or (c) any Subscriber that was (or its authorized signatory was) in the United States at the time the Subscriber’s buy order was made or the Subscriber’s Purchaser Form and Exhibit A to the U.S. Private Placement Memorandum was executed or delivered; provided, however, that “U.S. Subscriber” shall not include persons excluded from the definition of “U.S. person” pursuant to Rule 902(k)(2)(vi) of Regulation S or persons holding accounts excluded from the definition of “U.S. person” pursuant to Rule 902(k)(2)(i) of Regulation S, solely in their capacities as holders of such accounts.

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

### **Representations, Warranties and Covenants of the Corporation**

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

1. The Corporation is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Common Shares.
2. The Corporation is not, and after giving effect to the Offering contemplated by this Agreement and the application of the proceeds of the Offering contemplated by this Agreement, will not be, an “investment company” as such term is defined under the United

States Investment Company Act of 1940, as amended, registered or required to be registered under such Act.

3. The Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Except with respect to sales of Offered Securities to U.S. Accredited Investors and/or Qualified Institutional Buyers identified by the Agents and the U.S. Affiliates in accordance with this Schedule A, in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act and similar exemptions from applicable U.S. state securities laws, neither the Corporation nor any of its affiliates, nor any person acting on any of their behalf (other than the Agents, their affiliates (including the U.S. Affiliates), any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has made or will make (A) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person, or (B) any sale of Offered Securities unless, at the time the buy order was or will have been originated, the Subscriber is (i) outside the United States and not a U.S. Person, or (ii) the Corporation, its affiliates, and any person acting on any of their behalf reasonably believe that the Subscriber is outside the United States and not a U.S. Person.
4. None of the Corporation, any of its affiliates, or any person acting on any of their behalf (other than the Agents, their affiliates (including the U.S. Affiliates), any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has engaged or will engage in any Directed Selling Efforts, or has taken or will take any action that would cause the exemption provided by Rule 506(b) of Regulation D to be unavailable for offers and sales of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons in accordance with this Agreement, or has taken or will take any action that would cause the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities outside the United States to non-U.S. Persons in accordance with this Agreement.
5. None of the Corporation, any of its affiliates or any person acting on behalf of any of them (other than the Agents, their affiliates (including the U.S. Affiliates), any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has offered or will offer to sell, or has solicited or will solicit offers to buy, any of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
6. Neither the Corporation nor any person acting on behalf of the Corporation has, within 30 calendar days prior to the date of this Agreement, sold, offered for sale or solicited any

offer to buy any of the Corporation's securities of the same or similar class as any of the securities comprising the Offered Securities, and will not do so during this Offering and for a period of 30 calendar days following the completion of this Offering, in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, or Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Offered Securities to persons outside the United States or non-U.S. Persons.

7. Neither the Corporation nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
8. None of the Corporation, its affiliates or any person on any of their behalf (other than the Agents, their affiliates (including the U.S. Affiliates), any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the offering of the Offered Securities contemplated by this Agreement.
9. The Corporation will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable blue-sky laws in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons.
10. None of the Corporation or any of its predecessors has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.
11. With respect to Offered Securities offered and sold hereunder in reliance on Rule 506(b) of Regulation D (the "Regulation D Securities"), none of the Corporation, 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 the Corporation participating in the offering of the Regulation D Securities, any beneficial owner of 20% or more of the Corporation'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 the Corporation in any capacity at the time of sale of the Regulation D Securities (other than any Dealer Covered Person (as defined below), as to whom no representation is made) (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any Disqualification Event. The Corporation has exercised reasonable care to determine: (i) the identity of each person that is an Issuer Covered Person; and (ii) whether any Issuer Covered Person is subject to a Disqualification Event. The Corporation has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D and has furnished to the Agents a copy of any disclosures provided thereunder. The Corporation has not paid and will not pay, nor is it

aware of any person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons (as defined below)) for solicitation of Subscribers of the Regulation D Securities.

12. Upon receipt of a written request from a Subscriber in the United States, the Corporation shall make a determination if the Corporation is a “passive foreign investment company” (a “PFIC”) within the meaning of section 1297(a) of the United States Internal Revenue Code of 1986, as amended (the “Code”), during any calendar year following the purchase of the Offered Securities by such Subscriber, and if the Corporation determines that it is a PFIC during such year, the Corporation will provide to such Subscriber, upon written request, all information that would be required to permit a United States shareholder to make an election to treat the Corporation as a “qualified electing fund” for the purposes of the Code.

### **Representations, Warranties and Covenants of the Agents**

Each of the Agents, severally and not jointly, represents, warrants, acknowledges, covenants and agrees to and with the Corporation, as at the date hereof and as at the Closing Date, that:

1. The Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. It has not offered, and it will not offer, any Offered Securities except: (a) in an Offshore Transaction, in accordance with Rule 903 of Regulation S; or (b) to, or for the account or benefit of, persons in the United States or U.S. Persons that are U.S. Accredited Investors and/or Qualified Institutional Buyers, in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and similar exemptions under applicable U.S. state securities laws, as provided in paragraphs 2 through 13 below. Accordingly, none of the Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf, has made or will make (except as permitted in paragraphs 2 through 13 below) any (i) offer to sell or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, any person in the United States or any U.S. Person, (ii) any sale of Offered Securities to any Subscriber unless, at the time the buy order was or will have been originated, the Subscriber was outside the United States and not a U.S. Person, or such Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf reasonably believed that such Subscriber was outside the United States and not a U.S. Person, or (iii) any Directed Selling Efforts.
2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Securities, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and each selling group member appointed by it to agree, for the benefit of the Corporation, to comply with, and shall use commercially reasonable efforts to ensure that its U.S. Affiliate and such selling group member complies with, the provisions of this Schedule applicable to the Agent as if such provisions applied directly to the U.S. Affiliate and such selling group member.

3. All offers of Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons by it shall be solicited through its U.S. Affiliate, which on the dates of each such offer and subsequent sale by the Corporation, was and will be duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under all applicable U.S. state securities laws (unless exempted from such state's broker-dealer registration requirements) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc., in accordance with all applicable United States state and federal securities (including broker-dealer) laws.
4. None of the Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf, have solicited or will solicit offers for, or have offered to sell or will offer to sell, any of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
5. Any offer or solicitation of an offer to buy Offered Securities that has been made or will be made to, or for the account or benefit of, a person in the United States or a U.S. Person by it was or will be made only to U.S. Accredited Investors and/or Qualified Institutional Buyers, as applicable, in compliance with the exemption from registration provided by Rule 506(b) of Regulation D, and in transactions that are exempt from registration under applicable U.S. state securities laws.
6. Immediately prior to soliciting any offeree that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person, the Agent, its affiliates (including its U.S. Affiliate), and any person acting on any of their behalf, had a pre-existing relationship with such Subscriber and will have reasonable grounds to believe and will believe that each such Subscriber is a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable, and at the time of completion of each sale by the Corporation to, or for the account or benefit of, a person in the United States or a U.S. Person identified by the Agent through its U.S. Affiliate, the Agent, its affiliates (including its U.S. Affiliate), and any person acting on any of their behalf will have reasonable grounds to believe and will believe, that each such Subscriber designated by the Agent or the U.S. Affiliate to purchase Offered Securities from the Corporation is a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable.
7. The Agent shall cause its U.S. Affiliate to deliver a copy of the U.S. Private Placement Memorandum to each offeree solicited by it that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person and to each U.S. Subscriber solicited by it at or prior to the time of purchase of Offered Securities. Other than the U.S. Private Placement Memorandum, no written material has been or will be used by the Agent or its U.S. Affiliate in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons.
8. Prior to completion of any sale of the Offered Securities by the Corporation to a U.S. Subscriber identified by it, it shall cause each such U.S. Subscriber of the Offered Securities to execute a Qualified Institutional Buyer Letter, in the form attached to the U.S.

Private Placement Memorandum as Exhibit A, or a U.S. Accredited Investor Certificate, in the form attached to the U.S. Private Placement Memorandum as Exhibit B, as applicable.

9. At least one Business Day prior to the Closing Date, the Corporation and its transfer agent will be provided with a list of the names and addresses of all U.S. Subscribers of the Offered Securities, including addresses.
10. At Closing, the Agent will either: (i) together with its U.S. Affiliate, provide to the Corporation a certificate in the form attached hereto as Exhibit I relating to the manner of the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons; or (ii) be deemed to have represented and warranted to the Corporation, as of the Closing, that it did not and will not offer or sell any of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons.
11. The Agent will inform, and cause its U.S. Affiliate to inform, each U.S. Subscriber that: (i) the Securities have not been and will not be registered under the U.S. Securities Act or under any U.S. state securities laws; (ii) the Offered Securities are being offered and sold to it without registration under the U.S. Securities Act in reliance on Rule 506(b) of Regulation D and in reliance upon similar exemptions from registration under applicable U.S. state securities laws; (iii) the Securities will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act, and can only be offered, sold, pledged or otherwise transferred pursuant to an exemption or exclusion from the registration requirements of the U.S. Securities Act and applicable state securities laws and in compliance with the restrictions set forth in the U.S. Private Placement Memorandum.
12. None of the Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the Offering of Offered Securities contemplated hereby.
13. As of the Closing Date, with respect to Regulation D Securities, each Agent effecting such offer or sale of Regulation D Securities represents that none of (i) the Agent or its U.S. Affiliate, (ii) the Agent’s or its U.S. Affiliate’s general partners or managing members, (iii) any of the Agent’s or its U.S. Affiliate’s directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the Agent’s or its U.S. Affiliate’s general partners’ or managing members’ directors, executive officers or other officers participating in the offering of the Regulation D Securities or (v) any other person associated with any of the above persons that has been or will be paid (directly or indirectly) remuneration for solicitation of Subscribers in connection with sale of Regulation D Securities (each, a “**Dealer Covered Person**” and, collectively, the “**Dealer Covered Persons**”), is subject to a Disqualification Event, except for a Disqualification Event (i) covered by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date hereof. Neither it nor its affiliates (including its U.S. Affiliate) has paid or will pay, nor is it aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of Subscribers of the Regulation D Securities.



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

**AGENT’S CERTIFICATE**

In connection with the offer and sale of Units, Offered Shares and Warrants (the “**Offered Securities**”) of South Pacific Metals Corp. (the “**Corporation**”) to, or for the account or benefit of, persons in the United States and U.S. Persons that are U.S. Accredited Investors and/or Qualified Institutional Buyers pursuant to an agency agreement (the “**Agency Agreement**”) effective as of December 8, 2025 between the Corporation and the agents named in the Agency Agreement, [●] (the “**Agent**”) and [●] (the “**U.S. Affiliate**”), the U.S. registered broker-dealer affiliate of the Agent, hereby certify as follows:

- (i) on the date of this certificate and on the date of each offer, solicitation of an offer and sale of Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons, the U.S. Affiliate is and was: (A) a duly registered broker-dealer pursuant to section 15(b) of the U.S. Exchange Act and under the laws of each state where offers and sales of Offered Securities were made (unless exempted from the respective state’s broker-dealer registration requirements), and (B) a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;
- (ii) all offers of Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons for sale by the Corporation have been and will be effected and arranged by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements;
- (iii) immediately prior to offering or soliciting offers for the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons, we had reasonable grounds to believe and did believe that each offeree was a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable, and, on the date of this certificate, we continue to believe that each such person purchasing Offered Securities from the Corporation is a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable;
- (iv) neither we nor our representatives have (i) utilized any form of General Solicitation or General Advertising in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons or (ii) offered to sell any of the Offered Securities in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (v) each offeree solicited by us who is, or is acting for the account or benefit of, a person in the United States or a U.S. Person was provided with a copy of the U.S. Private Placement Memorandum at or prior to the time of purchase of any Offered Securities, and no other written material was used in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;
- (vi) in connection with each sale by the Corporation of Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person solicited by us, we caused each such U.S. Subscriber to execute and deliver to the Corporation a Qualified Institutional Buyer Letter, in the form attached to the U.S. Private Placement Memorandum as Exhibit A or a U.S.

Accredited Investor Certificate, in the form attached to the U.S. Private Placement Memorandum as Exhibit B;

- (vii) all U.S. Subscribers have been informed that the Securities have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such U.S. Subscribers without registration in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D, and similar exemptions under applicable U.S. state securities laws;
- (viii) neither we, nor any of our affiliates, nor any person acting on our or their behalf have taken or will take, directly or indirectly, any action in violation of Regulation M in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person;
- (ix) none of (i) the undersigned, (ii) the undersigned's general partners or managing members, (iii) any of the undersigned's directors, executive officers or other officers participating in the offering of the Offered Securities, (iv) any of the undersigned's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Offered Securities or (v) any Dealer Covered Person is subject to any Disqualification Event, except for a Disqualification Event contemplated by Rule 506(d)(2) of the U.S. Securities Act and a description of which has been furnished in writing to the Corporation prior to the date hereof; and (vi) the undersigned is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Subscribers in connection with the sale of the Offered Securities; and
- (x) the offering of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons has been conducted by us in accordance with the Agency Agreement, including Schedule A thereto.

Capitalized terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule A attached thereto) unless otherwise defined herein.

Dated this \_\_ day of \_\_\_\_\_, 2025.

**[INSERT NAME OF AGENT]**

**[INSERT NAME OF U.S. AFFILIATE]**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title: