

CONTRIBUTION AGREEMENT

ARPENT INC.

- and -

ROYAL NICKEL CORPORATION

- and -

MAGNETO INVESTMENTS LIMITED PARTNERSHIP

March 21, 2017

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CONTRIBUTION AGREEMENT

THIS AGREEMENT made the 21st day of March, 2017,

B E T W E E N:

ARPENT INC.,
a corporation existing under the laws of the
Province of Ontario,

(hereinafter referred to as "**Arpent**"),

- and -

ROYAL NICKEL CORPORATION,
a corporation existing under the laws of Canada,

(hereinafter referred to as "**RNC**"),

**MAGNETO INVESTMENTS LIMITED
PARTNERSHIP,**

a limited partnership existing under the laws of the
Province of Manitoba,

(hereinafter referred to as the "**Limited
Partnership**"),

WHEREAS RNC is the owner of the Mining Rights in respect of the Project;

AND WHEREAS RNC and the General Partner have formed the Limited Partnership for the purpose, among other things, of acquiring the Mining Rights and developing the Project;

AND WHEREAS the parties have agreed to enter into this Agreement to set out their agreement in respect of, among other things, the completion of the transfer, conveyance, assignment and contribution by RNC of the Contributed Assets to the Limited Partnership (the "**RNC Contribution**");

AND WHEREAS immediately following the RNC Contribution, Arpent will make the Arpent Contribution on the terms and subject to the conditions of the Limited Partnership Agreement;

AND WHEREAS following the completion of the transactions contemplated hereby each of Arpent and RNC will have a 50% interest in the Contributed Assets;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Defined Terms

For the purposes of this Agreement (including the recitals hereto), the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Act**" means the *Canada Business Corporations Act*, as in effect on the date hereof;

"**Affiliate**" has the following meaning: an entity (the "**first entity**") is the Affiliate of another entity (the "**second entity**") where the second entity controls the first entity, the first entity controls the second entity or both entities are controlled by the same Person or entity. For purposes of this definition, "control" is the power whether by contract or ownership of equity interests to select a majority of the board of directors or other supervisory management authority of an entity, whether directly or indirectly through a chain of entities that are "controlled" within the foregoing meaning;

"**Agricultural Lots**" means the (a) immovable property (and any portion thereof) forming part of the Owned Real Property, the Project, the Mining Rights (including any rights contemplated in section 8 of the *Mining Act* (Québec) that have been transferred to RNC), and (b) the Leased Real Property, that are currently zoned agricultural and/or located in or form part of a protected agricultural zone under the *Act Respecting the Preservation of Agricultural Land and Agricultural Activities*, CQLR c P-41.1;

"**Alternative Proposal**" has the meaning set out in Section 7.4(a)(ii);

"**Ancillary Agreements**" means the Limited Partnership Agreement, the Management Services Agreement and the Unanimous Shareholders Agreement;

"**Arpent Contribution**" means Arpent's capital contribution of \$22.5 million to the Limited Partnership on the Closing Date on the terms and conditions of the Limited Partnership Agreement, to occur immediately after the RNC Contribution and the closing of the transactions contemplated hereby;

"**Associate**" has the meaning given to that term in the Act;

"**Assumed Liabilities**" has the meaning set out in Section 2.3(a);

"**Audited Financial Statements**" means the audited consolidated financial statements of RNC as at and for the financial years ended December 31, 2015 and 2014, including the notes thereto and the report of RNC's auditors thereon;

"Books and Records" means all information in any form relating to the Project and the Contributed Assets, including books of account, financial and accounting information and records, tax records, sales and purchase records, supplier lists, equipment logs, operating guides and manuals, business reports, plans and projections, Technical Records and all other documents, files, correspondence and other information pertaining thereto (whether written, printed, electronic or stored on computer discs or other data storage and media devices);

"Breaching Party" has the meaning set out in Section 8.2(c);

"Business Day" means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario, on which commercial banks in Toronto, Ontario and Montréal, Québec, are open for business;

"Claim" has the meaning set out in Section 9.7(a);

"Closing" means the closing of the transactions contemplated hereby;

"Closing Date" means the Business Day following the satisfaction and/or waiver of all conditions to Closing set forth in Sections 3.6 and 3.7 (other than conditions to be satisfied on the Closing Date), or such other date as the parties may mutually determine in writing;

"Closing Date Note" has the meaning set out in Section 2.2(a)(ii);

"Comprehensive Study Report" means the report produced by the Canadian Environmental Assessment Agency titled "Dumont Nickel Mine Project, Comprehensive Study Report" and dated May 2015.

"Contract" means any agreement, indenture, contract, lease, deed of trust, licence, option, instrument or other commitment, whether written or oral;

"Contributed Assets" has the meaning set out in Section 2.1;

"Delayed Transfer Assets" has the meaning set out in Section 7.5(a);

"Direct Claim" has the meaning set out in Section 9.7(a);

"Disclosure Schedule" means the disclosure schedules dated of even date herewith and delivered by RNC to the Purchaser Parties in the form accepted and initialled on behalf of the Purchaser Parties with respect to certain matters in this Agreement;

"Draft IBA" has the meaning set out in Section 2.3(b)(ii);

"DTIA" means the *Act respecting duties on transfers of immovables* (Québec);

"Easements" has the meaning set out on Section 4.24;

"Encumbrance" means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, royalty, security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege or any Contract to create any of the foregoing;

"Environmental Laws" means any applicable Law or, to the extent having the force of Law, policy or guideline: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, ecology, human health and safety or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal, emission, remediation, Release or threatened Release of any Hazardous Substances into the environment. The term **"Environmental Law"** includes the following (including their implementing regulations): the *Environment Quality Act* (Québec), the *Act respecting Compensation Measures for the Carrying out of Projects Affecting Wetlands or Bodies of Water* (Québec), the *Act respecting the Conservation and Development of Wildlife* (Québec), the *Mining Act* (Québec) the *Canadian Environmental Assessment Act, 2012* (Canada), the *Fisheries Act* (Canada), the *Species at Risk Act* (Canada), and the *Migratory Birds Convention Act* (Canada);

"Environmental Permits" has the meaning set out in Section 4.27(a);

"ETA" means Part IX of the *Excise Tax Act* (Canada);

"Financial Statements" means the Audited Financial Statements and the Interim Financial Statements;

"General Partner" means 2565716 Ontario Inc., the general partner of the Limited Partnership;

"Governmental Body" means any domestic or foreign (a) federal, provincial, state, municipal, local or other government, (b) any governmental or quasi-governmental authority of any nature, including any governmental ministry, agency, branch, department, court, commission, board, tribunal, bureau or instrumentality, or (c) any body exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature;

"GP Units" has the meaning set out in the Limited Partnership Agreement;

"GST" means all Taxes payable under the ETA (including, for greater certainty, the harmonized sales Tax), and any reference to a specific provision of the ETA shall refer to any successor provision thereto of like or similar effect;

"Hazardous Substances" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants,

chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, petroleum and petroleum products, polychlorinated biphenyls ("**PCBs**"), chlorinated solvents and asbestos;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board or any successor body applicable to the relevant corporation or entity for the relevant financial period;

"**Indemnified Party**" has the meaning set out in Section 9.7(a);

"**Indemnifying Party**" has the meaning set out in Section 9.7(a);

"**Interim Financial Statements**" means the unaudited consolidated financial statements of RNC as at and for the three and nine month periods ended September 30, 2016;

"**ITA**" means the *Income Tax Act* (Canada);

"**Laws**" means, in respect of any Person, property, transaction or event, any and all applicable (a) laws, constitutions, treaties, statutes, codes, ordinances, decrees, rules, regulations and (b) judgments, orders, writs, injunctions, decisions, awards and legally-binding directives of any Governmental Body;

"**Leased Real Property**" has the meaning set out in Section 2.1(c);

"**Leases**" has the meaning set out in Section 4.12;

"**Limited Partnership Agreement**" means the amended and restated limited partnership agreement in respect of the Limited Partnership, substantially in the form attached as Schedule "A" hereto as modified in accordance with Section 7.6;

"**Losses**" means, in respect of any matter, all claims, demands, proceedings, losses, damages, liabilities, deficiencies, fines, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement) and judgments arising directly or indirectly as a consequence of such matter;

"**LP Units**" has the meaning set out in the Limited Partnership Agreement;

"**Material Contract**" has the meaning set out in Section 4.15(a);

"**Management Services Agreement**" means the management services agreement between the Manager and the Limited Partnership in respect of the operation of the Project, to be entered into on the Closing Date, substantially in the form attached as Schedule "B" hereto as modified in accordance with Section 7.6;

"**Manager**" means a wholly-owned subsidiary of RNC designated by RNC as the manager and acceptable to Arpent, acting reasonably;

"**Mining Rights**" has the meaning set out in Section 4.7(a);

"**NI 43-101**" means *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

"**Notice of Claim**" has the meaning set out in Section 9.7(a);

"**Outside Date**" means July 1, 2017;

"**Owned Real Property**" has the meaning set out in Section 2.1(b);

"**Partnership Interest**" means, in respect of a partner of the Limited Partnership at any time, all the rights, obligations and interest of such partner in the Limited Partnership at such time;

"**Payment**" has the meaning set out in Section 9.13;

"**Permit**" has the meaning set out in Section 4.16(a);

"**Permitted Encumbrances**" means:

- (a) liens for Taxes, assessments and governmental charges that are due but are being contested in good faith and diligently by appropriate proceedings and in respect of which adequate provision for the related monetary obligation has been made in the Financial Statements;
- (b) in respect of real property, servitudes, easements, restrictions, encroachments, rights-of-way and other similar rights or any interest therein, provided the same are not of such nature as to materially adversely affect the use or value of the property subject thereto;
- (c) in respect of real property, the reservations in any original grants from the Crown of any real property or interest therein;
- (d) inchoate liens claimed or held by any Governmental Body or a public utility in respect of the payment of Taxes or utilities not yet due and payable;
- (e) Encumbrances of labourers, workmen, builders, contractors, suppliers of material or architects or other similar Encumbrances incidental to construction, maintenance or operations which have not at the time been registered or filed pursuant to law against the real property and which do not materially affect the Project or the Mining Rights;
- (f) the Encumbrances described in Section 1.1(f) of the Disclosure Schedule; and
- (g) the Encumbrances described in the Title Opinion;

"Person" means any individual, corporation, legal person, partnership, firm, joint venture, syndicate, association, trust, trustee, limited liability company, unincorporated organization, trust company, Governmental Body or any other form of entity or organization;

"Proceeding" has the set out in Section 4.21;

"Project" means the development stage nickel mining project known as the "Dumont Nickel Project" located in the established Abitibi mining camp, approximately 25 km northwest of Amos, Québec, in respect of which RNC currently owns the Mining Rights, all as described in the Technical Report;

"Purchaser Parties" means Arpent and the Limited Partnership;

"Purchase Price" has the meaning set out in Section 2.2;

"QST" means all Taxes payable under the QSTA (including, for greater certainty, the Québec sales Tax), and any reference to a specific provision of the QSTA shall refer to any successor provision thereto of like or similar effect;

"QSTA" means *Act respecting the Québec sales tax* (Québec);

"QTA" means the *Taxation Act* (Québec);

"Release" has the meaning prescribed in Environmental Laws and includes any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leeching, seepage or migration of any Hazardous Substance into the environment (including the abandonment or disposal of any barrels, tanks, containers or receptacles containing any contaminant), including the movement of any substance through the air, soil, subsoil, surface, water, groundwater, rock formation or otherwise, whether accidental or intentional;

"Retained Liabilities" has the meaning set out in Section 2.3(b);

"RNC Contribution" has the meaning set out in the recitals to this Agreement;

"Tail Fee Event" has the meaning set out in Section 8.4(a);

"Taxes" means any federal, provincial, territorial, state or local income, goods and services, harmonized sales, value added, corporation, land transfer, licence, payroll, excise, sales, use, capital, withholding or other tax, levy, duty, assessment, reassessment or other charge of any kind whatsoever, whether direct or indirect, including any interest and penalty or other addition to or on any of the foregoing, whether disputed or not, imposed by a Governmental Body, and for greater certainty includes Canada Pension Plan, Québec Pension Plan and employment insurance premiums;

"Technical Records" means any and all technical reports (including the Technical Report) and results relating to mining, geology, electrical and mechanical matters relating

to the Project, including maps, surveys, drill logs, assay results, core samples and analyses, production reports and technical data;

"**Technical Report**" means the following NI 43-101 technical report in respect of the Project: the Technical Report on the Dumont Nickel Project, Launay and Trécesson Townships, Québec, Canada dated July 25, 2013;

"**Terminating Party**" has the meaning set out in Section 8.2(c);

"**Termination Fee**" means a fee in the amount of \$1,350,000;

"**Termination Notice**" has the meaning set out in Section 8.2(c);

"**Threshold Amount**" has the meaning set out in Section 9.6(a);

"**Third Party Claim**" has the meaning set out in Section 9.7(a)

"**Third Party**" has the meaning set out in Section 9.11(c);

"**Title Opinion**" has the meaning set out in Section 3.3(h);

"**Time of Closing**" means 10:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the parties may agree;

"**Trigger Event**" has the meaning set out in Section 8.5(b); and

"**Unanimous Shareholders Agreement**" means the unanimous shareholders' agreement of the General Partner, substantially in the form attached as Schedule "C" hereto as modified in accordance with Section 7.6.

1.2 Rules of Construction

Except as may be otherwise specifically provided in this Agreement, in this Agreement:

- (a) the terms "Agreement", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an "Article", "Section" or "Schedule" followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;
- (c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;

- (e) the word "including" is deemed to mean including without limitation;
- (f) the terms "party" and "the parties" refer to a party or the parties to this Agreement;
- (g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- (h) references to any agreement or other instrument in writing means such agreement or instrument in writing, as amended, modified, replaced or supplemented from time to time;
- (i) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- (j) all dollar amounts refer to United States dollars unless specified otherwise;
- (k) any time period within which a payment is to be made or other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (l) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day.

1.3 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Governing Law and Submission to Jurisdiction

(a) This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.

(b) Each of the parties irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding

arising out of or relating to this Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts, and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

1.6 **Severability**

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a manner materially adverse to a party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

1.7 **Knowledge**

References in this Agreement to the knowledge of RNC mean the actual knowledge of any one or more of the following officers of RNC: Mark Selby (President and CEO), Tim Hollaar (Chief Financial Officer), Alger St-Jean (Vice President, Exploration), Johnna Muinonen (Vice President, Operations), and Christian Brousseau (Project Director), in each case after making diligent inquiry of other responsible officers and employees of RNC, as reasonably necessary to inform themselves as to the relevant matters and exercising such due diligence as a prudent person would have used or exercised.

1.8 **Schedules**

The following Schedules are attached to and form part of this Agreement:

- | | | |
|--------------|---|----------------------------------|
| Schedule "A" | - | Limited Partnership Agreement |
| Schedule "B" | - | Management Services Agreement |
| Schedule "C" | - | Unanimous Shareholders Agreement |

ARTICLE 2
PURCHASE AND SALE OF CONTRIBUTED ASSETS

2.1 **Transfer of Contributed Assets**

Subject to the terms and conditions of this Agreement, at the Time of Closing RNC shall sell, assign, transfer and contribute to the Limited Partnership, and the Limited Partnership shall purchase from RNC, all of the property and assets used or held for use in connection with or relating to the Project, whether real or personal, tangible or intangible, of every kind and description and wheresoever situate (collectively, the "**Contributed Assets**"), including:

- (a) Mining Rights. The Mining Rights described in Section 2.1(a) of the Disclosure Schedule, together with all leases, exploration rights, drill core, mineral leases, mineral and mining rights and information and files relating to the Project, all exploration data and information, feasibility studies, exploration operator reports and other contractor rights now held by RNC relating to the Project;
- (b) Owned Real Property. All real property used in the Project of which RNC is the registered or beneficial fee owner (the "**Owned Real Property**"), including the real property described in Section 2.1(b) of the Disclosure Schedule;
- (c) Leased Real Property. All rights as lessee of real property used in the Project in which RNC has a leasehold interest, together with all leasehold improvements relating thereto (the "**Leased Real Property**"), including all rights under the leases described in Section 2.1(c) of the Disclosure Schedule;
- (d) Equipment, Tangible and Intangible Assets. All equipment and all other tangible and intangible assets relating to the Project, including the equipment and tangible and intangible assets described in Section 2.1(d) of the Disclosure Schedule;
- (e) Contracts. All right, title and interest of RNC in and to the Contracts relating to the Project and the Contributed Assets described in Section 2.1(e) of the Disclosure Schedule;
- (f) Licences and Permits. All transferable licences, permits, approvals, consents, registrations, certificates and other Permits, including those described in Section 4.16 of the Disclosure Schedule and the Environmental Permits;
- (g) Prepaid Expenses. All deposits and prepaid expenses relating to the Project;
- (h) All Other Rights to the Project. All other rights and interests of RNC in and to the Project, including Books and Records, patents, trademarks, trade secrets, know-how and confidential information.

2.2 Purchase Price

(a) The aggregate purchase price (the "**Purchase Price**") payable by the Limited Partnership to RNC for the Contributed Assets shall be \$45 million. Subject to the terms and conditions of this Agreement, at the Time of Closing and in full satisfaction of the Purchase Price, the Limited Partnership shall:

- (i) issue to RNC an additional 499,994 LP Units of the Limited Partnership;
- (ii) issue to RNC a demand promissory note in the principal amount of \$5 million (the "**Closing Date Note**"); and
- (iii) assume the Assumed Liabilities as provided in Section 2.3

(b) The parties agree that after the RNC Contribution and the Arpent Contribution, the parties will have the following Partnership Interests in the Limited Partnership:

- (i) RNC will have a Partnership Interest of 499,995 LP Units, representing 49.9995% of the Limited Partnership;
- (ii) Arpent will have a Partnership Interest of 499,995 LP Units, representing 49.9995% of the Limited Partnership; and
- (iii) the General Partner will have a Partnership Interest of 10 GP Units, representing 0.001% of the Limited Partnership.

2.3 Assumption of Certain Liabilities by the Limited Partnership

(a) Subject to the terms and conditions of this Agreement, the Limited Partnership agrees to assume, pay, satisfy, discharge, perform and fulfil, from and after the Time of Closing, all obligations and liabilities of RNC relating to the Project existing as at and after the Time of Closing under:

- (i) the Contracts specifically described and identified in Section 2.1(e) of the Disclosure Schedule;
- (ii) the Permits specifically described and identified in Section 4.16 of the Disclosure Schedule; and
- (iii) the obligations and liabilities specifically described and identified in Section 2.3(a)(iii) of the Disclosure Schedule,

collectively the "**Assumed Liabilities**".

(b) All liabilities or obligations of RNC, whether or not incurred in connection with the Project:

- (i) that are not specifically listed as Assumed Liabilities in clauses (i) through (iii) of Section 2.3(a), including the liabilities identified in Section 2.3(b) of the Disclosure Schedule;
- (ii) **[REDACTED]**

- (iii) to issue shares or other equity interests pursuant to the property acquisition agreement between RNC and Marbaw International Nickel Company dated March 8, 2007, as amended May 11, 2007,

are to be retained by RNC and are hereinafter referred to as "**Retained Liabilities**". For greater certainty, RNC hereby covenants and agrees that any share or equity issuance obligations in connection with clauses (ii) and (iii) of this Section 2.3(b) shall be satisfied by the issuance of shares or equity of RNC, or otherwise satisfied by RNC, and neither Arpent nor the Limited Partnership shall have any obligation whatsoever to issue any equity or other interests in Arpent or the Limited Partnership, respectively, and no party to such agreements in clauses (ii) or (iii) of this Section 2.3(b) has any right or claim pursuant thereto against Arpent or the Limited Partnership for the issuance of any shares or other interests in Arpent or the Limited Partnership.

2.4 Allocation of Purchase Price

RNC and the Limited Partnership agree to allocate the Purchase Price among the Contributed Assets in a manner to be agreed by the Parties prior to Closing, each acting reasonably, provided, however, that the amount to be allocated to each of the royalties included in the Assumed Liabilities shall be valued at nil. The Limited Partnership shall report the sale and purchase of the Contributed Assets for all federal, provincial and local Tax purposes in a manner consistent with such allocation.

2.5 Tax Election

The Limited Partnership and each partner shall make a joint election with RNC under subsection 97(2) of the ITA and section 614 of the QTA, within the prescribed time and in the prescribed manner, in respect of the transfer of the Contributed Assets to the Limited Partnership at an agreed amount, in respect of each property so transferred, which shall be determined by RNC in its discretion, which agreed amount shall not be less than the least amount that the agreed amount may be in accordance with the rules in subsection 97(2) of the ITA and section 614 of the QTA, and the aggregate agreed amount in respect of all of such Contributed Assets shall not be less than \$10 million.

2.6 Transfer Taxes

The Limited Partnership shall pay all value-added, transfer, land transfer and similar taxes arising from the transfer of the Contributed Assets to the Limited Partnership, including and in particular any value-added taxes imposed under the ETA and the QSTA and any land transfer taxes imposed under the DTIA. Notwithstanding the preceding sentence, the Limited Partnership and RNC shall jointly make the elections under subsection 167(1) of the ETA and section 75 of the QSTA, in prescribed form and containing prescribed information, in order to exempt the transfer of the Contributed Assets to the Limited Partnership from tax under the ETA and the QSTA, and shall file each such joint elections in compliance with the requirements of the ETA and the QSTA.

ARTICLE 3
CLOSING

3.1 **Transfer**

Subject to compliance with the terms and conditions hereof, the transfer of possession of the Contributed Assets shall be deemed to take effect as at the Time of Closing. The Closing shall take place at the Time of Closing at the offices of Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West, Toronto, Ontario, or such other place as the parties may agree. Unless otherwise agreed, all closing transactions shall be deemed to have occurred simultaneously.

3.2 **Risk of Loss**

From the date hereof up to the Time of Closing, the Contributed Assets shall be and remain at the risk of RNC. If, prior to the Time of Closing, all or any part of the Contributed Assets are destroyed or damaged by fire or any other casualty or shall be appropriated, expropriated or seized by a Governmental Authority, unless the Purchaser Parties terminate their obligations under this Agreement as contemplated by Section 3.6, all proceeds of insurance or compensation for expropriation or seizure shall be paid to the Limited Partnership at the Time of Closing and all right and claim of RNC to any such amounts not paid by the Closing Date shall be assigned at the Time of Closing to the Limited Partnership.

3.3 **Closing Deliveries by RNC**

At the Closing, RNC shall deliver or cause to be delivered to the Limited Partnership and/or Arpent, as applicable:

- (a) the bring-down certificates referred to in Sections 3.6(a) and (b);
- (b) customary deeds, assignments, bills of sale and other conveyancing documents, to be settled between counsel for RNC and counsel for Arpent, sufficient to transfer the various categories of Contributed Assets described in Section 2.1, free and clear of all Encumbrances, except for Permitted Encumbrances;
- (c) an executed counterpart of each of the Ancillary Agreements to which RNC is a party;
- (d) a copy certified by a senior officer of RNC of the articles of incorporation and by-laws of RNC and of the resolution of RNC's directors approving the transactions contemplated by this Agreement;
- (e) a receipt for the Closing Date Note;
- (f) the consents to assignment of the applicable Material Contracts from each of the Contract parties listed in Section 4.17(b) of the Disclosure Schedule;

- (g) Contracts of insurance relating to the Project and the equipment and tangible assets described in Section 2.1(d) of the Disclosure Schedule, acceptable to the Purchaser Parties, acting reasonably;
- (h) a title opinion, in the form attached hereto as Section 3.3(h) of the Disclosure Schedule, with respect to the Project (the "**Title Opinion**");
- (i) customary subscription and organizational documents in respect of the General Partner, including the subscription by Arpent of 100 common shares in the capital of the General Partner for aggregate consideration of \$100, appointment of directors as contemplated by the Shareholders Agreement, share registers, director and officer registers;
- (j) a share certificate for 100 common shares in the capital of the General Partner registered in the name of Arpent; and
- (k) all other documents required to be delivered by RNC to the Purchaser Parties pursuant to this Agreement or reasonably necessary to give effect to the transactions contemplated hereby.

3.4 Closing Deliveries by the Limited Partnership

At the Closing, the Limited Partnership shall deliver or cause to be delivered to RNC and/or Arpent, as applicable:

- (a) the bring-down certificates referred to in Sections 3.7(a) and (b);
- (b) such of the documents referred to in Section 3.3(b) as a purchaser would customarily execute;
- (c) a counterpart of each of the Ancillary Agreements to which the Limited Partnership is a party, executed by the General Partner on behalf of the Limited Partnership;
- (d) the Closing Date Note in accordance with Section 2.2(a)(ii);
- (e) where applicable, a receipt for the Contributed Assets;
- (f) an instrument of assumption of the Assumed Liabilities; and
- (g) all other documents required to be delivered by the Limited Partnership to RNC or Arpent pursuant to this Agreement or reasonably necessary to give effect to the transactions contemplated hereby.

3.5 Closing Deliveries by Arpent

At the Closing, Arpent shall deliver or cause to be delivered to RNC:

- (a) the bring-down certificates referred to in Sections 3.7(a) and (b);

- (b) an executed counterpart of each of the Ancillary Agreements to Arpent is a party;
- (c) an executed subscription for 100 common shares in the capital of the General Partner for aggregate consideration of \$100; and
- (d) all other documents required to be delivered by Arpent to RNC pursuant to this Agreement or reasonably necessary to give effect to the transactions contemplated hereby.

3.6 Conditions of Closing in Favour of the Purchaser Parties

The obligations of Arpent to make the Arpent Contribution and of the Purchaser Parties to complete the transactions contemplated herein are subject to the following terms and conditions for the exclusive benefit of the Purchaser Parties, to be performed or fulfilled at or prior to the Time of Closing:

- (a) Representations and Warranties. The representations and warranties of RNC contained in this Agreement shall be true and correct (i) at the Time of Closing as if made at such time (unless they are expressed to be made only as of a specific date in the past, in which case they need be true and correct only as of such specified earlier date) and (ii) also at the date hereof in the cases of the representations and warranties in Sections 4.1 through 4.4, in all material respects if the particular representation and warranty is not by its terms so qualified and in all respects if by its terms it is so qualified, and a certificate of a senior officer of RNC, dated the Closing Date, to that effect shall have been delivered to the Purchaser Parties, such certificate to be in form and substance satisfactory to the Purchaser Parties, acting reasonably;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by RNC at or before the Time of Closing shall have been complied with or performed in all material respects, and a certificate of a senior officer of RNC, dated the Closing Date, to that effect shall have been delivered to the Purchaser Parties, such certificate to be in form and substance satisfactory to each Purchaser Party, acting reasonably;
- (c) Regulatory Consents. There shall have been obtained from all appropriate Governmental Bodies such approvals, consents and authorizations as are required to be obtained by RNC to permit the change of ownership of the Contributed Assets contemplated hereby, including those described in Section 4.17(a) of the Disclosure Schedule, in each case in form and substance satisfactory to the Purchaser Parties, acting reasonably;
- (d) Contractual Consents. RNC shall have given or obtained, as applicable, the waivers, notices, consents and approvals required in items 1 and 2 of Section 4.17(b) of the Disclosure Schedule, in each case in form and substance satisfactory to each Purchaser Party, acting reasonably. RNC shall use best efforts to obtain any other consents required under Material Contracts;

- (e) Discharge of Encumbrances. RNC shall have discharged all hypothecs in favour of National Bank of Canada;
- (f) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Body to enjoin, restrict or prohibit the transactions contemplated hereby;
- (g) Injunctions. There shall be in effect no injunction against Closing entered by a court of competent jurisdiction;
- (h) No Material Damage. No material damage by fire or other hazard to the whole or any material part of the Contributed Assets shall have occurred from the date hereof to the Time of Closing;
- (i) No Material Adverse Change. There shall have been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or prospects of the Project since December 31, 2016;
- (j) Legal Matters. All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, and all legal matters relating to the transactions contemplated herein, including title of RNC to the Contributed Assets, shall have been approved as to form and legality by counsel for the Purchaser Parties, acting reasonably, and obtained;
- (k) **[REDACTED]**

- (l) Insurance. RNC shall have put in place contracts of insurance relating to the Project and the equipment and tangible assets described in Section 2.1(d) of the Disclosure Schedule naming the Limited Partnership as beneficiary and acceptable to the Purchaser Parties, acting reasonably; and
- (m) Deliveries. RNC shall be ready, willing and able to make the deliveries required by Section 3.3.

If any of the conditions contained in this Section 3.6 shall not be fulfilled at or prior to the Time of Closing to the satisfaction of the Purchaser Parties, acting reasonably, the Purchaser Parties may by notice to RNC terminate this Agreement, and the obligations of the parties under this Agreement shall thereby be terminated; provided, however, that the Purchaser Parties may also bring an action pursuant to Article 9 against RNC for damages suffered by the

Purchaser Parties where the non-performance or non-fulfilment of the relevant condition is as a result of a breach of covenant, representation or warranty by RNC. Any such condition may be waived in whole or in part by the Purchaser Parties without prejudice to any claims they may have for breach of covenant, representation or warranty.

3.7 Conditions of Closing in Favour of RNC

The obligations of RNC to complete the transactions contemplated herein are subject to the following terms and conditions for the exclusive benefit of RNC, to be performed or fulfilled at or prior to the Time of Closing:

- (a) Representations and Warranties. The representations and warranties of the Purchaser Parties contained in this Agreement shall be true and correct (i) at the Time of Closing as if made at such time (unless they are expressed to be made only as of an earlier fixed date, in which case they need be true and correct only as of such earlier date) and (ii) also at the date hereof in the cases of the representations and warranties in Sections 5.1 through 5.4, in all material respects if the particular representation and warranty is not by its terms so qualified and in all respects if by its terms it is so qualified, and a certificate of a senior officer of the General Partner, in the case of the Limited Partnership, and of Arpent, in the case of Arpent, dated the Closing Date, to that effect shall have been delivered to RNC, such certificates to be in form and substance satisfactory to RNC, acting reasonably;
- (b) Covenants. All of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser Parties at or before the Time of Closing shall have been complied with or performed in all material respects, and a certificate of a senior officer of the General Partner, in the case of the Limited Partnership, and of Arpent, in the case of Arpent, dated the Closing Date, to that effect shall have been delivered to RNC, such certificates to be in form and substance satisfactory to RNC, acting reasonably;
- (c) No Action or Proceeding. No legal or regulatory action or proceeding shall be pending or threatened by any Governmental Body to enjoin, restrict or prohibit the transactions contemplated hereby;
- (d) Injunctions. There shall be in effect no injunction against Closing entered by a court of competent jurisdiction;
- (e) Legal Matters. All actions, proceedings, instruments and documents required to implement this Agreement, or instrumental thereto, shall have been approved as to form and legality by counsel for RNC, acting reasonably, and obtained; and
- (f) Deliveries. The Limited Partnership shall be ready, willing and able to make the deliveries required by Section 3.4.

If any of the conditions contained in this Section 3.7 shall not be performed or fulfilled at or prior to the Time of Closing to the satisfaction of RNC, acting reasonably, RNC

may by notice to the Purchaser Parties terminate this Agreement, and the obligations of the parties under this Agreement shall thereby be terminated; provided, however, that RNC may also bring an action pursuant to Article 9 against the Purchaser Parties for damages suffered by it where the non-performance or non-fulfilment of the relevant condition is as a result of a breach of covenant, representation or warranty by the Purchaser Parties. Any such condition may be waived in whole or in part by RNC without prejudice to any claims it may have for breach of covenant, representation or warranty.

ARTICLE 4 **REPRESENTATIONS AND WARRANTIES OF RNC**

RNC represents and warrants to the Purchaser Parties as follows and acknowledges that the Purchaser Parties are relying on such representations and warranties in connection with completion of the transactions contemplated herein and that such reliance by the Purchaser Parties shall not be construed to be lessened or mitigated by any due diligence investigation that may be conducted by the Purchaser Parties:

4.1 Organization

(a) RNC is validly existing under the Laws of Canada and has the corporate power to own or lease its property, including the Contributed Assets, to carry on its business as now being conducted by it, and to enter into this Agreement and each of the Ancillary Agreements to which RNC is a party and to perform its obligations hereunder and thereunder. RNC is duly qualified as a corporation to do business in each jurisdiction in which the nature of the Project or the Contributed Assets makes such qualification necessary.

(b) The General Partner is a corporation duly formed and validly existing under the Laws of the Province of Ontario and is in good standing under said laws and under the laws of any other jurisdiction where it carries on its activities, including being duly registered as an extra-provincial corporation in the Province of Manitoba. The General Partner has and shall continue to have the power and authority to act as the General Partner of the Limited Partnership, to carry on its business as contemplated herein and to enter into this Agreement, and to perform its obligations hereunder.

(c) The Limited Partnership is a limited partnership formed under *The Partnership Act* (Manitoba) duly established under the laws of the Province of Manitoba, and the Limited Partnership is and shall continue to be existing and in good standing under said laws and under the laws of any jurisdiction where it carries on its activities. The Limited Partnership has and shall continue to have the power, capacity and authority to carry on its business as contemplated herein, to enter into this Agreement and to perform its obligations hereunder.

4.2 Authorization

This Agreement has been duly authorized, executed and delivered by RNC and is a legal, valid and binding obligation of RNC, enforceable against RNC by the Purchaser Parties in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other Laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

4.3 No Other Agreements to Purchase

Except as disclosed in Section 4.3 of the Disclosure Schedule, no Person other than the Purchaser Parties has any written or oral agreement or option or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition from RNC of any of the Contributed Assets.

4.4 No Violation

Subject to Section 4.17(b) of the Disclosure Schedule and receipt of the consents listed in Section 4.17(a) of the Disclosure Schedule, neither the execution and delivery by RNC of this Agreement and each of the Ancillary Agreements to which RNC is a party nor the consummation of the transactions herein and therein provided for will result in: (a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of RNC under: (i) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of RNC; (ii) any judgment, decree, order or award of any Governmental Body or arbitrator having jurisdiction over RNC; (iii) any licence, undertaking, agreement, indenture, permit, approval, consent or authorization held by RNC or necessary to the operation of the Project; or (iv) any applicable Laws; or (b) the creation or imposition of any Encumbrance on any of the Contributed Assets.

4.5 Sufficiency of Contributed Assets

The Contributed Assets are sufficient to carry on the business of the Project in the manner in which RNC has previously conducted the business of the Project and in the manner in which RNC is conducting the business of the Project on the day immediately preceding the Closing Date.

4.6 Mineral Reserves and Resources

(a) The estimated measured and indicated mineral resources and mineral reserves associated with the Project and RNC's technical disclosure with respect to the Project disclosed in the Technical Report and in the public disclosure documents of RNC was prepared and disclosed in all material respects in accordance with accepted mining, engineering, geoscience and other approved industry practices and NI 43-101 as it was in effect on the date of the filing of the applicable document. The information provided by RNC to the Qualified Persons (as defined in NI 43-101 as it was in effect on the date of the filing of the applicable document) in connection with the preparation of such disclosure was complete and accurate in all material respects at the time such information was furnished. There has been no material reduction in the aggregate amount of estimated measured and indicated mineral resources and mineral reserves associated with the Project from the amounts disclosed in the Technical Report. To the knowledge of RNC, all material drill results associated with the Project have been disclosed in writing to the Purchaser Parties.

(b) RNC has provided to the Purchaser Parties all material information concerning land descriptions, mining rights, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data, including all geological,

geophysical and geochemical information and data (including all drill, sample and assay results) respecting the Project, and, in particular, all material information respecting RNC's interests in the Project and royalty interest burdens thereon, and such information was accurate and correct in all material respects as at the date thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no material and adverse change in any of the material information so provided since the date thereof.

4.7 Mining Rights

(a) Section 2.1(a) of the Disclosure Schedule sets forth a true and complete list of all mining rights and interests, including unpatented mining claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases, claims for exploration licences, bids for mineral rights and mining rights within the meaning of the *Mining Act* (Québec) and (the "**Mining Rights**"). RNC holds good record title to and a possessory interest in each of the owned Mining Rights, in each case free and clear of all Encumbrances except for Permitted Encumbrances. RNC took, and has taken, all necessary acts under Law to properly maintain the Mining Rights during all times when RNC or any of its Affiliates owned or controlled said claims, and will continue to take such acts through the Closing Date.

(b) With respect to each Mining Right, except as may be specified in the Title Opinion or in Section 2.1(a) of the Disclosure Schedule: (i) RNC is in exclusive possession thereof; (ii) to the knowledge of RNC, all such claims were located, staked, filed and recorded in compliance with, in all material respects, all applicable Laws; (iii) assessment work (if applicable) sufficient to satisfy the requirements of applicable Laws was timely and properly performed on or for the benefit of all such claims and affidavits evidencing such work were timely recorded, or taxes, rentals, expenditures, claim maintenance fees or other expenditures required to be paid under Law in lieu of the performance of assessment work in order to maintain the claims have been timely and properly paid and affidavits or other notices evidencing such payments as required under applicable Laws have been timely and properly filed and recorded; (iv) there are no material conflicts with mining claims owned by other parties; (v) there are no Proceedings pending or, to RNC's knowledge, threatened against or affecting any of such Mining Rights; and (vi) RNC is the sole and exclusive owner or lessee of such claims.

(c) There are no adverse claims, actions, suits or proceedings that have been commenced or to the knowledge of RNC are pending or threatened, affecting or which could affect the title to or right to explore or develop the Project or which involves the possibility of any judgement or liability affecting the Project or the Contributed Assets. RNC has not received any notice, whether written or oral, from any Governmental Body of any revocation or intention to revoke any interest of RNC in the Project or Mining Rights or any part thereof.

(d) Except as disclosed in Section 4.7(d) of the Disclosure Schedule, RNC has the surface rights, including ownership rights, leases, easements, rights of way and permits, options to purchase or licences from landowners or Governmental Bodies permitting the use of land by RNC and mineral interests that are required to exploit the development potential of the Project and the Mining Rights as described in the Technical Report, and any such

ownership rights, leases, easements, rights of way and permits, options to purchase or licenses are valid and in good standing.

(e) There are no agreements or understandings of any kind whatsoever between RNC or its Affiliates and any third parties allowing for the exploration or mining within the area of the Project or the Mining Rights.

(f) All exploration activities carried out on the Project or the Mining Rights by RNC have been carried out in all material respects in accordance with good mining and mineral exploration practices and all applicable Laws, and all workers' compensation and health and safety regulations have been complied with in all material respects by RNC and, to the knowledge of RNC, contractors hired by RNC.

(g) All reports or other documentation required to be filed by RNC in connection with the Mining Rights have been duly and timely filed with the applicable Governmental Body.

(h) Section 4.7(h) of the Disclosure Schedule sets forth all future payments, required or optional, in connection with the Mining Rights over the four year period immediately following the date hereof, including pursuant to any underlying option or purchase agreements related thereto.

(i) RNC has not elected or refused to participate in any exploration, development or other operations with respect to the Project or the Mining Rights which has or may give rise to any penalties, forfeitures or reduction of its interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern the Project or the Mining Rights.

(j) No default or event of default, occurrence, condition or act which, with the giving of notice, lapse of time or the happening of any other event or condition, would become a default or event of default under any agreement pertaining to the Project or the Mining Rights.

4.8 Royalties and Other Rights

(a) Except as disclosed in Section 4.8(a) of the Disclosure Schedule or the Title Opinion, no person other than RNC has any interest in the production or profits to be obtained in the future from the Project or any royalty or other form of production entitlement in respect thereof or any right to acquire any such interest.

(b) Except as disclosed in Section 4.8(b) of the Disclosure Schedule or the Title Opinion, there are no farm-in or earn-in rights, back-in rights, rights of first refusal, rights of first offer, option rights, area of interest rights, agency marketing fees, volume or production based payments or similar rights, provisions or payments (actual or contingent) which could affect the Project.

(c) Except as disclosed in Section 4.8(c) of the Disclosure Schedule, and except in respect of the Permitted Encumbrances, there are no contracts, commitments, agreements, understandings, arrangements or restrictions which would restrict the ability of RNC to

transfer to a third party any interest in the Project or the Mining Rights, and there are no restrictions on the ability of RNC to use, transfer or exploit the Project, the Mining Rights or any part thereof, except pursuant to applicable Law.

4.9 Potential for Mining Activities

(a) To the knowledge of RNC, based on current Laws there are no facts or conditions (including, but not limited to, archeological or cultural conditions) that could reasonably be expected to preclude or materially hinder the acquisition of permits to engineer and construct an operating mine on the Project as described in the Technical Report, based on the assumptions stated therein.

(b) RNC has no knowledge of any information that would contradict, challenge or undermine, in any material respect, the accuracy of the conclusions of the Technical Report based on the assumptions stated therein.

(c) Except as disclosed in Section 4.9(c) of the Disclosure Schedule, to the knowledge of RNC, as of the date of this Agreement there are no operational, geotechnical, geochemical or structural issues, social conflicts or limitations to surface rights, that could reasonably be expected to preclude or materially affect the exploration and development of the Project or the Mining Rights as described in the Technical Report, based on the assumptions stated therein.

(d) Except as disclosed in Section 4.9(d) of the Disclosure Schedule, all rentals, royalties, overriding royalty interests, production payments, net profit interests, burdens, payments and obligations due and payable, or to be performed, as the case may be, on or prior to the date hereof under, with respect to, or on account of, the Project or the Mining Rights have been duly paid, duly performed, or otherwise provided for prior to the date hereof.

(e) All costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any Contracts relating to the Project or the Mining Rights have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business.

4.10 Title to Personal Property

The Contributed Assets (other than the Owned Real Property) are owned beneficially by RNC with good and marketable title thereto, free and clear of all Encumbrances other than Permitted Encumbrances.

4.11 Owned Real Property

RNC has the exclusive right to possess, use and occupy and has good and marketable title to all the Owned Real Property, free and clear of all Encumbrances or other restrictions of any kind other than Permitted Encumbrances. All buildings, structures, improvements and appurtenances situated on the Owned Real Property are in good operating condition and in a state of good maintenance and repair and are adequate and suitable for the purposes for which they are now being used, and RNC has adequate rights of ingress and egress

for the operation of the Project in the ordinary course. Neither any of such buildings, structures, improvements or appurtenances (or equipment therein) nor the operation or maintenance thereof violates any restrictive covenant or any provision of any Law or encroaches on any property owned by others. Without limiting the generality of the foregoing:

- (a) the Owned Real Property and the current uses thereof comply in all material respects with all Laws;
- (b) there is nothing owing in respect of the Owned Real Property by RNC to any municipal corporation or to any other corporation or commission owning or operating a public utility for water, gas, electrical power or energy, steam or hot water, or for the use thereof, other than current accounts in respect of which the payment due date has not yet passed;
- (c) no part of the Owned Real Property has been taken or expropriated by any Governmental Body, nor has any notice thereof been given or proceeding commenced; and
- (d) the Permitted Encumbrances constitute all of the Encumbrances, agreements, indentures and other matters which affect the Owned Real Property.

4.12 Leased Real Property

RNC is not a party to any lease or agreement to lease in respect of any real property used or to be used in the Project, whether as lessor or lessee, other than the leases (the "**Leases**") described in Section 4.12 of the Disclosure Schedule relating to the Leased Real Property. Section 4.12 of the Disclosure Schedule sets out the parties to each of the Leases, their dates of execution and expiry dates, any options to renew, the locations of the leased lands and premises and the rent payable thereunder. Except as described in Section 4.12 of the Disclosure Schedule, RNC occupies the Leased Real Property and has the exclusive right to occupy and use the Leased Real Property. Each of the Leases is in good standing and in full force and effect, and neither RNC nor, to RNC's knowledge, any other party thereto is in breach of any covenants, conditions or obligations contained therein. RNC has provided to the Purchaser Parties a complete and accurate copy of each Lease and all amendments thereto. All buildings, structures, improvements and appurtenances forming part of the Leased Real Property are in good operating condition and in a state of good maintenance and repair and are adequate and suitable for the purposes for which they are now being used, and RNC has adequate rights of ingress and egress for the operation of the Project in the ordinary course. Neither any of such buildings, structures, improvements or appurtenances (or any equipment therein), nor the operation or maintenance thereof, violates any restrictive covenant or any provision of any Law, or encroaches on any property owned by others. Without limiting the generality of the foregoing:

- (a) the Leased Real Property and the current uses thereof comply with, in all material respects, all Laws;
- (b) there is nothing owing in respect of the Leased Real Property by RNC to any municipal corporation or to any other corporation or commission owning or operating a public utility for water, gas, electrical power or energy, steam or hot

water, or for the use thereof, other than current accounts in respect of which the payment due date has not yet passed;

- (c) no part of the Leased Real Property has been taken or expropriated by any Governmental Body, nor has any notice thereof been given or proceeding commenced; and
- (d) the Permitted Encumbrances constitute all of the Encumbrances, agreements, indentures and other matters which affect RNC's leasehold interest in the Leased Real Property.

4.13 Insurance

The Contributed Assets are insured against loss or damage by all insurable hazards or risks on a replacement cost basis and such insurance coverage is and will be continued in full force and effect to and including the Time of Closing. RNC is not in default with respect to any of the provisions contained in any such insurance policy and has not failed to give any notice or present any claim under any such insurance policy in a due and timely fashion. RNC has provided or made available a complete and accurate copy of each such insurance policy to the Purchaser Parties.

4.14 No Expropriation

No part of the Contributed Assets has been taken or expropriated by any Governmental Body, nor has any notice or proceeding in respect thereof been given or commenced, nor is RNC aware of any intent or proposal to give any such notice or commence any such proceeding.

4.15 Agreements and Commitments

(a) Except as described in Sections 4.8(a), 4.8(b), 4.12 and 4.15 of the Disclosure Schedule, RNC is not a party to or bound by any material Contract relating to the operation of the Project or the Contributed Assets (each a "**Material Contract**"), it being understood that, without limiting the generality of the foregoing, any Contracts of the following types are Material Contracts for purposes of this Section 4.15:

- (i) any purchase order or Contract for the supply of materials, supplies, equipment or services involving more than \$50,000 in respect of any one such Contract or any particular supplier;
- (ii) any off-take or similar Contract;
- (iii) any Contract in respect of royalties, farm-in or earn-in rights, back-in rights, rights of first refusal, rights of first offer, option rights, area of interest rights, agency marketing fees, volume or production based payments or similar rights, provisions or payments (actual or contingent);

- (iv) any trust indenture, hypothec, mortgage, promissory note, loan agreement, guarantee or other Contract for the borrowing of money or a leasing transaction of the type required to be capitalized in accordance with IFRS that will be assumed by the Limited Partnership as an Assumed Liability hereunder;
- (v) any Contract for capital expenditures in excess of \$50,000 in the aggregate;
- (vi) any Contract for the lease of any machinery, equipment, motor vehicles, fixtures or other personal property;
- (vii) any confidentiality, secrecy, non-disclosure or non-competition Contract or similar Contract;
- (viii) any Contract that expires or may expire more than one year after the date of this Agreement;
- (ix) any power of attorney relating to the operation of the Project in favour of any Person;
- (x) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or indebtedness of any other Person, except for cheques endorsed for collection in the ordinary course of business that will be assumed by the Limited Partnership as an Assumed Liability hereunder; or
- (xi) any Contract entered into by RNC in relation to the Project or the Contributed Assets other than in the ordinary course of business.

(b) RNC has performed all of the obligations required to be performed by it and is entitled to all benefits under, and is not in default or alleged to be in default in respect of, any Material Contract; all Material Contracts are in good standing and in full force and effect, and no event, condition or occurrence exists which, after notice or lapse of time or both, would constitute a default under any of the foregoing. RNC has provided to the Purchaser Parties a complete and accurate copy of each Material Contract, including all amendments thereto.

4.16 Compliance with Laws; Permits

(a) Section 4.16 of the Disclosure Schedule sets out each permit, lease, licence, claim, certificate, order, decree, grant, approval, consent, waiver, registration, no-action letter, closure or reclamation plan or other authorization of or from any Governmental Body held by RNC in respect of the Project (each a "**Permit**"), the applicable permit number and the dates of grant and of expiry (if any).

(b) Except as described in Section 4.16(b) of the Disclosure Schedule, RNC has obtained all Permits necessary for the ownership, construction and operation of the Project,

and such Permits are in full force in effect. In all material respects, RNC has fully complied with and is in compliance with all Permits. There is no action, investigation or proceeding pending or, to the knowledge of RNC, threatened regarding any of the Permits. Except as disclosed in Section 4.16(b) of the Disclosure Schedule, RNC has not received any notice, whether written or oral, of revocation or non-renewal of any such Permits, or of any intention of any Person to revoke or refuse to renew any of such Permits, and, to the knowledge of RNC, all such Permits continue to be effective in order for RNC to construct the Project.

(c) Except as disclosed in Section 4.16(c) of the Disclosure Schedule, each Permit held by RNC is validly subsisting and in good standing in all material respects and RNC is not in default or breach in any material respect of any such Permit and no Proceeding is pending or, to the knowledge of RNC, threatened to revoke or limit any such Permit, or any Permit application currently outstanding or undergoing review for the Project, and, to the knowledge of RNC, there are no facts or circumstances that may reasonably result in such a revocation or limitation. To the knowledge of RNC, there are no grounds, facts or circumstances that could reasonably be expected to prevent the renewal of any Permit held by or granted to RNC. RNC has provided a true and complete copy of each Permit held by RNC and all amendments thereto to the Purchaser Parties.

4.17 Consents and Approvals

(a) There is no requirement to make any filing with or give any notice to any Governmental Body or to obtain any approval, consent or authorization as a condition to the lawful consummation of the transactions contemplated by this Agreement or as a condition to the lawful implementation of activities contemplated or undertaken pursuant to such transaction, except for the filings, notifications and authorizations described in Section 4.17(a) of the Disclosure Schedule.

(b) There is no requirement under any Material Contract relating to the Contributed Assets or the operation of the Project to which RNC is a party or by which it is bound to give any notice to, or to obtain the consent or approval of, any party to such Material Contract relating to the consummation of the transactions contemplated by this Agreement, except for the notifications, consents and authorizations described in Section 4.17(b) of the Disclosure Schedule.

4.18 Financial Statements; Books and Records

(a) The Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods, are complete and accurate in all material respects and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of RNC in respect of the Project and the Contributed Assets as at their respective dates and the results of operations of RNC in respect of the Project and the Contributed Assets for the respective periods covered by them.

(b) RNC has no material liabilities, liquidated or contingent or otherwise in respect of the Project and the Contributed Assets, that are not reflected on the Financial Statements, other than liabilities incurred after December 31, 2016 in the ordinary course of business

consistent with past practice of the same type of liabilities reflected in the Financial Statements.

(c) The financial Books and Records of RNC fairly and correctly set out and disclose, in accordance with IFRS, the financial position of RNC in respect of the Project and the Contributed Assets as at the date hereof, and all material financial transactions of RNC relating to the Contributed Assets and the Project have been accurately recorded in such Books and Records.

4.19 Absence of Changes

Except as disclosed in Section 4.19 of the Disclosure Schedule, since December 31, 2016, the operation of the Project has been carried on only in the ordinary course consistent with past practice and there has not been any:

- (i) material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings, business or prospects of the Project;
- (ii) material damage, destruction or loss (whether or not covered by insurance) affecting the Contributed Assets;
- (iii) obligation or liability (whether absolute, accrued, contingent or otherwise, and whether due or to become due) incurred by RNC in connection with the Project other than in the ordinary course of the operation of the Project and consistent with past practice and other than in respect of the Retained Liabilities; or
- (iv) payment, discharge or satisfaction of any Encumbrance, liability or obligation of RNC in relation to the Project or the Contributed Assets (whether absolute, accrued, contingent or otherwise, and whether due or to become due) other than payment of accounts payable and Tax liabilities incurred in the ordinary course of the operation of the Project consistent with past practice.

4.20 Taxes

(a) No failure, if any, of RNC to duly and timely pay all Taxes, including all instalments on account of Taxes for the current year, that are due and payable by it will result in an Encumbrance on the Contributed Assets.

(b) There are no proceedings, investigations, audits or Claims now pending or threatened against RNC in respect of any Taxes, and there are no matters under discussion, audit or appeal with any Governmental Body relating to Taxes, which will result in an Encumbrance on the Contributed Assets.

(c) RNC has: (i) duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the

account or benefit of any Person, including any employees, officers or directors and any non-resident Person), and (ii) duly and timely remitted to the appropriate Governmental Body such Taxes and other amounts required by Law to be remitted by it, in each case except as would not result in an Encumbrance on the Contributed Assets.

(d) RNC has: (i) duly and timely collected all amounts on account of any sales or transfer taxes in respect of the Contributed Assets, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it, and (ii) has duly and timely remitted to the appropriate Governmental Body any such amounts required by Law to be remitted by it, in each case except or would not result in an Encumbrance on the Contributed Assets.

4.21 Litigation

There are no actions, suits, appeals, claims, applications, orders, investigations, proceedings, grievances, arbitrations, judgments or alternative dispute resolution processes (collectively, "**Proceedings**") in progress, pending or, to the knowledge of RNC, threatened by, against or affecting the Contributed Assets or the Project, before any Governmental Body, arbitrator, arbitration board or mediator. RNC has no knowledge of any ground on which any such Proceeding might be commenced with any reasonable likelihood of success. RNC is not subject to any judgement, order or decree affecting the Contributed Assets or the Project.

4.22 Residency

RNC is not a non-resident of Canada for the purposes of the ITA.

4.23 GST and QST Registration

RNC is a registrant for the purposes of subdivision d or Division V of Part IX of the ETA whose registration number is GST No: 831173323 RT0001.

RNC is a registrant for the purposes of the QSTA whose registration number is QST No: 1212938668 TQ0001.

4.24 Easements

Section 4.24 of the Disclosure Schedule sets forth all easements, rights of way and similar rights owned by RNC, or in respect of which RNC derives any benefit, that are material to the operation of the Project (the "**Easements**"), and all Easements are valid and in full force and effect.

4.25 Fines

To the knowledge of RNC, no violations or fines on RNC by any Governmental Body are pending or threatened.

4.26 Condition of Tangible Property

Each asset or piece of tangible property comprising the Contributed Assets (a) is in good repair and good operating condition, ordinary wear and tear excepted, (b) is suitable for immediate use in the ordinary course of business, (c) is free from apparent defects, and (d) is not in need of repair or replacement other than as part of routine maintenance in the ordinary course of business.

4.27 Environmental

(a) Except as described in Section 4.27(a) of the Disclosure Schedule the Owned Real Property, the Leased Real Property, the Project and all of RNC's operations thereon and, to the knowledge of RNC, all other operations thereon, have been and are in material compliance with all Environmental Laws and all terms and conditions of all Permits issued under or pursuant to Environmental Laws (the "**Environmental Permits**").

(b) Other than the Environmental Permits described in Section 4.27(b) of the Disclosure Schedule, all major Environmental Permits necessary for RNC to lawfully construct the Project as contemplated by the Comprehensive Study Report and to own the Contributed Assets, have been obtained, and are valid and in full force and effect. To the knowledge of RNC, there are no grounds, facts or circumstances that could reasonably be expected to prevent the timely issuance of any Environmental Permit listed in Section 4.27(b) of the Disclosure Schedule in the ordinary course. There is adequate water supply to construct and operate the Project as contemplated by the Comprehensive Study Report, and, to the knowledge of RNC, there are no grounds, facts or circumstances that could reasonably be expected to materially prevent the timely issuance of the Environmental Permits necessary to authorize the Project to take water for the development and operation of the Project as contemplated by the Comprehensive Study Report.

(c) Section 4.16 of the Disclosure Schedule sets out all Environmental Permits obtained by RNC to take water for the Project.

(d) RNC has not used or permitted to be used, except in compliance with Environmental Laws or Environmental Permits, any of the Owned Real Property, the Project, the Mining Rights, or the Leased Real Property to Release, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance.

(e) To the knowledge of RNC, there are no Hazardous Substances at, in, on, under or migrating from or onto any of the Owned Real Property, the Project, the Mining Rights or the Leased Real Property, except in compliance with Environmental Laws or Environmental Permits and except as occurs as a natural component of the rock and soil on the Project.

(f) To the knowledge of RNC, no underground storage tanks are located on the Owned Real Property, the Leased Real Property, the Mining Rights or the Project.

(g) Except as described in Section 4.27(a) of the Disclosure Schedule, RNC, in respect of the Owned Real Property, the Project, the Mining Rights or the Leased Real Property and RNC's operations thereon, has never received any notice of or been prosecuted

for any actual or alleged material non-compliance with any Environmental Laws. RNC, in respect of the Owned Real Property, the Project, the Mining Rights and the Leased Real Property and RNC's operations thereon, has never settled any allegation of non-compliance prior to prosecution. There are no pending, or to the knowledge of RNC threatened, Proceedings, notices, directions or otherwise relating to environmental matters or to the protection of human health or safety requiring, or notifying RNC that it is or may be responsible for, any violation, breach, investigation, containment, clean-up, rehabilitation, reclamation, remediation or other corrective action or any penalties, work, repairs, construction or capital expenditures to be made under Environmental Laws with respect to the Owned Real Property, the Project, the Mining Rights, the Leased Property or RNC's operations thereon. RNC, in respect of the Owned Real Property, the Project, the Mining Rights, the Leased Real Property and RNC's operations thereon, has never received any written third-party complaint or claim with respect to Hazardous Substances, Releases, environmental contamination, protection of the environment or protection of human health or safety.

(h) Except as described in Section 4.27(h) of the Disclosure Schedule, RNC has not caused or permitted, and to RNC's knowledge there has not occurred, except in compliance with Environmental Laws or Environmental Permits, any Release of any Hazardous Substance at, on, in, under, around, from or in connection with any of the Owned Real Property, the Project, the Mining Rights or the Leased Real Property or any such Release on or from a facility owned or operated by any third party but with respect to which RNC is or may reasonably be alleged to have material liability (including for cleanup, natural resources damages, loss of life, personal injury, nuisance or damage to other property) or which is or may reasonably be likely to result in the imposition of a penalty, lien, charge, legal hypothec or other Encumbrance or the expropriation of any of the Owned Real Property, the Project, the Mining Rights, the Leased Real Property or the Contributed Assets.

(i) Except as described in Section 4.27(i) of the Disclosure Schedule, all Hazardous Substances and other materials and substances used in whole or in part or in connection with or resulting from the operations of the Project have been handled, recycled, disposed of, treated or stored on or off site of the Owned Real Property, the Project, the Mining Rights or the Leased Real Property: (i) where such handling, recycling, disposal, treatment or storage was conducted by RNC, in compliance with, in all material respects, all Environmental Laws; and (ii) where such handling, recycling, disposal, treatment or storage was conducted by any other Person, to the knowledge of RNC, in compliance with, in all material respects, all Environmental Laws.

(j) RNC has not received any notice from any Governmental Body or Person with respect to any environmental liabilities under Environmental Laws or other obligations, including notices of violations, cleanup orders, consent decrees or otherwise relating to the historic mining activities at the Project, nor are any Proceedings pending or, to the knowledge of RNC, threatened with respect to such environmental liabilities or other obligations.

(k) Except as disclosed on Section 4.27(k) of the Disclosure Schedule, none of the Owned Real Property, the Project, the Mining Rights or the Leased Real Property required for the development of the Project are located, in whole or in part, within a fauna or flora habitat

defined or protected under Environmental Laws and there are no fauna or flora, as defined or protected under Environmental Laws, on any of the Owned Real Property, the Project, the Mining Rights or the Leased Real Property.

(l) [REDACTED], the Collaboration and Partnership Agreement dated September 26, 2012 with the town of Launay and the Collaboration and Partnership Agreement with the town of Trécesson dated December 18 2015 are the only agreements between RNC, and a Governmental Body or indigenous community that set forth any obligations of RNC to any indigenous communities or to a Governmental Body relating to indigenous communities or relating to historic properties and contributing elements within the Project area.

(m) Except as disclosed in Section 4.27(m) of the Disclosure Schedule, RNC has not received any notice of, and RNC is not aware of, any claim or assertion, written or oral, whether proven or unproven, made by any indigenous Person or group, or any Person acting on behalf of any indigenous Person or group, in respect of indigenous rights, indigenous title, treaty rights or any other indigenous interest in or in relation to all or any portion of the Owned Real Property, the Project, the Mining Rights or the Leased Real Property or RNC's operations thereon [REDACTED]. RNC has delivered to the Purchaser Parties all material correspondence, notices and other documents of which RNC is aware, from or involving any indigenous Person or group or any Person acting on behalf of any indigenous Person or group relating to the Project, the Owned Real Property, the Mining Rights or the Leased Real Property including any such correspondence, notices or other documents regarding the development of any impact benefit agreements or other similar arrangements that have been proposed to any indigenous Person or group potentially affected by the operation of the Project. RNC's indigenous consultation to date regarding the proposed exploration, development, construction, operation, closure and rehabilitation of the Project has been appropriate and consistent in scope with similar projects of this nature in the Province of Québec.

(n) To the Knowledge of RNC, there are no cultural, archeological or historical sites within the Project area.

(o) RNC has delivered to the Purchaser Parties true and complete copies of all environmental reports, Environmental Permits, audits, evaluations, assessments, studies or tests relating to the Project, the Owned Real Property, the Mining Rights and the Leased Real Property.

(p) The muskrat conservation area comprising mining restriction No. 15 961 will not interfere or in any way impact the construction, exploration, maintenance or operation of the Project as contemplated by the Comprehensive Study Report in observance of the conditions and mitigation measures set out in the Certificate of Authorization granted by governmental decree 526-2015 issued on June 17, 2015.

4.28 Reclamation and Closure Obligations

Section 4.28 of the Disclosure Schedule sets out all currently existing and outstanding reclamation and closure obligations relating to the Project for which reclamation bonds have been required and the details of all cash collateral or bonding currently securing such obligations and, to the knowledge of RNC, the estimated future reclamation and closure obligations relating to the Project. Except for such cash collateral, RNC has not posted any security or bond or provided any indemnity of surety with respect the outstanding reclamation obligations relating to the Project.

4.29 Agricultural Protection Zones

(a) Section 4.29(a) of the Disclosure Schedule sets out all (and any portion) of the Owned Real Property, the Project, the Mining Rights (including any rights contemplated in section 8 of the Mining Act (Québec) that have been transferred to RNC) and the Leased Real Property that are zoned agricultural and/or located in or form part of a protected agricultural zone. RNC has obtained from the Commission de la Protection du Territoire Agricole and/or any other applicable Governmental Body such authorizations or exclusions as are required for RNC to construct the Project.

(b) Section 4.29(b) of the Disclosure Schedule sets out a list of immovable (real) property required for the Project but not yet acquired by RNC.

(c) The decision by RNC not to seek an exclusion from the agricultural zone under the *Act Respecting the Preservation of Agricultural Land and Agricultural Activities*, CQLR c P-41.1, with respect to the Agricultural Lots, will not impact, delay, increase the costs of or otherwise impede the construction, operation or maintenance of the Project, as contemplated by the Comprehensive Study Report, or any exploration or evaluation activities or work undertaken or to be undertaken in connection therewith, as the required land for the Project has already been excluded from the agricultural zone.

4.30 No Liabilities

There are no liabilities of RNC or its Associates or Affiliates, whether or not accrued and whether or not determined or determinable, in respect of which the Purchaser Parties may become liable on or after the consummation of the transactions herein provided for, other than the Assumed Liabilities.

4.31 Anti-Bribery Laws

RNC is now and at all times has been in compliance with all applicable anti-bribery Laws and anti-corruption Laws; and no part of the cash proceeds received as part of the Purchase Price pursuant to this Agreement will be used for any purpose that could constitute a violation of the anti-bribery or anti-corruption Laws of Canada or any other applicable anti-bribery or anti-corruption Laws.

4.32 Limited Partnership & General Partner

(a) The Limited Partnership was formed on March 20, 2017. The General Partner is the sole general partner of the Limited Partnership and, as of the date hereof, RNC is the sole limited partner of the Limited Partnership. Upon the completion of the transactions contemplated hereby, 1,000,000 units of the Limited Partnership will be issued and outstanding, of which 10 will be held by the General Partner and 499,995 by each of RNC and Arpent.

(b) The General Partner was incorporated on March 10, 2017. The authorized share capital of the General Partner consists of an unlimited number of common shares, of which, as at the date hereof, one is issued and outstanding, and RNC is the sole shareholder of the General Partner. Upon the completion of the transactions contemplated hereby, 200 common shares in the capital of the General Partner will be issued and outstanding, of which 100 will be held by each of RNC and Arpent.

(c) This Agreement has been duly authorized by all necessary action on the part of each of the Limited Partnership and the General Partner as applicable, and by all necessary action on the part of the General Partner. This Agreement has been duly executed and delivered by the Limited Partnership and is a legal, valid and binding obligation of the Limited Partnership enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other Laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

(d) Neither the Limited Partnership nor the General Partner has in the past engaged, or currently engages, in any business and does not have any active business operations. Other than this Agreement, neither the Limited Partnership nor the General Partner has entered into any contracts, agreements, commitments or understanding, and neither the Limited Partnership nor the General Partner has any outstanding commitments, liabilities or obligations, except as expressly contemplated by this Agreement.

4.33 Full Disclosure

Neither this Agreement nor any document to be delivered pursuant hereto by RNC nor any certificate, report, statement or other document furnished by RNC in connection with the negotiation of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. There has been no event, transaction, information or continuation of a trend that has come to the attention of RNC since December 31, 2016 that has not been disclosed to the Purchaser Parties in writing (in this Agreement or otherwise) which could reasonably be expected to have a material adverse effect on the assets, business, earnings, properties, condition (financial or otherwise) or prospects of the Project.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE LIMITED PARTNERSHIP

The Limited Partnership represents and warrants to RNC as follows and acknowledges that RNC is relying on such representations and warranties in connection with completion of the transactions contemplated herein:

5.1 Organization

The Limited Partnership is a partnership validly existing under the Laws of the Province of Manitoba, and the General Partner has the necessary power to enter into this Agreement and each of the Ancillary Agreements to which the Limited Partnership it is a party on behalf of the Limited Partnership and to perform the obligations of the Limited Partnership hereunder and thereunder.

5.2 Authorization

This Agreement has been duly authorized, executed and delivered by the General Partner on behalf of the Limited Partnership and is a legal, valid and binding obligation of the Limited Partnership, enforceable against the Limited Partnership by RNC in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5.3 No Violation

Neither the execution and delivery by the General Partner of this Agreement and each of the Ancillary Agreements to which the Limited Partnership is a party nor the consummation of the transactions herein and therein provided for will result in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of the Limited Partnership under: (a) any Contract to which the Limited Partnership is a party or by which it is bound; (b) any provision of the Limited Partnership Agreement; (c) any judgment, decree, order or award of any Governmental Body or arbitrator having jurisdiction over the Limited Partnership; or (d) any applicable Law.

5.4 Consents and Approvals

There is no requirement for the Limited Partnership to make any filing with, give any notice to or obtain any consent, approval or authorization of, any Governmental Body as a condition to the lawful consummation of the transactions contemplated by this Agreement.

5.5 Litigation

There are no actions, suits, appeals, claims, applications, orders, investigations, proceedings, grievances, arbitrations or alternative dispute resolution processes in progress, pending, or to the knowledge of the Limited Partnership, threatened against the Limited Partnership that could prohibit, restrict or seek to enjoin the transactions contemplated by this Agreement.

5.6 Brokers

No broker, agent or other intermediary is entitled to any fee, commission or other remuneration in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Limited Partnership.

5.7 GST and QST Registration

The Limited Partnership has applied to be a registrant for purposes of subdivision d or Division V of Part IX of the ETA.

The Limited Partnership has applied to be is a registrant for purposes of the QSTA.

5.8 Partnership Interest

The LP Units being purchased by RNC hereunder, when created, issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly created and issued, will constitute legal, valid and binding obligations of the Limited Partnership, enforceable by the holder thereof against the Limited Partnership in accordance with its terms, and will be free of restrictions on transfer other than restrictions on transfer contained in the Limited Partnership Agreement and pursuant to applicable Laws.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF ARPENT

Arpent represents and warrants to RNC as follows and acknowledges that RNC is relying on such representations and warranties in connection with completion of the transactions contemplated herein:

6.1 Organization

Arpent is a corporation validly existing under the Laws of Canada/the Province of Ontario and has the corporate power to enter into this Agreement and each of the Ancillary Agreements to which Arpent is a party and to perform its obligations hereunder and thereunder.

6.2 Authorization

This Agreement has been duly authorized, executed and delivered by Arpent and is a legal, valid and binding obligation of Arpent, enforceable against Arpent by RNC in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other Laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

6.3 No Violation

Neither the execution and delivery by Arpent of this Agreement and each of the Ancillary Agreements to which Arpent is a party nor the consummation of the transactions

herein and therein provided for will result in: (a) the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the acceleration of any obligation of Arpent under: (i) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) or shareholders of Arpent; (ii) any judgment, decree, order or award of any Governmental Body or arbitrator having jurisdiction over Arpent; or (iii) any applicable Laws.

6.4 Consents and Approvals

There is no requirement Arpent to make any filing with, give any notice to or obtain any consent, approval or authorization of, any Governmental Body as a condition to the lawful consummation of the transactions contemplated by this Agreement.

6.5 Litigation

There are no actions, suits, appeals, claims, applications, orders, investigations, proceedings, grievances, arbitrations or alternative dispute resolution processes in progress, pending, or to the knowledge of the Limited Partnership, threatened against the Limited Partnership m that could prohibit, restrict or seek to enjoin the transactions contemplated by this Agreement.

6.6 Brokers

No broker, agent or other intermediary is entitled to any fee, commission or other remuneration in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Arpent.

ARTICLE 7 **COVENANTS**

7.1 Access to the Project and the Contributed Assets

RNC shall forthwith make available to the Purchaser Parties and their authorized representatives and, if requested by the Purchaser Parties, provide copies of, all title documents, Contracts, financial statements, policies, plans, reports, licences, orders, permits, books of account, accounting records, Technical Records and other documents, information and data relating to the Project and the Contributed Assets. RNC shall afford the Purchaser Parties and their authorized representatives every reasonable opportunity to have free and unrestricted access to the Project and the Contributed Assets. At the request of the Purchaser Parties, RNC shall execute such consents, authorizations and directions as may be necessary to permit any inspection of the Project or any of the Contributed Assets or to enable the Purchaser Parties or their authorized representatives to obtain full access to all files and records relating to the Project or any of the Contributed Assets maintained by any Governmental Body. At the request of the Purchaser Parties, RNC shall co-operate with the Purchaser Parties in arranging any such meetings as they may reasonably request with: employees of RNC involved with the Project; customers, suppliers, distributors or others who have or have had a business relationship with RNC in respect of the Project; and auditors, accountants, Qualified Persons, solicitors or any other Persons engaged or previously engaged to provide services to RNC in respect of the

Project who have knowledge of matters relating to the Project or the Contributed Assets. In particular, without limitation, RNC shall permit the Purchaser Parties' representatives or consultants to conduct all such interviews, testing, investigations, inspections, audits and assessments in respect of technical, environmental and occupational health and safety matters with respect to the Project and the Contributed Assets as the Purchaser Parties may require, in their sole discretion, to satisfy themselves in respect of such matters, and RNC shall co-operate in all respects therewith including obtaining any required or desirable consent or approval of any landlord. The exercise of any rights of inspection by or on behalf of the Purchaser Parties under this Section 7.1 shall (a) be carried out in such manner as not to interfere unduly with the normal operation of RNC, and (b) not mitigate or otherwise affect the representations and warranties of RNC hereunder which shall continue in full force and effect as provided in Section 9.1.

7.2 Books and Records

At the Time of Closing, RNC shall deliver to the Limited Partnership all the Books and Records. The Limited Partnership covenants to use reasonable care to preserve the books and records so delivered to it for a period of six years from the Closing Date, or for such longer period as is required by any applicable Law, and will permit RNC or its authorized representatives reasonable access thereto in connection with the affairs of RNC relating to its matters, but the Limited Partnership shall not be responsible or liable to RNC for or as a result of any accidental loss or destruction of or damage to any such Books or Records.

7.3 Conduct of Project Prior to Closing

Without in any way limiting any other obligations of RNC hereunder, during the period from the date hereof to the Time of Closing:

- (a) Conduct Business in the Ordinary Course. RNC shall conduct the business of the Project only in the ordinary course consistent with past practice and RNC shall not, without the prior written consent of the Purchaser Parties, enter into any transaction or refrain from doing any action which, if effected before the date of this Agreement, would constitute a breach, in any material respect, of any representation, warranty, covenant or other obligation hereunder of RNC, and RNC shall not enter into any material supply arrangements relating to the Project or make any material decisions or enter into any material Contracts (including any impact benefit agreements or other similar agreements with native or indigenous groups, [REDACTED], if entered into prior to such time) with respect to the Project or the Contributed Assets without the consent of the Purchaser Parties, acting reasonably;
- (b) Disposal of Contributed Assets. RNC shall not sell or otherwise dispose of any of the Contributed Assets without the prior written consent of the Purchaser Parties;
- (c) Encumbrance of Contributed Assets. Except for Permitted Encumbrances, RNC shall not encumber the Contributed Assets;

- (d) Conduct of the Project. RNC shall advise the Purchaser Parties, from time to time, of the status and manner in which the operations of the Project are conducted;
- (e) Continue Insurance. RNC shall continue to maintain in full force and effect all policies of insurance or renewals thereof now in effect, shall take out, at the expense of the Limited Partnership, such additional insurance as may be reasonably requested by the Purchaser Parties and shall give all notices and present all claims under all policies of insurance in a due and timely fashion;
- (f) Consents and Approvals. RNC shall use its best efforts (i) to obtain, at or prior to the Time of Closing, the consents, approvals and authorizations described in Section 4.17(a) of the Disclosure Schedule, and to give or obtain, at or prior to the Time of Closing, the notices, consents and approvals described in Section 4.17(b) of the Disclosure Schedule;
- (g) Preserve Goodwill. RNC shall use its best efforts to preserve intact the Contributed Assets and to carry on the business of the Project as currently conducted and to promote and preserve for the Limited Partnership the goodwill of suppliers, customers and others having business relations with RNC in connection with the Project;
- (h) Discharge Liabilities. RNC shall pay and discharge the liabilities of RNC relating to the Contributed Assets and the Project in the ordinary course in accordance and consistent with the previous practice of RNC, except those contested in good faith by RNC;
- (i) Corporate Action. RNC shall take or cause to be taken all necessary corporate action, steps and proceedings to approve or authorize the execution and delivery of this Agreement and the Ancillary Agreements and documents contemplated hereby and the transfer of the Contributed Assets to the Limited Partnership and to cause all necessary meetings of directors and shareholders of RNC to be held for such purpose; and
- (j) Satisfy Conditions. RNC shall use its best efforts to satisfy the conditions contained in Section 3.6.

7.4 Non-Solicitation

- (a) For purposes of this Section 7.4 and Article 8:
 - (i) "**Representative**" means any officer, director, employee, representative (including any financial or other advisor) or agent of RNC, any Affiliate of RNC, and any officer, director, employee, representative (including any financial or other advisor) or agent of any Affiliate of RNC; and
 - (ii) "**Alternative Proposal**" means, other than the transactions contemplated by this Agreement, any offer, proposal or inquiry (written or oral) from

any Person or group of Persons other than the Purchaser Parties relating to any direct or indirect sale, disposition, earn-in, alliance or joint venture, debt or equity financing (or any lease, long-term supply agreement, licence or other arrangement having the same economic effect as a sale), of or with respect to the Project, or other material transaction of any nature involving the Project, and whether in a single transaction or a series of related transactions; [REDACTED].

- (b) RNC shall not, directly or indirectly, through any Representative or otherwise:
- (i) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of RNC or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Alternative Proposal;
 - (ii) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Purchaser Parties) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Alternative Proposal, provided that, RNC may advise any Person of the restrictions of this Agreement, if, in so doing, no other information that is prohibited from being communicated under this Agreement is communicated to such Person;
 - (iii) accept, approve, endorse or recommend, or propose to accept, approve, endorse or recommend, any Alternative Proposal; or
 - (iv) accept, approve, endorse, recommend or execute or enter into or propose to accept, approve, endorse, recommend or execute or enter into any agreement, letter of intent, understanding or arrangement relating to an Alternative Proposal.

7.5 Delayed Transfer Assets

(a) To the extent that any Contributed Asset or any claim, right or benefit arising under or resulting from such Contributed Asset is not capable of being transferred without the approval, consent or waiver of any Third Party which has not yet been obtained, or if the transfer of any Contributed Asset would constitute a breach of any obligation under, or a violation of, any applicable Law, in each case unless the approval, consent or waiver of such Third Party is obtained (all such Contributed Assets being collectively referred to in this Agreement as "**Delayed Transfer Assets**"), except as otherwise expressly provided in this Agreement, this Agreement shall not constitute an agreement to transfer any Delayed Transfer Asset unless and until such approval, consent or waiver has been obtained. After the Closing

and until all such Delayed Transfer Assets are transferred to the Limited Partnership, RNC shall:

- (i) hold the Delayed Transfer Assets in trust for the Limited Partnership;
- (ii) comply with the terms and provisions of or relating to the Delayed Transfer Assets as agent for the Limited Partnership, provided the Limited Partnership attends to all payments and costs required to be made in the ordinary course of business in respect of such Delayed Transfer Assets;
- (iii) co-operate with the Limited Partnership in any reasonable and lawful arrangements designed to provide the benefits of the Delayed Transfer Assets to the Limited Partnership; and
- (iv) enforce, at the request of the Limited Partnership and for the account of the Limited Partnership, any rights of RNC under or arising from the Delayed Transfer Assets against any Third Party,

provided that the Limited Partnership shall be responsible for all reasonable out-of-pocket expenses incurred by RNC pursuant to Section 7.5(a)(iii) or 7.5(a)(iv) and provided further, that in no event shall this Section 7.5 be deemed to constitute a waiver by the Purchaser Parties of any condition precedent to Closing contained herein.

(b) In order that the full value of the Delayed Transfer Assets may be realized for the benefit of the Limited Partnership, RNC shall, at the request and at the expense and for the account of the Limited Partnership, and under the direction of the Limited Partnership, in the name of RNC or otherwise as the Limited Partnership may specify, take all such action and do or cause to be done all such things as are, in the opinion of the Limited Partnership, necessary or proper in order that the obligations of RNC under such Delayed Transfer Assets may be performed in such manner that the value of such Delayed Transfer Assets is preserved and enures to the benefit of the Limited Partnership, and that any amounts due and payable and to become due and payable to the Limited Partnership in and under such Delayed Transfer Assets are received by the Limited Partnership. RNC shall, subject as hereinafter set forth, pay to the Limited Partnership all amounts collected by or paid to RNC in respect of every such Delayed Transfer Asset. In the event that RNC is entitled to be paid for any expense or cost incurred or to be incurred in respect of any Delayed Transfer Asset as contemplated in this Section 7.5(a) which has not been paid to and received by RNC, RNC shall be entitled to set off and deduct from any payment to be made to the Limited Partnership as contemplated in the immediately preceding sentence of this Section 7.5(a) all such amounts in satisfaction of such obligation of the Limited Partnership.

7.6 Amendments to Forms of Agreements

RNC will negotiate in good faith with Arpent to make such additions, deletions or modifications as Arpent may reasonably request prior to the Closing Date to the Limited Partnership Agreement, Management Services Agreement and Unanimous Shareholders Agreement, on account of the fact that the Manager will not be RNC, including, among other modifications, a guarantee by RNC of the performance by and obligations of the Manager under

the Management Services Agreement and a covenant that the Manager will remain a wholly-owned subsidiary of RNC.

ARTICLE 8

TERMINATION

8.1 Termination

(a) Unless extended by mutual written agreement of the parties, this Agreement will automatically terminate on the Outside Date if the Closing has not occurred prior to the Outside Date.

(b) This Agreement may be terminated prior to the Time of Closing by:

- (i) the mutual written agreement of the parties;
- (ii) Arpent, on behalf of itself and the Limited Partnership, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of RNC under this Agreement occurs that would cause any condition in Section 3.6(a) or Section 3.6(b) not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of Section 8.2; provided that (A) any willful breach shall be deemed to be incapable of being cured and (B) neither Purchaser Party is then in breach of this Agreement so as to cause any condition in Section 3.7(a) or 3.7(b) not to be satisfied; or
- (iii) RNC, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser Parties under this Agreement occurs that would cause any condition in Section 3.7(a) or Section 3.7(b) not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of Section 8.2; provided that (A) any willful breach shall be deemed to be incapable of being cured and (B) RNC is not then in breach of this Agreement so as to cause any condition in Section 3.6(a) or Section 3.6(b) not to be satisfied.

8.2 Notice and Cure Provisions

(a) Each party shall promptly notify the other parties of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

- (i) cause any of the representations or warranties of such party contained in this Agreement to be untrue or inaccurate in any material respect if the particular representation and warranty is not by its terms so qualified and in all respects if by its terms it is so qualified, at any time from the date of this Agreement to the Closing Time; or

- (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party under this Agreement.

(b) Notification provided under this Section 8.2 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement.

(c) Arpent may not elect to exercise its right to terminate this Agreement pursuant to Section 8.1(b)(ii) and RNC may not elect to exercise its right to terminate this Agreement pursuant to Section 8.1(b)(iii), unless the party seeking to terminate this Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the other party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (i) the Outside Date, and (ii) the date that is 10 Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date.

8.3 Effect of Termination/Survival

If this Agreement is terminated pursuant to Section 8.1, this Agreement shall become void and of no further force or effect without liability of any party (or any shareholder, partner, director, officer, employee, agent, consultant or representative of such party) to any other party to this Agreement, except that (a) Section 1.2, Sections 1.4 through to 1.6, this Section 8.3, Section 8.4, Sections 10.1 through to 10.4, and Section 10.6 shall survive; and (c) neither the termination of this Agreement nor anything contained in this Section 8.3 shall relieve any party from any liability for any breach of this Agreement prior to its termination.

8.4 Termination Fee

(a) In the event of the termination of this Agreement by Arpent pursuant to Section 8.1(b)(ii), RNC shall pay Arpent the Termination Fee within two Business Days following delivery of notice of termination as liquidated damages.

(b) In the event of (i) the termination of this Agreement pursuant to Section 8.1(a), or Section 8.1(b)(i), and (ii) if within 180 days following the date of such termination, (A) an Alternative Proposal is consummated or effected, (B) RNC, directly or indirectly, in one or more transactions, enters into a Contract in respect of any Alternative Proposal, or (C) RNC or any other Person publicly announces or publicly discloses RNC's intention to enter into an Alternative Proposal (each such event in paragraphs (A), (B) and (C) a "**Tail Fee Event**"), then RNC shall pay Arpent the Termination Fee within five Business Days following the occurrence of the applicable Tail Fee Event without any further act or formality.

(c) Any Termination Fee payable by RNC pursuant to this Agreement shall be paid free and clear of and without deduction or withholding for, or on account of, any present or future Taxes.

(d) RNC acknowledges that the agreements contained in this Section 8.4 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Purchaser Parties would not enter into this Agreement, and that the Termination Fee represents liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the Purchaser Parties will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and are not penalties. RNC irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

(e) Notwithstanding the foregoing paragraphs of this Section 8.4, the Purchaser Parties shall also have the right to injunctive and other equitable relief in accordance with Section 10.5 to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement.

8.5 Participation Rights

(a) For purposes of this Section 8.5:

- (i) "**Project Financing**" means any debt financing or loan, credit facility, off-take, streaming or royalty agreement or similar transaction with respect to the Project, whether direct or indirect, and whether in a single transaction or a series of related transactions; and
- (ii) "**Swedbank Party**" means Swedbank AG or any Affiliate thereof.

(b) In the event of (i) the termination of this Agreement pursuant to Section 8.1(a), Section 8.1(b)(i), or Section 8.1(b)(ii), and (ii) if within 180 days following the date of such termination, (A) a Project Financing is consummated or effected with any Swedbank Party, or (B) RNC, directly or indirectly, in one or more transactions, enters into a binding or non-binding Contract, letter of intent or memorandum of understanding or similar agreement in respect of any Project Financing with any Swedbank Party, or (C) RNC, any Swedbank Party or any other Person publicly announces or publicly discloses RNC's intention to enter into any Project Financing with any Swedbank Party (each such event in paragraphs (A), (B) and (C) a "**Trigger Event**"), Arpent may in its sole and absolute discretion, exercisable by written notice to RNC delivered within 20 Business Days of the occurrence of the Trigger Event, elect to purchase from RNC (or its successor(s), if applicable) 50% of its right, title and interest in and to the Project (or such lesser percentage selected by Arpent, in its sole and absolute discretion) on the terms and subject to the conditions substantially similar to the terms and conditions of this Agreement (provided that, in the event Arpent elects to purchase less than 50% of RNC's right, title and interest in and to the Project as aforesaid, the consideration payable shall be pro-rated accordingly).

ARTICLE 9
SURVIVAL AND INDEMNIFICATION

9.1 Survival of Representations, Warranties and Covenants

All representations, warranties and covenants contained in this Agreement and in all other agreements, documents and certificates delivered pursuant to or contemplated by this Agreement (other than the conditions of closing set out in Article 3) shall survive the Closing and shall not merge.

9.2 Indemnification by RNC

Subject to the limitations set out elsewhere in this Article 9 and notwithstanding any investigations made, or knowledge acquired, by the Purchaser Parties prior to Closing, RNC shall indemnify and save harmless the Purchaser Parties from and against all Losses suffered or incurred by the Purchaser Parties as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy or breach by RNC of any representation or warranty of RNC contained herein or in any instrument or certificate delivered by RNC pursuant hereto;
- (b) any breach or non-performance by RNC of any covenant contained in this Agreement or in any instrument or certificate delivered by RNC pursuant hereto;
- (c) all obligations and liabilities of RNC relating to the Contributed Assets and the operations of the Project up to the Time of Closing; and
- (d) the Retained Liabilities.

9.3 Indemnification by Arpent

Subject to the limitations set out elsewhere in this Article 9 and notwithstanding any investigations made, or knowledge acquired, by RNC prior to Closing, Arpent shall indemnify and save harmless RNC from and against all Losses suffered or incurred by RNC as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy or breach by Arpent of any representation or warranty contained in Article 6 or in any instrument or certificate delivered by Arpent pursuant hereto; and
- (b) any breach or non-performance by Arpent of any covenant contained in this Agreement or in any agreement or certificate delivered pursuant hereto.

9.4 Environmental Indemnity

RNC shall defend and indemnify and save harmless each of the Purchaser Parties, their respective managers, officers, employees and agents and any successor to the applicable

Purchaser Party and its managers, officers, employees and agents from and against all Losses suffered or incurred by any such Person as a result of or arising directly or indirectly out of or in connection with any: (i) event occurring or conditions existing at or prior to the Closing Date relating to the Project, the Contributed Assets, the Owned Real Property, the Project or Leased Real Property which as at the Closing Date constitutes a violation of, or gives rise to liability under, Environmental Laws; or (ii) any generation, manufacture, processing, distribution, use, presence, treatment, storage, disposal, Release, transport or handling of any Hazardous Substance in, on, under or from any Owned Real Property, the Project, the Mining Rights or the Leased Real Property, whether by RNC or any other Person prior to the Time of Closing and whether or not known at the Time of Closing.

9.5 Assignability of Environmental Indemnification

The Purchaser Parties may, at any time and from time to time, assign all or any part of the benefit of the indemnity set out in Section 9.4 in respect of all or any part of the Contributed Assets, the Project, the Owned Real Property, or the Leased Real Property to any purchaser of, or lender to the Purchaser Parties in respect of the Contributed Assets, the Project, the Owned Real Property or the Leased Real Property, by delivering a notice in writing to RNC setting out the Purchaser Parties' intention to assign all or part of the benefit of the indemnity and the identity of the Person or Persons to whom the assignment is to be made. Upon any such assignment, RNC shall be bound to indemnify the Person or Persons named in such notice to the extent of the assignment of the indemnity as if such Person or Persons were a party to this Agreement as a Purchaser Party. No such assignment shall relieve RNC of the continuing obligation to indemnify under the indemnity and such obligation shall continue unaffected by the assignment. Any such assignee may make a further assignment in accordance with the foregoing provisions, as if all references therein to a Purchaser Party were to such assignee.

9.6 Limitation of Liability

(a) The Purchaser Parties shall not be entitled to require payment of any amount by RNC on the indemnities contained in this Article 9, until the aggregate of all such amounts for which the Purchaser Parties would otherwise be entitled to require payment under this Article 9 exceeds \$50,000 (the "**Threshold Amount**"). Once the Threshold Amount has been exceeded, the Purchaser Parties shall be entitled to require payment on such indemnities from the first dollar of Losses, without regard to the Threshold Amount.

(b) Notwithstanding Section 9.6(a), the Threshold Amount shall not apply to any indemnity claim by the Purchaser Parties in connection with:

- (i) the Retained Liabilities set forth in Sections 2.3(b)(ii) and 2.3(b)(iii);
- (ii) the Retained Liabilities related to or secured by the conventional hypothec without delivery, registration number 17-0099016-0001, with Investissement Québec as creditor and RNC as debtor, or any amendment, modification, replacement or successor registration with respect thereto; or
- (i) the Retained Liabilities related to or secured by the conventional hypothec without delivery, registration number 17-0110508-0001, with 2732-2304

Québec Inc. and 2732-2304 Québec Inc., acting under the name Dion Services Financiers, as creditors and RNC as debtor, or any amendment, modification, replacement or successor registration with respect thereto.

(c) The Purchaser Parties shall not be entitled to require payment of amounts by RNC on the indemnities contained in this Article 9, in excess of the Purchase Price plus the Retained Liabilities, in the aggregate.

(d) Where a claim by the Purchaser Parties is predicated on an underlying representation and warranty or covenant that is qualified by a reference to "materiality" or "material adverse change" or grammatical variations thereof, the underlying representation and warranty or covenant shall be read as if it did not contain such qualifier.

(e) RNC shall not be entitled to require payment of any amount by the Purchaser Parties on the indemnities contained in this Article 9, until the aggregate of all such amounts for which RNC would otherwise be entitled to require payment under this Article 9 exceeds the Threshold Amount. Once the Threshold Amount has been exceeded, RNC shall be entitled to require payment on such indemnities from the first dollar of Losses, without regard to the Threshold Amount.

9.7 Notice of Claim

(a) A party that may be entitled to make a claim for indemnification (a "**Claim**") under this Agreement (the "**Indemnified Party**") shall give written notification to the other party (the "**Indemnifying Party**") of such Claim (a "**Notice of Claim**") promptly upon becoming aware of the Claim, but in no event later than the relevant date, if any, specified in Section 9.8. The Notice of Claim shall specify whether the Claim arises as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or whether the Claim does not so arise (a "**Direct Claim**"), and shall also specify with reasonable particularity (to the extent that the information is available), the factual basis for the Claim and the amount of the Claim.

(b) If an Indemnified Party fails to provide the Indemnifying Party with a Notice of Claim promptly as required by Section 9.7(a), the Indemnifying Party shall be relieved of the obligation to pay damages to the extent it can show that it was prejudiced in its defence of the Claim or in proceeding against a third party who would have been liable to it by the fact of the delay, but the failure to provide such Notice of Claim promptly shall not otherwise release the Indemnifying Party from its obligations under this Article 9.

(c) If the date by which a Notice of Claim must be given as set out in Section 9.8 in respect of a breach of representation and warranty has passed without any Notice of Claim having been given to the Indemnifying Party, then the related Claim shall be forever extinguished, notwithstanding that by the date specified in Section 9.8 the Indemnified Party did not know, and in the exercise of reasonable care could not have known, of the existence of the Claim.

9.8 Time Limits for Notice of Claim for Breach of Representations and Warranties

(a) RNC shall not be required to indemnify or save harmless the Purchaser Parties pursuant to Section 9.2(a) unless Purchaser shall have provided to RNC a Notice of Claim within the following time limits:

- (i) with respect to the representations and warranties set out in Sections 4.1 through 4.4, at any time after Closing;
- (ii) with respect to the representations and warranties set out in Section 4.20, not later than the later of the second anniversary of the Closing Date and 90 days after the expiry of the period within which an applicable taxation authority could make a demand for payment of the relevant Taxes;
- (iii) with respect to the representation and warranty set out in Section 4.22, not later than 90 days after the expiry of the period within which an applicable taxation authority could make a demand for payment of Taxes arising as a result of a breach of such representation and warranty;
- (iv) with respect to the representations and warranties set out in Section 4.27, not later than the fifth anniversary of the Closing Date;
- (v) with respect to a claim for breach of any of the representations and warranties contained in this Agreement or in any agreement, instrument, certificate or other document executed or delivered pursuant hereto involving fraud, at any time after Closing; and
- (vi) with respect to all other representations and warranties, not later than the second anniversary of the Closing Date.

(b) Arpent shall not be required to indemnify or save harmless RNC pursuant to Section 9.3(a) unless RNC shall have provided to Arpent a Notice of Claim within the following time limits:

- (i) with respect to the representations and warranties in Sections 6.1 through 6.4, at any time after Closing; and
- (ii) with respect to all other representations and warranties, not later than the second anniversary of the Closing Date.

9.9 Limitation Periods for Claims for Breach of Representations and Warranties

Notwithstanding the provisions of the *Limitations Act, 2002* (Ontario) or any other statute, the period within which an Indemnified Party may commence a proceeding in respect of a Claim for which a Notice of Claim is required to be, and has been, given in accordance with Section 9.8, shall be two years from the last date upon which such Notice of

Claim is permitted to be delivered thereunder, and any applicable limitation period is hereby so extended to the fullest extent permitted by Law.

9.10 Direct Claims

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have 60 days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both parties agree at or prior to the expiration of such 60-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be referred to binding arbitration in such manner as the parties may agree or shall be determined by a court of competent jurisdiction. If Purchaser and RNC, acting reasonably, determine that any payment of any Claim is subject to GST or QST or is deemed by the ETA or the QSTA (as the case may be) to be inclusive of GST or QST, or is subject to any other Tax, the Indemnifying Party agrees to pay to the Indemnified Party in addition to the amount of the Claim an amount equal to the Tax payable in connection with such payment and such additional amount.

9.11 Third Party Claims

(a) The Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of any Third Party Claim for damages and the Indemnifying Party assumes control, it shall reimburse the Indemnified Party for all of the Indemnified Party's out-of-pocket expenses prior to the time the Indemnifying Party assumed control. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to actual or potential differing interests between them (such as the availability of different defences).

(b) If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

(c) If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable Law or the order of any Governmental Body having jurisdiction, or it is necessary in the reasonable view of the Indemnified Party acting in good faith and in a commercially reasonable manner in respect of a Third Party Claim relating to any Contract which is necessary to the ongoing operations in respect of the Project or the Contributed Assets or any material part thereof by a reasonable and prudent operator, in order to avoid

material damage to the relationship between the Indemnified Party and any of its major customers or to preserve the rights of the Indemnified Party under such an essential Contract, to make a payment to any Person (a "**Third Party**") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under such Third Party Claim, as finally determined, is less than the amount which was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party. If such payment, by resulting in settlement of the Third Party Claim, precludes a final determination of the merits of the Third Party Claim and the Indemnified Party and the Indemnifying Party are unable to agree whether such payment was reasonable in the circumstances having regard to the amount and merits of the Third Party Claim, such dispute shall be submitted to arbitration pursuant to the *Arbitrations Act, 1991* (Ontario).

(d) If the Indemnifying Party fails to assume control of the defence of any Third Party Claim, the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnifying Party shall not settle any Third Party Claim without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that the liability of the Indemnifying Party shall be limited to the proposed settlement amount if any such consent is not obtained for any reason.

(e) The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

9.12 **Exclusivity**

No party may make any claim for damages in respect of this Agreement or any agreement, certificate or other document delivered pursuant hereto, or in respect of any breach or termination thereof, against any other party except by making a Claim pursuant to and in accordance with this Article 9. The provisions of this Section 9.12 shall survive any termination of this Agreement.

9.13 **Taxes**

All references in this Article 9 to Losses shall exclude GST and QST to the extent that input Tax credits or input Tax refunds (as the case may be) are available therefor. If the Indemnifying Party and the Indemnified Party, acting reasonably, determine that any payment (the "**Payment**") made pursuant to this Article 9 is subject to GST or QST or is deemed by the ETA or the QSTA (as the case may be) to be inclusive of GST or QST, or is subject to any other Tax, the Indemnifying Party agrees to pay to the Indemnified Party, in addition to the Payment,

an amount equal to the GST, QST or other Tax payable in connection with such Payment and such additional amount.

ARTICLE 10
MISCELLANEOUS

10.1 **Notices**

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by fax or e-mail or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

- (i) if to the Purchaser Parties:

c/o Waterton Global Resource Management, Inc.
199 Bay Street, Suite 5050
Toronto, Ontario M5L 1E2

Attention: **[REDACTED]**
Fax No.: **[REDACTED]**
E-mail: **[REDACTED]**

- (ii) if to RNC:

Royal Nickel Corporation
357 Bay Street, Suite 800
Toronto, Ontario M5H 2T7

Attention: Timothy Hollaar
Fax No.: 416.363.7826
E-mail: thollaar@rncminerals.com

(b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

(c) Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 10.1.

10.2 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.3 Assignment

Except as set forth in Section 9.5, no party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other party.

10.4 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and, where the context so permits, their respective successors and permitted assigns.

10.5 Specific Performance

The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that any remedy at Law for any breach of the provisions of this Agreement would be inadequate. Accordingly, it is agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereby further waives (a) any defence in any action for specific performance that a remedy at Law would be adequate and (b) any requirement under any Law to post security as a prerequisite to obtaining equitable relief.

10.6 Expenses; Commissions

(a) Each party shall pay for its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement, the Ancillary Agreements and the transactions contemplated herein and therein, including the fees and expenses of legal counsel, financial advisors, brokers, accountants and other professional advisors and fees payable to any Governmental Bodies.

(b) RNC shall indemnify and save harmless the Purchaser Parties from and against all Losses suffered or incurred by the Purchaser Parties in respect of any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for or on behalf of RNC.

10.7 Consultation

The parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by applicable Law, the parties shall not issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

10.8 Further Assurances

Each of the parties hereto shall, at all times after the Closing Date and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered, at the expense of the requesting party, all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement, including such other instruments of sale, transfer, conveyance, assignment, confirmation, certificates and other instruments as may be reasonably requested in order to more effectively transfer, convey and assign the Contributed Assets and to effectuate the transactions contemplated herein.

10.9 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, including by e-mail, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall together constitute one and the same original document.

IN WITNESS WHEREOF this Agreement has been executed by the parties.

ARPENT INC.

by “Richard Wells”
Name: Richard Wells
Title: Authorized Signatory

ROYAL NICKEL CORPORATION

by “Mark Selby”
Name: Mark Selby
Title: President and CEO

**MAGNETO INVESTMENTS
LIMITED PARTNERSHIP, by its
general partner, 2565716 ONTARIO
INC.**

by “Timothy Hollaar”
Name: Timothy Hollaar
Title: Authorized Signatory

SCHEDULE A

LIMITED PARTNERSHIP AGREEMENT

Form of agreement in this Schedule excluded from SEDAR-filed version. Executed version of agreement (with redaction if and as required) to be filed at closing of contemplated transaction.

SCHEDULE B

MANAGEMENT SERVICES AGREEMENT

Form of agreement in this Schedule excluded from SEDAR-filed version. Executed version of agreement (with redaction if and as required) to be filed at closing of contemplated transaction.

SCHEDULE C

UNANIMOUS SHAREHOLDERS AGREEMENT

Form of agreement in this Schedule excluded from SEDAR-filed version. Executed version of agreement (with redaction if and as required) to be filed at closing of contemplated transaction.