

## AMENDED AND RESTATED AGENCY AGREEMENT

May 31, 2017

MGX Minerals Inc.  
1080 Howe Street, Suite 303  
Vancouver, British Columbia V6Z 2T1

**Attention: Mr. Jared M. Lazerson, Chairman and Chief Executive Officer**

Dear Sir:

Whereas the undersigned, Mackie Research Capital Corporation (“**Mackie**”) and MGX Minerals Inc. (the “**Company**”) entered into an agency agreement, dated May 12, 2017 (the “**Original Agency Agreement**”), Mackie and MGX now wish to enter into this Amended and Restated Agency Agreement (the “**Agency Agreement**”). Mackie understands that MGX proposes to create, issue and sell up to 6,388,889 special warrants of the Company (“**Special Warrants**”), at a price of \$0.90 per Special Warrant (the “**Issue Price**”), for aggregate gross proceeds of up to approximately \$5,750,000 (the “**Offering**”), subject to the terms and conditions set out below.

The Special Warrants shall be duly and validly created and issued pursuant to, and governed by, the special warrant indenture (the “**Special Warrant Indenture**”) entered into on May 12, 2017 (the “**First Closing Date**”) between the Company and Computershare Trust Company of Canada (the “**Special Warrant Agent**”). Pursuant to the Original Agency Agreement and the Special Warrant Indenture, 3,555,556 of the Special Warrants were created, issued and sold on the First Closing Date.

Each Special Warrant will entitle the holder to receive one Underlying Unit (as hereinafter defined) upon the exercise or deemed exercise of the Special Warrant. Notwithstanding the forgoing sentence, in the event that a receipt has not been issued for the Final Qualification Prospectus (as hereinafter defined) by the Securities Regulators (as hereinafter defined) in each of the Qualifying Provinces (as hereinafter defined) qualifying the distribution of the Underlying Units on or before June 26, 2017, each Special Warrant shall be exercisable to purchase 1.1 Underlying Units.

The Special Warrants shall be exercisable by the holders thereof at any time after the Closing in respect thereof for no additional consideration, and all unexercised Special Warrants will be deemed to be exercised on the date (the “**Qualifying Date**”) that is the earlier of: (i) a date that is no later than the third business day after a receipt has been issued for the Final Qualification Prospectus by the Securities Regulators in each of the Qualifying Provinces qualifying the distribution of the Underlying Units; and (ii) the date that is four months and one day following the Closing Date in respect thereof.

Each “**Underlying Unit**” will be comprised of one (1) common share in the capital of the Company (an “**Underlying Share**”) and one (1) common share purchase warrant (an “**Underlying Warrant**”). Each Underlying Warrant shall be exercisable by the holder thereof to purchase one common share in the capital of the Company (an “**Underlying Warrant Share**”) at an exercise price of \$1.15 until May 12, 2019. If, at any time prior to the expiry of the Warrants, the ten day volume weighted average trading price of the common shares of the Company (the “**Common Shares**”) exceeds \$2.00, then the Company may provide notice to the holders of the Warrants that the Warrants will expire 30 days following the date of such notice.

The Warrants shall be duly and validly created and issued pursuant to, and governed by, the warrant indenture (the “**Warrant Indenture**”) entered into on the First Closing Date between the Company and Computershare Trust Company of Canada (the “**Warrant Agent**”).

Upon and subject to the terms and conditions set forth herein, Mackie hereby agrees to act, and upon acceptance hereof, the Company hereby appoints Mackie, as the Company’s exclusive agents, to offer for sale by way of private placement on a “best efforts” agency basis, without underwriter liability, the Special Warrants to be issued and sold pursuant to the Offering and Mackie agrees to arrange for purchasers of the Special Warrants in the Selling Jurisdictions (as hereinafter defined).

In consideration of the services rendered by Mackie in connection with the Offering, the Company shall pay to Mackie at the Closing (as hereinafter defined) a cash commission (the “**Commission**”) equal to 6.5% of the gross proceeds of the Offering.

As additional compensation for the services rendered by Mackie in connection with the Offering, the Company will issue to Mackie (or any selling firms(s) engaged by Mackie) non-transferrable special warrants (the “**Agent’s Special Warrants**”) in an amount equal to 6.5% of the number of Special Warrants sold pursuant to the Offering. Each Agent’s Special Warrant will entitle the holder thereof to receive, for no additional consideration, one (1) compensation option (the “**Compensation Options**”) upon the exercise or deemed exercise of each Agent’s Special Warrant. Each Compensation Option shall entitle the holder to acquire one (1) Underlying Unit at the Issue Price for a period of two years from the First Closing Date. Notwithstanding the foregoing sentence, in the event that a receipt has not been issued for the Final Qualification Prospectus by the Securities Regulators in each of the Qualifying Provinces qualifying the distribution of the Compensation Options on or before June 26, 2017, each Compensation Option shall be exercisable to purchase 1.1 Underlying Units.

As additional consideration of the services rendered by Mackie in connection with the Offering, the Company shall pay to Mackie at the Closing a cash fee (the “**Advisory Fee**”) equal to 2.0% of the gross proceeds of the Offering.

As additional compensation for the services rendered by Mackie in connection with the Offering, the Company will issue to Mackie additional Agent’s Special Warrants in an amount equal to 2.0% of the number of Special Warrants sold pursuant to the Offering.

The obligation of the Company to pay the Commission and the Advisory Fee, and to issue the Compensation Options, shall arise at the Closing Time (as hereinafter defined) and each shall be earned by Mackie at that time.

The parties acknowledge that the Special Warrants, the Underlying Shares, the Underlying Warrants and the Underlying Warrant Shares (as hereinafter defined) have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or the securities laws of any state of the United States and may not be offered or sold in the United States.

Mackie shall be entitled to appoint, at its sole expense, other registered dealers acceptable to the Company (“**Selling Firms**”) as agents to assist in the Offering and Mackie shall determine the remuneration payable to such Selling Firms, such remuneration to be the sole responsibility of Mackie.

## DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

“**affiliate**”, “**associate**”, “**material change**”, “**material fact**” and “**misrepresentation**” have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

“**Agreement**” means this agreement resulting from the acceptance by the Company of the offer made by Mackie hereby, including all schedules hereto, as amended or supplemented from time to time;

“**AIF**” means the Company’s Annual Information Form dated March 31, 2017;

“**Anti-Terrorism Laws**” has the meaning ascribed thereto in subsection 5(lviii);

“**Assets and Properties**” with respect to any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible, choate or inchoate, absolute, accrued, contingent, fixed or otherwise, and, in each case, wherever situated), including the goodwill related thereto, operated, owned or leased by or in the possession of such Person;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Vancouver, British Columbia;

“**Canadian Securities Laws**” means, collectively, all applicable securities laws in each of the Qualifying Provinces and the respective rules and regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in the Qualifying Provinces and the rules of the CSE;

“**Closing**” means one or more closings of the transaction of purchase and sale in respect of the Special Warrants as contemplated by this Agreement and the Subscription Agreements;

“**Closing Date**” means such dates as Mackie and the Company shall agree upon, including the First Closing Date, whereupon Special Warrants shall be created, issued and sold pursuant to this Agreement and the Special Warrant Indenture;

“**Closing Time**” means 8:30 a.m. (Toronto time) on a Closing Date or such other time on such Closing Date as the Company and Mackie shall agree upon;

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

“**Company’s Auditors**” means Adam Sung Kim Ltd., or such other firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

“**Compensation Option Certificate**” means the certificates representing the Compensation Options;

“**Contract**” means all agreements, contracts or commitments of any nature, written or oral, including, for greater certainty and without limitation, leases, loan documents and security documents;

“**Company IP**” means the Intellectual Property that is necessary and material to the business of the Company and its subsidiaries as presently conducted or as proposed to be conducted (as described in the

Offering Documents) and that has been developed by or for or is being developed by or for, the Company other than Licensed IP;

“**CSE**” means the Canadian Securities Exchange;

“**distribution**” means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws;

“**Documents Incorporated by Reference**” means all financial statements, management’s discussion and analysis, management information circulars, annual information forms, business acquisition reports, material change reports or other documents filed by the Company, whether before or after the date of this Agreement, that are required to be incorporated by reference, or that are deemed to be incorporated by reference, under applicable Canadian Securities Laws in the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material, as applicable;

“**Encumbrance**” means any charge, mortgage, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise pursuant to any applicable law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under the laws applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of British Columbia;

“**Engagement Letter**” means the engagement letter dated February 27, 2017 between the Company and Mackie;

“**Environmental Laws**” means all applicable federal, provincial, state, municipal and local laws of any Governmental Authority, including laws relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances;

“**Environmental Permits**” includes all orders, permits, certificates, approvals, consents, registrations and licences issued by any authority of competent jurisdiction under all applicable Environmental Laws;

“**Executive Order**” has the meaning ascribed thereto in subsection 5(lviii);

“**Final Qualification Prospectus**” means the (final) short form prospectus of the Company, including all of the Documents Incorporated by Reference, prepared by the Company and certified by the Company and Mackie, qualifying the distribution of the Underlying Units in the Qualifying Provinces;

“**Governmental Authority**” means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, and any governmental department, commission, board, bureau, agency or instrumentality, including the Securities Regulators;

“**IFRS**” means International Financial Reporting Standards;

“**including**” means including without limitation;

“**Indebtedness**” of any Person means all obligations of such Person:

- (a) for borrowed money;
- (b) evidenced by notes, bonds, debentures or similar instruments;
- (c) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business);
- (d) under capital and operating leases;
- (e) under “vendor take-back” financing or deferred payments in connection with any acquisition; and
- (f) which are guarantees of the obligations described in clauses (a) through (e) above of any other Person if secured by any or all of the Assets and Properties of the guarantor;

“**Intellectual Property**” means any registered or unregistered trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights;

“**knowledge of the Company**” (or similar phrases) means actual knowledge, after due enquiry, of Jared Lazerson, President and Chief Executive Officer of the Company;

“**Leased Premises**” shall have the meaning ascribed thereto in subsection 5(xxii);

“**Licensed IP**” means the Intellectual Property that is necessary and material to the business of the Company and its subsidiaries as presently conducted or as proposed to be conducted (as described in the Offering Documents) and that is owned by any person other than the Company;

“**Manto**” means Manto Gold Corp.;

“**Material Adverse Effect**” means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the Company’s business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of the of the Company on a consolidated basis;

“**Material Subsidiaries**” means Manto and Petrolithium Corporation of America and “**Material Subsidiary**” means any one of them;

“**Material Properties**” means the Driftwood Property (as defined in the AIF), the Sturgeon Lake Property (as defined in the AIF) and the Alberta Lithium Claims (as defined in the AIF);

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

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**Offering Documents**” means, collectively, the Preliminary Qualification Prospectus, the Final Qualification Prospectus and any Supplementary Material;

“**Passport System**” means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102 – *Passport System* adopted by the Canadian Securities Regulators (other than the Ontario Securities Commission) and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

“**Permitted Encumbrances**” means: (i) any validly perfected security interest given by the Company in respect of any Indebtedness; (ii) any other security given by the Company in connection with the operation of the Company’s business; (iii) liens against the Company or its assets for taxes, assessments or governmental charges or levies not due and delinquent; and (iv) undetermined or inchoate liens and charges incidental to the current operations of the Company which have not been filed pursuant to law or which relate to obligations not due or delinquent;

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority or other legal entity;

“**Preliminary Qualification Prospectus**” means the preliminary short form prospectus of the Company, including all of the Documents Incorporated by Reference, prepared by the Company and certified by the Company and Mackie, qualifying the distribution of the Underlying Units in the Qualifying Provinces;

“**Principal Regulator**” means the British Columbia Securities Commission as principal regulator under the Passport System;

“**Public Disclosure Documents**” means, collectively, all of the publicly available documents which have been filed by or on behalf of the Company prior to the Closing Time with the relevant Securities Regulators pursuant to the requirements of Canadian Securities Laws, including all press releases, annual information forms, material change reports, financial statements, management’s discussion and analysis, information circulars, business acquisition reports and other documents that have been publicly disclosed by the Company and posted on the Company’s SEDAR profile;

“**Purchasers**” means the persons who are qualified purchasers in the Selling Jurisdictions who (as purchasers or beneficial purchasers) acquire Special Warrants by duly completing, executing and delivering Subscription Agreements and any other required documentation and permitted assignees or transferees of such persons from time to time;

“**Qualifying Date**” shall have the meaning ascribed thereto in the opening paragraphs of this Agreement;

“**Qualifying Provinces**” means each of the provinces of Canada where Special Warrants are sold;

“**Regulation S**” means Regulation S under the U.S. Securities Act;

“**Securities Regulators**” means, collectively, the securities regulators in Canada and any other applicable securities regulator in the Selling Jurisdictions;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Selling Jurisdictions**” means the Qualifying Provinces, the United States and such other jurisdictions consented to by the Company and Mackie where Special Warrants are sold;

“**Subscription Agreements**” means, collectively, the subscription agreements in the forms agreed upon by Mackie and the Company, pursuant to which Purchasers agree to subscribe for and purchase Special Warrants as herein contemplated and shall include, for greater certainty, all schedules thereto;

“**Subsequent Disclosure Documents**” means any financial statements, management’s discussion and analysis, management information circulars, annual information forms, business acquisition reports, material change reports or other documents issued by the Company after the date of this Agreement that are required to be incorporated by reference in the Preliminary Qualification Prospectus or Final Qualification Prospectus;

“**subsidiary**” means a subsidiary for purposes of the *Securities Act* (British Columbia) and shall include any limited partnerships controlled by the Company;

“**Supplementary Material**” means, collectively, any amendment to the Preliminary Qualification Prospectus or the Final Qualification Prospectus, as applicable, any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Company under the Canadian Securities Laws relating to the distribution of the Underlying Units;

“**Taxes**” has the meaning ascribed thereto in subsection 5(xv);

“**Technical Reports**” means the following:

- i. report of Donald G. MacIntyre, Ph.D., P. Eng., dated effective May 30, 2013, “*Fran Gold Property Inzana Lake area British Columbia Canada*”;
- ii. report of Allan Reeves, P. Geol., dated effective September 5, 2016, “*Driftwood Magnesite Project Mineral Resource Estimate, Brisco, BC*”;
- iii. report of Donald G. MacIntyre, Ph.D., P. Eng., dated effective June 27, 2016, “*Longworth Silica Property North-Central British Columbia Canada*”;
- iv. report of Roy Eccles, M.Sc., P. Geol., dated effective June 15, 2016, “*Geological Introduction to MGX Minerals Inc.’s Lithium Oilfield Brine Project in Alberta, Canada*”; and
- v. report of Michael Dufresne, M.Sc., P. Geol. and Roy Eccles, M.Sc., P. Geol., dated effective September 28, 2016, “*Geological Introduction to the Lithium-Brine Potential at MGX Minerals Inc.’s Sturgeon Lake Sub-Property, West-Central Alberta*”;

“**Transaction Documents**” means, collectively, this Agreement, the Subscription Agreements, the Special Warrant Indenture, the Warrant Indenture, the Compensation Option Certificates and the certificates, if any, representing the Special Warrants;

“**Transfer Agent**” means Computershare Trust Company of Canada;

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

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

## TERMS AND CONDITIONS

### 1. Offering and Sale of the Special Warrants.

(a) **Sale on Exempt Basis.** Mackie shall use its best efforts to arrange for the purchase of Special Warrants:

- (i) in the Qualifying Provinces on a private placement basis in compliance with Canadian Securities Laws such that the offer and sale of the Special Warrants does not obligate the Company to file a prospectus (other than the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material relating to the distribution of the Underlying Units as contemplated in this Agreement and the Special Warrant Indenture); and
- (ii) in such other jurisdictions as consented to by the Company on a private placement basis in compliance with all applicable securities laws of such other jurisdictions provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction, no registration or similar requirement would apply with respect to the Company in such other jurisdictions and the Company does not thereafter become subject to on-going continuous disclosure obligations in such other jurisdictions.

(b) **Press Releases.** In order to comply with applicable U.S. securities laws, any press release announcing or otherwise concerning the Offering shall include an appropriate notation on each page as follows: “Not for distribution to United States Newswire Services or for dissemination in the United States”. In addition, any such press release shall contain the following disclaimer: “This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.”

(c) **Filings.** The Company undertakes to file, or cause to be filed, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Special Warrants (including a Form 45-106F1, with the applicable Securities Regulators in Canada) so that the distribution of the Special Warrants to the Purchasers may lawfully occur without the necessity of filing a prospectus, registration statement or other offering document in Canada or the United States (but on terms that will permit the Special Warrants acquired by the Purchasers to be sold by such Purchasers at any time in the Selling Jurisdictions, subject to applicable hold periods under Canadian Securities Laws and all applicable securities laws of the Selling Jurisdictions, and Mackie undertakes to use its commercially reasonable best efforts to cause Purchasers of Special Warrants to complete any forms required by Canadian Securities Laws or applicable securities laws of the other Selling Jurisdictions). All prescribed fees payable in connection with such filings shall be at the expense of the Company.

(d) **No Offering Memorandum.** Neither the Company nor Mackie shall: (i) provide to any prospective purchasers of Special Warrants any document or other material that would constitute an offering memorandum within the meaning of Canadian Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Special Warrants, including any advertisement, article, notice or other communication published in any newspaper, magazine, printed public media, printed media or similar media, or broadcast over radio, television or

telecommunications, including electronic display, or any seminar or meeting relating to the offer and sale of the Special Warrants whose attendees have been invited by general solicitation or advertising.

## 2. Filing of Preliminary Qualification Prospectus and Final Qualification Prospectus.

(a) **Preliminary Qualification Prospectus.** The Company covenants and agrees to use commercially reasonable best efforts to: (i) prepare and file the Preliminary Qualification Prospectus and obtain a receipt (or deemed receipt) therefor from the Principal Regulator and each of the other Securities Regulators in the Qualifying Provinces as soon as practicable following the date hereof; and (ii) promptly resolve all comments received or deficiencies raised by the Securities Regulators in the Qualifying Provinces in respect of the Preliminary Qualification Prospectus as expeditiously as possible.

(b) **Final Qualification Prospectus.** The Company covenants and agrees to use commercially reasonable best efforts to, as soon as practicable after all comments of the Securities Regulators in the Qualifying Provinces have been satisfied with respect to the Preliminary Qualification Prospectus, prepare and file the Final Qualification Prospectus and obtain a receipt (or deemed receipt) therefor from the Principal Regulator and each of the other Securities Regulators in the Qualifying Provinces. The Company shall promptly take, or cause to be taken, all reasonable steps and proceedings that may from time to time be required under applicable Canadian Securities Laws to qualify the distribution of the Underlying Units (including Underlying Units to be issued on exercise of Compensation Options) in the Qualifying Provinces and shall use its commercially reasonable best efforts to ensure that such requirements (including the issuance of a receipt or deemed receipt, as applicable, by the Securities Regulators in the Qualifying Provinces for the Final Qualification Prospectus) shall be fulfilled on or before June 26, 2017.

(c) **Commercial Copies.** The Company shall cause copies of the Final Qualification Prospectus and any Supplementary Material to be delivered to Mackie without charge, in such numbers and in such cities in the Selling Jurisdictions as Mackie may reasonably request. Such delivery shall be effected as soon as practicable and, in any event, within two Business Days after the filing thereof in the Qualifying Provinces. Mackie shall cause to be delivered to the Purchasers copies of the Final Qualification Prospectus and any Supplementary Material required to be delivered to them.

(d) **Representation as to Prospectus and Supplementary Material.** Delivery of the Offering Documents shall constitute a representation and warranty by the Company to Mackie, the holders of Special Warrants and their permitted assigns that all information and statements (except information and statements relating solely to Mackie and provided in writing by Mackie for inclusion in the Offering Documents, as applicable) contained therein are true and correct in all material respects and contain no misrepresentations and constitute full, true and plain disclosure of all material facts relating to the Company and the Underlying Units and that no material fact has been omitted therefrom which is required to be stated therein or is necessary to make the statements or information contained therein not misleading in light of the circumstances under which they were made. Such delivery shall also constitute the Company's consent to Mackie's use of the Offering Documents in connection with the distribution of the Underlying Units in the Qualifying Provinces in compliance with the provisions of this Agreement and Canadian Securities Laws.

(e) **Review of Prospectuses.** The form and substance of the Preliminary Qualification Prospectus, the Final Qualification Prospectus and any Supplementary Material shall be satisfactory to Mackie, acting reasonably.

(f) **Contractual Right of Rescission.** The Subscription Agreements shall contain a contractual right of rescission granted by the Company to the Purchasers in respect of misrepresentations in the Preliminary Qualification Prospectus, the Final Qualification Prospectus and any Supplementary Material.

(g) **Due Diligence.** The Company shall permit Mackie and its counsel to participate in the preparation of the Preliminary Qualification Prospectus, the Final Qualification Prospectus and any Supplementary Material, to discuss the Company's business with its officers and auditors and to conduct such full and comprehensive review and investigation of the Company's business, affairs, capital and operations as Mackie shall consider to be necessary to establish a due diligence defence under Canadian Securities Laws to an action for misrepresentation or damages and to enable Mackie to responsibly execute Mackie's certificate in the Preliminary Qualification Prospectus, the Final Qualification Prospectus and any Supplementary Material. The Company also covenants to use its best efforts to secure the cooperation of the Company's professional advisors (including its legal advisors and auditors) to participate in any due diligence conference calls required by Mackie, and the Company consents to the use and the disclosure of information obtained during the course of the due diligence investigation where such disclosure is required by law or required by Mackie to maintain a defence to any regulatory or other civil action.

(h) **Deliveries.** The Company will deliver to Mackie prior to the filing of the Preliminary Qualification Prospectus and Final Qualification Prospectus, as applicable, unless otherwise indicated:

- (i) a copy of the Preliminary Qualification Prospectus and the Final Qualification Prospectus manually signed on behalf of the Company, by the persons and in the form required by Canadian Securities Laws;
- (ii) a copy of any other document filed with, or delivered to, the Canadian Securities Regulators by the Company under Canadian Securities Laws in connection with the filing of the Preliminary Qualification Prospectus or Final Qualification Prospectus;
- (iii) in the case of the Final Qualification Prospectus, CSE shall have issued its conditional approval for the listing and trading of the Underlying Shares and the Underlying Warrant Shares on the CSE; and
- (iv) in the case of the Final Qualification Prospectus, a "long-form" comfort letter dated the date of the Final Qualification Prospectus, in form and substance satisfactory to Mackie, acting reasonably, addressed to Mackie, from the Company's Auditors, and based on a review completed not more than two Business Days prior to the date of the letter, with respect to certain financial and accounting information relating to the Company included and incorporated by reference in the Final Qualification Prospectus, which letter shall be in addition to the auditors' report contained in the Final Qualification Prospectus and any auditors' comfort letter addressed to or filed with the Canadian Securities Regulators under Canadian Securities Laws.

(i) **Supplementary Material.** If applicable, the Company shall prepare and deliver promptly to Mackie copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material or the incorporation by reference in the Preliminary Qualification Prospectus or the Final Qualification Prospectus of any Subsequent Disclosure Document, the Company shall deliver to Mackie, with respect to such Supplementary Material or Subsequent Disclosure Document, documents substantially similar to those referred to in Section 2(h).

**3. Covenants of the Company.** The Company hereby covenants to Mackie and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Special Warrants, that the Company shall:

- (a) except to the extent the Company participates in a merger, plan of arrangement, amalgamation, business combination or going private transaction which is in the best interests of the Company

and following which the Company is not a “reporting issuer”, for a period of two years after the First Closing Date, use commercially reasonable efforts to remain a reporting issuer under Canadian Securities Laws in the Provinces of Ontario, British Columbia and Alberta and, following the filing of the Final Qualification Prospectus, in each of the other Qualifying Provinces, not in material default of any requirement of Canadian Securities Laws applicable in such jurisdictions;

- (b) except to the extent the Company participates in a merger, plan of arrangement, amalgamation, business combination or going private transaction which is in the best interests of the Company, for a period of two years after the First Closing Date, use commercially reasonable efforts to remain a corporation validly existing under the laws of the Province of British Columbia, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction;
- (c) allow Mackie and its representatives the opportunity to conduct all due diligence investigations which Mackie may reasonably require to be conducted in connection with the Offering prior to and until the Qualifying Date;
- (d) prior to filing the Preliminary Qualification Prospectus, provide opinions, in a form acceptable to Mackie acting reasonably, confirming title to the Corporation’s Material Properties;
- (e) duly execute and deliver the Transaction Documents at or prior to the Closing Time and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company (unless waived by Mackie);
- (f) fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions applicable to the Company set out in Section 8 that are within its control (unless waived by Mackie);
- (g) ensure that, at the Closing Time and, if applicable, upon the due exercise of the Compensation Options, the Special Warrants are duly and validly created, authorized and issued on payment of the purchase price therefor and have attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Subscription Agreements and the Special Warrant Indenture;
- (h) ensure that, at the Closing Time, the Compensation Options are duly and validly created, authorized and issued and have attributes corresponding in all material respects to the description thereof set forth in this Agreement;
- (i) ensure that, upon the due exercise of the Special Warrants, and, if applicable, the Compensation Options, the Underlying Warrants are duly and validly created and authorized and, on payment of the purchase price therefor, validly issued and have attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Subscription Agreements and the Warrant Indenture;
- (j) ensure that, at all times prior to the Qualifying Date, a sufficient number of Underlying Shares and Underlying Warrant Shares, as applicable, are duly and validly allotted and reserved for

issuance upon the due exercise of the Special Warrants, the Underlying Warrants and, if applicable, the Compensation Options;

- (k) ensure that, upon the due exercise of the Special Warrants, the Underlying Warrants and, if applicable, the Compensation Options, the Underlying Shares and the Underlying Warrant Shares (as applicable) are duly issued as fully paid and non-assessable shares in the capital of the Company;
- (l) use commercially reasonable best efforts to ensure that the Qualifying Date occurs on or before June 26, 2017;
- (m) in connection with the issuance of the Special Warrants, execute and file with the Securities Regulators all forms, notices and certificates required to be filed pursuant to Canadian Securities Laws or other applicable securities laws in the Selling Jurisdictions within prescribed time periods;
- (n) use its commercially reasonable best efforts to ensure that the Underlying Shares and the Underlying Warrant Shares are approved for listing and trading on the CSE on the Qualifying Date;
- (o) until the Qualifying Date, consult in good faith with Mackie as to the content and form of any press release relating to the Offering or the transactions contemplated therein; and
- (p) not offer, announce the offering of nor make any agreement to issue any debt or equity securities or any securities convertible into or exercisable into debt or equity securities of the Company (other than for purposes of any share option plan of the Company as it currently exists or pursuant to an agreement to make an acquisition of an interest in a resource property from an arm's length party) for a period of 120 days following the First Closing Date without the written consent of Mackie, such consent not to be unreasonably withheld or delayed.

#### **4. Material Changes.**

- (a) During the period from the date of this Agreement to the Qualifying Date, the Company shall, upon becoming aware of same, promptly notify Mackie (and, if requested by Mackie, confirm such notification in writing) of:
  - (i) any material change (actual, anticipated, contemplated or threatened) in the business, operations, assets, liabilities (contingent or otherwise) or capital of the Company or any of its subsidiaries;
  - (ii) any material fact which has arisen or has been discovered following the First Closing Date and is required to be stated in the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material or which would have been required to have been stated in the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material had the fact arisen or been discovered on, or prior to, the date of such document; and
  - (iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Public Disclosure Documents, the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material which change is, or may be, of

such a nature as to render any statement in the Public Disclosure Documents, the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material misleading or untrue in any material respect or which would result in a misrepresentation in the Public Disclosure Documents, the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material or which would result in the Public Disclosure Documents, the Preliminary Qualification Prospectus, the Final Qualification Prospectus or any Supplementary Material not complying with Canadian Securities Laws (including the policies of the CSE).

The Company shall promptly, and in any event within any applicable time limitation, comply with all applicable filing and other requirements under Canadian Securities Laws as a result of such fact or change, including compliance with Section 57 of the *Securities Act* (Ontario); provided that the Company shall not file any Supplementary Material or other document without first consulting with Mackie with respect to the form and content thereof, it being understood and agreed that no such Supplementary Material or document shall be filed with any Securities Regulator prior to review thereof by Mackie. The Company shall in good faith discuss with Mackie any fact or change in circumstance which is of such a nature that there is or could be reasonable doubt whether written notice need be given under this Section 4(a).

(b) **Change in Canadian Securities Laws.** If prior to the completion of the distribution of the Underlying Units (including during such time that the Preliminary Qualification Prospectus or the Final Qualification Prospectus, as the case may be, is outstanding) there shall be any change in Canadian Securities Laws which, in the opinion of Mackie, acting reasonably, requires the filing of any Supplementary Material, upon written notice from Mackie, the Company covenants and agrees with Mackie that it shall, to the satisfaction of Mackie, acting reasonably, promptly prepare and file such Supplementary Material with the appropriate Securities Regulator in each of the Qualifying Provinces where such filing is required.

## 5. Representations and Warranties of the Company.

The Company represents and warrants to Mackie and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the Offering, that:

- (i) each of the Company and the Material Subsidiaries is a corporation amalgamated, incorporated or continued, as the case may be, and validly existing under the laws of the jurisdiction in which it was incorporated, amalgamated, continued or established, as applicable, has all requisite corporate power and corporate authority or power and authority, as applicable, and is qualified and holds all material permits, licences, registrations and qualifications necessary or required to carry on its business as now conducted and to own, lease or operate its material Assets and Properties, including as described in the Public Disclosure Documents and neither the Company nor, to the knowledge of the Company, any other Person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing the Company's dissolution or winding up, and the Company has all requisite corporate power and corporate authority to enter into each of the Transaction Documents and to carry out its obligations hereunder and thereunder;
- (ii) other than the Material Subsidiaries and except as disclosed in the Public Disclosure Documents, (A) the Company has no direct or indirect subsidiaries nor any investment in any Person which, for the three and six months ended January 31, 2017 accounted for or

which, for the financial year ending July 31, 2016, is expected to account for, more than five percent of the assets or revenues of the Company or would otherwise be material to the Company's business, and (B) no holder of outstanding shares in the capital of the Company is entitled to any pre-emptive or any similar rights to subscribe for any Common Shares or other securities of the Company;

- (iii) the Company directly or indirectly owns all of the issued and outstanding shares of each of the Material Subsidiaries, there has been no transfer of the shares of any Material Subsidiary to the date hereof and all of the issued and outstanding shares of each Material Subsidiary are issued as fully paid and non-assessable shares, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and, no person, firm or corporation has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Company or any Material Subsidiary, of any interest in any of the shares in the capital of any Material Subsidiary;
- (iv) each of the Company and its subsidiaries has been conducting its business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which it carries on its business and has not received a notice of material non-compliance, and, to the knowledge of the Company, there are no facts that would give rise to a notice of material non-compliance with any such laws and regulations;
- (v) neither the Company nor either of the Material Subsidiaries is in violation of its constating documents or in breach or default in the performance of or observance of any obligation, agreement, covenant or condition contained in any material Contract to which it is a party or may be bound, and to the knowledge of the Company, no other party thereto is in material default or breach of any material Contract;
- (vi) each of the execution and delivery of the Transaction Documents, the performance by the Company of its obligations hereunder or thereunder, as applicable, the issue and sale of the Special Warrants and the consummation of the transactions contemplated in the Transaction Documents, including the issuance of the Underlying Units upon the exercise or deemed exercise (as applicable) of the Special Warrants, do not and will not materially conflict with or result in a material breach or violation of any of the terms or provisions of, or constitute a material default under (whether after notice or lapse of time or both): (A) Canadian Securities Laws; (B) the constating documents, by-laws or resolutions of the Company which are in effect at the date hereof; (C) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Company is a party or by which it is bound; or (D) any judgment, decree or order binding the Company or its Assets and Properties;
- (vii) at the Closing Time, each of the Transaction Documents shall have been duly authorized and executed by the Company and upon such execution each shall constitute a valid and binding obligation of the Company and each shall be enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

- (viii) the Special Warrants have been duly created and authorized for issuance, and, upon payment of the aggregate Issue Price therefor, the Special Warrants will be validly issued and outstanding as securities of the Company in accordance with the Subscription Agreements and the Special Warrant Indenture;
- (ix) the Underlying Shares have been duly created, authorized and allotted for issuance and, upon the exercise or deemed exercise of the Special Warrants, will be validly issued and outstanding as fully paid and non-assessable common shares in the capital of the Company;
- (x) the Underlying Warrants have been duly created, authorized and allotted for issuance and, upon the exercise or deemed exercise of the Special Warrants, will be duly created and validly issued and outstanding as fully paid securities of the Company in accordance with the Warrant Indenture;
- (xi) the Compensation Option has been duly created and authorized for issuance, and the Special Warrants and the Underlying Securities in respect thereof to be issued upon exercise of the Compensation Option have been duly created and authorized for issuance upon the exercise of the Compensation Option by the Agent.
- (xii) the Special Warrants, the Underlying Shares and the Underlying Warrants will not be subject to a restricted period or a statutory hold period under Canadian Securities Laws which extends beyond four months after the Closing Date in respect thereof;
- (xiii) all consents, approvals, permits, authorizations or filings as are required by the Company under Canadian Securities Laws for the execution and delivery of the Transaction Documents and the issue and sale of the Special Warrants and the Underlying Units have been made or obtained, as applicable;
- (xiv) the Company is in compliance in all material respects with the timely and continuous disclosure obligations under Canadian Securities Laws (including the rules of the CSE) and has carried on its business in the ordinary course in all material respects since October 31, 2016;
- (xv) the audited consolidated financial statements of the Company as at and for the year ended July 31, 2016 have been prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise as required by IFRS) of the Company as at such dates and the results of its operations and its cash flows for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company in accordance with IFRS and, there has been no change in accounting policies or practices of the Company since July 31, 2016;
- (xvi) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "Taxes") due and payable or required to be collected or withheld and remitted, by the Company and its subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material

Adverse Effect. The Company has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of the Company or its subsidiaries that are material, and there are no audits pending of the tax returns of the Company or its subsidiaries (whether federal, state, provincial, local or foreign). Except to the extent that failure to do so would not have a Material Adverse Effect, all tax returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Company, no examination of any tax return of the Company is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Company. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Company;

- (xvii) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets;
- (xviii) the Company's Auditors who audited the audited consolidated financial statements of the Company for the year ended July 31, 2016 are independent public accountants, and there has not been a "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the Company's Auditors within the most recently completed financial year;
- (xix) no legal or governmental actions, suits, judgments, investigations or proceedings are pending to which the Company, or to the knowledge of the Company, the directors, officers or employees of the Company are a party or to which the Company's material Assets and Properties is subject that would result in a Material Adverse Effect and, to the knowledge of the Company, no such proceedings have been threatened against or are pending with respect to the Company, or with respect to its Assets and Properties and the Company is not subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect;
- (xx) to the knowledge of the Company, the Company owns or has the right to use all of the material Intellectual Property owned or used by its business as of the date hereof. All registrations, if any, and filings necessary to preserve the rights of the Company in the Intellectual Property have been made and are in good standing, except for such registrations or filings which would not have a Material Adverse Effect. The Company has no pending action or proceeding, nor any threatened action or proceeding, against any Person with respect to the use of the Intellectual Property, and there are no circumstances which cast doubt on the validity or enforceability of the Intellectual Property owned or used by the Company, except for circumstances which would not have a Material Adverse Effect. The conduct of the Company's business does not, to the knowledge of the Company, infringe upon the intellectual property rights of any other Person. The Company has no pending action or proceeding, nor, to the knowledge of the Company, is

there any threatened action or proceeding against it with respect to the Company's use of the Intellectual Property;

- (xxi) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened, by any regulatory authority;
- (xxii) the authorized capital of the Company consists of an unlimited number of Common Shares, of which 62,446,765 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company, and an unlimited number of preferred shares issuable in series of which none are outstanding, each as of the date hereof;
- (xxiii) with respect to each premises of the Company which is material to its business and which the Company occupies as tenant (the "**Leased Premises**"), the Company occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company occupies the Leased Premises is in good standing and in full force and effect in all material respects;
- (xxiv) the Company is not a party to or bound by any collective agreement and is not currently conducting negotiations with any labour union or employee association;
- (xxv) there has not been in the last two years and there is not currently any labour disruption that would reasonably be expected to have a Material Adverse Effect;
- (xxvi) the minute books for the Corporation and each Material Subsidiary contain, in all material respects, full, true and correct copies of the constating documents of the Corporation and contain copies of all minutes of all meetings and all consent resolutions of the directors, committees of the directors and shareholders of the Corporation (other than such minutes as have not yet been approved by the directors, committees of the directors or shareholders of the Corporation, as applicable) and all such meetings were duly called, properly held and all such consent resolutions were properly adopted except to the extent that any such failure could not reasonably be expected to have a material adverse effect on the Corporation;
- (xxvii) other than Mackie, there is no Person acting or purporting to act at the request or on behalf of the Company that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement;
- (xxviii) the Company is a "reporting issuer" (within the meaning of Canadian Securities Laws) in each of the provinces of British Columbia, Alberta and Ontario and not included in a list of defaulting reporting issuers maintained by the Securities Regulators in such jurisdictions;
- (xxix) Computershare Investor Services Inc. at its principal transfer offices in Vancouver, British Columbia has been duly appointed as the registrar and transfer agent for the Common Shares;

- (xxx) Computershare Trust Company of Canada at its principal transfer offices in Vancouver, British Columbia has been duly appointed as the special warrant agent for the Special Warrants;
- (xxxi) Computershare Trust Company of Canada at its principal transfer offices in Vancouver, British Columbia has been duly appointed as the warrant agent for the Underlying Warrants;
- (xxxii) the Company has not completed any “significant acquisition” or “significant disposition”, nor is it proposing any “probable acquisitions” (as such terms are used in NI 44-101) that would require the inclusion of any additional financial statements or *pro forma* financial statements in the Preliminary Qualification Prospectus and Final Qualification Prospectus pursuant to Canadian Securities Laws;
- (xxxiii) the Company or a Material Subsidiary is the registered or beneficial owner of the interests in the Material Properties as described in the AIF and the Company or a Material Subsidiary holds either freehold title, leases, concessions, claims, licenses, options, permits, contractual rights or participating interests or other conventional property or proprietary interests or rights, recognized in the jurisdiction in which a particular property is located (collectively, the “**Mining Rights**”) in respect of the mineral rights located in the Material Properties in which the Company or a Material Subsidiary has an interest as described in the AIF under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company or a Material Subsidiary to explore for mineral deposits, develop mining facilities and extract mineral resources relating thereto, free and clear of any material Encumbrances and no material commission, royalty, licence fee or similar payment (other than payments which may be required to be paid to any Governmental Authority) to any Person (other than royalty or other payments which may become payable pursuant to applicable legislation in the jurisdictions in which the Material Properties are located) with respect to the Material Properties are payable other than as disclosed in the Offering Documents and no other material property rights (including access rights) are necessary for the conduct of the business of the Company as currently conducted, other than as disclosed in the AIF; and the Company has no knowledge of any claim or basis for any claim that could have a Material Adverse Effect in respect of the Company or a Material Subsidiary, taken as a whole;
- (xxxiv) all assessments or other work required by applicable laws to be performed in relation to the Company’s interests in the Material Properties have been performed to date and the Company has complied in all material respects with all applicable governmental laws, regulations and policies in this regard as well as all legal and contractual obligations to third parties in this regard;
- (xxxv) to the Company’s knowledge, all operations on the Material Properties have been conducted in all respects in accordance with good mining, exploration and engineering practices and all applicable workers’ compensation and health and safety and workplace laws, regulations and policies have been duly complied with;
- (xxxvi) except as disclosed in the AIF, neither the Company or any of the Material Subsidiaries are parties to any option agreements concerning mining interests;

- (xxxvii) to the Company's knowledge, the Company or a Material Subsidiary holds either permits or contractual interests or rights in permits recognized in the jurisdiction in which the Material Properties are located under valid, subsisting and enforceable title documents or other recognized and enforceable agreements, instruments or documents, sufficient to permit the Company or a Material Subsidiary to access the property and conduct its business as described in the Offering Documents; all such permits in which the Company has any interests or right have been, to the knowledge of the Company, validly registered in accordance with all applicable laws, and are valid and subsisting; the Company or a Material Subsidiary has all necessary surface rights and access rights relating to the Material Properties in which the Company has an interest as described in the Offering Documents granting the Company or a Material Subsidiary the right and ability to access the property and conduct its business as are appropriate in view of their respective rights and interests therein, with only such exceptions as do not materially interfere with the access and use by the Company or a Material Subsidiary of the rights or interests so held and each of the proprietary interests or rights and each of the agreements, instruments and documents and obligations relating thereto referred to above are currently in good standing in the name of the Company or a Material Subsidiary;
- (xxxviii) any and all of the agreements and other documents and instruments pursuant to which the Company or a Material Subsidiary holds the Material Properties and assets (including any option agreement or any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, none of the Company nor any of the Material Subsidiaries nor, to the knowledge of the Company, any other party thereto, is in default of any of the material provisions of any such agreements, documents or instruments, nor to the knowledge of the Company has any such default been alleged, except in each case as would not reasonably be expected to have a Material Adverse Effect on the Company and the Material Subsidiaries, taken as a whole, and none of the Material Properties (or any option agreement or any interest in, or right to earn an interest in, any property) of the Company are subject to any right of first refusal or similar purchase or acquisition rights;
- (xxxix) the Material Properties are the only mineral properties that are material to the Company;
- (xl) there are no material claims with respect to indigenous rights currently outstanding or, to the knowledge of the Company, threatened or pending, with respect to the Material Properties;
- (xli) the Company and each of the Material Subsidiaries is in compliance in all material respects with all Environmental Laws;
- (xlii) the Company has obtained all Environmental Permits necessary as at the date hereof for the operation of the business carried by the Company or a Material Subsidiary, and each Environmental Permit is valid, subsisting and in good standing in all material respects and none of the Company nor any Material Subsidiary is in default or breach of any Environmental Permit in any material respect and no proceeding is outstanding or, to the knowledge of the Company, has been threatened or is pending to revoke or limit any Environmental Permit except where such default, breach, or proceeding would not reasonably be expected to result in a Material Adverse Effect in respect of the Company and the Material Subsidiaries, taken as a whole;

- (xliii) neither the Company nor any subsidiary has used, except in compliance in all material respects with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance;
- (xliv) neither the Company nor any subsidiary has received any notice of, or been prosecuted for, an offence alleging, non-compliance in any material respect with any Environmental Laws, and neither the Company nor any subsidiary has settled any allegation of material non-compliance short of prosecution. There are no orders or directions issued against the Company or any subsidiary under Environmental Laws requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Company or a subsidiary, nor has the Company or a subsidiary received notice of any of the same;
- (xlv) there are no past unresolved or, to the Company's knowledge, any threatened or pending claims, complaints, notices or requests for information received by the Company or a subsidiary with respect to any alleged violation of any Environmental Laws which would reasonably be expected to result in a Material Adverse Effect in respect of the Company and its subsidiaries, taken as a whole; and no conditions exist at, on or under any property now or previously owned, operated, optioned or leased by the Company or a subsidiary which, with the passage of time, or the giving of notice or both, would give rise to liability under Environmental Laws that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect in respect of the Company and the subsidiaries, taken as a whole;
- (xlvi) except as ordinarily or customarily required by applicable Environmental Permits, neither the Company nor any subsidiary has received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local cleanup site or corrective action under Environmental Laws that would reasonably be expected to result in a Material Adverse Effect in respect of the Company and the subsidiaries, taken as a whole;
- (xlvii) there are no material environmental audits, evaluations, assessments, studies or tests relating to the Company or a subsidiary except for ongoing assessments conducted by or on behalf of the Company or a subsidiary in the ordinary course;
- (xlviii) the Company is in compliance, in all material respects, with the provisions of NI 43-101, and has filed all technical reports required to be filed pursuant thereto; there has been no change to the Technical Reports of which the Company is aware that would require the filing of a new technical report under NI 43-101;
- (xlix) all material information requested by the authors of the Technical Reports was made available to them, prior to the issuance of such report, for the purpose of preparing such report, which information, to the best of the knowledge of the Company, did not contain any misrepresentation at the time such information was so provided;
- (l) the information set forth in the Offering Documents relating to the estimates by the Company of mineral resources has been reviewed and verified by the authors described in the Offering Documents under the heading "*Interests of Experts*" and there have been

no material adverse changes to such information since the date of delivery or preparation thereof;

- (li) the Company is the legal and beneficial owner of, has good and marketable title to, and owns all right, title and interest in all Company IP free and clear of all Encumbrances, covenants, conditions, options to purchase and restrictions or other adverse claims or interests of any kind or nature which could have a Material Adverse Effect, and the Company has no knowledge of any claim of adverse ownership in respect thereof other than those for which the Company has been advised by counsel are without merit and would not reasonably be expected to have a Material Adverse Effect. To the Company's knowledge, no consent of any person is necessary to make, use, reproduce, license, sell, modify, update, enhance or otherwise exploit any Company IP and none of the Company IP comprises an improvement to Licensed IP that would give any person any rights to the Company IP, including, without limitation, rights to license Company IP;
- (lii) to the Company's knowledge, neither the Company nor any of its subsidiaries has received any notice or claim (whether written, oral or otherwise) challenging the ownership or right to use of any of the Company IP or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, nor is there a reasonable basis for any claim that any person other than the Company has any claim of legal or beneficial ownership or other claim or interest in any of the Company IP other than those for which the Company has been advised by counsel are without merit and would not reasonably be expected to have a Material Adverse Effect;
- (liii) all applications for registration of any Company IP have been properly filed and have been pursued by the Company and its subsidiaries in the ordinary course of business, and to the Company's knowledge, neither the Company nor any of its subsidiaries has received any notice (whether written, oral or otherwise) indicating that any application for registration of Company IP has been finally rejected or denied by the applicable reviewing authority;
- (liv) to the Company's knowledge, the conduct of the business of the Company and the subsidiaries (including, without limitation, the sale of their respective products and services, or the use or other exploitation of the Company IP by the Company, the subsidiaries or any customers, distributors or other licensees thereof) has not infringed, violated, misappropriated or otherwise conflicted with any Intellectual Property right of any person;
- (lv) neither the Company nor any of its subsidiaries is a party to any action or proceeding, nor, to the Company's knowledge, is or has any action or proceeding been threatened that alleges that any current or proposed conduct of their respective businesses (including, without limitation, the sale of their respective products and services, or use or other exploitation of any Company IP by the Company, the subsidiaries or any customers, distributors or other licensees) has or will infringe, violate or misappropriate or otherwise conflict with any Intellectual Property right of any person other than those for which the Company has been advised by counsel are without merit and would not reasonably be expected to have a Material Adverse Effect;

- (lvi) to the Company's knowledge, no person has infringed or misappropriated, or is infringing or misappropriating, any rights of the Company in or to any Company IP, except as would not reasonably be expected to have a Material Adverse Effect;
- (lvii) the Company has entered into valid and enforceable written agreements pursuant to which the Company has been granted all licenses and permissions to use, reproduce, sub license, sell, modify, update, enhance or otherwise exploit the Licensed IP to the extent required to operate all aspects of the business of the Company currently conducted (including, if required, the right to incorporate such Licensed IP into the Company IP). All license agreements in respect to Licensed IP are in full force and effect and none of the Company, any of its subsidiaries or to the knowledge of the Company, any other person, is in default of its obligations thereunder;
- (lviii) to the extent that any of the Company IP is licensed or disclosed to any person or any person has access to such Company IP (including but not limited to any employee, officer, shareholder, consultant, systems-integrator, distributor or other customer of the Company or any of its subsidiaries) the Company has entered into a valid and enforceable written agreement which contains terms and conditions prohibiting the unauthorized use, reproduction, disclosure or transfer of such Company IP by such person. Other than such agreements that have expired in accordance with their respective terms, all such agreements are in full force and effect and none of the Company, any of the subsidiaries of the Company or to the knowledge of the Company, any other person, is in default of its obligations thereunder;
- (lix) to the Company's knowledge, the operations of the Company and its subsidiaries have been conducted at all times in compliance with the applicable federal and state laws relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including the financial recordkeeping and reporting requirements of *The Bank Secrecy Act of 1970* (United States of America), as amended, Executive Order No. 13224 on Terrorist Financing (United States of America), effective September 24, 2001 (the "**Executive Order**"), the *Foreign Corrupt Practices Act* (United States of America) and the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (United States of America), and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), and, none of the Company or its subsidiaries is (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order, (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order, (iii) a person with which the Purchasers are prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order or (v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list or any other person (including any foreign country and any national of such country) with whom the United States Treasury Department prohibits doing business in accordance with OFAC regulations. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or its subsidiaries with respect to the Anti-Terrorism Laws is pending or, to the knowledge of the Company and its subsidiaries, threatened; and

- (lx) none of the Company and its subsidiaries nor, to the actual knowledge of the Company, any director, officer, broker, employee, affiliate or other agent of the Company acting in any capacity in connection with the offering hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in paragraph (xxx) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

**6. Representations, Warranties and Covenants of Mackie.** Mackie hereby represents, warrants and covenants to the Company and acknowledges that the Company is relying upon such representations and warranties, that:

- (a) in respect of the offer and sale of the Special Warrants to Purchasers, Mackie will, and will require any Selling Firm to agree to, comply with applicable Canadian Securities Laws and the applicable securities laws of the Selling Jurisdictions outside of Canada in connection with the issuance and sale of the Special Warrants, and shall offer the Special Warrants for sale to potential qualified purchasers on a private placement basis directly and through Selling Firms upon the terms and conditions set out in this Agreement;
- (b) Mackie has offered and will offer, and shall require any Selling Firm to offer, for sale to potential Purchasers on a private placement basis and sell the Special Warrants only in the Selling Jurisdictions where they may be lawfully offered for sale and sold;
- (c) Mackie and its respective representatives have not engaged in or authorized, and will not engage in or authorize, activity that would constitute “directed selling efforts” under Regulation S or any form of general solicitation or general advertising in connection with or in respect of the Special Warrants in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or by means of the internet or otherwise or conducted any seminar or meeting concerning the offer or sale of the Special Warrants whose attendees have been invited by any general solicitation or general advertising;
- (d) Mackie has not and will not solicit offers to purchase or sell the Special Warrants so as to require the filing of a prospectus, registration statement or offering memorandum, or similar document with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501 – *Definitions*) or a statutory right of action under the laws of any of the Selling Jurisdictions;
- (e) Mackie will not, and will require any Selling Firm to agree not to, directly or indirectly, offer, solicit offers to purchase or sell the Special Warrants to Purchasers so as to require registration of the Special Warrants, the Underlying Shares or the Underlying Warrants or filing of a prospectus or registration statement in respect thereof under the laws of any jurisdiction other than the Qualifying Provinces, including, without limitation, the United States;
- (f) Mackie is an “accredited investor” as defined under NI 45-106;
- (g) Mackie will keep, and cause its representatives and agents to keep, strictly confidential, and will use only for the purpose of performing its obligations hereunder, all information, whether written or oral, acquired from the Company and the Company’s representatives and agents in connection with the transactions contemplated hereunder, except: (i) information for which disclosure was

approved by the Company; (ii) information that was made available to the public prior to Mackie's engagement; (iii) information that thereafter becomes available to the public other than through a breach by Mackie of its obligations hereunder; (iv) information that was lawfully in Mackie's possession prior to its engagement, or (v) to the extent that Mackie is required by law to disclose such information. Mackie will provide the Company with prompt notice of any such legal disclosure requirement so that the Company may seek an appropriate protective order or waive compliance with this Section 6(g);

- (h) Mackie has not made, and will not make, and will require any Selling Firm to agree not to make, any representations or warranties about the Company and/or the Special Warrants or the Underlying Units; and
- (i) Mackie will use commercially reasonable best efforts to obtain from each Purchaser a duly completed and executed Subscription Agreement and other forms required under Canadian Securities Laws or the applicable securities laws of the Selling Jurisdiction outside of Canada that are provided to Mackie by the Company for execution by Purchasers relating to the issuance and sale of the Special Warrants, and Mackie shall at least two (2) Business Days prior to the Closing Date in respect thereof, provide the Company with copies of such Subscription Agreements and complete registration instructions in respect of the Special Warrants.

**7. Closing Deliveries.** The purchase and sale of the Special Warrants shall be completed at the Closing Time at the offices of Fasken Martineau DuMoulin LLP in Calgary, Alberta, or at such other place as Mackie and the Company may agree upon, the Company shall deliver the Special Warrants to Mackie as an electronic deposit representing the Special Warrants pursuant to the non-certificated inventory system of CDS Clearing and Depository Service Inc. (the "**NCI System**") registered in the name of "CDS" or in such other name or names as Mackie may notify the Company in writing not less than 24 hours prior to the Closing Time against payment at the direction of the Company, in lawful money of Canada, by certified cheque, bank draft or wire transfer payable in the City of Calgary, of an amount equal to the aggregate subscription price for the number of Special Warrants being issued and sold hereunder less the Commission, the Advisory Fee and all of the estimated out-of-pocket expenses of Mackie payable by the Company to Mackie in accordance with Section 10.

**8. Closing Conditions.** Each Purchaser's obligation to purchase the Special Warrants at the Closing Time shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Company shall have materially complied with all the covenants and materially satisfied all the terms and conditions of this Agreement on its part to be complied with and materially satisfied at or prior to the Closing Time and the representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects as at the Closing Time with the same force and effect as if made on and as at the Closing Time;
- (b) Mackie shall have received at the Closing Time certificates dated the Closing Date, signed by appropriate officers of the Company and addressed to Mackie, with respect to the constating documents of the Company and all resolutions of the Company's board of directors relating to the Transaction Documents, the incumbency and specimen signatures of signing officers;
- (c) Mackie shall have received at the Closing Time evidence that all requisite approvals, consents and acceptances of the appropriate regulatory authorities (including the Securities Regulators) required to be made or obtained by the Company in order to complete the Offering have been made or obtained;

- (d) the Subscription Agreements, the Special Warrant Indenture, the Warrant Indenture, the Compensation Option Certificates and the certificates representing the Special Warrants, if any, or other evidence of ownership shall have been executed, endorsed or authenticated, as applicable, and delivered by the parties thereto in form and substance satisfactory to Mackie, acting reasonably;
- (e) the Company shall have filed a CSE Form 9 with the CSE;
- (f) Mackie shall have received a certificate from Computershare Trust Company of Canada, in its capacity as transfer agent and registrar for the Common Shares, as to the number of Common Shares issued and outstanding as of the close of business on the date prior to the Closing Date;
- (g) Mackie shall have received legal opinions addressed to Mackie and the Purchasers dated the Closing Date, from Fasken Martineau DuMoulin LLP, counsel to the Company, or local counsel with respect to those matters governed by the laws of jurisdictions other than the jurisdictions in which it is qualified to practice, in form and substance satisfactory to Mackie, acting reasonably (it being understood that such counsel may rely to the extent appropriate in the circumstances: (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company; (ii) as to the issued and outstanding capital of the Company, on a certificate or letter of Computershare Trust Company of Canada; and (iii) as to matters of fact not independently established, on certificates of public officials).
- (h) Mackie shall have received a certificate of status (or the equivalent) with respect to each of the Company and the Material Subsidiaries under the respective jurisdiction of its existence.

## **9. Rights of Termination.**

- (a) All terms and conditions set out in this Agreement shall be construed as conditions and any material breach or failure by the Company to comply with any such conditions in favour of Mackie shall entitle Mackie to terminate its obligation to arrange for the purchase of the Special Warrants pursuant to the Offering by written notice to that effect given to the Company prior to the Closing Time. The Company shall use commercially reasonable efforts to cause all conditions in this Agreement to be satisfied. It is understood that Mackie may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to its rights in respect of any subsequent breach or non-compliance, provided that to be binding on Mackie, any such waiver or extension must be in writing.
- (b) In addition to any other remedies which may be available to Mackie in respect of any default, act or failure to act, or non-compliance with the terms of this Agreement by the Company, Mackie shall be entitled, at its option, to terminate and cancel, without any liability on the part of Mackie, its obligations under this Agreement to purchase the Special Warrants pursuant to the Offering by giving written notice to the Company at any time after the date hereof and prior to the Closing Time, if:
  - (i) there should occur any material change (actual, contemplated or threatened) or any change in a material fact or occurrence of a material fact or event in the business, operations, assets, liabilities (contingent or otherwise), capital or condition (financial or otherwise) of the Company, which, in the reasonable opinion of Mackie, would reasonably be expected to have a material adverse effect on the market price or value of the Special Warrants or the outstanding Common Shares;

- (ii) Mackie determines that there exists any fact or circumstance not generally disclosed to the public or disclosed to Mackie which, in the reasonable opinion of Mackie, might reasonably be expected to have a material adverse effect on the market price or value of the Special Warrants or the outstanding Common Shares;
  - (iii) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, instituted, threatened or announced or any order is issued under or pursuant to any law or by any stock exchange or other regulatory authority, or there is any change of law or the interpretation or administration thereof, which, in the reasonable opinion of Mackie, operates or will operate to prevent or restrict trading in or distribution of the Special Warrants, the Underlying Shares or any other securities of the Company;
  - (iv) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any action by government, law, regulation, inquiry or other occurrence of any nature whatsoever which, in the reasonable opinion of Mackie, materially adversely affects or will materially adversely affect Canadian or United States financial markets or the business, operations or affairs of the Company; or
  - (v) any order to cease trading in securities of the Company is made or threatened by a securities regulatory authority in the Qualifying Provinces (including the Securities Regulators).
- (c) Mackie shall make reasonable efforts where applicable to give notice to the Company (in writing or by other means) of the occurrence of any of the events referred to in Section 9(b); provided, that, neither the giving nor the failure to give such notice shall in any way affect the entitlement of any of Mackie to exercise this right at any time prior to or at the Closing Time.
- (d) If the obligations of Mackie under this Agreement are terminated pursuant to the termination rights in this Section 9, the liability of the Company to Mackie shall be limited to the obligations under Sections 10 and 12.
- (e) The right of Mackie to terminate its obligations under this Agreement pursuant to this Section 9 is in addition to any other remedies it may have in respect of any rights contemplated by this Agreement.

**10. Expenses.** Whether or not the Offering is completed, the Company shall pay all reasonable costs and expenses incurred in connection with the Offering, including: (a) the fees and expenses of Mackie (including the reasonable fees and disbursements (plus taxes thereon) of Mackie's legal counsel and all out-of-pocket expenses of Mackie in connection with the Offering); (b) all expenses of or incidental to the creation, issue, sale and distribution of the Special Warrants and the qualification of the issuance of the Underlying Units pursuant to the Final Qualification Prospectus; (c) the fees and expenses of counsel and auditors to, and the transfer agent of, the Company; and (d) all applicable filing and regulatory fees. All costs and expenses of Mackie shall be deducted from the gross proceeds of the Offering.

**11. Survival of Representations and Warranties.** All warranties, representations, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Special Warrants and continue in full force and effect for the benefit of Mackie and the Purchasers until the later of: (i) the second anniversary of the First Closing Date; and (ii) the latest date under the Canadian Securities Laws relevant to a Purchaser (non-residents of Canada being deemed to be resident in the Province of British Columbia for such purposes) that a Purchaser may be entitled to commence an action

or exercise a right of rescission with respect to a misrepresentation contained in the Final Qualification Prospectus, neither Mackie nor the Purchasers shall be limited or prejudiced by any investigation made by or on behalf of Mackie in connection with the Offering. Notwithstanding the foregoing, any provisions contained in this Agreement in any way related to indemnification or contribution obligations shall survive and continue, in full force and effect, indefinitely.

## 12. Indemnity.

- (1) The Company covenants and agrees to protect, indemnify, and save harmless, each of Mackie and its respective affiliates, and each and every one of the directors, officers, employees, partners and agents of Mackie (individually, an “**Indemnified Party**” and collectively, the “**Indemnified Parties**”) harmless from and against any and all expenses, losses (excluding loss of profits), claims, actions, damages or liabilities, joint or several (including the aggregate amount paid in settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Indemnified Parties to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Company by the Indemnified Parties (or any of them), whether directly or indirectly, including by reason of:
  - (a) any statement (except for statements relating solely to Mackie and furnished by them specifically for use in the Offering Documents) contained in the Offering Documents (including, for greater certainty, in any documents incorporated by reference therein), which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;
  - (b) the omission or alleged omission to state in the Offering Documents (including, for greater certainty, in any documents incorporated by reference therein), any material fact (other than a material fact relating solely to Mackie) required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances in which it was made;
  - (c) any order made, investigation or proceeding commenced or threatened by any securities regulatory authority or other competent authority in the Qualifying Provinces based upon any misrepresentation, untrue statement or omission or alleged untrue statement or omission in the Offering Documents (including, for greater certainty, in any documents incorporated by reference therein and except for information and statements relating solely to Mackie and furnished by them specifically for use in the Offering Documents) that prevents or restricts the trading in any of the Company’s securities or the distribution of any of the Special Warrants or the Underlying Shares in any of the Qualifying Provinces;
  - (d) the non-compliance by the Company with the requirements of Canadian Securities Laws or stock exchange requirements in connection with the transactions contemplated herein; or
  - (e) any material breach of a representation or warranty of the Company contained in this Agreement or the failure of the Company to comply with any of its obligations hereunder.
- (2) Notwithstanding Subsection 12(1), the indemnification in Subsection 12(1) does not and shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-

appealable shall determine that such expenses, losses, claims, damages, liabilities or actions were caused or incurred by the negligence, dishonesty, breach of applicable laws, bad faith, fraud, wilful misconduct or recklessness of Mackie or the Indemnified Parties or arose from information provided in writing by Mackie to the Company that was included in any Offering Document, the non-compliance by Mackie or the Indemnified Parties with the requirements of Canadian Securities Laws in connection with the transactions contemplated herein or any material breach of a representation or warranty of Mackie contained in this Agreement or the failure of Mackie to comply with any of its obligations hereunder.

- (3) If any matter or thing contemplated by this Section 12 shall be asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be provided, such Indemnified Party will notify the Company as soon as possible of the nature of such claim (provided that omission to so notify the Company will not relieve the Company of any liability that it may otherwise have to the Indemnified Party hereunder, except to the extent the Company is materially prejudiced by such omission) and the Company shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to such Indemnified Party and that no settlement may be made by the Company or such Indemnified Party without the prior written consent of the other, such consent not to be unreasonably withheld. Such Indemnified Party shall provide copies of all relevant documentation to the Company in respect of any claim referred to in this Section 12(3), shall keep the Company advised of the progress of such claim and shall discuss all significant actions proposed in respect of such claim with the Company.
- (4) In any such claim, such Indemnified Party shall have the right to retain other legal counsel to act on such Indemnified Party's behalf, provided that the reasonable fees and reasonable disbursements of such other legal counsel shall be paid by such Indemnified Party, unless: (a) the Company and such Indemnified Party mutually agree to retain other legal counsel; or (b) the representation of the Company and such Indemnified Party by the same legal counsel would, in the opinion of such counsel, be inappropriate due to actual or potential differing interests, in which event such reasonable fees and reasonable disbursements shall be paid by the Company to the extent that they have been reasonably incurred, provided that in no circumstances will the Company be required to pay the reasonable fees and reasonable disbursements of more than one set of legal counsel for all Indemnified Parties.
- (5) To the extent that any Indemnified Party is not a party to this Agreement, Mackie shall obtain and hold the right and benefit of this Section 12 in trust for and on behalf of such Indemnified Party.
- (6) The Company hereby consents to personal jurisdiction in any court in which any claim that is subject to indemnification hereunder is brought against Mackie or any Indemnified Party and to the assignment of the benefit of this Section 12 to any Indemnified Party for the purpose of enforcement provided that nothing herein shall limit the Company's right or ability to contest the appropriate jurisdiction or forum for the determination of any such claims.
- (7) Each of Mackie and the Company waives all right to trial by jury in any proceeding or Claim (whether based upon contract, tort or otherwise) arising out of or in any way relating to this Agreement.
- (8) The rights of the Company contained in this Section 12 shall not enure to the benefit of any Indemnified Party if Mackie were provided with a copy of any amendment or supplement to the Offering Documents which corrects any untrue statement or omission or alleged omission that is

the basis of a claim by a party against such Indemnified Party and that is required, under the Applicable Securities Laws, to be delivered to such party by Mackie.

- (9) The Company shall not be liable under this Section 12 for any settlement of any claim or action effected without its prior written consent.

**13. Contribution.** In the event that the indemnity provided for in Section 12 is declared by a court of competent jurisdiction to be illegal or unenforceable as being contrary to public policy or for any other reason, Mackie and the Company shall contribute to the aggregate of all expenses, losses, claims, damages, liabilities or actions of the nature provided for above such that Mackie shall be responsible for that portion represented by the percentage that the portion of the Commission payable by the Company to Mackie bears to the gross proceeds realized by the Company from the distribution of the Special Warrants, whether or not Mackie has been sued together or separately, and the Company shall be responsible for the balance, provided that, in no event, shall Mackie be responsible for any amount in excess of the portion of the Commission actually received by Mackie. In the event that the Company may be held to be entitled to contribution from Mackie under the provisions of any statute or law, the Company shall be limited to contribution in an amount not exceeding the lesser of: (a) the portion of the full amount of expenses, losses, claims, damages, expenses, liabilities or actions giving rise to such contribution for which Mackie is responsible; and (b) the amount of the Commission actually received by Mackie. Relative fault shall be determined by reference to, among other things, whether any alleged untrue statement or omission or any other alleged conduct relates to information provided in writing by the Company or other conduct by the Company (or its employees or other agents), on the one hand, or by any Indemnified Party on the other hand. Notwithstanding the foregoing, the contribution provisions contained in this Section 13 shall not apply to the extent that a person has been determined by a final judicial determination to be guilty of negligence, fraud, bad faith, wilful misconduct or recklessness. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 13, notify such party or parties from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this Section 13, except to the extent that any such delay in or failure to give notice to the Company materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in a material increase in the liability which the Company will have under such indemnity had the Indemnified Party not so delayed in giving or failed to give the notice required hereunder. The right to contribution provided herein shall be in addition and not in derogation of any other right to contribution which Mackie may have by statute or otherwise by law.

**14. Action by Mackie.** All steps which must or may be taken by Mackie in connection with this Agreement, with the exception of the matters relating to termination or waiver contemplated by Section 9 or any matter relating to indemnification or contribution contemplated by Sections 12 and 13, may be taken by Mackie, and the execution of this Agreement by the Company shall constitute the Company's authority for accepting notification of any such steps from, and for delivering the definitive documents constituting the Special Warrants to Selling Firms, if any.

**15. Right of Participation.** The Company hereby grants Mackie the right, but not the obligation, to act as book-runner and either lead manager, lead underwriter or lead agent in any further offering of securities of the Corporation (a "**Subsequent Financing**") for a period of twelve months from the First Closing Date. In connection therewith, the Company shall consult with Mackie from time to time as to its corporate finance requirements and use its best efforts to provide Mackie with reasonable advance written notice of its intention to pursue any such Subsequent Financing prior to soliciting interest from other investment dealers or market intermediaries to enable Mackie to assess the terms and conditions of such proposed Subsequent Financing. Should the Company receive a specific offer in connection with a

Subsequent Financing from another broker/dealer during the twelve-month period following the First Closing Date, the Company shall immediately advise Mackie of the terms and conditions of the Subsequent Financing and Mackie shall have five Business Days to exercise its first right of refusal to participate on the same terms and conditions as contemplated in the Subsequent Financing. If Mackie elects not to exercise such right or is deemed to not elect such right, the Company may proceed with such Subsequent Financing provided that the terms and conditions of such Subsequent Financing are not materially different from those communicated to Mackie. From the date hereof until the date that is twelve months following the First Closing Date, the Company hereby grants Mackie a right of first refusal for any engagement to provide a formal valuation or fairness opinion in respect of the Company, to act as sponsor in connection with the graduation of the Company to a senior stock exchange, and to act as advisor to the Company in connection with any merger, acquisition, reorganization or disposition transaction involving the Company or any of its subsidiaries. The terms and conditions relating to such services will be in addition to the fees payable hereunder, will be negotiated separately and in good faith and will be consistent with fees paid to investment bankers in North America for similar services.

**16. Advertisements.** The Company acknowledges that Mackie shall have the right, subject always to Sections 1(a) and (c) of this Agreement, at their own expense, and subject to the prior approval of the Company, to place such advertisement or advertisements relating to the sale of the Special Warrants contemplated herein as Mackie may consider desirable or appropriate and as may be permitted by applicable law. The Company and Mackie each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of applicable Canadian Securities Laws or the securities legislation in any other jurisdiction in which the Special Warrants shall be offered or sold being unavailable in respect of the sale of the Special Warrants to prospective purchasers.

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

(a) If to the Company, to:

MGX Minerals Inc.  
303 - 1080 Howe Street  
Vancouver, BC V6Z 2T1

Attention: Jared Lazerson, President and Chief Executive Officer  
Email: jared@mgxminerals.com

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

Fasken Martineau DuMoulin LLP  
3400, 350 – 7th Avenue SW  
Calgary, Alberta T2P 3N9

Attention: Christopher Wolfenberg  
Email: cwolfenberg@fasken.com

(b) If to Mackie, to:

Mackie Research Capital Corporation

199 Bay Street, Suite 4500  
Commerce Court West, Box 368  
Toronto, Ontario M5L 1G2

Attention: Jovan Stupar, Managing Director  
Email: jstupar@mackieresearch.com

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

Miller Thomson LLP  
725 Granville Street, Suite 400  
Vancouver, British Columbia V7Y 1G5

Attention: Gregory Smith  
Email: gsmith@millermthomson.com

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

**18. Time of the Essence.** Time shall, in all respects, be of the essence hereof.

**19. Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada.

**20. Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

**21. Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

**22. Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

**23. Amendment and Restatement.** Relying on each of the representations and warranties set out herein and subject to the terms and conditions of this Agreement, Mackie and MGX agree that, effective on the date hereof, the Original Agency Agreement shall be amended and restated in its entirety on the terms and conditions of this Agreement, without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of such agreement prior to their amendment and restatement hereunder.

**24. Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

**25. Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, Mackie and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

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

**27. Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

**28. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each of the parties irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.

**29. Language.** The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressment demandées que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

**30. Counterparts.** This Agreement may be executed in any number of counterparts and by facsimile, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

*[Remainder of page intentionally left blank]*

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this letter where indicated below and delivering the same to Mackie.

Yours very truly,

**MACKIE RESEARCH CAPITAL CORPORATION**

Per: /s/ Jovan Stupar  
Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

**DATED** as of May 31, 2017.

**MGX MINERALS INC.**

Per: /s/ Jared Lazerson  
Authorized Signing Officer