

EQUINOX GOLD CORP.

- and -

PREMIER GOLD MINES LIMITED

- and -

BEAR CREEK MINING CORPORATION

SHARE PURCHASE AGREEMENT

December 16, 2021

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT made the 16th day of December, 2021

AMONG:

EQUINOX GOLD CORP.,

a corporation existing under the laws of the Province of British Columbia

(the “**Seller Guarantor**”)

AND:

PREMIER GOLD MINES LIMITED,

a corporation existing under the laws of the Province of Ontario

(the “**Seller**”)

AND:

BEAR CREEK MINING CORPORATION,

a corporation existing under the laws of the Province of British Columbia

(the “**Buyer**”)

WHEREAS the Seller wishes to sell to the Buyer (or a Buyer Nominee) and the Buyer wishes to purchase from the Seller the Purchased Shares, on the terms hereinafter set forth;

AND WHEREAS the Seller Guarantor joins in this Agreement for the specific purpose set forth herein;

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

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

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

- (a) “**2536062**” means 2536062 Ontario Inc. a corporation incorporated under the laws of the Province of Ontario;

- (b) “**Affiliate**” means, with respect to any person, any person which directly or indirectly Controls, or is Controlled by, or is under common Control with, that person;
- (c) “**Agreement**” means this Share Purchase Agreement (including the Schedules hereto), as the same may be amended from time to time in accordance herewith;
- (d) “**AML Legislation**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the United States *Bank Secrecy Act of 1970*, the *USA PATRIOT Act* and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” applicable Laws, whether within Canada, the United States, Mexico or, to the extent applicable to the Seller Guarantor, the Companies and the Seller, elsewhere, including any regulations, guidelines or orders thereunder;
- (e) “**Anti-Corruption Laws**” means the *Corruption of Foreign Public Officials Act* (Canada) and the United States *Foreign Corrupt Practices Act of 1977* and all other laws, rules, and regulations of any jurisdiction applicable to the Seller Guarantor, the Companies and the Seller from time to time concerning or relating to bribery or corruption;
- (f) “**Anti-Trust Approvals**” means any approval, clearance, filing or expiration or termination of a waiting period pursuant to which a transaction would be deemed to be unconditionally approved in relation to the transactions contemplated hereby under any Anti-Trust Law of Mexico is required;
- (g) “**Anti-Trust Laws**” means all Laws, including any antitrust, competition or trade regulation Laws, that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, restraint of trade or lessening or preventing competition through merger or acquisition;
- (h) “**Applicable Securities Laws**” means collectively, the applicable securities laws of the Reporting Jurisdictions, the regulations, rules, rulings and orders made thereunder, the applicable published policy statements issued by the securities commissions thereunder and the rules and policies of the TSX-V;
- (i) “**Arbitrator**” has the meaning set out in Section 2.3(d);
- (j) “**Benefit Plans**” means employee benefit plans, agreements, arrangements or policies, including but not limited to all bonus, dividend, deferred compensation, incentive compensation, share purchase, share appreciation and share option, equity compensation, hospitalization or other medical benefits, life or other insurance, dental, disability, salary continuation, vacation, supplemental unemployment benefits, profit-sharing plans, mortgage assistance, employee loan, employee assistance, pension, retirement or supplemental retirement plan or agreement (including any defined benefit or defined contribution pension plan and any group registered retirement savings plan), and each other employee benefit plan, agreement or arrangement (whether oral or written, formal or informal, funded or

unfunded) sponsored, maintained or contributed to or required to be contributed to by the Seller or any Seller Subsidiary for the benefit of any of the directors, officers or Employees or former directors, officers or employees of any Seller Subsidiary, but for greater certainty does not include employment contracts with individual employees;

- (k) “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia, Canada or Mexico City, Mexico, on which commercial banks in Vancouver, British Columbia and Mexico City, Mexico are open for business;
- (l) “**Buyer**” means Bear Creek Mining Corporation;
- (m) “**Buyer Common Shares**” means common shares in the capital of the Buyer as the same are constituted as at the Execution Date;
- (n) “**Buyer Disclosure Letter**” means the Buyer disclosure letter dated the Execution Date executed by the Buyer and delivered to the Seller and the Seller Guarantor in connection with the execution of this Agreement;
- (o) “**Buyer Financial Statements**” means the audited consolidated financial statements of the Buyer, which comprise the consolidated statements of financial position as at December 31, 2020 and December 31, 2019, and the consolidated statements of income/(loss) and comprehensive income/(loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2020 and December 31, 2019 (including the notes thereto and the report of Buyer’s independent auditor) and the unaudited interim condensed consolidated financial statements of the Buyer, which comprise the interim condensed consolidated statements of financial position as at September 30, 2021 and December 31, 2020, the interim condensed consolidated statements of income/(loss) and comprehensive income/(loss) for the three months ended September 30, 2021 and the nine months ended September 30, 2021, and the interim condensed consolidated statements of cash flows and the interim condensed consolidated statements of changes in equity for the nine months ended September 30, 2021 (including the notes thereto);
- (p) “**Buyer Fundamental Representations**” means the representations and warranties of the Buyer in Sections 6.1, 6.2 and 6.21;
- (q) “**Buyer Nominee**” has the meaning set out in Section 3.15;
- (r) “**Buyer Obligations**” has the meaning set out in Section 3.15(a);
- (s) “**Buyer Subsidiaries**” means the subsidiaries of the Buyer, being those listed in Section 1.1(s) of the Buyer Disclosure Letter;
- (t) “**Canco**” means a new wholly-owned subsidiary of the Seller that is formed pursuant to the Pre-Closing Reorganization;

- (u) “**Claim**” has the meaning set out in Section 8.6(a);
- (v) “**Closing**” means the closing of the transactions contemplated hereby;
- (w) “**Closing Date**” means 10 Business Days after all of the conditions precedent to the completion of this Agreement have been satisfied or waived, or such earlier or later date as may be agreed to in writing by the Parties;
- (x) “**Closing Date Working Capital**” means the Working Capital as at the Closing Date;
- (y) “**Closing Date Working Capital Calculation**” has the meaning set out in Section 2.3;
- (z) “**Companies**” means, collectively, PGM Cayman, PGM Coop and 2536062;
- (aa) “**Company Existing Insurance Policies**” means the insurance policies of the Seller Subsidiaries listed in Section 4.20 of the Seller Disclosure Letter;
- (bb) “**Company Intellectual Property**” means all trade or brand names, business names, trade-marks (including logos), trade-mark registrations and applications, service marks, service mark registrations and applications, copyrights, copyright registrations and applications, issued patents and pending applications and other patent rights, industrial design registrations, pending applications and other industrial design rights, trade secrets, proprietary information and know-how owned or used by the Seller Subsidiaries, together with all rights under licences, registered user agreements, technology transfer agreements and other agreements or instruments relating to any of the foregoing;
- (cc) “**Company Material Property**” means the property known as the Mercedes Mine, located in the State of Sonora, northwest Mexico, as more particularly described in Section 1.1(cc) of the Seller Disclosure Letter;
- (dd) “**Company Material Property Technical Report**” means the technical report publicly filed by the Seller Guarantor with respect to the Company Material Property dated effective December 31, 2020 and signed June 30, 2021;
- (ee) “**Confidentiality Agreement**” means the confidentiality agreement dated August 3, 2021 between the Seller Guarantor and the Buyer;
- (ff) “**Consent**” means a consent, approval, order, authorization, filing, notice or declaration;
- (gg) “**Consideration Shares**” means 24,730,000 Buyer Common Shares;
- (hh) “**Contract**” means any agreement, indenture, contract, lease, deed of trust, royalty, licence, option, instrument, arrangement, understanding or other commitment, whether written or oral;

- (ii) “**Control**” means possession, directly or indirectly, of the power to direct or cause the direction of management and policies through ownership of voting shares, interests or securities, or by contract, voting trust or otherwise; and “**Controlled**” and “**Controlling**” shall have corresponding meanings;
- (jj) “**COVID-19**” means the novel coronavirus, SARS-CoV-2 or COVID-19 (and all related strains and sequences), including any intensification, resurgence or any evolutions or mutations thereof, and/or related or associated epidemics, pandemics, disease outbreaks or public health emergencies;
- (kk) “**COVID-19 Measures**” means measures undertaken by a Party or its subsidiaries to comply with any quarantine, “shelter in place”, “stay at home”, workforce reduction, social distancing, curfew, shut down, closure, sequester, travel restrictions or any other applicable Law, or any other similar directives, guidelines or recommendations issued by any Governmental Authority in connection with or in response to COVID-19;
- (ll) “**Deficiency**” has the meaning set out in Section 2.4(b);
- (mm) “**Direct Claim**” has the meaning set out in Section 8.6(a);
- (nn) “**Employees**” means all individuals employed by any Seller Subsidiary;
- (oo) “**Encumbrance**” means any lien, charge, hypothec, pledge, mortgage, trust, title retention agreement, covenant, condition, lease, license, security interest of any nature, claim, exception, reservation, easement, encroachment, right of occupation, right-of-way, right-of-entry, matter capable of registration against title, option, assignment, right of pre-emption, privilege or any other encumbrance or charge or title defect of any nature whatsoever, regardless of form, whether or not registered or registrable and whether or not consensual or arising by Law, contract or otherwise, or any Contract to create any of the foregoing;
- (pp) “**Environmental Laws**” means all applicable Laws relating to the protection of the environment and includes those relating to pollution, protection, use or conservation of the environment or natural resources, the protection of public health and safety, Hazardous Substances, or the reclamation, rehabilitation, closure or other restoration of mining properties. For greater certainty, an Environmental Law pertaining to the protection, use or conservation of the environment shall include all such Environmental Laws relating to the manufacture, processing, generation, use, treatment, storage, disposal, transport, Release, containment, reclamation, rehabilitation, closure or other restoration of any tailings, waste rock, tailings ponds or Hazardous Substances;
- (qq) “**Exchange Rate**” means daily average exchange rate published by the Bank of Canada calculated two Business Days prior to such exchange.
- (rr) “**Execution Date**” means the date hereof;

- (ss) “**Financing Agreements**” means: (i) the US\$22,500,000 Secured Convertible Debenture dated the date hereof issued by the Buyer to Sandstorm; (ii) the Gold Purchase Agreement dated the date hereof between Sandstorm and the Buyer; and (iii) all ancillary documents and agreements contemplated thereby;
- (tt) “**Governmental Authority**” means any: (i) multinational, national, federal, provincial, state, territorial, municipal, local or other government (whether domestic or foreign); (ii) governmental or quasi-governmental authority of any nature, including any stock exchange or any governmental ministry, agency, branch, department, commission, commissioner, board, tribunal, bureau or instrumentality (whether domestic or foreign); or (iii) body exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power under or for the account of any of the foregoing, including any court, arbitrator or arbitration tribunal;
- (uu) “**Hazardous Substances**” means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, ignitable, corrosive, reactive or deleterious substances, dangerous goods, hazardous, industrial or toxic wastes or substances, tailings, radioactive materials, explosives, petroleum and petroleum products, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation;
- (vv) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (ww) “**Indemnified Party**” has the meaning set out in Section 8.6(a);
- (xx) “**Indemnifying Party**” has the meaning set out in Section 8.6(a);
- (yy) “**Insolvency Laws**” mean, to the extent applicable:
- (i) the *Bankruptcy and Insolvency Act* (Canada);
 - (ii) the *Companies’ Creditors Arrangement Act* (Canada);
 - (iii) the *Winding-up and Restructuring Act* (Canada);
 - (iv) the *United States Bankruptcy Code*;
 - (v) the *Ley de Concursos Mercantiles* (Mexico); and
 - (vi) any other applicable similar federal, provincial, state, local or foreign bankruptcy or insolvency law,
- (zz) “**Key Employee**” means an operational, administrative or financial employee of a Seller Subsidiary who, if such individual’s employment was terminated, would reasonably be expected to adversely impact the operation of the Company Material

Property if such person were not replaced with a person with comparable qualifications and experience;

- (aaa) “**Laws**” means international, national, provincial, state, municipal and local laws (including common and civil law), treaties, statutes, codes, ordinances, judgements, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements enacted, adopted, promulgated or applied by any Governmental Authority in each case having the force of law, and the term “**applicable**” with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or its or their business, undertaking, property or securities;
- (bbb) “**Loss**” or “**Losses**” means all claims, demands, proceedings, fines, losses, damages, liabilities, deficiencies, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties, judgments and amounts paid in settlement) that are actually incurred by an Indemnified Party; provided that “**Loss**” and “**Losses**” shall not include any punitive, exemplary, moral, special or incidental damages of any kind or nature, and any lost profits, revenues, opportunity costs, diminution in, or delayed generation of, value of assets or securities, or damages based upon a multiple of earnings or similar financial measure (even if under applicable Law such lost profits, revenues, opportunity costs, diminution in, or delayed generation of, value of assets or securities, or damages would not be considered special damages);
- (ccc) “**Leased Real Property**” has the meaning set out in Section 4.14(b);
- (ddd) “**Material Adverse Change**” means a change, effect, circumstance or event that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, financial condition or results of operations of the Seller Subsidiaries on a consolidated basis or the Buyer, as the case may be, provided however that no change, effect, circumstance or event, arising from or relating to any of the following, shall be deemed to constitute a Material Adverse Change or shall be taken into account in determining whether a Material Adverse Change has occurred: (i) any change or condition generally affecting the mining industry; (ii) the state of the securities, credit, banking, capital or commodity markets in general; (iii) any change in the price of gold or silver; (iv) any change relating to the rate at which any currency can be exchanged for any other currency; (v) general political, economic or financial conditions, including in Canada or Mexico; (vi) any adoption, implementation, change or proposed change in applicable Laws or IFRS (or in any interpretation of applicable Laws or IFRS), including the COVID-19 Measures; (vii) any natural disaster, terrorist attack, armed hostilities, military conflicts, or any governmental response to any of the foregoing; (viii) the announcement of the execution of this Agreement or the implementation of any of the transactions contemplated herein; (ix) any failure by the Buyer to meet any public estimates or expectations, including estimates or expectations in respect of revenue, earnings or other financial performance or

results of operations for any period; (x) any change or condition resulting from the failure by the Buyer to grant its consent to any of the matters contemplated by Section 3.3; or (xi) any disease outbreaks, pandemic, epidemic or similar health situation, including COVID-19 except in the case of clause (i), (v), (vi) or (xi), where such change, effect, circumstance or event has a materially disproportionate effect on the Seller Subsidiaries or the Buyer, as the case may be, relative to comparable companies operating in the mining industry in the same jurisdiction;

- (eee) “**Material Contract**” means a Contract: (A) which, if terminated or modified or if it ceased to be in effect, would result in a Material Adverse Change; (B) that has annual payment obligations that are in excess of US\$3,000,000; (C) under which a person or party has, directly or indirectly, guaranteed any liabilities or obligations of any other person in excess of US\$3,000,000; (D) that relates to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of US\$3,000,000; (E) that relates to the acquisition or disposition of any material business (whether by merger, sale of stock, sale of assets or otherwise); (F) which is a lease, sublease, licence or right of way or occupancy agreement for real property necessary to access the Mining Rights for Operations or that has annual payment in excess of US\$3,000,000; (G) providing for the establishment, organization or formation of any joint venture; (H) that materially limits or restricts a person from engaging in any line of business, in any geographic area or with any other person, or from engaging in any merger, consolidation or other business combination; (I) which is a shareholders agreement, registration rights agreement, voting trust, proxy or similar agreement, arrangement or commitment with respect to any shares or other equity interests of a person or its subsidiaries or any other Contract relating to disposition, voting or dividends with respect to any shares or other equity securities of the person or any of its subsidiaries; (J) which is a contractual royalty, production payment, net profits, earn-out, streaming agreement or similar agreement that has a value in excess of US\$3,000,000; (K) providing for indemnification by a person or its subsidiaries of another person, other than Contracts for goods or services, Contracts with directors or officers of the person or its subsidiaries in their capacity as such or Contracts which provide for indemnification obligations of less than US\$3,000,000; (L) that is a material agreement with a Governmental Authority, or an agreement with any indigenous group or ejido, or other organizations with authority to represent such groups; (M) that is an interest rate, currency, equity or commodity swap, hedge, derivative, forward sales contract or similar financial instrument which has a value in excess of US\$3,000,000; or (N) that is otherwise material to a person and its subsidiaries considered as a whole;
- (fff) “**Mexican Governmental Royalties**” means mining Taxes payable in accordance with Article 263, 268 and 270 of the Mexican Federal Duties Law, stating: (i) a mining duty (*derecho sobre mineria*) payable on a semi-annual basis calculated based on the size of the relevant mining claim and its date of issuance, (ii) a mining duty (*derecho especial sobre mineria*) payable on a yearly basis of a 7.5 per cent of the income of the sale of the minerals extracted from a mining concession minus the authorized deductions and (iii) a mining duty (*derecho extraordinario sobre*

mineria) payable on a yearly basis of a 0.5 per cent of the income for the sale of gold, silver or platinum minerals;

- (ggg) “**Mine Assets**” means the Mining Rights, the Owned Real Property, the Leased Real Property, the Personal Property, marketable metal bearing material in whatever form or state (including gold) that is mined, produced, extracted or otherwise recovered from the Mining Rights and all other present and after-acquired real or personal property, used or acquired for use by the Owner in connection with the Operations;
- (hhh) “**Mining Rights**” has the meaning set out in Section 4.12(a);
- (iii) “**Minimum Loss Amount**” means the sum of US\$1,500,000;
- (jjj) “**Money Laundering Laws**” has the meaning set out in Section 4.30(c);
- (kkk) “**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;
- (lll) “**Notice of Claim**” has the meaning set out in Section 8.6(a);
- (mmm) “**NSR**” has the meaning set out in Section 2.2(d);
- (nnn) “**NSR Agreement**” has the meaning set out in Section 2.2(d);
- (ooo) “**OFAC**” means The Office of Foreign Assets Control of the US Department of the Treasury;
- (ppp) “**Operations**” means all activities of whatever kind or nature conducted in connection with operation of a person’s business, including in the case of the Owner the operation of the Company Material Property;
- (qqq) “**Order**” means orders, injunctions, judgments, decisions, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any court Governmental Authority or arbitrator;
- (rrr) “**Outside Date**” means March 31, 2022, or such other date that the Seller and the Buyer may agree upon in writing;
- (sss) “**Owned Real Property**” has the meaning set out in Section 4.14(a);
- (ttt) “**Owner**” means Minera Mercedes Minerales, S. de R.L. de C.V., a company existing under the laws of Mexico, and owner of the Company Material Property;
- (uuu) “**Parties**” means collectively the Seller, the Seller Guarantor and the Buyer and “**Party**” means a party to this Agreement;

- (vvv) “**Permits**” means all permits, licenses, leases, registrations, qualifications, certifications and other approvals required under applicable Laws from a Governmental Authority;
- (www) “**Permitted Encumbrances**” means: (i) any inchoate right, lien or interest of a Governmental Authority; (ii) Encumbrances for Taxes not yet due and payable and accrued in the ordinary course of business; (iii) Mexican Governmental Royalties (iv) statutory Encumbrances in favour of municipalities or public utilities; (v) servitudes, easements or other similar real property rights or rights of way, as well as encroachments and other minor imperfections of title which do not impair, detract from the value of or impair the use of the property in any material respect; (vi) with respect to the Seller Subsidiaries, the owned Real Property and the Leased Real Property, the Encumbrances listed in Section 1.1(www) of the Seller Disclosure Letter; and (vii) with respect to the Buyer, the Encumbrances listed in Section 1.1(www) of the Buyer Disclosure Letter;
- (xxx) “**person**” means and includes any individual, corporation or other body corporate, partnership, trustee, trust or unincorporated association, joint venture, syndicate, sole proprietorship, other form of business enterprise, executor, administrator or other legal representatives, regulatory body or agency or Governmental Authority, however designated or constituted;
- (yyy) “**Personal Property**” has the meaning set out in Section 4.14(c);
- (zzz) “**PGM Cayman**” means Premier Gold Mines (Cayman) Ltd., a corporation incorporated under the laws of the Cayman Islands;
- (aaaa) “**PGM Coop**” means Premier Gold Mines (Netherlands) Coopertie U.A., a cooperative existing under the laws of the Netherlands;
- (bbbb) “**Pre-Closing Reorganization**” means those transactions described in Section 1.1(bbbb) of the Seller Disclosure Letter, subject to such amendments agreed to by the Parties.
- (cccc) “**Proceeding**” means any action, claim, demand, lawsuit, assessment, hearing, arbitration, judgment, award, decree, order, injunction, prosecution or other similar proceeding;
- (dddd) “**Public Disclosure Documents**” means, collectively, all of the documents which have been filed by or on behalf of the Buyer with the relevant securities regulators pursuant to the requirements of Applicable Securities Laws since December 31, 2019, including all such documents publicly available on the Buyer’s SEDAR profile;
- (eeee) “**Purchase Price**” has the meaning set out in Section 2.2;
- (ffff) “**Purchased Shares**” means:

- (i) the voting securities of each of the Companies, as set forth in Section 1.1(ffff)(i) of the Seller Disclosure Letter; or
 - (ii) if the Seller effects a Pre-Closing Reorganization pursuant to Section 3.18, the voting securities of Canco, as set forth in Section 1.1(ffff)(ii) of the Seller Disclosure Letter;
- (gggg) “**Release**”, when used as a verb, includes release, spill, leak, emit, deposit, discharge, pump, pour, inject or dispose of into the environment or any other similar act, however defined in applicable Environmental Laws, and the term “**Release**” when used as a noun has a correlative meaning;
- (hhhh) “**Reporting Jurisdictions**” means all of the provinces and territories of Canada except for the Province of Québec;
- (iiii) “**Restricted Cash**” means cash, cash equivalents and marketable securities held by a Seller Subsidiary or held on deposit or otherwise segregated that are subject to binding contractual or legal obligations that result in such cash, cash equivalents or marketable securities being not otherwise generally available for use by such Seller Subsidiary, and excludes all cash collateral securing any letter of credit;
- (jjjj) “**Sanctioned Entity**” means (i) a country or a government of a country, (ii) an agency of the government of a country, (iii) an organization directly or indirectly controlled by a country or its government, (iv) a person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC or by any Canadian Governmental Authority;
- (kkkk) “**Sanctioned Person**” means (i) any person listed in any sanctions-related list of designated persons maintained by any Canadian Governmental Authority, or (ii) a person named on the list of Specially Designated Nationals maintained by OFAC;
- (llll) “**Sandstorm**” means Sandstorm Gold Ltd.;
- (mmmm) “**Security Documents**” means, collectively, the guarantees, the share pledge agreements, the assignment, subordination and postponement of claims, and any other security agreement, instrument or document of any of the Seller Subsidiaries contemplated under the Financing Agreements;
- (nnnn) “**Seller**” means Premier Gold Mines Limited;
- (oooo) “**Seller Consents**” means the consents, approvals, orders, authorizations, declarations and filings set out in Section 3.11 of the Seller Disclosure Letter;
- (pppp) “**Seller Disclosure Letter**” means the Seller disclosure letter dated the Execution Date executed by the Seller and delivered to the Buyer in connection with the execution of this Agreement;

- (qqqq) “**Seller Financial Statements**” means the unaudited internal financial statements of each of Minera Mercedes Minerales, S. de R.L. de C.V., Premier Mining Mexico S. de R.L. de C.V., Mercedes Gold Holdings, S.A. de C.V., Premier Gold Mines Netherlands B.V., Premier Gold Mines Netherlands Cooperatie U.A. and Premier Gold Mines (Cayman) Ltd., in respect of the fiscal period ended December 31, 2020, attached as Section 1.1(qqqq) to the Seller Disclosure Letter;
- (rrrr) “**Seller Fundamental Representations**” means the Seller’s representations and warranties in Sections 4.1, 4.2, 4.5, 4.23(f), and 4.33;
- (ssss) “**Seller Guarantor**” means Equinox Gold Corp.;
- (tttt) “**Seller Guarantor Obligations**” has the meaning set out in Section 3.16(a);
- (uuuu) “**Seller Subsidiaries**” means: (i) each of the Companies; (ii) each of the subsidiaries wholly owned by them, directly or indirectly, being Minera Mercedes Minerales, S. de R.L. de C.V., Premier Mining Mexico S. de R.L. de C.V., Mercedes Gold Holdings, S.A. de C.V., Premier Gold Mines Netherlands B.V. and “**Seller Subsidiary**” means any one of such entities; and (iii) if the Seller effects a Pre-Closing Reorganization pursuant to Section 3.18, Canco as at the Closing Date;
- (vvvv) “**Shareholders’ Agreement**” means the shareholders’ agreement between Seller and the Buyer, substantially in the form set out in Schedule “C”;
- (wwww) “**Specified Matters**” means the Proceedings listed in Section 1.1(wwww) of the Seller Disclosure Letter, and all related or ancillary Proceedings, and any payments listed in Section 1.1(wwww) of the Seller Disclosure Letter;
- (xxxx) “**Surplus Amount**” has the meaning set out in Section 2.4(c);
- (yyyy) “**Target Working Capital**” means the sum of \$1,500,000;
- (zzzz) “**Tax**” or “**Taxes**” means all foreign, federal, national, provincial, state, city or municipal taxes, levies, duties, assessments, reassessments and other charges of any nature whatsoever, including income tax, profits tax, capital gains tax, gross receipts tax, corporation tax, mining tax, royalties, sales and use tax, wage tax, payroll tax, workers’ compensation levy, capital tax, stamp duty, real and personal property tax, land transfer tax, customs or excise duty, excise tax, turnover or value added tax on goods sold or services rendered, goods and services tax, withholding tax, social security, government pension plan and employment insurance charges or retirement contributions taxes imposed or levied on the use and exploitation of public domain natural resources or for public services; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer or gains taxes; license, registration and documentation fees; customs duties, tariffs and similar charges; and all other taxes of any kind for which the Seller, the Seller Subsidiaries or the Buyer may have any liability imposed by any Governmental Authority, whether disputed or not, and any charges, interest or penalties imposed by any

Governmental Authority in connection therewith and any interest, penalties or other additions to tax;

- (aaaaa) “**Tax Act**” means the *Income Tax Act* (Canada);
- (bbbbb) “**Tax Return**” means any return (including any information return), report, statement, schedule, notice, form, declaration, claim for refund or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any legal requirement relating to any Tax;
- (ccccc) “**Third Party**” has the meaning set out in Section 8.10(d);
- (dddd) “**Third Party Claim**” has the meaning set out in Section 8.6(a);
- (eeee) “**Threshold Amount**” means the sum of US\$15,000,000;
- (ffff) “**Time of Closing**” means 6:00 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as may be agreed to in writing by the Seller and the Buyer;
- (ggggg) “**Transition Services**” has the meaning set out in Section 3.19(b);
- (hhhhh) “**Transition Services Agreement**” has the meaning set out in Section 3.19(d);
- (iiii) “**TSA Project Manager**” has the meaning set out in Section 3.19(a);
- (jjjj) “**TSX-V**” means the TSX Venture Exchange;
- (kkkkk) “**VAT Refund**” means any refund due and owing pursuant to applicable Law by the Servicio de Administración Tributaria to a Seller Subsidiary in respect of value added Tax; and
- (llll) “**Working Capital**” means the sum of all cash, which shall not be less than US\$1,500,000, cash equivalents and marketable securities, other than Restricted Cash PLUS all current accounts receivable related to metal sales, PLUS current metals inventory (excluding spare parts and supplies), prepaid expenses and deposits, LESS trade accounts payable and current accrued liabilities, including current taxes payable, current severance bonuses, current legal contingencies, current labour related accruals and current third party goods and services received and not yet invoiced but excluding long term severance liabilities.

1.2 Rules of Construction

In this Agreement:

- (a) the terms “**Agreement**”, “**this Agreement**”, “**the Agreement**”, “**hereto**”, “**hereof**”, “**herein**”, “**hereby**”, “**hereunder**” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “**Article**”, “**Section**” or “**Schedule**” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;
- (c) the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa;
- (e) unless otherwise indicated, any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- (f) the words “**include**”, “**includes**” and “**including**” mean “include”, “includes” or “including”, in each case, “without limitation”;
- (g) the word “**or**” includes “**and/or**”;
- (h) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (i) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (j) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.

1.3 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in United States dollars.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Knowledge

References in this Agreement to; (i) “**the knowledge of the Seller**” means the actual knowledge of Doug Reddy and Peter Hardie after making diligent inquiry of other responsible officers and employees of the Seller and the Seller Subsidiaries to inform themselves as to the relevant matters; and (ii) “**the knowledge of the Buyer**” means the actual knowledge of Anthony Hawkshaw and Paul Tweddle after making diligent inquiry of other responsible officers and employees of the Buyer to inform themselves as to the relevant matters; but, in each case, without the requirement to make any inquiries of third parties or Governmental Authorities or to perform any search of any public registry office or system.

1.6 Schedules

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

- Schedule “A” - Organizational Chart of the Companies
- Schedule “B” - Form of NSR Agreement
- Schedule “B” - Form of Shareholders’ Agreement

ARTICLE 2

TRANSFER OF PURCHASED SHARES AND CLOSING ARRANGEMENTS

2.1 Transfer of Purchased Shares

Subject to the terms and conditions hereof, at the Time of Closing: (i) the Seller shall sell, assign and transfer to the Buyer (or a Buyer Nominee) and the Buyer (or a Buyer Nominee) shall purchase from the Seller the Purchased Shares, free and clear of all Encumbrances, for the Purchase Price, which shall be paid as set out in Section 2.2.

2.2 Purchase Price

The purchase price (the “**Purchase Price**”) for the Purchased Shares shall be satisfied as follows:

- (a) At the Time of Closing, the Buyer shall deliver to the Seller cash in the amount of US\$75 million (the “**First Cash Payment**”) by wire transfer of immediately available funds to an account designated by the Seller;
- (b) On or before the six-month anniversary of the Closing Date, the Buyer shall deliver to the Seller cash in the amount of US\$25 million (the “**Second Cash Payment**”) by wire transfer of immediately available funds to an account designated by the Seller;

- (c) At the Time of Closing, the Buyer shall issue from treasury and deliver to the Seller a direct registration statement representing the Consideration Shares;
- (d) At the Time of Closing, the Buyer shall deliver to the Seller a net smelter returns royalty (“**NSR**”) agreement in the form set out in Schedule “B” (the “**NSR Agreement**”) duly executed by the parties thereto, with such revisions, as necessary, contemplated by Section 2.2(d) of the Seller Disclosure Letter.

The Seller acknowledges that the Consideration Shares are subject to a statutory four month hold period under Applicable Securities Laws and any certificate or written notice delivered to the Seller in respect of its ownership of the Consideration Shares and any certificates or written notices issued in exchange or substitution thereof, if issued prior to the date that is four months plus one day from the Closing Date, shall bear the applicable legend(s) provided for under the Applicable Securities Laws.

2.3 Working Capital Adjustment

- (a) Within 30 calendar days following the Closing Date, the Buyer shall deliver to the Seller a calculation of the Closing Date Working Capital (the “**Closing Date Working Capital Calculation**”). For the purpose of preparing the Closing Date Working Capital Calculation, the Seller Guarantor agrees to grant the Buyer’s authorized representatives reasonable access to relevant records, facilities and personnel of the Seller Guarantor or its Affiliates.
- (b) The Seller shall review the Closing Date Working Capital Calculation within 20 Business Days of the Closing Date Working Capital Calculation. For the purpose of such review, the Buyer agrees to permit and to cause its auditors to permit the Seller and its authorized representatives to examine all working papers, schedules and other documentation used or prepared by the Buyer or Buyer’s auditors. If no objection to the Closing Date Working Capital Calculation is given to the Buyer by the Seller within such 20 Business Day period, the Closing Date Working Capital Calculation shall be deemed to have been approved as of the last day of such 20 Business Day period.
- (c) If the Seller objects to the Closing Date Working Calculation within such 20 Business Day period by giving notice to the Buyer setting out in reasonable detail the nature of such objection, the parties agree to attempt to resolve the matters in dispute within 15 days from the date the Seller gives such notice to the Buyer. If all matters in dispute are resolved by the parties, the Closing Date Working Capital Calculation shall be modified to the extent required to give effect to such resolution and shall be deemed to have been approved as of the date of such resolution.
- (d) If the parties cannot resolve all matters in dispute within such 15-day period, all unresolved matters shall be submitted to Ernst & Young LLP or such other nationally recognized accounting firm as the Buyer and the Seller may mutually agree upon in writing, acting reasonably, for resolution (the “**Arbitrator**”), and the Arbitrator shall be given access to all materials and information reasonably

requested by it for such purpose. The rules and procedures to be followed in the arbitration proceedings shall be determined by the Arbitrator in its discretion. The Arbitrator's determination of all such matters shall be final and binding on both parties and shall not be subject to appeal by either party. Where the Arbitrator determines that the Closing Date Working Capital should be increased by more than 10% from the amount contemplated in the Closing Date Working Capital Calculation delivered by the Buyer to the Seller, the Buyer shall pay all fees, costs and expenses of the Arbitrator in resolving the dispute, otherwise such fees, costs and expenses shall be the responsibility of the Seller.

2.4 Adjustment to Closing Date Payment

After the Closing Date Working Capital Calculation is deemed to have been approved in accordance with Section 2.3:

- (a) if the Closing Date Working Capital is equal to the Target Working Capital, no adjustment shall be made to the Purchase Price;
- (b) if the Target Working Capital exceeds the Closing Date Working Capital, the Purchase Price shall be reduced by all of such amount (the "**Deficiency**") and the Seller Guarantor shall pay the Deficiency to the Buyer within five Business Days by wire transfer of immediately available funds to an account designated by the Buyer; and
- (c) if the Closing Date Working Capital exceeds the Target Working Capital, the Purchase Price shall be increased by all of such amount (the "**Surplus Amount**"), and the Buyer shall pay the Surplus Amount to the Seller within five Business Days by wire transfer of immediately available funds to an account designated by the Seller.

2.5 Closing Date

Subject to compliance with the terms and conditions hereof, the transfer of the Purchased Shares shall be deemed to take effect as at the Time of Closing on the Closing Date or on such other date as the Seller and the Seller Guarantor on the one hand and the Buyer on the other hand, may mutually determine, provided that the Closing Date shall occur no later than the Outside Date.

2.6 Place of Closing

The Closing shall take place at the offices of Borden Ladner Gervais LLP, counsel to the Buyer, at 1200 Waterfront Centre, 200 Burrard St., Vancouver, British Columbia, V7X 1T2.

2.7 Delivery of Closing Documentation from the Seller to the Buyer

At the Time of Closing, the Seller shall deliver or cause to be delivered to the Buyer:

- (a) a certificate of status for the Seller;

- (b) a certificate of status for each of the Companies and Premier Gold Mines Netherlands B.V;
- (c) the merchant folio issued by the public registry of commerce in Mexico for each of the Owner and Premier Mining Mexico S. de R.L. de C.V.;
- (d) a certificate from a senior officer of the Seller certifying: (i) the incumbency of certain officers of the Seller; and (ii) the resolutions of the board of directors of the Seller relating to this Agreement and the transactions contemplated hereby;
- (e) the certificates contemplated by Sections 7.2(a) and (b);
- (f) certificates representing the Purchased Shares, duly endorsed for transfer, executed and delivered by the Seller;
- (g) the NSR Agreement, duly executed and delivered by the Seller;
- (h) the Shareholders' Agreement, approved, executed and delivered by the Seller;
- (i) the Seller Consents;
- (j) a release from the Seller in favour of the Seller Subsidiaries, releasing and discharging the Seller Subsidiaries from and against all claims, demands, damages, debts, liabilities, obligations, costs, expenses, actions and causes of action (excluding those under or pursuant to the NSR Agreement) to the extent arising prior to Closing out of the Seller Subsidiaries and the Mine Assets, in a form satisfactory to the Buyer and the Seller, acting reasonably, duly executed by the Seller Subsidiaries and the Seller;
- (k) a written resignation and an executed mutual release from each director and officer of the Seller Subsidiaries, substantially in a form to be agreed by the Seller and the Buyer, acting reasonably, such resignations and releases to be effective as at the Closing Date, and duly executed terminations of all powers of attorney granted to such directors and officers; and
- (l) all minute books, corporate records and share transfer books or equivalent of the Seller Subsidiaries.

2.8 Delivery of Closing Documentation from the Seller Guarantor to the Buyer

At the Time of Closing, the Seller Guarantor shall deliver or cause to be delivered to the Buyer:

- (a) a certificate from a senior officer of the Seller Guarantor certifying: (i) the constating documents of the Seller Subsidiaries; (ii) the incumbency of the certain officers of the Seller Guarantor and the Seller Subsidiaries; and (iii) the resolutions of the board of directors of the Seller Guarantor relating to this Agreement and the transactions contemplated hereby;

- (b) the certificate contemplated by Section 7.2(c); and
- (c) a release from the Seller Guarantor in favour of the Seller Subsidiaries, releasing and discharging the Seller Subsidiaries from and against all claims, demands, damages, debts, liabilities, obligations, costs, expenses, actions and causes of action (excluding those under or pursuant to the NSR Agreement) to the extent arising prior to Closing out of the Seller Subsidiaries and the Mine Assets, in a form satisfactory to the Buyer and the Seller Guarantor, acting reasonably, duly executed by the Seller Subsidiaries and the Seller Guarantor.

2.9 Delivery of Closing Documentation to the Seller

At the Time of Closing, the Buyer shall deliver to the Seller:

- (a) the First Cash Payment in accordance with Section 2.2, by wire transfer to an account as directed by the Seller;
- (b) certificates registered in the name of the Seller representing the Consideration Shares, duly endorsed for transfer, executed and delivered by the Buyer;
- (c) a certificate of status (or equivalent thereof) for the Buyer;
- (d) a certificate from a senior officer of the Buyer certifying: (i) the constating documents of the Buyer; (ii) the incumbency of certain officers of the Buyer; and (iii) any applicable corporate authorizations of the Buyer relating to this Agreement and the transactions contemplated hereby, including without limitation, the issuance of the Consideration Shares;
- (e) proof acceptable to the Seller and its counsel, acting reasonably, of the due approval of the TSX-V to the issuance by the Buyer of the Consideration Shares;
- (f) a legal opinion, in form and content acceptable to the Seller and its counsel, acting reasonably, subject to acceptable qualifications and assumptions as to, among other things, securities matters concerning the issuance of the Consideration Shares;
- (g) the certificates contemplated by Sections 7.3(a), (b) and (c);
- (h) the Shareholders' Agreement, approved, executed and delivered by the Buyer;
- (i) the NSR Agreement, duly executed and delivered by Minera Mercedes Minerales S. de R.L. de C.V., the royalty grantor;
- (j) evidence of receipt of the Anti-Trust Approvals; and
- (k) releases from the Seller Subsidiaries in favor of the Seller, releasing and discharging the Seller from and against all claims, demands, damages, debts, liabilities, obligations, costs, expenses, actions and causes of action (excluding those under or pursuant to the NSR Agreement) to the extent arising prior to

Closing out of the Seller Subsidiaries and the Assets, in a form satisfactory to the Buyer and the Seller, acting reasonably, duly executed by the Seller Subsidiaries and the Seller;

2.10 Consideration Shares

The Seller acknowledges and agrees that:

- (a) no prospectus has been filed with any Governmental Authority in connection with the acquisition and sale of the Consideration Shares, and the Seller is acquiring the Consideration Shares pursuant to an exemption from the prospectus requirements under Applicable Securities Laws and, as a consequence: (i) it is restricted from using most of the civil remedies available under Applicable Securities Laws; (ii) it may not receive information that would otherwise be required to be provided to it under Applicable Securities Laws; and (iii) the Buyer is relieved of certain obligations that would otherwise apply under Applicable Securities Laws
- (b) the Seller is acquiring the Consideration Shares as principal (as defined in Applicable Securities Laws) for its own account, and not for the benefit of any other person;
- (c) the Seller understands and acknowledges that the Consideration Shares will be subject to certain resale restrictions under Applicable Securities Laws and the Corporate Placee Registration Form, if applicable, and the Seller agrees to comply with such restrictions. The Seller also acknowledges that it has been advised to consult its own legal advisors with respect to applicable resale restrictions and that it is solely responsible (and the Buyer is not in any manner responsible) for complying with such restrictions; and
- (d) certificates and direct registration statements representing this Consideration Shares shall bear the following legends, subject to such amendment or changes as shall be approved by the Buyer or required under Applicable Securities Laws:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [the date which is four months and a day after the Closing Date]

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [the date which is four months and a day after the Closing Date]”.

ARTICLE 3
COVENANTS OF THE PARTIES

3.1 Actions to Satisfy Closing Conditions

Each Party shall: (a) take all such reasonable actions as are within its power and otherwise use all commercially reasonable efforts so as to: (i) ensure compliance with the conditions set forth in Article 7; (ii) cause the Closing to occur as promptly as reasonably practicable following the date hereof; and (b) not take or agree to take any action that would reasonably be expected to delay or prevent the consummation of the transactions contemplated by this Agreement.

3.2 Anti-Trust Approvals

- (a) the Seller and the Buyer shall make, as promptly as reasonably practicable and in any event within 20 Business Days after the date hereof, all necessary or advisable filings, notifications and other submissions, including in draft where required, with respect to the transactions contemplated in this Agreement as are required to obtain the Anti-Trust Approvals. Each of the Seller and the Buyer shall use its commercially reasonable efforts to obtain and maintain the Anti-Trust Approvals.
- (b) the Seller and the Buyer shall co-operate with one another in connection with obtaining the Anti-Trust Approvals and shall: (i) give each other reasonable advance notice of all meetings or other oral communications with any Governmental Authority relating to the Anti-Trust Approvals; (ii) not participate independently in any such meeting or other oral communication without first giving the other Party (or the other Party's outside counsel) an opportunity to attend and participate in such meeting or other oral communication, unless otherwise required or requested by such Governmental Authority; (iii) if any Governmental Authority initiates an oral communication regarding the Anti-Trust Approvals, promptly notify the other Party of the substance of such communication; (iv) subject to applicable Laws relating to the exchange of information, provide each other with a reasonable advance opportunity to review and comment upon and consider in good faith the views of the other in connection with all written communications (including any filings, notifications, submissions, analyses, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any Party) with a Governmental Authority regarding the Anti-Trust Approvals; and (v) promptly provide each other with copies of all written communications to or from any Governmental Authority relating to the Anti-Trust Approvals.
- (c) The Buyer will promptly notify the Seller and the Seller will promptly notify the Buyer upon:
 - (i) becoming aware of any Order or any complaint requesting an Order restraining or enjoining the execution of this Agreement or the consummation of the transactions contemplated under this Agreement; or
 - (ii) receiving any notice from any Governmental Authority of its intention:

- (A) to institute a suit or proceeding to restrain or enjoin the execution of this Agreement or the consummation of the transactions contemplated by this Agreement; or
 - (B) to nullify or render ineffective this Agreement or such transactions if consummated.
- (d) Each of the Seller and Buyer shall bear their own costs with respect to any requisite filing fees and applicable Taxes in relation to any filing or application made in respect of the Anti-Trust Approvals.
 - (e) Notwithstanding any requirement in this Section 3.2 in connection with obtaining the Anti-Trust Approvals, where a Party is required under this Section 3.2 to provide information to another Party that the disclosing Party deems to be competitively sensitive information, the disclosing Party may restrict the provision of such competitively sensitive information only to the internal legal counsel and external legal counsel of the receiving Party, provided that the disclosing Party also provides a redacted version to the receiving Party.

3.3 Conduct of Business of the Seller Subsidiaries

Other than: (i) as expressly required or permitted by this Agreement; (ii) as required pursuant to applicable Laws; (iii) as set out in the Seller Disclosure Letter (including the Pre-Closing Reorganization); (iv) actions required to reasonably and prudently respond to an emergency or disaster (including the right to take forthwith any action required to ensure the safety and integrity of Operations and the Employees and if any such actions shall be taken, the Seller shall forthwith advise the Buyer in writing of same, with full particulars); or (v) as consented to in writing by the Buyer (such consent not to be unreasonably withheld, delayed or conditioned), during the period of time from the Execution Date to and including the Closing Date, the Seller shall:

- (a) cause the Seller Subsidiaries to conduct their business in the ordinary and normal course of business, all with a view to ensuring that Operations of the Company Material Property are consistent with past practices.
- (b) ensure that the Seller Subsidiaries shall not: (i) amend or modify their charter documents; (ii) alter the terms and conditions of the any of their securities (including any share split or conversion or exchange of securities for other securities or property); or (iii) create, authorize or agree to issue or grant any equity securities or securities convertible into or exchangeable or exercisable for their equity securities;
- (c) ensure that the Seller Subsidiaries shall not declare, set aside or pay any cash dividend or non-cash distribution or payment (whether in securities or property) in respect of any of their securities of any class;
- (d) ensure that the Seller Subsidiaries shall not acquire any business;

- (e) ensure that none of the Seller Subsidiaries shall reorganize, restructure, recapitalize, merge, combine, consolidate or amalgamate with any person;
- (f) ensure that none of the Seller Subsidiaries shall sell, transfer, dispose of, lease, encumber, relinquish, abandon, grant any option to purchase or right of first offer/refusal over any Mine Assets, except for the sale of inventory in the ordinary course of business;
- (g) not, and ensure that the Seller Subsidiaries shall not, make any material change to the Operations of the Company Material Property as contemplated in the draft program and budget provided to the Buyer;
- (h) ensure that none of the Seller Subsidiaries shall enter into any Material Contract, other than in the ordinary course of business consistent with past practice;
- (i) ensure that the Seller Subsidiaries shall not waive, release, grant or transfer any material rights, claims or benefits under, or otherwise modify or change, any existing Material Contract or Permit, other than in the ordinary course of business consistent with past practice or as required by applicable Law or the terms of any such Material Contract or Permit;
- (j) not, and ensure that the Seller Subsidiaries shall not, take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Authority to institute proceedings for the suspension, revocation or limitation of rights under, any material Permit;
- (k) ensure that the Seller Subsidiaries not shall enter into or amend any collective agreement with the Employees;
- (l) ensure that the Seller Subsidiaries shall not grant to any Employee an increase in compensation, except in the ordinary course of business and consistent with past practice or as is necessary to comply with applicable Laws or an existing employment or services agreement;
- (m) ensure that the Seller Subsidiaries shall not hire any new Employee or dismiss any Employee whose annual aggregate compensation is in excess of US\$80,000, except: (i) the termination of any Employee for cause; or (ii) the hiring of any person to fill an existing vacancy or to replace any Employee that has resigned or has been terminated;
- (n) ensure that the Seller Subsidiaries shall not, without cause, dismiss any Key Employee and shall provide prompt notice to the Buyer of any resignation, injury, disability or death of any Key Employee;
- (o) except for those Employees set forth in Section 3.3(o) of the Seller Disclosure Letter, ensure that the Seller or its Affiliates shall not: (i) induce or endeavour to induce any Employee to leave his or her employment, whether or not such

Employee would breach his or her contract of employment by doing so; or
(ii) employ or attempt to employ or assist any person to employ any Employee;

- (p) ensure that the Seller Subsidiaries shall not make any material change in their methods of accounting, except as required by IFRS;
- (q) ensure that the Seller Subsidiaries shall not make or change any material Tax election, designation or Tax Return, change any annual tax accounting period, adopt or change any method of Tax accounting, enter into any closing agreement with respect to a material amount of Taxes or settle any material Tax claim, audit or assessment;
- (r) ensure that the Seller Subsidiaries shall not: (i) incur any indebtedness for borrowed money other than short-term indebtedness, letters of credit or sureties in the ordinary course of business consistent with past practice; (ii) incur any indebtedness for borrowed money other than short-term indebtedness, letters of credit or sureties in the ordinary course of business; and (iii) grant any additional security over any Assets to any lender;
- (s) ensure that the Seller Subsidiaries shall not: (i) make any loans or advances to any person or assume or guarantee the liabilities of any person other than in the ordinary course of business; or (ii) make any loans or advances to any person or assume or guarantee the liabilities of any person other than in the ordinary course of business;
- (t) ensure that the Seller Subsidiaries shall not, except in the ordinary course of business, settle, offer or propose to settle, compromise, assign or release any material Proceeding;
- (u) ensure that the Seller Subsidiaries shall not enter into any agreement creating a joint venture or partnership or effecting a business combination or other similar arrangement with another person;
- (v) not, and shall ensure that neither any of its Affiliates nor its or their respective representatives will solicit, encourage, or enter into any letter of intent, contract or other agreement with any person (other than the Buyer) concerning any offers to purchase, directly or indirectly, equity securities or all or substantially all of the assets of any Seller Subsidiaries or the Company Material Property including any joint venture or royalty transaction or similar arrangement, and neither the Seller nor any its Affiliates nor its or their respective representatives will initiate or participate in any discussions or negotiations with any person (other than the Buyer) with respect to any such transactions or similar transactions, during the period commencing on the date hereof and ending on the earlier of: (i) the termination of this Agreement, (ii) or the Outside Date;
- (w) except for such intercorporate indebtedness forth in Section 3.3(w) of the Seller Disclosure Letter, ensure that all intercorporate indebtedness as among the Seller Guarantor and its Affiliates (which Affiliates exclude the Seller Subsidiaries) on the one hand, and the Seller Subsidiaries, on the other hand, are settled in full, such

that as at Closing, there shall be no intercorporate indebtedness owing as between such two groups of entities (it being understood and agreed that nothing in this Section 3.3 shall prevent the foregoing from being done); and

- (x) ensure that the Seller Subsidiaries shall not attempt or agree to do any of the foregoing matters listed in paragraphs (b) through (w) above, as applicable.

3.4 Notice of Certain Events

The Seller and the Buyer agree that, subject to applicable Laws, each shall provide the other prompt notice in writing of:

- (a) any notice or communication from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement;
- (b) any material notice or communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;
- (c) any material Proceeding commenced or threatened against it which relates to the consummation of the transactions contemplated by this Agreement; and
- (d) any failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied under this Agreement;

and copies of all documents related thereto, provided that the giving of any such notice shall not in any way change or modify the representations and warranties of the Seller or the Buyer, or any conditions in favour of the Seller or the Buyer, contained in this Agreement or otherwise affect the remedies available to the Seller or the Buyer, under this Agreement.

3.5 Access

Upon reasonable notice and subject to applicable Law and the Confidentiality Agreement and provided it would not unreasonably interfere with the business and affairs of the Seller Subsidiaries taken as a whole, the Seller agrees to, and to cause the Seller Subsidiaries to, provide the Buyer, the Buyer's financing provider, Sandstorm Gold Ltd, and their authorized representatives with reasonable access during regular business hours to: (a) all books, records and information relating to the Seller Subsidiaries in the Seller's or any of its Affiliates' possession and control; and (b) at the sole risk of the Buyer, the Company Material Property. Notwithstanding the foregoing, the Buyer shall not have access to personnel records of the Seller Subsidiaries relating to individual performance or evaluation records, medical histories or other information which in the Seller's opinion, acting in good faith, is sensitive or the disclosure of which could subject the Seller or any Seller Subsidiary to risk of liability. The Buyer acknowledges and agrees that information furnished pursuant to this Section 3.5 shall be subject to the terms and conditions of the Confidentiality Agreement.

3.6 Public Statements

Each Party shall consult with the other Parties prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the transactions contemplated by this Agreement and shall provide the other Parties with a reasonable period of time to review and comment on all such press releases or statements prior to the release thereof. To the extent that any such press release or public statement is required by applicable Law, by a rule of a stock exchange on which a Party's shares (or those of any of its Affiliates) are listed or traded or by a Governmental Authority, the press release or public announcement shall be issued or made after consultation with the other Parties and after taking into account the other Parties' comments. If such advance consultation is not reasonably practicable or legally permitted, to the extent permitted by applicable Law, the disclosing Party shall provide the other Parties with a copy of any written disclosure made by such disclosing Party as soon as practicable thereafter.

3.7 Name and Logo

As soon as reasonably practicable, and in any event within 30 days following the Time of Closing, the Buyer shall cause the Seller Subsidiaries to cease using in any manner, including on signage, stationery, websites, social media and marketing materials, the name "Equinox Gold Corp." and the associated logo. The Buyer shall cause all signage, stationery and other materials that use such trade mark and/or logo to be removed from the Company Material Property and disposed of within 30 days from the Time of Closing and shall deliver a certificate of a senior officer of the Buyer to the Seller certifying that this has taken place.

3.8 Insurance Matters

- (a) Until the Closing, the Seller shall: (i) keep in full force and effect all of the Company Existing Insurance Policies; and (ii) give any notice or present any claim under any Company Existing Insurance Policy consistent with past practices of each of the Companies in the ordinary course of business.
- (b) The Seller shall use commercially reasonable efforts to ensure that following the Closing, the Seller Subsidiaries will continue to benefit from all insurance policies maintained by the Seller or its Affiliates on behalf of the Seller Subsidiaries for any Losses that were tendered under such policies on behalf of the Seller Subsidiaries prior to Closing.
- (c) Prior to the Closing, the Buyer shall obtain necessary insurance coverage in respect of the Seller Subsidiaries, the Mine Assets and Operations, as required by the Buyer, to be effective as of the Closing Date.
- (d) The Seller shall use commercially reasonable information to provide the Buyer promptly with such information as the Buyer reasonably requests concerning the Seller Subsidiaries, the Company Material Property and Operations thereon in connection with obtaining this insurance coverage referred to in Section 3.8(c) above.

3.9 Wrong Pockets

Following Closing, the Seller Guarantor shall promptly remit to the appropriate Seller Subsidiary all payments and invoices relating to the post-Closing period received by the Seller Guarantor or any of its Affiliates after the Closing Date that relate to the Seller Subsidiaries or the Mine Assets.

3.10 Financing

The Buyer covenants and agrees that it shall ensure and take all necessary steps to ensure that at Closing the Buyer will have sufficient funds on hand to pay the First Cash Payment in full.

3.11 Seller Consents

Commencing forthwith after the date hereof, the Seller shall use all commercially reasonable efforts to obtain at or prior to the Time of Closing, all the Seller Consents listed in Section 3.11 of the Seller Disclosure Letter.

3.12 Assistance with Financial Statements and Technical Report

- (a) As soon as reasonably practicable following the execution of this Agreement:
 - (i) the Seller, the Seller Guarantor and the Seller Subsidiaries shall use commercially reasonable efforts to furnish to the Buyer, at the Buyer's sole cost and expense, such information and shall provide such assistance as the Buyer may reasonably request, in order to prepare any filings, submissions or notices required to be made or given by the Buyer under applicable Law, including Applicable Securities Laws, in connection with this Agreement or the transactions contemplated under this Agreement; and
 - (ii) the Seller, the Seller Guarantor and the Seller Subsidiaries shall use commercially reasonable efforts to provide to the Buyer, on a timely basis, all financial information the Buyer reasonably requires related to the Seller Subsidiaries and Operations on the Mining Rights under applicable Law, including Applicable Securities Laws, in connection with this Agreement or the transactions contemplated under this Agreement, including for the preparation of a business acquisition report required under *National Instrument 51-102 – Continuous Disclosure Obligations*; provided that the Buyer has given the Seller reasonable notice of such request, in order to meet its schedule for the preparation of such business acquisition. Without limiting the generality of the foregoing, the Buyer shall be solely responsible for all costs associated with this Section 3.12(a) and prior to Closing, the Seller, the Seller Guarantor and the Seller Subsidiaries shall use commercially reasonable efforts to provide all required financial information with respect to the Seller Subsidiaries and Operations on the Mining Rights, to the Buyer and its auditors in sufficient time and detail to permit the Buyer's auditors to take all steps and perform all reviews necessary to provide sufficient assistance to the Buyer with respect to information to be included in such business acquisition report.
- (b) As soon as reasonably practicable following the execution of this Agreement, the Seller Guarantor shall use its commercially reasonable efforts, at the Buyer's sole cost and expense, to cause the Company Material Property Technical Report, and

all consents required in connection therewith, to be addressed and delivered by the authors' thereof to the Buyer. The Buyer acknowledges and agrees (which acknowledgement and agreement shall survive Closing without limitation as to time) that none of the Seller Guarantor or any of its respective Affiliates: (i) shall have responsibility for the content of such technical report or any disclosure therein; (ii) except as provided in Section 4.18, make any representation or warranty with respect to such technical report or any data, information, statement, representation or conclusion contained therein; or (iii) shall have any liability or obligation related to such technical report or any disclosure therein.

3.13 Non-Solicitation

Except for those Employees listed in Section 3.13 of the Seller Disclosure Letter, until 12 months following the Closing Date, none of the Seller Guarantor, its Affiliates or any of their representatives shall solicit or cause to be solicited for hire or employment, directly or indirectly, any officer or employee of any of the Seller Subsidiaries; provided that the foregoing shall not apply with respect to any officer or employee of any of the Seller Subsidiaries: (a) whose employment was terminated by a Seller Subsidiary, or (b) who approaches the Seller Guarantor, its Affiliates or any of their representatives on his or her own initiative. For the purposes of this Section 3.13, “**solicitation**” shall not include solicitations of employment by the Seller Guarantor, its Affiliates or any of their representatives not specifically directed towards the Seller Subsidiaries' officers or employees by advertising placed in a newspaper, trade journal, through a web site or via other media of general circulation, directly or indirectly (provided that none of the Seller Guarantor, its Affiliates or any of their representatives directed, instructed or encouraged a third party to target the Seller Subsidiaries' officers or employees).

3.14 Tax Election and Returns

The Buyer covenants and agrees that it shall not make or amend any material Tax election, designation or Tax Return of the Seller Subsidiaries where such making or amendment would result in increased Tax being payable by the Seller, any of its Affiliates or the Seller Subsidiaries for any taxation year prior to and including the Closing Date.

3.15 The Buyer Guarantee

In the event that the Buyer assigns the right to one or more of its Affiliates (each a “**Buyer Nominee**”) to purchase all or any portion of the Purchased Shares, then the Buyer shall:

- (a) absolutely, unconditionally and irrevocably guarantee, as a direct obligation, in favour of the Seller the full and timely performance, observance and payment by any Buyer Nominee of each and every covenant, agreement, undertaking, representation, warranty, indemnity and obligation of the Buyer Nominee contained in this Agreement (the “**Buyer Obligations**”).
- (b) Subject to Section 8.5, the liability of the Buyer under this Section 3.15 shall be absolute and unconditional and shall be in effect irrespective of: (i) any failure, neglect or omission on the part of the Seller or any other person to realize upon any obligations or liabilities of any Buyer Nominee; (ii) any amalgamation, merger or

reorganization of any Buyer Nominee in which event the guarantee of the Buyer shall apply to the entity resulting therefrom; (iii) any change in the name, share capital or constating documents of any Buyer Nominee; (iv) any amalgamation, merger or reorganization of the Buyer; (v) any sale, lease or transfer of the assets of any Buyer Nominee or the Buyer; (vi) any change in the ownership of any shares in the capital of any Buyer Nominee or the Buyer; (vii) any amendment or modification of this Agreement; (viii) any other occurrence or circumstances whatsoever similar to the foregoing; or (ix) to the extent permitted by applicable Law, any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Buyer in respect of its guarantee and which do not constitute a defence available to, or a discharge of, any Buyer Nominee in respect of the Buyer Obligations.

- (c) The obligations and liabilities of the Buyer hereunder shall not be impaired, diminished, abated or otherwise affected by the commencement by or against any Buyer Nominee of any proceedings under any bankruptcy or insolvency law or laws relating to the relief of debtors, re-adjustment of indebtedness, reorganization, arrangements, compositions or extensions or other similar laws.
- (d) The Buyer shall promptly (and, in any case, within five Business Days) after demand in writing from the Seller, without any evidence that the Seller has demanded that any Buyer Nominee perform, observe or pay any of the Buyer Obligations or that the Buyer failed to do, perform, observe or pay the Buyer Obligations. If the Seller makes a demand upon the Buyer, the Buyer shall be held and bound to the Seller as a principal debtor in respect of the Buyer Obligations and the Buyer shall pay the Seller each of the Buyer Obligations free and clear and without deduction or withholdings of any kind.

3.16 The Seller Guarantor Guarantee

- (a) The Seller Guarantor hereby absolutely, unconditionally and irrevocably guarantees, as a direct obligation, in favour of the Buyer and any Buyer Nominee the full and timely performance, observance and payment by the Seller of each and every covenant, agreement, undertaking, representation, warranty, indemnity and obligation of the Seller contained in this Agreement (the “**Seller Guarantor Obligations**”).
- (b) Subject to Section 8.5, the liability of the Seller Guarantor under this Section shall be absolute and unconditional and shall be in effect irrespective of: (i) any failure, neglect or omission on the part of the Buyer and any Buyer Nominee or any other person to realize upon any obligations or liabilities of the Seller; (ii) any amalgamation, merger or reorganization of the Seller in which event the guarantee of the Seller Guarantor shall apply to the entity resulting therefrom; (iii) any change in the name, share capital or constating documents of the Seller; (iv) any amalgamation, merger or reorganization of the Seller Guarantor; (v) any sale, lease or transfer of the assets of the Seller or the Seller Guarantor; (vi) any change in the ownership of any shares in the capital of the Seller or the Seller Guarantor; (vii) any

amendment or modification of this Agreement; (viii) any other occurrence or circumstances whatsoever similar to the foregoing; or (ix) to the extent permitted by applicable Law, any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Seller Guarantor in respect of its guarantee and which do not constitute a defence available to, or a discharge of, the Seller in respect of the Seller Guarantor Obligations.

- (c) The obligations and liabilities of the Seller Guarantor hereunder shall not be impaired, diminished, abated or otherwise affected by the commencement by or against the Seller of any proceedings under any bankruptcy or insolvency law or laws relating to the relief of debtors, re-adjustment of indebtedness, reorganization, arrangements, compositions or extensions or other similar laws.
- (d) The Seller Guarantor shall promptly (and, in any case, within five Business Days) after demand in writing from the Buyer or any Buyer Nominee, without any evidence that the Buyer and any Buyer Nominee has demanded that the Seller perform, observe or pay any of the Seller Guarantor Obligations or that the Seller has failed to do so, perform, observe or pay the Seller Guarantor Obligations. If the Buyer or any Buyer Nominee makes a demand upon the Seller Guarantor, the Seller Guarantor shall be held and bound to the Buyer or any Buyer Nominee as a principal debtor in respect of the Seller Guarantor Obligations and the Seller Guarantor shall pay the Buyer or any Buyer Nominee each of the Seller Guarantor Obligations free and clear and without deduction or withholdings of any kind.

3.17 VAT Refund

The Buyer covenants and agrees to use commercially reasonable efforts, and to cause the Seller Subsidiaries to use commercially reasonable efforts, to diligently pursue the receipt of any VAT Refund relating to any period before Closing, including assisting with any application for such VAT Refund, until such VAT Refund is received or a final, non-appealable ruling is received with respect thereto. If at any time any Seller Subsidiary shall receive any VAT Refund that has been or is applied for pursuant to this Section 3.17, in whole or in part, or from time to time, the Buyer shall promptly pay to Seller cash in an amount denominated in U.S. dollars at the Exchange Rate equal to 85% of the VAT Refund so received by wire transfer of immediately available funds to an account designated by the Seller, together with proof reasonably acceptable to Seller as to such VAT Refund received,. For greater certainty, no VAT Refund will be included in the Closing Date Working Capital Calculation.

For greater certainty, any VAT Refund that is or is not applied for by any Seller Subsidiary on or after the Closing Date that relates to the period commencing as at and from the Closing Date, and such VAT Refund is received by any Seller Subsidiary, shall be retained for its own use absolutely. Until Seller is in receipt of the entirety of its entitlement to payments in respect of VAT Refunds pursuant to this Section 3.17, upon reasonable notice to the Buyer, and provided it would not unreasonably interfere with the business and affairs of the Seller Subsidiaries taken as a whole, the Buyer agrees to, and to cause the Seller Subsidiaries to, provide the Seller and its authorized representatives with reasonable access during regular business hours to the premises, books and records of the Seller Subsidiaries in order to satisfy the Seller as to the status of such VAT Refunds

(including without limitation, their respective receipt or non-receipt by the Seller Subsidiaries). Any payments made by the Buyer to Seller after the Closing Date pursuant to this Section 3.17 shall be deemed to be an adjustment to the Purchase Price, unless a contrary treatment is required by applicable Laws.

3.18 Pre-Closing Reorganization

- (a) The Parties acknowledge and agree that, prior to the Closing Date, the Seller and the Seller Subsidiaries may effect, at the sole cost and expense of the Seller, such transaction steps as comprise the Pre-Closing Reorganization, provided that such transaction steps would not: (i) be prejudicial to the Buyer or any Seller Subsidiary in any material respect; (ii) unreasonably interfere with the ongoing Operations of the Owner; (iii) require any filing with, notification to, or the Consent of any Governmental Authority or third party prior to the Closing Date, other than as listed in Section 3.18(a) of the Seller Disclosure Letter; (iv) contravene any applicable Law or any of the constating documents or Contracts of the Seller or the Seller Subsidiaries, (v) reasonably be expected to result in any material adverse Tax consequence to any of the Seller Subsidiaries, or (vi) impair, prevent or delay Closing. The Buyer acknowledges and agrees that the Pre-Closing Reorganization shall be disregarded in determining whether a representation, warranty or covenant of the Seller hereunder has been breached.
- (b) The Seller shall provide written notice to the Buyer of its intention to effect the Pre-Closing Reorganization in a timely manner so as to allow its transaction steps to be completed prior to the Closing Date using commercially reasonable efforts, and in any case no less than 10 Business Days prior to the Closing Date.

3.19 Transition Services.

- (a) Upon the execution of this Agreement, each of Seller and Buyer shall appoint an officer or senior manager to coordinate the process of planning for the provision of transition services following the Closing by Seller and its Affiliates to the Buyer and the Seller Subsidiaries pursuant to the Transition Services Agreement (each a “**TSA Project Manager**”).
- (b) During the period from the execution of this Agreement to the Closing Date, the TSA Project Managers shall meet as reasonably required to: (i) develop a mutually agreeable plan for Seller or its Affiliates to provide the Buyer and the Seller Subsidiaries specific services in relation to the preparation and maintenance of financial books, records and accounts, financial statements, Tax Returns and accounting systems and controls for the Seller Subsidiaries and such other services as are reasonably required to achieve a timely and efficient separation of the Operations of the Seller Subsidiaries from the Operations of the Seller and its Affiliates for a period of not longer than three months following the Closing Date, unless otherwise extended in writing by the mutual agreement of the Parties or earlier terminated pursuant to the terms of the Transition Services Agreement (“**Transition Services**”); (ii) determine the fees to be paid pursuant to the

Transition Services Agreement; and (iii) to otherwise finalize the Transition Services Agreement.

- (c) The Parties acknowledge and agree that the fees for the Transition Services shall be determined on the basis of the out-of-pocket costs of the Seller and its Affiliates incurred in performing the Transition Services together with a reasonable allocation of overhead or fixed costs, including compensation and benefits costs, of the senior managers, employees or contractors of the Seller and its Affiliates performing Transition Services, in each case without mark-up, margin or administrative charges.
- (d) The Parties intend, and shall use their commercially reasonable efforts to negotiate and settle a Transition Services Agreement between the Seller and the Buyer providing for the scope and terms on which the Transition Services are to be performed on a basis consistent with the provisions of this Section 3.19 and otherwise as mutually agreed by the Parties, acting reasonably, as soon as reasonably practicable following the execution of this Agreement, and in any event, prior to the Closing Date (the “**Transition Services Agreement**”).
- (e) The Transition Services Agreement shall be developed and implemented with the intent of enabling the Operations of the Seller Subsidiaries to be conducted on a stand-alone basis entirely independent from the Operations of the Seller and its Affiliates upon the completion of the Transition Services.

3.20 Loan Settlement

The Buyer covenants and agrees to use commercially reasonable efforts (which, for certainty, shall not require the Buyer or its Affiliates to effect any transactions that may give rise to Taxes) to ensure any loan owing by PGM Cayman to Canco as a result of the Pre-Closing Reorganization is extinguished by December 14, 2023.

3.21 Security, Guarantees and Contractual Obligations

The Seller shall use its best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary to:

- (a) discharge, or cause to be discharged, all security interests or other Encumbrances affecting the assets or property of any Seller Subsidiary granted in connection with a credit facility or other debt obligation of the Seller or a Seller Subsidiary, including without limitation, all Encumbrances listed in Section 1.1(www) of the Seller Disclosure Letter; and
- (b) release and terminate all guarantees and other contractual obligations granted by any Seller Subsidiary in connection with a credit facility or other debt obligation of the Seller or any Seller Subsidiary, including without limitation, all guarantees or other contractual obligations listed in Section 1.1(www) and Section 4.32 of the Seller Disclosure Letter, but excluding any guarantees or contractual obligations granted in favour of: (i) [Commercially sensitive information redacted]; or (ii)

[Commercially sensitive information redacted],

in each case, on or as soon as practicable after the Closing Date. For the avoidance of doubt, this Section 3.21 shall apply to any security interests, Encumbrances, guarantees or other contractual obligations granted or incurred on, before or after the Execution Date in connection with the Pre-Closing Reorganization, but prior to the Closing Date. The Seller agrees to execute and deliver, or cause to be duly executed and delivered, to the Buyer such further instruments and do and cause to be done such further acts as may be required in the reasonable opinion of the Buyer to effect the releases described above as soon as reasonably practicable after the Closing Date.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as qualified by the Seller Disclosure Letter, the Seller hereby represents and warrants to the Buyer as follows and acknowledges that the Buyer is relying on such representations and warranties in entering into this Agreement and completing the purchase of the Purchased Shares and the transactions contemplated hereby:

4.1 Existence of the Seller and Subsidiaries

The Seller is a corporation validly existing and in good standing under the laws of Canada. The Seller has the corporate power and capacity to: (a) own the Purchased Shares; (b) carry on its business as currently conducted; and (c) execute, deliver and perform its obligations under this Agreement. Each Seller Subsidiary is a company validly existing and if applicable under the laws of its respective jurisdiction of incorporation, is in good standing. Each Seller Subsidiary has the corporate power and capacity to: (i) carry on its business as currently conducted; and (ii) execute, deliver and perform its obligations under the Security Documents. The ownership structure relating to the Seller Subsidiaries is accurately depicted in Schedule "A".

4.2 Execution, Delivery and Enforceability

The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Seller and constitutes a legal, valid and binding obligation of the Seller enforceable by the Buyer in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

4.3 No Conflict

Subject to receiving the consents of third parties listed in the Seller Disclosure Letter, the entering into of this Agreement and the performance by the Seller of its obligations hereunder including the sale of the Purchased Shares, and the performance by the Seller Subsidiaries of their obligations thereunder, will not:

- (a) conflict with or result in a breach of any of the terms, conditions or provisions of:

- (i) the constating documents of the Seller or any of the Seller Subsidiaries, or the terms of any class or series of shares of any of the Seller Subsidiaries;
 - (ii) any Material Contract to which the Seller or any of the Seller Subsidiaries is now a party or by which any such party is bound, or constitute a default thereunder, other than where such conflict or breach would not result in a Material Adverse Change to the Seller Subsidiaries;
 - (iii) any Order; or
 - (iv) any applicable Law;
- (b) result in a Material Adverse Change to the Seller Subsidiaries;
- (c) give rise to any pre-emptive right (which has not been waived or will be waived prior to the Closing), or give any person the right, to:
- (i) trigger or accelerate the maturity or performance of any Material Contract, to which any of the Seller Subsidiaries is a party or trigger the payment of any monies by any of the Seller Subsidiaries which would not otherwise be payable, other than where such payment would not result in a Material Adverse Change to the Seller Subsidiaries; or
 - (ii) cancel, terminate or modify any Material Contract to which any of the Seller Subsidiaries is a party, which cancellation, termination or modification would result in a Material Adverse Change to the Seller Subsidiaries; or
- (d) require the Seller or any of the Seller Subsidiaries to obtain any material consent, license, certification or approval from any third party which has not been duly obtained;

4.4 Insolvency and Bankruptcy

- (a) Neither the Seller nor any Seller Subsidiary is an “insolvent person” within the meaning of any Insolvency Laws, nor has either the Seller or any Seller Subsidiary made an assignment in favour of its creditors nor a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. Neither the Seller nor any Seller Subsidiary has initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of the Seller or any Seller Subsidiary or any of its property or assets and no execution or distress has been levied upon any of its property or assets of the Seller or any Seller Subsidiary. No act or proceeding has been taken or authorized by or against the Seller or any Seller Subsidiary with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Seller or any Seller Subsidiary nor have any such proceedings been authorized by any other person; and

- (b) No proceeding has been initiated against either the Seller or any Seller Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts and no order for similar relief has been instituted against the Seller or any Seller Subsidiary under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including without limitation under any Insolvency Laws or any statutes relating to the incorporation of companies) or seeking appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties or assets, that have not been dismissed within 30 days of its filing or presentment.

4.5 Ownership of Purchased Shares; Subsidiaries

- (a) Immediately prior to or concurrent with the Time of Closing, the Seller will be the direct or indirect owner of:
 - (i) all of the issued and outstanding shares of the Seller Subsidiaries; and
 - (ii) the Seller will be the registered and beneficial owner of record of the Purchased Shares;

all of which have been duly authorized, have been validly issued as fully paid and non-assessable and are free and clear of all Encumbrances.

- (b) There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the shares, capital stock or other equity or ownership interests of any of the Seller Subsidiaries, including the Purchased Shares. No shares of capital stock or other equity or ownership interests of any of the Seller Subsidiaries, including the Purchased Shares, have been issued in violation of any rights, agreements, arrangements or commitments under any provision of applicable Law, the certificate of incorporation or bylaws or equivalent organizational documents of any of the Seller Subsidiaries or any agreement to which any of the Seller Subsidiaries is a party or by which any of the Seller Subsidiaries is bound. Upon completion of the transactions contemplated by this Agreement, all of the Purchased Shares will be owned by the Buyer as the registered and beneficial owner of record, free and clear of all Encumbrances (except such Encumbrances as may have been granted by the Buyer).
- (c) Section 4.5(c) of the Seller Disclosure Letter sets out the authorized, issued and outstanding capital of each of the Seller Subsidiaries, including the names and ownership interest of the legal and beneficial holders of such securities. Other than as set out in Section 4.5(c) of the Seller Disclosure Letter, no Seller Subsidiary directly or indirectly owns any equity, partnership, membership, joint venture or similar interest in, or any interest convertible into, exercisable for the purchase of or exchangeable for any such equity, partnership, membership, joint venture or similar interest, or is under any current or prospective obligation to form or participate in, provide funds to, make any loan, capital contribution or other

investment in or assume any liability or obligation of, any person. The only assets of the Owner are the Mine Assets.

4.6 Consents

- (a) Except as disclosed in Section 4.6(a) of the Seller Disclosure Letter, no Consent of any Governmental Authority or any other person is required to be obtained or made by the Seller or any Seller Subsidiary in connection with the consummation of the transactions contemplated by this Agreement which, if not obtained, would result in a Material Adverse Change.
- (b) Except as disclosed in Section 4.6(b) of the Seller Disclosure Letter, no Consent is required to be obtained under any Material Contract of any of the Seller Subsidiaries in connection with the consummation of the transactions contemplated by this Agreement.

4.7 No Other Agreements to Purchase; No Options

No person other than the Buyer has any written or oral agreement or option or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase or acquisition from the Seller of any of the Purchased Shares or capable of becoming an agreement or option for the purchase or acquisition of any securities of any Seller Subsidiary.

4.8 Seller Financial Statements

The Seller Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods: (a) are correct and complete in all material respects and present fairly in all material respects the assets and liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Seller Subsidiaries as at their respective dates and the results of operations and cash flows of the Seller Subsidiaries for the periods covered by the Seller Financial Statements; and (b) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Seller Subsidiaries and there has been no change in the accounting policies or practices of the Seller Subsidiaries since the date of the Seller Financial Statements. Except as disclosed in the Seller Financial Statements and except as disclosed in Section 4.8 of the Seller Disclosure Letter, since December 31, 2020 none of the Seller Subsidiaries has declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do so or otherwise effected any return of capital with respect to such securities.

4.9 No Undisclosed Liabilities

No Seller Subsidiary has any liabilities which would be required to be disclosed on financial statements in accordance with IFRS (whether accrued, absolute, contingent or otherwise), except: (a) those liabilities reflected or reserved against on the Seller Financial Statements; and (b) liabilities incurred by a Seller Subsidiary since the date of the Seller Financial Statements in the ordinary course of business that do not result in a Material Adverse Change.

4.10 Indebtedness

Except as set out in Section 4.10 of the Seller Disclosure Letter, no Seller Subsidiary has entered into any revolving credit or term loan agreement or other similar financing with any corporation, bank, financial institution, Governmental Authority or any other person.

4.11 Absence of Changes

Except as disclosed in Section 4.11 of the Seller Disclosure Letter, the business of the Seller Subsidiaries taken as a whole has been conducted only in the ordinary course of business consistent with past practice, there has not been any material change in the assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of any of the Seller Subsidiaries, except as set forth in the Seller Financial Statements, and there has not been any Material Adverse Change in the business, operations or condition (financial or otherwise) or results of the operations of any of the Seller Subsidiaries, since December 31, 2020.

4.12 Mining Rights

- (a) Section 4.12(a) of the Seller Disclosure Letter sets out a true and complete list of all of the mining rights owned by the Seller Subsidiaries, including any mining claim, mining concession, prospecting permit, mining lease and option agreement (collectively, the “**Mining Rights**”).
- (b) Except as disclosed in Section 4.12(b) of the Seller Disclosure Letter, all of the Mining Rights have currently been recorded in the name of the applicable Seller Subsidiary. Except as disclosed in Section 4.12(b) of the Seller Disclosure Letter, all of the Mining Rights are valid, enforceable and in good standing, free and clear of all Encumbrances other than Permitted Encumbrances, and all rentals, fees, expenditures and other payments owed in respect thereof to Governmental Authorities have been paid or incurred and will have been paid or incurred at the Time of Closing and all filings in respect thereof have been and at the Time of Closing will have been made to Governmental Authorities.
- (c) Other than as listed in Section 4.12(c) of the Seller Disclosure Letter, no person other than the Seller Subsidiaries has any preferential right or interest in the Mining Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest.
- (d) Other than as listed in Section 4.12(d), the Mining Rights are not subject to any existing exploration, exploitation, option, promise to execute an agreement, Joint Venture, association, joint investment, partnership, co-ownership or other agreement affecting in any manner the ownership, use, operation or the marketable title of such Mining Rights.
- (e) Section 4.12(e) of the Seller Disclosure Letter sets out a list of all material temporary occupations, easements, surface rights and rights of way from landowners or Governmental Authorities issued or granted to any of the Seller Subsidiaries. The Seller Subsidiaries have all temporary occupations, easements

and surface rights from landowners or Governmental Authorities necessary to conduct the Operations as currently conducted.

- (f) Other than as listed in Section 4.12(f) of the Seller Disclosure Letter, no back-in rights, farm-in or earn-in rights, rights of first refusal, rights of first offer or similar provisions or rights currently affect the Mining Rights. Neither the Seller, the Seller Guarantor nor any of the Seller Subsidiaries has received any notice from any Governmental Authority or any other person of any revocation, cancelation or termination or intention to revoke, cancel or terminate the interest of any of the Seller Subsidiaries in any of the Mining Rights.
- (g) Seller has not started any administrative proceeding before any Governmental Authority whose determination may result in modification, change or affect in any way the perimeter, surface or any other right comprising the Mining Rights.
- (h) The Mining Rights do not overlap with any third party rights that may enable any such third party to explore or exploit any substance in the same area.
- (i) The Mining Rights are located within an area authorized by the Instituto Nacional de Antropología e Historia (Anthropology and History National Institute of Mexico) (INAH) and there have been no archeological or historical findings in the area where the Mining Rights are located that would prevent the Operations. To the Seller's knowledge there are no indigenous, tribal or native communities ("**Indigenous Communities**") near to the municipality or the towns or communities where the Mining Rights may have influence or where that said Indigenous Communities may have influence in the area where the Mining Rights are located, which have been declared by the corresponding Governmental Authority as such, or that may have the right to be considered as Indigenous Communities in accordance to the Laws of Mexico, or International Treaties to which Mexico is a party.

4.13 Permits

Each of the Seller Subsidiaries holds all material Permits required in order to enable their Operations to be carried on as now conducted or as proposed to be conducted, and all such Permits are valid and subsisting and none of the Seller, the Seller Guarantor or the Seller Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Permit which, if the subject of an unfavourable decision, ruling or finding, would materially adversely affect the conduct of its Operations. None of the Seller Subsidiaries is in material default or material breach of any such material Permit. Section 4.13 of the Seller Disclosure Letter lists all of the material Permits as of the currency date set out therein (other than those issued under or in connection with Environmental Laws). None of such material Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

4.14 Real and Personal Property

- (a) Section 4.14(a) of the Seller Disclosure Letter sets out a true and complete list of all real property (other than the Mining Rights and water rights) owned by the Seller Subsidiaries (the “**Owned Real Property**”). The Seller Subsidiaries are the owners of all right, title and interest in such real property, free and clear of any Encumbrances, other than Permitted Encumbrances, except where the failure to have such rights, title and interest would not reasonably be expected to materially impair the value or materially interfere with the use of such real property.
- (b) Section 4.14(b) of the Seller Disclosure Letter sets forth a true and complete list of all real property leased or subleased by any of the Seller Subsidiaries, (the “**Leased Real Property**”), other than leased or subleased mining claims. The applicable Seller Subsidiaries set out in Section 4.14(b) of the Seller Disclosure Letter hold a valid and enforceable leasehold or subleasehold interest in the applicable Leased Real Property, free and clear of all Encumbrances except for Permitted Encumbrances in accordance with the terms set out in the applicable lease or sublease. All such leases or subleases are valid and in full force and effect, and none of the Seller Subsidiaries nor, to the Seller’s knowledge, any other party thereto is in breach of any material covenants, conditions or obligations contained therein. The Seller Subsidiaries have the right under valid and subsisting leases to use and control all such real property, except where the failure to have such right would not reasonably be expected to materially interfere with the use of such real property. Other than as set out in Section 4.14(b) of the Seller Disclosure Letter, the applicable Seller Subsidiaries are in exclusive possession of the Leased Real Property.
- (c) Other than as set out in Section 4.14(c) of the Seller Disclosure Letter, the Seller Subsidiaries hold valid and enforceable title to, or a valid leasehold or subleasehold interest in, all material buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles, inventory and other items of tangible personal property and other assets used in the Operations and required to conduct the Operations as currently conducted (the “**Personal Property**”). All of the Personal Property is in reasonable operating condition having regard to its use and age (ordinary wear and tear excepted). All of the Personal Property is located at the Company Material Property other than finished product inventory which has been sent for processing.

4.15 Agreements and Commitments

Section 4.15 of the Seller Disclosure Letter contains a list of all Material Contracts entered into by the Seller Subsidiaries and the currency dates set out therein. Except as disclosed in Section 4.15 of the Seller Disclosure Letter: (i) each applicable Seller Subsidiary has performed in all material respects all of the obligations required to be performed by it under such Material Contracts; (ii) each applicable Seller Subsidiary is entitled to all benefits under any such Material Contract; (iii) no Seller Subsidiary is in material default or alleged to be in material default in respect of, any such Material Contract which would detrimentally affect the entitlement of the applicable Seller Subsidiary, as applicable, to the benefits of such Material Contracts; (iv) all such Material

Contracts are valid and binding agreements of the applicable Seller Subsidiary and are valid and in full force and effect; and (v) no event, condition or occurrence has occurred or exists which, after notice or lapse of time or both, would constitute a material default by any of the Seller Subsidiaries or, to the knowledge of the Seller, a material default by any other party, under any such Material Contract which would detrimentally affect the entitlement of the Seller Subsidiaries to the benefits of such Material Contracts. Except as disclosed in Section 4.15 of the Seller Disclosure Letter, neither the Seller nor any Seller Subsidiary has received notice that any party to a Material Contract intends to cancel, terminate or otherwise materially and adversely modify or not renew its relationship with the applicable Seller Subsidiary, and, to the knowledge of the Seller, no such action has been threatened.

4.16 Environmental Matters

- (a) Except as set forth below in this Section 4.16, no representations or warranties are being made by the Seller with respect to matters arising under or relating to Environmental Laws.
- (b) Except as disclosed in Section 4.16(b) of the Seller Disclosure Letter, currently and during the past six years, or where it would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Change, each of the Seller Subsidiaries:
 - (i) is and was in compliance with all applicable Environmental Laws;
 - (ii) has duly obtained all Permits necessary to conduct Operations as currently conducted in compliance in all material respects with all Environmental Laws, and all such Permits are in full force and effect;
 - (iii) has not received notice that any of the Seller Subsidiaries is in default or breach of any such Permit; and
 - (iv) has not received within the last six year period preceding the date of this Agreement any written order, notice or other communication from any Governmental Authority of any actual or threatened non-compliance with any Environmental Law which would give rise to an undischarged liability.

Section 4.16(b) of the Seller Disclosure Letter lists all of the material Permits issued under or in connection with Environmental Laws currently in effect.

- (c) Except as disclosed in Section 4.16(c) of the Seller Disclosure Letter, the Mining Rights are not located within any “Nature Restricted Area” or “Natural Reserve”, as defined in the Environmental Laws, nor has the Seller or any of the Seller Subsidiaries received written notice from any Governmental Authority informing the creation of such areas or reserves where the Mining Rights are located.
- (d) Except as disclosed in Section 4.16(d) of the Seller Disclosure Letter:

- (i) there are no pending or to the knowledge of the Seller, threatened Proceedings, reviews or investigations relating to any of the Seller Subsidiaries arising under or in respect of any Environmental Law;
- (ii) to the knowledge of the Seller, there are no investigations or reviews out of the ordinary course being conducted by any Governmental Authority on the assets and properties currently owned, leased or used by any of the Seller Subsidiaries under Environmental Laws;
- (iii) to the knowledge of the Seller, there is no remedial or corrective action necessary to ensure that the conduct of the Operations or the ownership, possession, control or management of the assets and properties of any of the Seller Subsidiaries is in material compliance with Environmental Laws and that could reasonably result in material liability;
- (iv) the assets and properties currently owned, leased or used by any of the Seller Subsidiaries have not been used to generate, manufacture, treat, transport, store, dispose of, transfer, produce or process any Hazardous Substances, except in compliance in all material respects with all Environmental Laws;
- (v) there has been no Release of Hazardous Substances in contravention of Environmental Law with respect to the Operations, the Owned Real Property, Leased Real Property or Mining Rights or any other assets of any of the Seller Subsidiaries, within the last six year period preceding the date of this Agreement, that has resulted in a Material Adverse Change and, to the knowledge of the Seller, neither any Seller Subsidiary nor the Seller nor the Seller Guarantor, has received any notice under Environmental Laws that any Owned Real Property, Leased Real Property or Mining Rights has been contaminated with any Hazardous Substances which could reasonably be expected to result in a Claim against, or a violation of Environmental Law or term of any Permit by any of the Seller Subsidiaries; and
- (vi) the Seller Subsidiaries are in compliance in all material respects with any rehabilitation and closure obligations, for which any of the Seller Subsidiaries is responsible pursuant to applicable Law, with respect to the Operations, the Owned Real Property, the Leased Real Property and any property formerly owned by the Seller Subsidiaries. The Seller Financial Statements set forth accurate accruals for all such rehabilitation and closure obligations.

4.17 No Expropriation

During the five-year period preceding the date of this Agreement, no part of the property or assets of any of the Seller Subsidiaries has been taken, condemned or expropriated by any Governmental Authority nor has the Seller nor the Seller Guarantor received any written notice that a proceeding in respect thereof been commenced nor, to the knowledge of the Seller, does any Governmental Authority intend or propose to give such notice or commence any such proceedings.

4.18 Technical Report

The Company Material Property Technical Report complied in all material respects with the requirements of NI 43-101 at the time of filing thereof based on the information available at the time such report was prepared.

4.19 Books and Records

- (a) The financial books, records and accounts of each of the Seller Subsidiaries have been maintained in accordance with IFRS and fairly reflect the material transactions, results of operations, cashflows and dispositions of the assets and properties of such Seller Subsidiary.
- (b) The corporate records and minute books for each of the Seller Subsidiaries have been maintained, to the knowledge of the Seller, in accordance with applicable Law and contain complete and accurate records of all matters required to be dealt with in such books and records, in each case in all material respects, and no material meeting, or material action taken by written consent, of any stockholders, board of directors or committee of any of the Seller Subsidiaries has been held for which minutes have not been prepared and are not contained in such books. The Seller has made available to the Buyer all minutes and resolutions of the shareholders or directors of each of the Seller Subsidiaries.

4.20 Insurance

Section 4.20 of the Seller Disclosure Letter sets out true, accurate and complete particulars of all insurance policies of the Seller Subsidiaries in force which are the Company Existing Insurance Policies, specifying in each case, the name of the insurer, the relevant risks insured against, the amount of the coverage, the amount of the deductible, the policy number, and any pending claims. None of the Seller Subsidiaries: (i) is in material default with respect to any of the provisions contained in any Company Existing Insurance Policy; or (ii) has failed to give any notice or present any material claim under any insurance policy in a due and timely manner. There are no material claims by any of the Seller Subsidiaries pending under any of the Company Existing Insurance Policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies or in respect of which such underwriters have reserved their rights.

4.21 Compliance with Laws

Each of the Seller Subsidiaries is in compliance in all material respects with, and is not in violation of, any applicable Laws.

4.22 Litigation

Except as disclosed in Section 4.22 of the Seller Disclosure Letter: (a) there are no Proceedings pending or, to the knowledge of the Seller, threatened against or affecting or related to, any of the Seller Subsidiaries before or by any Governmental Authority which, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Change to the Seller Subsidiaries; and (b) neither the Seller nor any Seller Subsidiary is subject to any outstanding

Order that, individually or in the aggregate, is reasonably likely to prevent or materially delay completion of the transactions contemplated by this Agreement, materially restrict the conduct of the Operations as currently conducted or result in a Material Adverse Change. Neither the Seller nor the Seller Guarantor nor any of the Seller Subsidiaries has knowledge of any ground on which any such Proceeding might be commenced with any reasonable likelihood of success.

4.23 Taxes

- (a) Each of the Seller Subsidiaries has duly filed on a timely basis with the appropriate Governmental Authority all Tax Returns required to be filed by each of them and has submitted all required affidavits and complied with other accessory fiscal obligations and duties that are required to be fulfilled by or with respect to them, including keeping Tax books and records in compliance with all applicable Laws. All such Tax Returns were complete and accurate in all material respects. At the Time of Closing each of the Seller Subsidiaries will have paid all Taxes which are due and payable (including all instalments and prepayments of Tax as required by applicable Laws). No jurisdiction or authority in or with which any of the Seller Subsidiaries does not file a Tax Return has alleged that it is required to file such a Tax Return.
- (b) The Seller Subsidiaries have established on their books and records reserves which are adequate for the payment of all Taxes not yet due and payable and there are no liens for Taxes on the assets of the Seller Subsidiaries and to the knowledge of the Seller, there are no audits of any of the Tax Returns of the Seller Subsidiaries pending, and there are no claims which have been or may be asserted relating to any such Tax Returns which, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency which would result in a Material Adverse Change on the properties, business or assets of the Seller Subsidiaries.
- (c) There no agreements, waivers or other arrangements providing for an extension of time for any of the Seller Subsidiaries to file any Tax Return or pay any Taxes or for any Governmental Authority to examine any Tax Return or levy any assessment.
- (d) Each of the Seller Subsidiaries will have, in all material respects, withheld from each payment made, or deemed to have been made, or any benefit arising to any person the amount of all Taxes and other deductions required to be withheld therefrom and will have paid the same to the proper Tax or other receiving authorities within the time required under any applicable Laws and maintained sufficient documentation to support the withholding of such amount, including for greater certainty to support benefits claimed under a tax treaty.
- (e) Each of the Seller Subsidiaries has collected all material amounts required to be collected by it on account of Taxes and remitted, in all material respects, to the appropriate Tax authority when required by Law to do so all such amounts collected by it.

- (f) There are no grounds for the reassessment of the Taxes of any of the Seller Subsidiaries and the Seller Subsidiaries have maintained financial books, records and accounts to support and substantiate such Taxes, including books, records and accounts to support and substantiate Tax Losses and the deductibility of expenses and Capital Contributions Accounts (CUCA) for the Seller Subsidiaries subject to Taxes in Mexico. There are no material Proceedings pending or, to the knowledge of the Seller, threatened against any of the Seller Subsidiaries in respect of Taxes, governmental charges or assessments, nor are there any material matters under discussion by any of the Seller Subsidiaries with any Governmental Authority relating to Taxes, governmental charges or assessments.
- (g) Each of the Seller Subsidiaries has complied in all material respects with the intercompany transfer pricing provisions of applicable Laws relating to Taxes, including the records, documentation, contemporaneous documentation and disclosure requirements thereunder.
- (h) The Seller Subsidiaries subject to Taxes in Mexico:
 - (i) have not participated in reportable transactions, as defined in Articles 197 to 202 of the Mexican *Federal Tax Code (Código Fiscal de la Federación)*;
 - (ii) have complied with the reporting requirements under form 76 in accordance with Article 31-A of the *Mexican Federal Tax Code (Código Fiscal de la Federación)*;
 - (iii) have not conducted any transactions with black listed suppliers as defined in Article 69-B of the *Mexican Federal Tax Code (Código Fiscal de la Federación)*, and
 - (iv) have in place documentation supporting that the Pre-Closing Reorganization will not trigger Taxes in Mexico.

4.24 Related Party Transactions

Except as listed in Section 4.24 of the Seller Disclosure Letter, no present or former director, officer, stockholder, equityholder or Affiliate of any of the Seller Subsidiaries, nor any of such person's Affiliates or immediate family members, is a party to any agreement with or binding on any of the Seller Subsidiaries or any of their properties, or has any interest in any property owned or leased by any of the Seller Subsidiaries.

4.25 Employment Matters

- (a) To the knowledge of the Seller, no Seller Subsidiary has employed or retained any individual without a written employment contract.
- (b) The Seller Subsidiaries are in compliance in all material respects with: (i) all applicable Laws relating to employment and employment practices, including terms and conditions of employment, wages, overtime, vacations, hours of work,

collective bargaining, collective agreements, benefits extensions, anti-union practices, occupational safety and health, labour accidents and diseases, severance payments, bonuses, whether under applicable Law or their individual or collective employment agreements, all social security obligations and debts arising in connection with social security contributions, pension fund contributions, mandatory health care contributions, unemployment insurance contributions, welfare payments and insurance for work-related accidents and illnesses; and (ii) any other applicable labour and social security Laws. No Seller Subsidiary has any liability in respect of post-retirement medical, dental or life insurance benefits for Employees (other than coverage mandated by applicable Law). None of the Seller Subsidiaries has hired workers or employees through outsourcing structures since July 2021. At the Execution Date, all service providers or specialized works providers to the Seller Subsidiaries are registered as specialized service providers or specialized works providers at the Mexican Services and Works Specialized Providers (“**REPSE**”).

- (c) To the knowledge of the Seller, all subcontractors who provide services to the Seller Subsidiaries, as well as their workers, provide services in accordance with their respective service agreements executed with the applicable Seller Subsidiaries, comply with applicable Law, and they are not subject to any subordination or dependence from the Seller or any of the Seller Subsidiaries.
- (d) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby (either alone or together with any other event, including a termination of employment) will result in any Employee or consultant to any of the Seller Subsidiaries becoming entitled to, or any increase in, any material payment or benefit (including severance pay) or accelerate the timing of payment or vesting of any material compensation or benefits, in either case under any employee benefit plan of any of the Seller Subsidiaries in respect of the Employees.
- (e) Except as set forth in Section 4.25(e) of the Seller Disclosure Letter, there is no commitment or agreement binding upon any of the Seller Subsidiaries to increase wages or benefits, to modify the terms and conditions of or terminate the employment of any Employee, except when made in the ordinary course of business.
- (f) There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety and insurance legislation in respect of the Operations and as of the date of this Agreement, no Seller Subsidiary has been reassessed in any material respect under such legislation during the past three (3) years.
- (g) To the knowledge of the Seller, as at the date of this Agreement, there are no charges pending under occupational health and safety legislation arising under applicable Law (in this subsection, “**OHSA**”) in respect of the Operations. Each of the Seller Subsidiaries has complied in all material respects with any orders issued under OHSA in respect of the Operations and as of the date of this Agreement, there

are no appeals of any orders by any of the Seller Subsidiaries under OSHA outstanding.

- (h) Section 4.25(h) of the Seller Disclosure Letter contains a true and complete list, as at December 15, 2021, of the names of all individuals who are full-time, part-time or casual Employees or individuals engaged on contract to provide employment services to any of the Seller Subsidiaries, specifying the length of hire, title or classification and rate of salary or hourly pay and commission or bonus entitlements (if any) for each such Employee of the Seller Subsidiaries. Except as set forth in Section 4.25(h) of the Seller Disclosure Letter, as at December 15, 2021, no Employee has been continually absent from work for a period in excess of one month and who is in receipt of benefits pursuant to the provisions of a short or long term disability plan provided by the Seller or any of the Seller Subsidiaries, applicable workplace safety and insurance legislation or other applicable workplace safety and insurance legislation.
- (i) All accruals for employment benefits, including, but not limited to, unpaid vacation pay, premiums and contributions for Benefit Plans, accrued wages, salaries and commissions have been reflected in all material respects in the books and records of the Seller Subsidiaries.
- (j) All workers and personnel that transferred to the Owner due to the recent changes to Mexican labor Law complied in full with Mexican labor Law dispositions and have been registered with the Mexican Social Security Institution (IMSS) as workers or personnel of the Owner.

4.26 Collective Agreements

- (a) Other than as disclosed in Section 4.26(a) of the Seller Disclosure Letter, none of the Seller Subsidiaries is a party, either directly or by operation of law, to any collective agreement, contract or legally binding commitment to any trade union or employee organization or group in respect of or affecting the Employees, and to the knowledge of the Seller, no union organizing activities have occurred with respect to current or former Employees or have been threatened.
- (b) To the knowledge of the Seller, no worker or other union has challenged the existence or validity of the Owners' union bargaining agreement disclosed in Section 4.26(a) of the Seller Disclosure Letter.
- (c) As of the date of this Agreement, none of the Seller Subsidiaries is currently engaged in any labour negotiations nor is party to any application, complaint or other proceeding under any employment or labour statute, no strike, labour suit or proceeding or labour administrative proceeding is pending or, to the knowledge of the Seller, threatened regarding Employees.

4.27 Benefit Plans

- (a) Section 4.27(a) of the Seller Disclosure Letter contains a true and complete list of each Benefit Plan to which any of the Seller Subsidiaries is a party or by which it is bound. None of the Benefit Plans is maintained or administered by a person other than the Seller or the Seller Subsidiaries.
- (b) None of the Seller Subsidiaries has any formal plan or commitment, whether legally binding or not, to create any additional Benefit Plan or to modify or change any existing Benefit Plan that would affect any Employee or former employee of or engaged by any of the Seller Subsidiaries, except such modification or amendment as may be required to be made to secure the continued registration of any existing Benefit Plan with each applicable Governmental Authority.
- (c) All employer or employee payments, contributions or premiums required to be remitted or paid in respect of each Benefit Plan or by applicable Law have been made in all material respects in accordance with Law and the terms of the Benefit Plan.
- (d) Each Benefit Plan has been maintained, funded and administered in all material respects in accordance with its terms and complies in all material respect with the applicable requirements applicable labour Laws. Except for routine claims for benefits, there is no proceeding pending or, to the knowledge of the Seller, threatened against or arising out of a Benefit Plan.

4.28 Company Intellectual Property

- (a) The Seller has no knowledge of any claim of infringement or breach by any of the Seller Subsidiaries of any industrial or intellectual property rights of any other person nor has the Seller or any of the Seller Subsidiaries received any notice that Operations, including the use of any Company Intellectual Property used by them, infringes upon or breaches any industrial or intellectual property rights of any other person, or the trade secrets, know-how or confidential or proprietary information of any other person, and the Seller has no knowledge of any infringement or violation of any of the rights of any of the Seller Subsidiaries in the Company Intellectual Property owned by any of the Seller Subsidiaries.
- (b) Each of the Seller Subsidiaries owns or possesses such rights as are necessary to use any Company Intellectual Property used by them and the Seller has no knowledge of any state of facts which casts doubt on the validity or enforceability of any Company Intellectual Property used by any of the Seller Subsidiaries.

4.29 Condition and Sufficiency of Assets and Properties

The Mine Assets, together with all other buildings, plants, structures, fixtures, machinery, equipment, vehicles and other items of tangible personal property owned or leased by any of the Seller Subsidiaries and used in the conduct of Operations, have, in all material respects, been maintained in the ordinary course consistent with standard industry practice and will (subject to

fair wear and tear) be sufficient at the Time of Closing for the conduct of the Operations after Closing in substantially the same manner as conducted by the Seller Subsidiaries immediately prior to the Time of Closing.

4.30 Unlawful Contributions

- (a) Each of the Seller, the Seller Guarantor, the Seller Subsidiaries, their respective officers and directors and, to the knowledge of the Seller, their employees and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in the any of the Seller, Seller Guarantor or any of the Seller Subsidiaries being designated as a Sanctioned Person or Sanctioned Entity.
- (b) None of the Seller Subsidiaries, nor, to the knowledge of the Seller, any of their respective directors, officers, employees or agents has taken any action that would cause any of the Seller Subsidiaries to be in violation in any material respect of AML Legislation. No proceedings under any such law are pending against or affecting any of the Seller Subsidiaries nor, to the knowledge of the Seller, are any threatened.
- (c) The operations of the Seller Subsidiaries are, and have been conducted at all times in material compliance with the financial record-keeping and reporting requirements of AML Legislation of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) to which the Seller, the Seller Guarantor or the Seller Subsidiaries is subject, and no action, suit or proceeding by or before any governmental entity or body or arbitrator involving the Seller, the Seller Guarantor or a Seller Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Seller, threatened.

4.31 Non-Governmental Organizations and Community Groups

None of the Seller Subsidiaries is actively engaged in responding to any written complaint delivered to any of the Seller Subsidiaries from any non-governmental organization, Indigenous community, ejido or local community group, in respect of the Company Material Property or the Operations which would reasonably be expected to result in a Material Adverse Change.

4.32 Guarantees

Other than as disclosed in Section 4.32 of the Seller Disclosure Letter, none of the Seller Subsidiaries has given nor agreed to give, and is not a party to or bound by, any guarantee of indebtedness or other obligations owing to any third party.

4.33 Finders' Fee

There is no investment banker, broker, finder or other intermediary which has been retained by or

is authorized to act on behalf of the Seller, the Seller Guarantor or any Seller Subsidiary who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF THE SELLER GUARANTOR

The Seller Guarantor hereby represents and warrants to the Buyer as follows and acknowledges that the Buyer is relying on such representations and warranties in entering into this Agreement and completing the transactions contemplated hereby.

5.1 Existence of the Seller Guarantor

The Seller Guarantor is a company validly existing and in good standing under the laws of the Province of British Columbia. The Seller Guarantor has the corporate power and capacity to: (i) carry on its business as currently conducted; and (ii) execute, deliver and perform its obligations under this Agreement.

5.2 Execution, Delivery and Enforceability

The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Seller Guarantor and constitutes a legal, valid and binding obligation of the Seller Guarantor enforceable by the Buyer in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency and other rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

5.3 No Conflict

Subject to receiving the consents of third parties listed in the Seller Disclosure Letter, the entering into of this Agreement and the performance by the Seller Guarantor of its obligations hereunder will not: (i) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under any provision of the constating documents of the Seller Guarantor or any Material Contract to which the Seller Guarantor is a party or by which the Seller Guarantor is bound, or result in the creation of any material Encumbrance other than a Permitted Encumbrance on any of the assets of the Seller Guarantor.

5.4 Consents

- (a) No Consent of any Governmental Authority is required to be obtained or made by the Seller Guarantor in connection with the consummation of the transactions contemplated by this Agreement which, if not obtained, would result in a Material Adverse Change.
- (b) No Consent is required to be obtained under any Material Contract of the Seller Guarantor in connection with the consummation of the transactions contemplated by this Agreement.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE BUYER

Except as qualified by the Buyer Disclosure Letter, the Buyer hereby represents and warrants to the Seller and the Seller Guarantor as follows and acknowledges that the Seller and the Seller Guarantor are relying on such representations and warranties in entering into this Agreement and completing the sale of the Purchased Shares and the transactions contemplated hereby.

6.1 Existence and Corporate Approvals

- (a) The Buyer is a corporation validly existing and in good standing under the laws of the Province of British Columbia. Any Buyer Nominee shall be a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation. The Buyer has (and any Buyer Nominee shall have) the corporate power or other organization power, and capacity to: (i) own the Purchased Shares; (ii) carry on its respective business as currently conducted; and (iii) execute, deliver and perform its respective obligations under this Agreement, including without limitation, with respect to the Buyer, the issuance of the Consideration Shares.
- (b) The Buyer owns, directly or indirectly, legally and beneficially, all of the issued and outstanding shares of each of the Buyer Subsidiaries, free and clear of any and all Encumbrances.
- (c) No agreement is in force or effect which in any manner affects the voting or control of any of the securities of the Buyer or the Buyer Subsidiaries. The Buyer has no subsidiaries or affiliates other than the Buyer Subsidiaries.

6.2 Execution, Delivery and Enforceability

The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of the Buyer and constitutes a legal, valid and binding obligation of the Buyer, enforceable by the Seller and the Seller Guarantor in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

6.3 No Conflict

The entering into of this Agreement and the performance by the Buyer of its obligations hereunder, including without limitation, the issuance of the Consideration Shares, will not:

- (a) conflict with or result in a breach of any of the terms, conditions or provisions of:
 - (i) the constating documents of the Buyer or any of the Buyer Subsidiaries, or the provisions of the Buyer Common Shares;
 - (ii) any Material Contract to which the Buyer or any of the Buyer Subsidiaries is now a party or by which any such party is bound, or constitute a default

thereunder, other than where such conflict or breach would not result in a Material Adverse Change to the Buyer;

- (iii) any Order; or
 - (iv) any applicable Law;
- (b) will result in a Material Adverse Change to the Buyer;
- (c) will give rise to any pre-emptive right (which has not been waived or will be waived prior to the Closing), or give any person the right, to:
- (i) trigger or accelerate the maturity or performance of any Material Contract to which the Buyer or any of the Buyer Subsidiaries is a party or trigger the payment of any monies by any of the Buyer or any of the Buyer Subsidiaries which would not otherwise be payable, other than where such payment would not result in a Material Adverse Change to the Buyer; or
 - (ii) cancel, terminate or modify any Material Contract to which the Buyer or any of the Buyer Subsidiaries is a party, which cancellation, termination or modification would result in a Material Adverse Change to the Buyer;
- (d) will require the Buyer or any of the Buyer Subsidiaries to obtain any material consent, license, certification or approval from any third party which has not been duly obtained.

6.4 Insolvency and Bankruptcy

- (a) Neither the Buyer nor any Buyer Subsidiary is an “insolvent person” within the meaning of any Insolvency Laws, nor has either the Buyer or any Buyer Subsidiary made an assignment in favour of its creditors nor a proposal in bankruptcy to its creditors or any class thereof nor had any petition for a receiving order presented in respect of it. Neither the Buyer nor any Buyer Subsidiary has initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver has been appointed in respect of the Buyer or any Buyer Subsidiary or any of its property or assets and no execution or distress has been levied upon any of its property or assets of the Buyer or any Buyer Subsidiary. No act or proceeding has been taken or authorized by or against the Buyer or any Buyer Subsidiary with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Buyer or any Buyer Subsidiary nor have any such proceedings been authorized by any other person; and
- (b) No proceeding has been instituted against either the Buyer or any Buyer Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts and no order for similar relief has been instituted against the Buyer or any Buyer Subsidiary under any law relating to bankruptcy, insolvency, reorganization or

relief of debtors (including without limitation under any Insolvency Laws or any statutes relating to the incorporation of companies) or seeking appointment of a receiver, trustee or other similar official for it or for any substantial part of its properties or assets, that have not been dismissed within 30 days of its filing or presentment.

6.5 Consents and Regulatory Approvals

Except as disclosed in Section 6.5 of the Buyer Disclosure letter no Consent of any Governmental Authority or any other person is required to be obtained by the Buyer in connection with the consummation of the transactions contemplated by this Agreement, including without limitation, the issuance of the Consideration Shares, subject to: (a) the Buyer filing documentation in connection with the customary post-closing conditions of the TSX-V for the listing and trading of the Consideration Shares on the TSX-V; and (b) the Buyer filing with applicable securities commissions, within 10 days from the date of the issuance of the Consideration Shares, a Form 45-106F1 prepared and executed in accordance with the Applicable Securities Laws and accompanied by the prescribed fees and fee checklist form, if any.

6.6 The Buyer Securities

- (a) The currently issued and outstanding Buyer Common Shares are listed and posted for trading on the TSX-V and no order ceasing or suspending trading in any securities of the Buyer or prohibiting the trading of any of the Buyer's issued securities has been issued to the Buyer or its directors, officers or promoters, and no investigations or proceedings for such purpose are pending or threatened, to the knowledge of the Buyer.
- (b) The authorized capital of the Buyer consists of an unlimited number of the Buyer Common Shares, of which, as of the close of business on December 16, 2021 124,273,132 Buyer Common Shares are issued and outstanding and are fully paid and non-assessable. As of the close of business on December 16, 2021, an aggregate of up to 7,237,167 Buyer Common Shares are reserved for issuance upon the exercise or conversion of outstanding stock options and convertible securities.
- (c) At the Time of Closing, all necessary corporate action will have been taken by the Buyer to validly issue the Consideration Shares and, upon the issuance of the Consideration Shares in accordance with the terms hereof, the Consideration Shares will be validly issued as fully-paid and non-assessable Buyer Common Shares.
- (d) The issue of the Consideration Shares will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Buyer or to which the Buyer is subject.

6.7 Public Disclosure Documents

The Public Disclosure Documents are in all material respects accurate and omit no material facts, the omission of which makes the Public Disclosure Documents or any particulars therein, misleading or incorrect at the time such statements were made.

6.8 Permits.

Each of the Buyer and the Buyer Subsidiaries holds all material Permits required in order to enable their Operations to be carried on as now conducted or as proposed to be conducted, and all such Permits are valid and subsisting and in good standing and none of the Buyer or the Buyer Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Permit which, if the subject of an unfavourable decision, ruling or finding, would materially adversely affect the conduct of its Operations. None of the Buyer or the Buyer Subsidiaries is in material default or material breach of any such material Permit. None of such material Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated hereby.

6.9 Compliance with Laws

The Buyer and each of the Buyer Subsidiaries is in compliance in all material respects with, and is not in violation of, any applicable Laws.

6.10 Securities Laws

The Buyer has taken or will take all steps as may be necessary for it to comply with the requirements of Applicable Securities Laws, and the Buyer is entitled to avail itself of the applicable prospectus and registration exemptions available under the Applicable Securities Laws, in respect of the issuance of the Consideration Shares to the Seller.

6.11 Buyer Financial Statements

The Buyer Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with prior periods: (i) are correct and complete in all material respects and present fairly in all material respects, the assets and liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Buyer and the Buyer Subsidiaries as at their respective dates and the results of operations and cash flows of the Buyer and the Buyer Subsidiaries for the periods covered by the Buyer Financial Statements; and (ii) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Buyer and the Buyer Subsidiaries and there has been no change in the accounting policies or practices of the Buyer and the Buyer Subsidiaries since the date of the Buyer Financial Statements. The Buyer has not declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do so or otherwise effected any return of capital with respect to such securities.

6.12 No Undisclosed Liabilities

None of the Buyer or any Buyer Subsidiary has any liabilities which would be required to be disclosed on financial statements in accordance with IFRS (whether accrued, absolute, contingent or otherwise), except: (a) those liabilities reflected or reserved against on the Buyer Financial Statements; and (b) liabilities incurred by the Buyer or a Buyer Subsidiary since the date of the Buyer Financial Statements in the ordinary course of business that do not result in a Material Adverse Change.

6.13 Absence of Changes

Except as disclosed in the Public Disclosure Documents, the business of the Buyer and the Buyer Subsidiaries taken as a whole has been conducted only in the ordinary course of business consistent with past practice, there has not been any material change in the assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Buyer and the Buyer Subsidiaries, and there has not been any Material Adverse Change in the business, operations or condition (financial or otherwise) or results of the operations of the Buyer and the Buyer Subsidiaries, since December 31, 2020.

6.14 Real and Personal Property

The Buyer and the Buyer Subsidiaries are the beneficial owners of or have the right to acquire the interests in, or have a valid leasehold interest in, the properties, business and assets referred to in the Public Disclosure Documents and any and all agreements pursuant to which the Buyer or the Buyer Subsidiaries holds or will hold any such interest in property, business or assets are in good standing in all material respects according to their terms, and the properties are in good standing in all material respects under the applicable statutes and regulations of the jurisdictions in which they are situated.

6.15 Intellectual Property

- (a) The Buyer has no knowledge of any claim of infringement or breach by the Buyer or any of the Buyer Subsidiaries of any industrial or intellectual property rights of any other person nor has the Buyer or any of the Buyer Subsidiaries received any notice that Operations, including the use of any intellectual property used by them, infringes upon or breaches any industrial or intellectual property rights of any other person, or the trade secrets, know-how or confidential or proprietary information of any other person, and the Buyer has no knowledge of any infringement or violation of any of the rights of the Buyer or any of the Buyer Subsidiaries in the intellectual property owned by them.
- (b) Each of the Buyer and the Buyer Subsidiaries owns or possesses such rights as are necessary to use any intellectual property used by them and the Buyer has no knowledge of any state of facts which casts doubt on the validity or enforceability of any intellectual property used by the Buyer or any of the Buyer Subsidiaries.

6.16 Reporting Issuer

The Buyer is a reporting issuer under Applicable Securities Laws in each of the Reporting Jurisdictions. The Buyer is not in default in any material respect of any requirement of Applicable Securities Laws nor is it included in a list of defaulting reporting issuers maintained by the securities commissions. In particular, without limiting the foregoing, the Buyer is in compliance at the Execution Date with its obligations to make timely disclosure of all material changes relating to it and no material change relating to the Buyer has occurred with respect to which the requisite material change report has not been publicly disclosed under Applicable Securities Laws in the Reporting Jurisdictions and no such disclosure has been made on a confidential basis.

6.17 Litigation

Except as disclosed in Section 6.17 of the Buyer Disclosure Letter: (a) there are no Proceedings pending or, to the knowledge of the Buyer, threatened against or affecting or related to, the Buyer or any of the Buyer Subsidiaries before or by any Governmental Authority which, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Change to the Buyer; and (b) neither the Buyer nor any Buyer Subsidiary is subject to any outstanding Order that, individually or in the aggregate, is reasonably likely to prevent or materially delay completion of the transactions contemplated by this Agreement, materially restrict the conduct of Operations as currently conducted or result in a Material Adverse Change. Neither the Buyer nor any of the Buyer Subsidiaries has knowledge of any ground on which any such Proceeding might be commenced with any reasonable likelihood of success.

6.18 Taxes

- (a) Each of the Buyer and the Buyer Subsidiaries has duly filed on a timely basis with the appropriate Governmental Authority all Tax Returns required to be filed by each of them and has submitted all required affidavits and complied with other accessory fiscal obligations and duties that are required to be fulfilled by or with respect to them, including keeping Tax books and records in compliance with all applicable Laws. All such Tax Returns were complete and accurate in all material respects. At the Time of Closing each of the Buyer and the Buyer Subsidiaries will have paid all Taxes which are due and payable (including all instalments and prepayments of Tax as required by applicable Laws). No jurisdiction or authority in or with which any of the Buyer or Buyer Subsidiaries does not file a Tax Return has alleged that it is required to file such a Tax Return.
- (b) The Buyer and the Buyer Subsidiaries have established on their books and records reserves which are adequate for the payment of all Taxes not yet due and payable and there are no liens for Taxes on the assets of the Buyer and the Buyer Subsidiaries and to the knowledge of the Buyer, there are no audits of any of the Tax Returns of the Buyer and the Buyer Subsidiaries pending, and there are no claims which have been or may be asserted relating to any such Tax Returns which, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency which would result in a Material Adverse Change on the properties, business or assets of the Buyer and the Buyer Subsidiaries.

6.19 Condition and Sufficiency of Assets and Properties

The buildings, plants, structures, fixtures, machinery, equipment, vehicles and other items of tangible personal property of the Buyer and the Buyer Subsidiaries have, in all material respects, been maintained in the ordinary course consistent with standard industry practice.

6.20 Unlawful Contributions

- (a) Each of the Buyer and the Buyer Subsidiaries, their respective officers and directors and, to the knowledge of the Buyer, their employees and agents, are in compliance with, and have not been charged under, Anti-Corruption Laws and applicable

sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in the any of the Buyer or any of the Buyer Subsidiaries being designated as a Sanctioned Person or Sanctioned Entity.

- (b) None of the Buyer Subsidiaries, nor, to the knowledge of the Buyer, any of their respective directors, officers, employees or agents has taken any action that would cause any of the Buyer Subsidiaries to be in violation in any material respect of AML Legislation. No proceedings under any such law are pending against or affecting any of the Buyer Subsidiaries nor, to the knowledge of the Buyer, are any threatened.
- (c) To the knowledge of the Buyer, the operations of the Buyer Subsidiaries are, and have been conducted at all times in material compliance with the financial record-keeping and reporting requirements of AML Legislation of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) to which the Buyer or the Buyer Subsidiaries is subject, and no action, suit or proceeding by or before any governmental entity or body or arbitrator involving the Buyer or a Buyer Subsidiary with respect to the Money Laundering Laws is to the knowledge of the Buyer, pending or threatened.

6.21 Finders’ Fee

There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Buyer who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

ARTICLE 7 CLOSING CONDITIONS

7.1 Mutual Conditions

The obligations of the Seller and the Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment on or before the Time of Closing of each of the following conditions:

- (a) no preliminary or permanent injunction or other order, decree or ruling issued by a Governmental Authority, and no statute, rule, regulation or executive order promulgated or enacted by a Governmental Authority, which restrains, enjoins, prohibits or otherwise makes illegal the consummation of the transactions contemplated by this Agreement, shall be in effect;
- (b) the Anti-Trust Approvals shall have been obtained and remain in full force and effect;
- (c) the TSX-V shall have provided its conditional approval to the issuance of the Consideration Shares; and

- (d) the Seller shall have received written confirmations or signed releases, as applicable, in form and substance satisfactory to the Seller and the Buyer, or the Seller and the Buyer shall otherwise be satisfied, in each case, acting reasonably, that, as applicable, prior to or upon the Time of Closing, each of the Seller Subsidiaries will be released in its capacity as guarantor from those debt instruments more particularly described in Section 7.1(d) of the Seller Disclosure Letter.

The foregoing conditions are for the exclusive benefit of the Seller and the Buyer, and any such condition may be waived in whole or in part by the Seller or the Buyer at or prior to the Time of Closing by each delivering to the others a written waiver to that effect. Delivery of any such waiver shall be without prejudice to any rights and remedies at law and in equity that the Seller or the Buyer may have, including any claims that the Seller or the Buyer may have for breach of covenant, representation or warranty by the other Party, and also without prejudice to the rights of termination of the Seller and the Buyer in the event of non-performance of any other conditions in whole or in part.

7.2 Closing Conditions in Favour of the Buyer

The obligations of the Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment on or before the Time of Closing of each of the following conditions:

- (a) the representations and warranties made by the Seller in this Agreement shall be true and correct in all respects without giving effect to any limitation indicated by the words “Material Adverse Change”, “in all material respects”, “material” or “materially”, except where the failure of such representations and warranties to be true and correct do not constitute in aggregate a Material Adverse Change, in each case as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, then as of such date, or except as affected by transactions contemplated or permitted by this Agreement), and the Seller shall have provided to the Buyer a certificate dated the Closing Date executed by a senior officer to the foregoing effect;
- (b) the Seller shall have performed and complied in all material respects with all covenants, conditions and agreements required by this Agreement to be performed or complied with by the Seller on or prior to the Time of Closing, and the Seller shall have provided to the Buyer a certificate dated the Closing Date executed by a senior officer to the foregoing effect;
- (c) the Seller Guarantor shall have performed and complied in all material respects with all covenants, conditions and agreements required by this Agreement to be performed or complied with by the Seller Guarantor on or prior to the Time of Closing, and the Seller Guarantor shall have provided to the Buyer a certificate dated the Closing Date executed by a senior officer to the foregoing effect;

- (d) no Material Adverse Change with respect to the Seller Subsidiaries shall have occurred since the Execution Date, and the Seller shall have provided to the Buyer certificate dated the Closing Date executed by a senior officer to such effect;
- (e) all deliveries contemplated by Sections 2.7 and 2.8 shall have been tabled; and
- (f) each of the Seller Consents shall have been obtained in form and substance satisfactory to the Buyer, acting reasonably, and be in effect as of the Closing Date.

The foregoing conditions are for the exclusive benefit of the Buyer and any such condition may be waived in whole or in part by the Buyer at or prior to the Time of Closing by delivering to the Seller a written waiver to that effect executed by the Buyer. Delivery of any such waiver shall be without prejudice to any rights and remedies at law and in equity the Buyer may have, including any claims the Buyer may have for breach of covenant, representation or warranty by the Seller and also without prejudice to the rights of termination of the Buyer in the event of non-performance of any other conditions in whole or in part.

7.3 Closing Conditions in favour of the Seller

The obligations of the Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment on or before the Time of Closing of each of the following conditions:

- (a) the representations and warranties made by the Buyer in this Agreement shall be true and correct in all respects without giving effect to any limitation indicated by the words “Material Adverse Change”, “in all material respects”, “material” or “materially”, except where the failure of such representations and warranties to be true and correct do not constitute in aggregate a Material Adverse Change, in each case as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, then as of such date, or except as affected by transactions contemplated or permitted by this Agreement), and the Buyer shall have provided to the Seller a certificate dated the Closing Date executed by a senior officer to the foregoing effect;
- (b) the Buyer shall have performed and complied in all material respects with all covenants, conditions and agreements required by this Agreement to be performed or complied with by the Buyer on or prior to the Time of Closing, and the Buyer shall have provided to the Seller a certificate dated the Closing Date executed by a senior officer to the foregoing effect;
- (c) no Material Adverse Change with respect to the Buyer shall have occurred since the Execution Date, and the Buyer shall have provided to the Seller a certificate dated the Closing Date executed by a senior officer to such effect; and
- (d) all deliveries contemplated by Section 2.9 shall have been tabled.

The foregoing conditions are for the exclusive benefit of the Seller and any such condition may be waived in whole or in part by the Seller at or prior to the Time of Closing by delivering to the Buyer a written waiver to that effect executed by the Seller. Delivery of any such waiver shall be

without prejudice to any rights and remedies at law and in equity the Seller may have, including any claims the Seller may have for breach of covenant, representation or warranty by the Buyer, and also without prejudice to the rights of termination of the Seller in the event of non-performance of any other conditions in whole or in part.

ARTICLE 8

SURVIVAL AND INDEMNIFICATION

8.1 Survival of Representations, Warranties and Covenants

Subject to Section 8.7, all representations, warranties and covenants contained in this Agreement and in all other agreements, documents and certificates delivered pursuant to or contemplated by this Agreement (other than the conditions of Closing set out in Article 7) shall survive the Closing and shall not merge.

8.2 Indemnification by the Seller

Subject to the limitations set out elsewhere in this Article 8, the Seller shall indemnify and save harmless the Buyer from and against all Losses suffered or incurred by the Buyer as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy or breach by the Seller of any Seller Fundamental Representation;
- (b) any inaccuracy or breach by the Seller of any representation or warranty of the Seller contained in this Agreement (other than an inaccuracy or breach of a Seller Fundamental Representation);
- (c) any breach or non-performance by the Seller of any covenant of the Seller contained in this Agreement; and
- (d) the Pre-Closing Reorganization.

8.3 Indemnification by the Buyer

Subject to the limitations set out elsewhere in this Article 8, the Buyer shall indemnify and save harmless the Seller from and against all Losses suffered or incurred by the Seller as a result of or arising directly or indirectly out of or in connection with:

- (a) any inaccuracy or breach by the Buyer of any Buyer Fundamental Representation;
- (b) any inaccuracy or breach by the Buyer of any representation or warranty of the Buyer contained in this Agreement (other than an inaccuracy or breach of a Buyer Fundamental Representation); and
- (c) any breach or non-performance by the Buyer of any covenant of the Buyer contained in this Agreement.

8.4 Tax and Specified Matters Indemnities

- (a) If any of the Seller Subsidiaries is liable for:
- (i) Taxes, (excluding Taxes as a result of the making or an amendment to a material Tax election, designation or Tax Return of the Selling Subsidiaries by the Buyer in contravention of Section 3.14), that are attributable to the period up to and including the Closing Date that have not been paid prior to the Closing Date and have not been included in the Closing Date Working Capital;
 - (ii) Taxes that are attributable to the Pre-Closing Reorganization (including incremental Taxes arising in respect of income or gains realized on any transaction step, to the extent that an equivalent amount of Taxes would not have arisen but for such step) and that have not been paid prior to the Closing Date; or
 - (iii) additional Taxes arising in connection with the audit initiated on November 20, 2021,

then the Seller shall be liable therefor and the Seller shall indemnify the Buyer from all Losses suffered or incurred by the Buyer or a Seller Subsidiary as a result of or arising directly or indirectly out of or in connection with such liability. For clarity, all Taxes of the Seller Subsidiaries that are attributable to the period beginning after the Closing Date shall not be subject to such indemnification from the Seller and shall be the sole responsibility of the Seller Subsidiaries, as owned by the Buyer and its applicable Affiliates. The Buyer shall only be entitled to require payment on the indemnities contained in Section 8.4(a) only up to the Purchase Price.

- (b) Subject to the limitations set out elsewhere in this Article 8, the Seller shall indemnify and save harmless the Buyer and the Seller Subsidiaries from all Losses suffered or incurred by the Buyer and the Seller Subsidiaries as a result of or arising directly or indirectly out of or in connection with the Specified Matters.

8.5 Limitation of Liability

- (a) The Buyer shall not be entitled to require payment in respect of any Losses pursuant to the indemnities contained in Section 8.2 and none of the Seller or the Seller Guarantor shall be liable for any indemnity payment thereunder unless either alone or together with the amount finally agreed or adjudicated to be payable in respect of Losses for which the Buyer would otherwise be entitled to require payment under such indemnities, such Losses exceed the Minimum Loss Amount. Once the Minimum Loss Amount has been exceeded, the Buyer shall only be entitled to require payment on the indemnities contained in Section 8.2 on the portion of Losses that exceeds the Minimum Loss Amount and as against the Seller and the Seller Guarantor, collectively only up to:

- (i) other than the Seller Fundamental Representations, the Threshold Amount; and
 - (ii) with respect to the Seller Fundamental Representations, the Purchase Price.
- (b) The Seller shall not be entitled to require payment in respect of any Loss pursuant to the indemnities contained in Section 8.3 and the Buyer shall not be liable for any indemnity payment thereunder unless either alone or together with the amount finally agreed or adjudicated to be payable in respect of Losses for which the Buyer would otherwise be entitled to require payment under such indemnities, such Losses exceed the Minimum Loss Amount. Once the Minimum Loss Amount has been exceeded, the Seller shall only be entitled to require payment on the indemnities contained in Section 8.3 on the portion of Losses that exceeds the Minimum Loss Amount and only up to:
 - (i) other than the Buyer Fundamental Representations, the Threshold Amount; and
 - (ii) with respect to the Buyer Fundamental Representations, the Purchase Price.
- (c) Notwithstanding any other provision in this Article 8, for the avoidance of doubt, in no event shall: (i) the aggregate liability of the Buyer in respect of all indemnities under this Agreement exceed the Purchase Price; or (ii) the aggregate liability of the Seller and the Seller Guarantor in respect of all indemnities under this Agreement other than Specified Matters indemnity set out in Section 8.4, exceed the Purchase Price.
- (d) For the purposes of Sections 8.5(a) and 8.5(b):
 - (i) Losses arising out of separate sets of facts, matters or circumstances will not be treated as an individual Loss, even if each set of facts, matters or circumstances may be a breach of the same representation and warranty; and
 - (ii) Losses of the same or similar nature arising out of the same or similar facts, matters and circumstances will be treated as an individual Loss.

8.6 Notice of Claim

- (a) A Party that may be entitled to make a claim for indemnification (a “**Claim**”) under this Agreement (the “**Indemnified Party**”) shall give written notification to the other Party (the “**Indemnifying Party**”) of such Claim (a “**Notice of Claim**”) promptly upon becoming aware of the Claim, but in no event later than the relevant date, if any, specified in Section 8.7. The Notice of Claim shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity, to the extent that the

information is available, the factual basis for the Claim and the amount of the Claim.

- (b) If an Indemnified Party fails to provide the Indemnifying Party with a Notice of Claim promptly as required by Section 8.6(a), the Indemnifying Party shall be relieved of the obligation to pay damages to the extent it can show that it was prejudiced in its defence of the Claim or in proceeding against a third party who would have been liable to it by the fact of the delay, but the failure to provide such Notice of Claim promptly shall not otherwise release the Indemnifying Party from its obligations under this Article.
- (c) If the date by which a Notice of Claim must be given as set out in Section 8.7 in respect of a breach of representation and warranty has passed without any Notice of Claim having been given to the Indemnifying Party, then the related Claim shall be forever extinguished, notwithstanding that by the date specified in Section 8.7 the Indemnified Party did not know, and in the exercise of reasonable care could not have known, of the existence of the Claim.
- (d) When a Notice of Claim is in respect of any inaccuracy or breach by the Seller of any representation or warranty of the Seller contained in Section 4.23 (Taxes) or pursuant to Section 8.4, the Indemnifying Party shall pay to the Indemnified Party the amount specified on an assessment, reassessment or other form of recognized written demand assessing liability for Taxes under applicable Law that is issued to a Seller Subsidiary upon demand by a Governmental Authority or to the extent that the amount specified may give rise to interest or penalties if it is not paid.

8.7 Time Limits for Notice of Claim for Breach of Representations and Warranties and Tax Indemnification

- (a) The Seller shall not be required to indemnify or save harmless the Buyer pursuant to Section 8.2 unless the Buyer shall have provided to the Seller a Notice of Claim within the following time limits:
 - (i) with respect to the representations and warranties set out in Section 4.16 (Environmental Matters), not later than the fifth anniversary of the Closing Date;
 - (ii) with respect to the representations and warranties set out in Section 4.23 (Taxes), not later than the day that is 60 days after the expiration of the period, if any, during which an assessment, reassessment or other form of recognized written demand assessing liability for Tax, interest or penalties under applicable legislation in respect of any taxation year to which such representations and warranties relate could be issued to any of the Seller Subsidiaries under such law;
 - (iii) with respect to a Claim for any breach of any of the representations and warranties of the Seller contained in this Agreement involving fraud, at any time after Closing;

- (iv) with respect to the Seller Fundamental Representations, not later than the third anniversary of the Closing Date; and
 - (v) with respect to all other representations and warranties of the Seller contained in this Agreement (excluding the Seller Fundamental Representations), not later than 18 months of the Closing Date.
- (b) The Seller shall not be required to indemnify or save harmless the Buyer pursuant to Section 8.4 unless the Buyer shall have provided to the Seller a Notice of Claim not later than the day that is 60 days after the expiration of the period, if any, during which an assessment, reassessment or other form of recognized written demand assessing liability for Taxes under applicable Law in respect of any taxation year to which the indemnity of the Seller in Section 8.4 relates could be issued to the Seller Subsidiaries under such Law.
- (c) The Buyer shall not be required to indemnify or save harmless the Seller pursuant to Section 8.3 unless the Seller shall have provided to the Buyer a Notice of Claim within the following time limits:
- (i) with respect to the representations and warranties set out in Section 6.18 (Taxes), not later than the day that is 60 days after the expiration of the period, if any, during which an assessment, reassessment or other form of recognized written demand assessing liability for Taxes under applicable Law in respect of any taxation year to which such representations and warranties relate could be issued to the Buyer under such Law;
 - (ii) with respect to a Claim for any breach of any of the representations and warranties of the Buyer contained in this Agreement involving fraud, at any time after Closing;
 - (iii) with respect to the Buyer Fundamental Representations, not later than the third anniversary of the Closing Date; and
 - (iv) with respect to all other representations and warranties of the Buyer contained in this Agreement (excluding the Buyer Fundamental Representations), not later than 18 months of the Closing Date.

8.8 Limitation Periods for Claims for Breach of Representations and Warranties and Taxes Owed

Notwithstanding the provisions of the *Limitation Act* (British Columbia) or any other statute, the period within which an Indemnified Party may commence a Proceeding in respect of a Claim for which a Notice of Claim is required to be, and has been, given in accordance with Section 8.7, shall be two years from the last date upon which such Notice of Claim is permitted to be delivered thereunder, and any applicable limitation period is hereby so extended to the fullest extent permitted by Law.

8.9 Direct Claims

With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Claim, the Indemnifying Party shall have 45 days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both Parties agree at or prior to the expiration of such 45-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed-upon amount of the Claim, failing which the matter shall be determined by a court of competent jurisdiction.

8.10 Third Party Claims

- (a) The Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of any Third Party Claim and if the Indemnifying Party assumes control, it shall reimburse the Indemnified Party for all of the Indemnified Party's out-of-pocket expenses prior to the time the Indemnifying Party assumed control. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to actual or potential differing interests between them (such as the availability of different defences).
- (b) An Indemnifying Party shall not have the rights referred to in Section 8.10(a) above, unless the Indemnifying Party has paid to the Indemnified Party the amount required pursuant to Section 8.6(d), if any.
- (c) If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control.
- (d) If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable Law to incur losses or make a payment to any person (a "**Third Party**") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may incur such Losses or make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under such Third Party Claim, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after the receipt of the difference from the Third Party, pay the amount of such difference, together with any interest thereon paid by the Third Party to the

Indemnified Party, to the Indemnifying Party. In addition, the Indemnifying Party shall post all security required by any court, regulatory body or other authority having jurisdiction, including without limitation, for purposes of enabling the Indemnifying Party to contest any Third Party Claim.

- (e) If the Indemnifying Party fails to assume control of the defence of any Third Party Claim or defaults in respect of any of its obligations under this Section with respect thereto, the Indemnified Party shall have the exclusive right to contest the amount claimed and may settle and pay the same on 14 days' prior written notice to the Indemnifying Party and the Indemnifying Party shall thereupon be deemed to have agreed that such settlement is reasonable and may be agreed to by the Indemnified Party and all other persons liable in respect of the Third Party Claim unless within such 14-day period the Indemnifying Party notifies the Indemnified Party that it is assuming or reassuming control of such defence and thereafter assumes or reassumes such control and does not default.
- (f) The Indemnified Party and the Indemnifying Party shall co-operate fully with each other with respect to Third Party Claims or in connection with Specified Matters, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

8.11 Adjustments

- (a) The amount of any Loss for which indemnification is provided in this Article will be adjusted to take into account any tax benefit or other benefit realized by the Indemnified Party by reason of the Loss for which indemnification is so provided. Any such tax benefit or other benefit will be taken into account at such time as it is received by the Indemnified Party.
- (b) In determining the amount of any Losses under this Article, such Losses will be increased to take into account any Tax actually incurred by the Indemnified Party as a result of the matter giving rise to such Losses.
- (c) Where an Indemnified Party is, or would be likely to be, entitled to recover or be compensated or indemnified by another person, whether by way of contract, indemnity or otherwise (including under a policy of insurance), any amount in respect of a Claim made by the Indemnified Party, the Indemnified Party shall promptly notify the Indemnifying Party of such right or entitlement, take all reasonable steps to seek recovery of that amount and keep the Indemnifying Party at all times fully and promptly notified of the status of such recovery. The amount of the Claim by the Indemnified Party shall be reduced by any amount actually recovered by the Indemnified Party (net of all reasonable out of pocket costs and expenses incurred in doing so and any Tax paid or payable on the amount recovered).
- (d) If, after an Indemnifying Party has made a payment in respect of a Claim, an Indemnified Party recovers from or is paid by another person any amount in respect

of the Loss that gave rise to the Claim, the Indemnified Party shall promptly, and in any event within ten Business Days, pay to the Indemnifying Party, the lesser of: (i) the amount of the Loss that was recovered or paid; and (ii) the amount paid by the Indemnifying Party to the Indemnified Party in respect of the Claim, in either case net of all reasonable out of pocket costs and expenses incurred in obtaining the recovery or payment and any Tax paid or payable as a result of receiving such recovery or payment.

- (e) Any indemnity payment made under this Article, including pursuant to Section 9.1(d), shall be treated by the Seller and the Buyer as an adjustment to the Purchase Price.
- (f) The Buyer shall have the right to assign the right to receive proceeds of any indemnity payment made under this Article to its lenders on written notice to such effect to the Seller and the Seller Guarantor.

8.12 Exclusivity

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

8.13 Reasonable Steps to Mitigate

Except for Third Party Claims for which the Indemnifying Party assumes control of the negotiation settlement or defence pursuant to section 8.10, the Indemnified Party will take commercially reasonable steps to mitigate all Losses, including availing itself of any defences, limitations, rights of contribution, claims against third persons, and other rights at law or equity and will provide such evidence and documentation of the nature and extent of the Loss as may be reasonably requested by the Indemnifying Party and in determining the amount of any Loss, reasonable mitigation will be taken into account.

ARTICLE 9 **TERMINATION**

9.1 Termination

This Agreement may be terminated at any time prior to the Closing Date:

- (a) by mutual written agreement of the Buyer and the Seller;
- (b) by either the Buyer or the Seller, if:
 - (i) the Closing has not occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 9.1(b)(i) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or breach of any of its representations and warranties under this

Agreement has the been the cause of, or resulted in, the failure of the Closing to occur by the Outside Date; or

- (ii) after the date hereof, there shall be enacted or made any applicable Law, or a Governmental Authority shall have issued any Order (which Order is final and non-appealable, unless such Order has been withdrawn, reversed or otherwise made inapplicable), permanently restraining or enjoining or otherwise prohibiting the transactions contemplated herein;
- (c) by the Seller by written notice to the Buyer, if:
- (i) any of the conditions in Section 7.1 or 7.3 has not been satisfied or waived by the Outside Date or is incapable of satisfaction by the Outside Date, provided that the Seller is not then in breach of this Agreement so as to cause any of the conditions in Sections 7.1 or 7.3 not to be satisfied; or
 - (ii) any representation or warranty of the Buyer contained herein is untrue or incorrect or shall have become untrue or incorrect such that the condition contained in Section 7.3(a) would be incapable of satisfaction or the Buyer is in default in any material respect of any of its covenants or obligations herein such that the condition in Section 7.3(b) would be incapable of satisfaction; or
- (d) by the Buyer by written notice to the Seller, if:
- (i) any of the conditions in Sections 7.1 or 7.2 has not been satisfied or waived by the Outside Date or is incapable of satisfaction by the Outside Date, provided that the Buyer is not then in breach of this Agreement so as to cause any of the conditions set forth in Sections 7.1 or 7.2 not to be satisfied;
 - (ii) any representation or warranty of the Seller contained herein is untrue or incorrect or shall have become untrue or incorrect such that the condition contained in Section 7.2(a) would be incapable of satisfaction.

9.2 Effect of Termination

- (a) Notwithstanding the termination of this Agreement by the Seller pursuant to Section 9.1(b) or Section 9.1(c), the Seller may bring an action against the Buyer for Losses suffered by the Seller where the event giving rise to the right of termination is a result of a breach of covenant, representation or warranty by the Buyer.
- (b) Notwithstanding the termination of this Agreement by the Buyer pursuant to Section 9.1(b) or Section 9.1(d), the Buyer may bring an action against the Seller for Losses suffered by the Buyer where the event giving rise to the right of termination is a result of a breach of covenant, representation or warranty by the Seller.

9.3 Surviving Provisions on Termination

Notwithstanding any other provisions of this Agreement, if this Agreement is terminated (whether by a Party or automatically or otherwise), the provisions of Sections 3.13, 3.16 7.1, 7.2, 7.3 and Article 8, Article 9 and Article 10 shall survive such termination and remain in full force and effect, along with any other provisions of this Agreement which expressly or by their nature survive the termination hereof.

9.4 Remedies

The Seller and the Seller Guarantor on the one hand, and the Buyer on the other hand, acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any Party or its representatives and any such breach would cause the non-breaching Party irreparable harm. Accordingly, the Seller and the Seller Guarantor on the one hand, and the Buyer on the other hand, agree that, in the event of any breach or threatened breach of this Agreement by any of the Seller or the Seller Guarantor on the one hand, or the Buyer on the other hand (provided this Agreement shall not have been terminated pursuant to Section 9.1), the non-breaching Party shall also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to the Parties.

ARTICLE 10 **GENERAL PROVISIONS**

10.1 Notices

- (a) Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by email with confirmation receipt requested as follows:

in the case of the Buyer:

Bear Creek Mining Corporation
[Address redacted]

Attention: [Name redacted]
Email: [Email address redacted]

with a copy to:

Borden Ladner Gervais LLP
1200 Waterfront Centre, 200 Burrard St.
Vancouver, British Columbia, V7X 1T2

Attention: Fred R. Pletcher
Email: FPlletcher @blg.com

in the case of the Seller or the Seller Guarantor:

Equinox Gold Corp.
[Address redacted]

Attention: [Name redacted]
Email: [Email address redacted]

with a copy to:

Blake, Cassels & Graydon LLP
Suite 2600 - 595 Burrard Street
Vancouver, British Columbia, V7X 1L3

Attention: Bob Wooder
Email: bob.wooder@blakes.com

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted by email (or, if such day is not a Business Day or such notice or other communication was delivered or transmitted after 5:00 p.m. (recipient's time), on the next following Business Day).
- (c) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 10.1.

10.2 Applicable Law

- (a) This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the Laws of the Province of British Columbia and the federal Laws of Canada applicable in such province.
- (b) Each of the Parties irrevocably and unconditionally: (i) submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia over any action or proceeding arising out of or relating to this Agreement; (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

10.3 Entire Agreement

This Agreement, along with the other documents contemplated herein, constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof and thereof except as provided herein or therein. Notwithstanding the foregoing, the Parties acknowledge and agree that the Confidentiality Agreement remains in full force and effect.

10.4 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

10.5 No Waiver

The failure of any Party to insist upon strict adherence to any provision of this Agreement on any occasion shall not be considered a waiver or deprive that Party of the right thereafter to insist upon strict adherence to such provision or any other provision of this Agreement. No purported waiver shall be effective as against any Party unless consented to in writing by such Party. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.

10.6 Further Assurances

Each of the Parties shall, from time to time hereafter, do all such acts and execute and deliver all such further certificates or other documents, and will cause the doing of all such acts and will cause the execution of all such further certificates or other documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done and or executed in order to give full effect to the provisions of this Agreement.

10.7 Amendments

No term or provision of this Agreement may be amended except by an instrument in writing signed by the Parties.

10.8 Assignment

No Party shall assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other Parties; provided that such restriction shall not apply to an assignment by: (i) the Seller (or its designee) of the Consideration Shares or the NSR Agreement; or (ii) the Buyer to one or more Buyer Nominees to purchase all or any portion of the Purchased Shares, provided that the Buyer shall remain responsible for all of its covenants and other agreements contained in this Agreement and provided that the indemnification of the Buyer for Losses as relates to the Minimum Loss Amount, the Threshold Amount and the cap with respect to the Purchase Price as and by the Seller and the Seller Guarantor shall be treated on an aggregate basis and shall not be increased by reason of the fact that there shall be one or more Buyer Nominees.

10.9 Enurement

This Agreement will enure to the benefit of and be binding upon the Parties and their respective

successors and permitted assigns.

10.10 Expenses

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement, the agreements contemplated herein and the transactions contemplated herein and therein, including the fees and expenses of legal counsel, financial advisors, accountants, consultants and other professional advisors.

10.11 Time of the Essence

Time is of the essence hereof.

10.12 Counterparts

This Agreement may be executed in any number of counterparts (including by pdf) each of which when so executed will be deemed to be an original and when taken together shall constitute the entire and same agreement.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first written above.

PREMIER GOLD MINES LIMITED

By: (signed) Peter Hardie
Name: Peter Hardie
Title: Director

(signed) Christian Milau
Name: Christian Milau
Title: Director

EQUINOX GOLD CORP.

By: (signed) Peter Hardie
Name: Peter Hardie
Title: Chief Financial Officer

(signed) Christian Milau
Name: Christian Milau
Title: Chief Executive Officer

BEAR CREEK MINING CORPORATION

By: (signed) Anthony Hawkshaw
Name: Anthony Hawkshaw
Title: President and Chief Executive Officer

(signed) Paul Tweddle
Name: Paul Tweddle
Title: Chief Financial Officer

SCHEDULE "A"
ORGANIZATION CHART OF
THE SELLER GUARANTOR, SELLER AND SELLER SUBSIDIARIES

[Commercially sensitive information redacted]

SCHEDULE "B"
FORM OF NSR AGREEMENT

NSR AGREEMENT

THIS AGREEMENT is dated with effect as of the [●] day of [●], 202[●] (the “**Effective Date**”).

BETWEEN:

MINERA MERCEDES MINERALES, S. DE R.L. DE C.V., a company incorporated under the laws of Mexico and having an office at [●]

(“**Payor**”)

AND:

BEAR CREEK MINING CORPORATION, a company incorporated under the laws of Ontario and having an office at 400 Burrard Street, Suite 1400 Vancouver, BC V6C 3A6

(“**Guarantor**”)

AND:

PREMIER GOLD MINES LIMITED, a company incorporated under the laws of Ontario and having an office at 1501-700 West Pender Street, Vancouver, BC V6C 1G8

(“**Payee**”)

WHEREAS:

- A. Payor is the holder of a 100% interest in the mineral rights located in Sonora, Mexico, which are more particularly described in Schedule A hereto;
- B. Guarantor is the indirect owner of 100% of the issued and outstanding shares of capital stock of the Payor; and
- C. Payor wishes to grant Payee the Return, as defined below, on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein (the receipt and sufficiency of which is hereby acknowledged by each Party) the Parties agree as follows:

1. DEFINITIONS

The following words and phrases shall have the following meanings, namely:

- (a) “**Abandonment Property**” has the meaning set out in Section 7(d).
- (b) “**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to “control” another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term “controlled” shall have a similar meaning.

- (c) “**Agreement**” means this NSR Agreement and all attached schedules, as such may be amended, restated, modified or superseded from time to time in accordance with the terms hereof and such schedules shall form part of this agreement and such schedules shall form part of this agreement.
- (d) “**Annual Report**” means a written report, in relation to a fiscal year, with respect to the Property, to be prepared by or on behalf of the Payor, containing, for such year:
- (i) types, tonnes and average grade of Minerals mined during the applicable fiscal year;
 - (ii) with respect to the processing facilities used to process Minerals, the types, tonnes and average grade of Minerals processed; recoveries for gold and other Minerals; doré weight and gold doré grade; contained recoverable ounces of gold in doré; and recovered quantity of all other Minerals;
 - (iii) the number of ounces of gold and the quantity of other Minerals contained in the materials processed during such year, but not delivered to a Third Party Payor by the end of such year;
 - (iv) the credit/payment to the Payee and/or estimated credit/payment to the Payee with respect to gold and other Minerals referred to in subsection 1(d)(iii) on account of the Return;
 - (v) a statement setting out the most recently estimated mineral reserves and mineral resources (by category) prepared in accordance with National Instrument 43-101 (with the assumptions used, including cut-off grade, metal prices and metal recoveries);
 - (vi) a reasonably detailed forecast, based on the current development or mine plan as applicable, of the quantity of gold and other Minerals expected to be produced during the current fiscal year.
- (e) “**Applicable Law**” means any federal, provincial, territorial, state, municipal, county or local statute law, ordinance, code, rule, official norm, regulation, order (including any securities laws or requirements of stock exchanges and any consent decree or administrative order), or Authorization of a Governmental Authority in any case applicable to any specified Person, property, transaction or event, or any such Person’s property or assets.
- (f) “**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.
- (g) “**Business Day**” means any day (other than a Saturday, Sunday) on which banks are open for business in Vancouver, British Columbia.
- (h) “**Calendar Quarter**” means each three-month period ending March 31st, June 30th, September 30th and December 31st of each calendar year.

- (i) **“Governmental Authority”** means:
- (i) any domestic government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
 - (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
 - (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
 - (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association such as the Toronto Stock Exchange or the TSX Venture Exchange.
- (j) **“Gross Proceeds”** means:
- (i) the gross proceeds that are actually received by the Payor or its Affiliates from the sale (whether immediate or for future delivery) during the applicable Calendar Quarter from the sale or other disposition of all Products extracted from the Property where the sale is effected on an arms-length basis on normal commercial terms;
 - (ii) if sales of gold or silver are effected by the Payor or its Affiliates on any other basis than on an arms-length basis on normal commercial terms, or if gold or silver extracted from the Property is disposed of by the Payor or its Affiliates otherwise than by sale (whether immediate or for future delivery) during the applicable Calendar Quarter, an amount equal to the Reference Price for gold or silver, as applicable, multiplied by the quantity of the gold or silver, as applicable, extracted from the Property so sold or otherwise disposed of by the Payor or its Affiliates during the applicable Calendar Quarter; and
 - (iii) if there is an Insurable Loss of Product, the insurance proceeds received by the Payor or its Affiliates during the applicable Calendar Quarter in respect of such Insurable Loss.
- (k) **“Hedging Activities”** has the meaning set out in Section 2(g).
- (l) **“Insurable Loss”** means loss of, theft of or damage to Products, whether or not occurring on or off the Property and whether the Products are in the possession of the Payor or its Affiliates or otherwise.
- (m) **“Losses”** means any and all damages, claims, losses, lost profits, liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees).
- (n) **“Material Adverse Effect”** means any change, event, occurrence, condition, circumstance, effect, fact or development that has, or could reasonably be expected to have, a material and adverse effect on: (a) title to the Property, (b) the ability of the Return Entities to construct, develop or operate the Property; (c) the ability of the Payor to perform its obligations under this Agreement; or (d) the legality, validity, binding effect or enforceability of this Agreement or the rights and remedies of the Payee under this Agreement.

- (o) “**Minerals**” means any and all metals (including precious and base metals), minerals and mineral rights which are mined, excavated, extracted, recovered in soluble solution or otherwise recovered or produced from the Property.
- (p) “**National Instrument 43-101**” means National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (or any successor instrument, rule or policy).
- (q) “**Net Smelter Returns**” has the meaning set out in Section 3(a).
- (r) “**Other Rights**” means all licenses, approvals, authorizations, consents, rights (including surface rights, access rights and rights of way), privileges, concessions or franchises held by the Return Entities or required to be obtained from any Person (other than a Governmental Authority), for the construction, development and operation of the Property, as such construction, development and operation is contemplated by the current or then applicable development or mine plan, as the case may be.
- (s) “**Parties**” means the parties to this Agreement and “**Party**” means any one of the Parties.
- (t) “**Penalty**” or “**Penalties**” means a charge or charges made by a refinery, smelter or other third party processing facility, in addition to normal refining costs, for removing from the Minerals substances which are deleterious to the smelting and refining processes or where the cost of the removal exceeds the value of those Minerals or other substances.
- (u) “**Permissible Deductions**” has the meaning set out in section 3(b).
- (v) “**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.
- (w) “**Products**” means any and all economic marketable material, in whatever form or state, produced from the Property and, without limitation, any products resulting from the further milling, processing or other beneficiation, including ore concentrates, doré, or and any material derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Property.
- (x) “**Property**” shall mean the mining concessions identified in Schedule “A” hereto, and any extensions, renewals, substitutions or replacements of the same issued from time to time in whole or in part, and any other property or mineral claim that may arise from time to time in connection with such mining concessions.
- (y) “**Prime**” means the variable annual reference rate of interest from time to time established by The Bank of Nova Scotia as its “US Base Rate” of interest for commercial loans in Canada denominated in U.S. dollars (provided that, if, for any reason, The Bank of Nova Scotia is no longer in operation then one of the three largest chartered Canadian banks (based on assets), at the sole discretion of the Payor, shall be substituted therefor and this definition shall apply mutatis mutandis to such substitute bank).
- (z) “**Quarterly Production**” means the number ounces of gold, the number of ounces of silver and the contained quantity of other Minerals in any shipment paid for or credited to the Return Entities by a Third Party Payor during any given Calendar Quarter.

- (aa) **“Reference Price”** means, for any given Calendar Quarter;
- (i) for gold, the quarterly average of the daily afternoon (PM) per ounce London Bullion Market Association (**“LBMA”**) Gold Price in U.S. dollars quoted by the LBMA (currently in partnership with ICE Benchmark Administration) or any successor thereto, for gold for such quarter, calculated by dividing the sum of all such quotations during such quarter by the number of such quotations; and
 - (ii) for silver, the quarterly average of the daily per ounce LBMA Silver Price in U.S. dollars quoted by the LBMA (currently in partnership with ICE Benchmark Administration) for refined silver for such quarter, calculated by dividing the sum of all such quotations during such quarter by the number of such quotations.
- (bb) **“Refined Gold”** means marketable metal bearing material in the form of gold bars or coins that is refined by an accredited refiner that is on the LBMA’s Good Delivery List to a minimum 995 parts per 1,000 fine gold and that otherwise meets the LBMA’s Good Delivery Rules.
- (cc) **“Return”** has the meaning set out in Section 2(a).
- (dd) **“Return Entities”** means the Payor and the Guarantor and any of its Affiliates from time to time.
- (ee) **“Return Statement”** has the meaning set out in Section 2(f).
- (ff) **“Sale”** means a sale or transfer of title of Products by or on behalf of a Payor or any of its Affiliates to a Person, whether or not an Affiliate of such Payor, and is deemed to include a deemed transfer of title to Products transported off the Properties that such Payor or any of its Affiliates elects to have credited to or held for its account by an offtaker and is also deemed to include any Insurable Loss prior to any transfer or deemed transfer of title to Products for which compensation is received.
- (gg) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval.
- (hh) **“Share Purchase Agreement”** means the Share Purchase Agreement dated December 16, 2021 among Equinox Gold Corp., Premier Gold Mines Limited and Bear Creek Mining Corporation relating to the sale of the Purchased Shares (as defined in the Share Purchase Agreement).
- (ii) **“Taxes”** means all taxes, levies and charges of any kind or nature whatsoever imposed or collected by any Governmental Authority including corporation income taxes, capital taxes, realty taxes (including utility charges which are collectible like realty taxes), net proceeds of mines tax, mining taxes and royalties, privilege taxes, excise taxes, business taxes, property transfer taxes, taxes charged on any measure of income or revenue, sales taxes, customs duties, payroll taxes, levies, stamp taxes, royalties, taxes charged on royalties received by royalty recipients, duties, financial transaction tax on foreign exchange operations and all fees, including claim fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future, by any Governmental Authority of any jurisdiction whatsoever having power to tax, together with penalties, fines, additions to tax and interest thereon.
- (jj) **“Third Party Payor”** means the smelter, refiner, processor, purchaser or other recipient of Quarterly Production, provided such entity is not a Return Entity.
- (kk) **“VanIAC”** has the meaning set out in Section 12(a).

2. RETURN

- (a) **Grant of Return.** Effective as of the Effective Date, the Payor hereby creates, grants and conveys to the Payee, and agrees to pay to the Payee, a Return (the “**Return**”) for the term of existence of the mining concessions comprising the Property (including all extensions of the term of existence of the mining concessions comprising the Property) in the amount of 2.0% of Net Smelter Returns, payable on a quarterly basis, from Minerals produced from the Property, determined in accordance with the provisions set forth in this Agreement.
- (b) **Time and Manner of Payment.** The Return shall be paid in cash by the Payor within 20 Business Days of the last day of each Calendar Quarter. The cash payments shall be made by wire transfer to an account to be designated by the Payee and notified to the Payor at least three Business Days before the payment date. For greater certainty, the Payee shall not be responsible for, and all Return payments shall be made free of, any Deductions or Taxes, all of which shall be for the account of the Payor, except as specifically provided for in Sections 3.
- (c) **Withholding and Similar Taxes.** Subject to Section 2.2(D) of the Seller Disclosure Letter (as such term is defined in the Share Purchase Agreement), the Payor will withhold or deduct from the Return payments and remit to the appropriate Governmental Authority, any withholding or similar Taxes as required under Applicable Law, and shall pay the net amount of the Return payments to the Payee. The Payor will make commercially reasonable efforts to obtain certified copies of tax receipts evidencing payment of any Taxes so deducted or withheld. The Payor will furnish to the Payee, within 60 days after the date the payment of any Taxes so deducted or withheld is due pursuant to Applicable Law, either certified copies of tax receipts evidencing such payment or if such receipts are not obtainable, other evidence of such payment. The Payor will provide such information and cooperation, at the Payee’s expense, to the Payee as reasonably necessary to enable the Payee to make any possible claim for refund, return or other repayment of any such Taxes.
- (d) **Transactions with Affiliates.** Any transactions between the Payor and any Affiliate of the Payor for sale of Minerals shall be made on terms common to arms-length transactions for similar sales or services.
- (e) **Late Charge.** If the payment of the Return in respect of any Quarterly Production is not made within the time set out in Section 2(b) of this Agreement, the Payee may give the Payor written notice of such default. Unless the Payee shall have received such payment within five days of receipt of such notice an additional cash sum equal to Prime plus 7.0% of the amount of the delinquent payment (the “**Late Charge**”) shall be payable to the Payee, plus interest on the delinquent payment and the Late Charge at the rate of Prime plus 7.0% per annum, which shall accrue from the day the delinquent payment was due to the date of payment of the Return, Late Charge and accrued interest in full.
- (f) **Return Statements.** Each payment of the Return shall be accompanied by a detailed statement (a “**Return Statement**”) explaining the manner in which the payment was calculated and shall also include the following information:
 - (i) settlement ounces (or other quantities in the case of Minerals other than gold) of all Quarterly Production;
 - (ii) the prices used for the calculation of the Return;
 - (iii) any Permissible Deductions applied to the Return;

- (iv) any other pertinent information in sufficient detail to explain the calculation of the payment, including information relating to commingling or Minerals, if any; and
- (v) such other information as the Payee may reasonably request.

Such Return Statement shall be deemed conclusively correct if the Payee has not objected to it in writing within 12 months after receipt thereof.

- (g) **Hedging Activities.** If the Return Entities engage in any commodity futures trading, option trading, metals trading, gold loans, metals streaming, metals offtake, forward sales or any other hedging transactions or any combination thereof (collectively “**Hedging Activities**”), then all profits and losses resulting from such Hedging Activities are specifically excluded from calculations of the Return payments pursuant to this Agreement. All Hedging Activities entered into by the Return Entities and all profits or losses associated therewith, if any, shall be solely for the account of the Return Entities.
- (h) **Guarantee.** The Guarantor hereby absolutely, irrevocably and unconditionally guarantees to the Payee the due and punctual payment and performance of all present and future obligations, liabilities, debts, payments and undertakings, direct or indirect, absolute or contingent, of the Payor to the Payee arising under this Agreement.

3. CALCULATION OF NET SMELTER RETURNS

- (a) **Net Smelter Returns.** “**Net Smelter Returns**” for any given Calendar Quarter, means the Gross Proceeds from a Sale, less the Permissible Deductions.
- (b) **Permissible Deductions.** For the purposes of calculating Net Smelter Returns, “**Permissible Deductions**” shall mean the following, but only if and to the extent paid or incurred by the Return Entities:
 - (i) all charges, deductions and Penalties imposed by a smelter or refiner, including metal losses, umpire charges, assaying and sampling charges, smelting costs and treatment charges, that are paid or incurred by the Return Entities in respect of the Quarterly Production;
 - (ii) all charges, expenses and costs, if any, that are paid or incurred by the Return Entities in respect of the Quarterly Production for transportation of Minerals from the Property, a mill or other place of ore treatment to a smelter or refinery, (including loading, freight, insurance costs, security, surveyor fees, handling fees, port fees, demurrage, and forwarding expenses incurred by reason of or in the course of transportation);
 - (iii) the extraordinary mining duty (*derecho extraordinario de minería*) payable to the Government of Mexico pursuant to article 270 of the Mexican Federal Duties Law (*Ley Federal de Derechos*) (but excluding, for the avoidance of doubt, (i) the special mining duty (*derecho especial de minería*) payable to the Government of Mexico pursuant to article 268 of the Mexican Federal Duties Law, and (ii) the mining duty (*derecho sobre minería*) payable to the Government of Mexico pursuant to article 263 of the Mexican Federal Duties Law), and any Taxes, customs, duties, government charges or similar charges based on or assessed against the value or quantity of Minerals produced from the Property or the existence, severance, production, removal, sale, import, export, transportation, or disposition of ore, concentrates, doré, Refined Gold or other products

produced from the Property, but excluding Taxes based upon the income of the Payor, the Guarantor, their respective Affiliates or other operator of the Property or the value of the Property, or other taxes assessed on a similar basis and any value added or other taxes that are recoverable from the Payor, the Guarantor, their respective Affiliates;

and, for greater certainty, Permissible Deductions will not include any deductions charged by an entity owned or controlled, in whole or in part, by a Return Entity or any of its Affiliates, that are in excess of those that would have been incurred and have been deductible under this Agreement had such deductions been charged by entities not owned or controlled by a Return Entity or any of its Affiliates then offering comparable services for comparable products on prevailing terms.

- (c) **Toll Milling.** For greater certainty, if the Return Entities ship Minerals for processing or beneficiation at a facility not owned or controlled by a Return Entity before final treatment, no deductions for toll milling, other processing or transportation of the Minerals to the toll milling or other facility will apply. Notwithstanding the foregoing, if the Return Entities are *bona fide* delayed or hindered in, or prevented from, processing or beneficiating Minerals at a facility owned or controlled by a Return Entity by reason of any cause beyond the control of the Return Entities, including (without limitation) strikes, lockouts or other labour disputes, the enactment, amendment or repeal of any Applicable Laws, shortages or unavailability of labour or materials, riots, insurrection, sabotage, rebellion, war, acts of terrorism, act of God, weather, epidemic, pandemic, or any other similar reason (collectively "**Unavoidable Delay**"), the charges, expenses and costs of transportation of Minerals for processing or beneficiation at a facility not owned or controlled by a Return Entity before final treatment shall be treated as Permissible Deductions for the duration of the Unavoidable Delay.
- (d) **Provisional Settlement.** Where the Return Entities receive any credit or payment for Quarterly Production from a Third Party Payor on a provisional basis, the amount of the Return payable shall be based on the gross number of ounces of gold or quantity of other Minerals credited by such provisional settlement, but shall be adjusted as between the Payor and the Payee to account for the quantity of gold or other Minerals established by final settlement with the Third Party Payor.

4. REPLACEMENT PRICING

If any of the price quotations used in the determination of the Reference Price cease to exist, cease to be published or should no longer be internationally recognized as the basis for the settlement of bullion contracts (in the case of gold) or as the basis for the settlement of any other applicable commodity, then, upon the request of either of them, the Payor and the Payee shall promptly meet to select a comparable commodity quotation for purposes of this Agreement. The basic objective of such selection shall be to secure the continuity of fair market pricing of Refined Gold, silver or such other commodity. If such selection has not been made before the end of the Calendar Quarter in which the price quotations became unavailable, the Reference Price, as applicable, for the last complete Calendar Quarter for which the price quotations were available shall be used on an interim basis pending such selection.

5. REPORTING OBLIGATIONS

- (a) **Reports.** The Payor shall deliver or cause to be delivered to the Payee within 90 days after the end of each fiscal year, an Annual Report.
- (b) **Geological Reports.** Except if the Payor or an Affiliate of the Payor is a reporting issuer and such materials are filed on SEDAR promptly after they become available, the Payor shall promptly deliver to the Payee a copy of any technical reports prepared in accordance with National

Instrument 43-101 or updated mineral reserve and mineral resource estimates produced that pertain to the Property.

- (c) **Other Notices.** The Payor shall deliver to the Payee promptly after the Payor has knowledge or becomes aware thereof, written notice of any other condition or event which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect.

6. BOOKS AND RECORDS; AUDITS; INSPECTIONS

- (a) **Books and Records.** The Payor shall ensure that the Return Entities each keep true, complete and accurate books and records of all material operations and activities with respect to the Property, including the mining, treatment, processing, refining, transportation and sale of Minerals and in which complete entries will be made, in accordance with International Financial Reporting Standards (IFRS) applied on a consistent basis, reflecting all material financial transactions of each of the Return Entities relating to the Property.

- (b) **Audits.** If the Payee objects to an Annual Report or Return Statement delivered hereunder in accordance with Section 2(f) and Section 5(a), respectively, the Payee shall, for a period of 90 days after the Payor's receipt of notice of such objection, have the right, upon reasonable notice and at a reasonable time, to have the Return payment in question audited by a firm of chartered professional accountants acceptable to the Payee and to the Payor (and if they cannot agree on a firm, by a firm of chartered professional accountants selected by the auditors of the Payee). If such audit determines that there has been a deficiency or an excess in the payment made to the Payee such deficiency or excess shall be resolved by adjusting the next quarterly payment of the Return. The Payee shall pay all costs of such audit unless a deficiency of 5% or more of the amount due for the Calendar Quarter under audit is determined to exist. The Payor shall pay the costs of such audit if a deficiency of 5% or more of the credit due for the Calendar Quarter under audit is determined to exist. Failure on the part of the Payee to make claim on the Payor for adjustment in such 90-day period shall establish the correctness of the Return Statement and preclude the filing of exceptions thereto or making of claims for adjustment thereon.

- (c) **Inspections.** At reasonable times and with the prior consent of the Payor (not to be unreasonably withheld or delayed), the Payee and its authorized representatives shall have a right of access to all surface and subsurface portions of the Property, to any mill, smelter, concentrator or other processing facility owned or operated by any Return Entity that is used to process Minerals and to any related operations of the Return Entities for the purpose of enabling the Payee to monitor compliance by the Return Entities with the terms of this Agreement and/or to comply with the obligations of the Payee or any of its Affiliates under National Instrument 43-101 (or any other applicable Canadian and/or US securities laws and/or stock exchange rules and policies governing the disclosure obligations of the Payee or any of its Affiliates), as determined by the Payee acting reasonably. Subject to section 14(b), the Payee and its authorized representatives shall have the further right to inspect and take copies of all records and data, whether maintained physically or electronically, pertaining to the Property, mill, smelter, concentrator, other processing facilities and related operations.

- (d) **Access to the Property.** Access to the Property and associated facilities pursuant to Sections 6(c) shall be subject to the following: (i) any such access shall be at the sole risk and expense of the Payee, its representatives and its invitees; (ii) any such access shall not unreasonably interfere with the Return Entities' activities and operations; (iii) the Payee shall comply, and request that its representatives and invitees comply, with the policies and procedures that the Return Entities apply to their own representatives and invitees; (iv) the Payee shall give the relevant Return Entities

prompt notice of any injuries, property damage or environmental harm that may occur during such tour; and (v) the Payee shall indemnify the Return Entities from any Losses (excluding loss of profit and consequential or punitive damages) suffered or incurred by any Return Entity as a consequence of injury to the Payee, its representatives or its invitees incurred during such access, provided that the foregoing shall not apply to any Losses to the extent they arise primarily from the gross negligence or willful misconduct of any Return Entity.

7. MAINTENANCE OF EXISTENCE AND PROPERTY

- (a) **Maintenance of Existence.** The Payor shall use its commercially reasonable efforts to maintain its corporate or other entity existence and to obtain and, once obtained, maintain all Authorizations necessary to carry on its business and own its assets in each jurisdiction in which it carries on business or in which its assets are located.
- (b) **Maintenance of the Property.** The Payor shall use its commercially reasonable efforts to maintain the Property in good standing, including paying or causing to be paid all Taxes owing in respect thereof, performing or causing to be performed all required assessment work thereon, paying or causing to be paid all claim, permit and license maintenances fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof and otherwise maintaining the Property in accordance with Applicable Laws.
- (c) **No Interest Letter.** Upon any Return Entity entering into any debt financing arrangements, the applicable Return Entities shall request that the lender(s) deliver to the Payee, a letter addressed to the Payee which acknowledges the intention and agreement between the Parties that the Return constitutes an interest in and covenant running with the mineral claims comprising the Property opposable to third parties and not merely contractual in nature.
- (d) **Abandonment.** The Payor shall not abandon any licenses, patented or unpatented claims comprising part of the Property or any other interest in the Property unless it first complies with this Section 7(d) (provided that in the case of leased properties, the Payor shall only be required to comply with this Section 7(d) to the extent permitted under the applicable lease or sublease). If the Payor wishes to abandon any of the licenses, patented or unpatented claims comprising part of the Property or any other interest in the Property (“**Abandonment Property**”), the Payor shall, subject to any existing rights related to the Property existing at the date of this Agreement, first give notice of such intention to the Payee at least 30 days in advance of the proposed date of abandonment. If, not less than 10 days before the proposed date of abandonment, the Payor receives from the Payee written notice that the Payee wishes to acquire the Abandonment Property, the Payor shall, without additional consideration, convey the Abandonment Property in good standing for nominal consideration to the Payee or an assignee thereof (subject to applicable consents and authorizations required by Applicable Law in Mexico), and thereafter the Payor and the Guarantor shall have no further obligations to the Payee under this Agreement and shall have no further obligation to maintain title to the Abandonment Property. If the Payee does not give such notice to the Payor within the prescribed period of time, the Payor may abandon the Abandonment Property and shall thereafter the Payor and the Guarantor shall have no further obligations to the Payee under this Agreement and shall have no further obligation to maintain title to the Abandonment Property; provided, however, that if any Return Entity reacquires a direct or indirect interest in any of the Abandonment Property at any time following such abandonment, the production of Minerals from such property shall be subject to the Return and this Agreement. The Payor shall give prompt written notice to the Payee of any such reacquisition. The Payor agrees that it will not advise or inform, other than as required by Applicable Law, any other person of such intent or action until at

least five Business Days following the date of abandonment, relinquishment or non-renewal of the Property pursuant to this Section 7(d).

- (e) **Right of Payee to Cure Defects.** The Payee may undertake such investigation of the title and status of the Property as it shall deem necessary. If that investigation should reveal defects in the title, the Payor shall forthwith proceed to cure such title defects to the satisfaction of the Payee, acting reasonably. If the Payor fails to do so: (i) the Payee may proceed to cure such title defects; (ii) any reasonable costs and expenses incurred (including reasonable legal fees and costs) by the Payee shall be promptly reimbursed by the Payor; and (iii) the Payee may lien the Property for such amounts until the Payor reimburses the Payee in full.

8. MANAGEMENT OF MINING OPERATIONS

- (a) **Operational Decisions.** All decisions concerning methods, the extent, times, procedures and techniques of any exploration, construction, development and mining operations related to the Property shall be made by the Payor. The Payor may suspend operations and production on the Property any time it considers appropriate.
- (b) **Stockpiling off Property.** The Return Entities may temporarily stockpile, store or place Minerals off the Property provided that the Payor shall at all times do or cause to be done all things necessary to ensure that:
 - (i) such Minerals are appropriately identified as to ownership and origin;
 - (ii) such Minerals are secured from loss, theft, tampering and contamination;
 - (iii) before stockpiling, storing or placing such Minerals off the Property, the applicable Return Entities shall have entered into and recorded in the applicable jurisdiction a written agreement in recordable form with the property owner where such stockpiling, storage or placement is to occur providing, among other things, that: (i) the Payee's rights in and to such Minerals pursuant to the Return and this Agreement, insofar as they are applicable, shall continue in full force and effect notwithstanding their removal from the Property; (ii) the Payee's rights in and to such Minerals shall be the same as if the Minerals had never been removed from the Property; (iii) the Payee's rights in and to such Minerals shall have precedence over the rights to the Minerals of said property owner, as well as the creditors of said property owner; (iv) the agreement shall be irrevocable as long as the Minerals, or any part thereof, remain on said property; (v) the Payee shall have substantially similar access rights to said property as provided for in respect of the Property under this Agreement; and (vi) the Payee's rights in and to the Minerals pursuant to the Return and this Agreement shall otherwise be preserved.
- (c) **Commingling.** The Payor shall ensure that the Return Entities do not process other minerals through their processing plants, or commingle such other minerals with, Minerals mined, produced, extracted or otherwise recovered from the Property, unless (i) the applicable Return Entity has adopted and employs reasonable practices and procedures for weighing, determining moisture content, sampling and assaying and determining recovery factors (a "**Commingling Plan**"), such Commingling Plan to ensure the division of other minerals and Minerals for the purpose of determining the quantum of Minerals; (ii) the Payee shall not be disadvantaged as a result of the processing of other minerals in priority to, or concurrently with, Minerals; and (iii) the Return Entities keep all books, records, data, information and samples required by the Commingling Plan.

- (d) **Waste Material.** All tailings, residues, waste rock, spoiled leach materials, and other waste materials (collectively, “**Waste Materials**”) resulting from the Return Entities’ operations and activities at and on the Property shall be the sole property of the Return Entities, but shall remain subject to the Return should the same be processed or reprocessed, as the case may be, in the future and result in the production of Minerals. Notwithstanding the foregoing, the Return Entities shall have the right to dispose of waste materials from the Property on or off of the Property and to commingle the same with waste materials from other properties (provided in any case that any sale of waste materials shall be subject to the Return). In the event waste materials from the Property are processed or reprocessed, as the case may be, the Return payable thereon shall be determined using the best engineering and technical practices then available.
- (e) **Bulk Sampling and Testing.** The Payor and its Affiliates may remove reasonable quantities of Minerals and rock from the Property for the purpose of bulk sampling and testing, and there shall be no Return payable to the Payee with respect thereto unless revenues are derived therefrom.
- (f) **Public Reporting.** If the Payee at any time is required by Applicable Law to publicly disclose information pertaining to the Return or the Property or this Agreement and the exploration, development and production activities on the Property, then the Payor will provide to Payee, at Payee’s sole expense, such reasonable assistance and cooperation as Payee may require to meet the requirements of National Instrument 43-101 or similar reporting standards in any applicable jurisdictions, or the requirements imposed by stock exchanges on issuers, all as determined in writing by Payee including, without limitation, provision of technical reports by qualified persons, only to the extent previously prepared by Payor and available, certificates and consents and access to data, documents and the Property.

9. NATURE OF AGREEMENT; REGISTRATION

- (a) **Agreement Follows the Property.** To the fullest extent allowed by Applicable Law, all of the rights, options and other covenants, conditions and terms of this Agreement shall: (i) be of benefit to the Parties; and (ii) constitute an interest in and covenant running with the mineral claims comprising the Property opposable to third parties.
- (b) **Term; Perpetuities Savings Clause.** The term of this Agreement shall be for the term of existence of the mining concessions comprising the Property (including all extensions of the term of existence of the mining concessions comprising the Property); *provided that* the Parties do not intend that the term of this Agreement should violate any Applicable Law. If a court of competent jurisdiction determines that the term of this Agreement violates any Applicable Law then in effect, then this Agreement shall not be terminated but the term of this Agreement shall automatically be revised and reformed to coincide with the maximum term permitted by Applicable Law then in effect.
- (c) **Registration of Agreement Against the Property.** (i) The Payor shall be entitled, (ii) the Payee shall be entitled to require the Payor, and (iii) the Payee shall be entitled, by itself, to the extent permitted by Applicable Law, to issue a public deed in respect of this Agreement and file, record or register evidence of this Agreement or such deed in any land, title or other similar registry in which title to the Property is recorded, including without limitation, the applicable Mexican mining authorities. The Parties agree that minor changes may be needed in a recordable Spanish version of this Agreement to be able to register it before the Mexican Public Registry of Mines (“**PRM**”), including but not limited to submit the Mexican Agreement to Mexican Laws and to the jurisdiction of Mexican Courts.

10. INSURANCE MATTERS

- (a) **Maintenance of Insurance.** The Payor shall ensure that insurance is maintained with reputable insurance companies with respect to the Property and the operations conducted at, on and in respect thereof against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar operations in Mexico.
- (b) **Shipment of Minerals.** The Payor shall ensure that each shipment of Minerals is adequately insured in such amounts and with such coverage as is customary in the mining industry, until the time that risk of loss and damage for such Minerals is transferred to the Third Party Payor.
- (c) **Notice of Loss or Damage.** The Payor shall promptly provide the Payee with written notice of any material loss or damage suffered to the Property or any Minerals and whether any Return Entity plans to make any insurance claim.

11. INDEMNIFICATION

- (a) **Payor Indemnity.** To the fullest extent permitted by Applicable Law, the Payor shall indemnify the Payee, its Affiliates, and their respective officers, directors, employees, representatives, agents, successors and permitted assigns, from and against, and hold such Persons harmless from, any and all Losses which may at any time be imposed on, incurred by or asserted against such Person, by any third party arising out of: (i) any misrepresentation or inaccuracy in any representation or warranty of the Payor contained in this Agreement being untrue in any material respect; or (ii) any breach or failure by the Payor to comply with any covenant or agreement to be performed by the Payor contained in this Agreement.

12. ARBITRATION

- (a) In the event of any claim, controversy or dispute arising out of or relating to this Agreement or its breach, termination or validity, then such claim, controversy or dispute, shall upon written notice by either Party to the other, be finally settled by arbitration administered under the then existing rules of the Vancouver International Arbitration Centre ("**VanIAC**").
- (b) The arbitration shall be heard by a panel of three independent and impartial arbitrators having knowledge and experience in mining and/or precious metals and concentrates markets. Each Party shall select one arbitrator, and the arbitrators so selected shall select a third. The panel shall designate one among them to serve as chair. The arbitration procedures shall otherwise follow those set forth under the rules of the VanIAC, but the arbitration proceedings shall be conducted in the city of Vancouver, British Columbia.

13. LIMITATION ON DAMAGES

Neither Party shall be liable to the other Party pursuant to this Agreement for any lost profits or incidental, indirect, speculative, consequential, special, punitive, or exemplary damages of any kind (whether based in contract, tort, including negligence, strict liability, fraud, or otherwise, or statutes, regulations, or any other theory) arising out of or in connection with this Agreement, even if advised of such potential damages; provided that this Section 13 shall not limit indemnity for Losses under Section 11 which are payable by an indemnified Party to a Person other than another Party or its Affiliate.

14. GENERAL

- (a) **Obligations of Return Entities.** The Payor agrees to take all action necessary to cause each and every other Return Entity to observe, comply with and perform its covenants and obligations in this Agreement.
- (b) **Confidentiality.** The Payee shall not, without the express written consent of the Payor, which consent shall not be unreasonably withheld, disclose any data or information concerning the operations of the Return Entities obtained in connection with this Agreement which is not already in the public domain (the “**Confidential Information**”); provided, however, the Payee may disclose Confidential Information without the consent of the Payor: (i) if required by Applicable Law or requested by a Government Authority having jurisdiction over the Payee or its Affiliates; (ii) to the Payee’s Affiliates and to any representatives, consultants or advisers of the Payee or its Affiliates for the purpose of providing services to the Payee or its Affiliates; and (iii) to any Person to whom the Payee, in good faith, anticipates transferring an interest in this Agreement and such Person’s Affiliates and the representatives, consultants and advisers of such Person or its Affiliates. In the case of disclosure pursuant to clause (ii) or (iii), the Payee shall be responsible to ensure that the recipient of the Confidential Information does not disclose the Confidential Information to the same extent as if it were bound by the same non-disclosure obligations of the Payee hereunder. Notwithstanding the foregoing, the Payee shall not be restricted from disclosing the terms of this Agreement or payments on account of the Return. For greater certainty, the Payee shall be entitled to disclose publicly data or information concerning the operations of the Return Entities, without the consent of the Payor, once such information has been publicly disclosed by any of the Return Entities.
- (c) **Assignment.**
- (i) The Payor may assign, transfer, sell, or convey the Payor’s interest in the Property or any portion thereof without the prior consent of the Payee, and upon any assignment, transfer, sale, conveyance of the Payor’s interest in the Property or any portion thereof, as the case may be, by the Payor, the Payor and the Guarantor shall have no further obligation to the Payee under this Agreement in respect of the Property or such portion, as the case may be; provided that it shall be a condition of any assignment, transfer, sale or conveyance that the assignee or transferee shall have agreed in writing to assume the Payor’s obligation to the Payee to pay the Return in accordance with this Agreement in respect of that portion of the Property acquired by such assignee or transferee and to be bound by the terms hereof in the same manner and to the same extent as though the transferee was an original party hereto.
- (ii) The Payee may assign its interest under this Agreement without the prior consent of the Payor or the Guarantor; provided however, that no such assignment or transfer shall be effective unless the transferee has first executed and delivered to the Payor and the Guarantor an instrument pursuant to which the transferee shall have agreed in writing to be bound by the terms hereof in the same manner and to the same extent as though the transferee was an original party hereto.
- (d) **Relationship of Parties.** The relationship of the Parties is that of independent contractors and nothing in this Agreement or its performance shall cause or constitute the Parties to be or to be deemed to be partners, joint venturers, or to have any other relationship other than that of independent contractors.

- (e) **Amendments.** This Agreement may not be amended, supplemented or otherwise modified in any manner, except pursuant to an instrument made in writing and duly executed by each Party.
- (f) **Beneficiaries; Successors and Assigns.** This Agreement is for the sole benefit of the Parties and shall enure to the benefit of and be binding on their successors and permitted assigns and, except as expressly contemplated herein, nothing herein is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.
- (g) **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, opinions, advice, assertions of fact, matters, undertakings or collateral agreements, express, implied or statutory, by or between the Parties (or by any of their respective employees, directors, officers, representatives or agents) other than as expressly set forth in this Agreement.
- (h) **Waivers.** Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.
- (i) **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.
- (j) **Dual Language; English to Control.** This Agreement shall be executed in English. For purposes of registration in Mexico, this Agreement shall also be executed in Spanish and subjected to the Applicable Laws and Courts of Mexico as provided in Section 9(c) above and formalized before Mexican public notary and filed for recordation before the PRM, but the English version shall prevail for all purposes in case of any conflict between the two.
- (k) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including without limitation in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

15. NOTICE

- (a) Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by the delivery of the same or by mailing the same by prepaid registered or certified mail or by sending the same by fax or other similar form of communication, in each case addressed as follows:

(i) If to Payor at:

MINERA MERCEDES MINERALES, S. DE R.L. DE C.V.

[the Payor Address]

Attention: [●]

Email: [●]

with a copy, which shall not constitute notice, to:

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street, P.O. Box 48600
Vancouver, BC V7X 1T2

Attention: Fred R. Pletcher
Email: FPlletcher@blg.com

(ii) If to Payee at:

Premier Gold Mines Limited

c/o Equinox Gold Corp.

[Address redacted]

Attention: General Counsel

Email: [Email address redacted]

with a copy, which shall not constitute notice, to:

Blake, Cassels & Graydon LLP
Suite 2600, Three Bentall Centre
595 Burrard Street, PO Box 49314
Vancouver, BC V7X 1L3

Attention: Bob Wooder
Email: bob.wooder@blakes.com

- (b) Any notice, direction or other instrument will, if delivered, be deemed to have been given and received on the day it was delivered.
- (c) A party may at any time give to the other parties notice in writing of any change of address of the party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

16. OTHER TERMS

- (a) All payments to be made under this Agreement will be made in United States dollars. The Payor shall take all required actions, including but not limited to conversion of Mexican Pesos into United States dollars, to ensure that Payee receives all payments in United States dollars.
- (b) The Parties will execute such further and other documents and do such further and other things as may be necessary or convenient to carry out and give effect to the intent of this Agreement.

- (c) Time is of the essence in the performance of this Agreement.
- (d) Except for matters of title to the Property or the assignment or transfer of the Property, which will be governed by the law of the site of the Property, this Agreement shall be construed, interpreted and enforced in accordance with, and the respective obligations of the Parties shall be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to conflict of laws principles, and each Party hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of such Province and all courts competent to hear appeals therefrom.
- (e) Each Party acknowledges having been advised to obtain independent legal advice before signing this Agreement and by signing this Agreement that Party represents to the other Parties that it did obtain whatever independent legal advice deemed appropriate by that Party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF each Party, by its duly authorized representative(s), has signed this Agreement as of the date of this Agreement, in each case in the presence of the two (2) witnesses hereunder signed.

MINERA MERCEDES MINERALES, S. DE R.L. DE C.V.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Witnesses:

Name:
ID:

Name:
ID:

BEAR CREEK MINING CORPORATION

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Witnesses:

Name:
ID:

Name:
ID:

PREMIER GOLD MINES LIMITED

Per: _____
Name: Susan Toews
Title: Director

Per: _____
Name: Peter Hardie
Title: Director

Witnesses:

Name:
ID:

Name:
ID:

SCHEDULE A
PROPERTY DESCRIPTION

The Property is those interests described as:

[Commercially sensitive information redacted]

SCHEDULE "C"
FORM OF SHAREHOLDERS AGREEMENT

SHAREHOLDER AGREEMENT
BETWEEN
BEAR CREEK MINING CORPORATION
AND
PREMIER GOLD MINES LIMITED
DATED AS OF [●], 2022

SHAREHOLDER AGREEMENT

THIS SHAREHOLDER AGREEMENT is entered into as of [●], 2022 between:

BEAR CREEK MINING CORPORATION, a company incorporated under the laws of the Province of British Columbia (the “**Corporation**”); and

PREMIER GOLD MINES LIMITED, a company incorporated under the laws of the Province of Ontario (the “**Significant Shareholder**”).

WHEREAS pursuant to a definitive share purchase agreement between Premier Gold Mines Limited, Equinox Gold Corp. and the Corporation dated December 16, 2021 (the “**Purchase Agreement**”), the Corporation has agreed to, among other things, acquire, directly or indirectly, all of the issued and outstanding capital (the “**Purchased Shares**”) of certain subsidiaries of the Significant Shareholder (the “**Transaction**”), such that the Corporation will be the indirect owner of the Mercedes Mine following the closing of the Transaction;

WHEREAS pursuant to the Purchase Agreement, the purchase price for the Purchased Shares was partially satisfied by the Corporation issuing [24,730,000] common shares in the capital of the Corporation (“**Common Shares**”) to the Significant Shareholder, representing approximately [sixteen and six tenths] percent ([16.6]%) of the issued and outstanding Common Shares of the Corporation on a non-diluted basis as of the date hereof;

WHEREAS in connection with, and as a condition to, the completion of the transactions contemplated by the Purchase Agreement, the Parties hereto desire to enter into this Agreement to govern certain of their rights, duties and obligations with respect to the Common Shares held by the Significant Shareholder, set out the terms and conditions under which the Significant Shareholder shall hold and may divest its Common Shares, and other related matters;

NOW THEREFORE, THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties to this Agreement (together, the “**Parties**” and, individually, a “**Party**”) covenant and agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Definitions

In this Agreement (including the recitals hereto), unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have the corresponding meanings:

“**20% Holder**” has the meaning assigned thereto in Section 4.1Section 4.1(c).

“**Affiliate**” means, with respect to any Person, any other Person that: (i) Controls, (ii) is Controlled by, or (iii) is under common Control with, such Person.

“**Agreement**” means this Shareholder Agreement, including its recitals and schedules, as amended from time to time.

“Board” means the board of directors of the Corporation.

“Bought Deal” means a fully underwritten offering on a bought deal basis pursuant to which an underwriter has committed to purchase securities of the Corporation pursuant to a “bought deal” letter prior to the filing of a prospectus or prospectus supplement or a Distribution pursuant to an overnight marketed offering.

“Business Day” means any day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia, Canada on which commercial banks in Vancouver, British Columbia are open for business.

“Canadian Reporting Jurisdictions” means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and the territories of Northwest Territories, Yukon and Nunavut.

“Canadian Securities Laws” means the applicable securities laws of the Canadian Reporting Jurisdictions, the regulations made and forms prescribed thereunder together with all applicable published rules, instruments, policy statements and blanket orders and rulings of the Securities Regulatory Authorities.

“Common Shares” has the meaning assigned thereto in the recitals.

“Confidential Information” means any and all information regarding a Party’s past, present or future business activities, properties, results, financial information, know how, trade secrets and other information, whether disclosed orally, in writing, or by any other manner, part or all of which is confidential and proprietary.

“Control” has the meaning assigned thereto in Section 1.5.

“Convertible Securities” means any securities convertible into or exercisable or exchangeable for Common Shares, including convertible debt securities and rights to purchase equity securities.

“Corporation” means Bear Creek Mining Corporation.

“Disposition” has the meaning assigned thereto in Section 4.1(a).

“Disposition Date” has the meaning assigned thereto in Section 4.1(a).

“Disposition Notice” has the meaning assigned thereto in Section 4.1(a).

“Distribution” means a distribution or sale of the Common Shares (or any other Securities) to the public by means of a prospectus under Canadian Securities Laws.

“Distribution Notice” has the meaning assigned thereto in Section 3.1(a).

“Effective Time” means the time immediately following the closing of the Transaction and issuance of 24,730,000 Common Shares to the Significant Shareholder.

“Equity Financing” means the issuance and sale of Securities, directly or indirectly, for cash or cash equivalents.

“Equity Financing Notice” has the meaning assigned thereto in Section 2.2(a).

“Exchange” means the TSX Venture Exchange and/or any other stock exchange on which the Common Shares are listed at any given time.

“Law” means international, national, provincial, state, municipal and local laws (including common and civil law), treaties, statutes, codes, ordinances, judgements, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements enacted, adopted, promulgated or applied by any governmental authority in each case having the force of law, and the term **“applicable”** with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Person or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or its or their business, undertaking, property or securities.

“Mercedes Mine” means the property known as the Mercedes Mine, located in the State of Sonora, northwest Mexico.

“Non-Cash Consideration Value” means, in the case of a Non-Cash Transaction under which the Corporation issues Securities for non-cash consideration, the implied price per Security, which shall be an amount equal to the lower of: (i) the price per Security based on the fair market value of the non-cash consideration received by the Corporation as determined in good faith by the Board; and (ii) if applicable, the minimum price per Security as determined by the Exchange.

“Non-Cash Transaction” means a transaction whereby the Corporation issues Securities for non-cash consideration, or as a result of a consolidation, amalgamation, merger, arrangement, corporate reorganization or similar transaction or business reorganization resulting in a combined company.

“Non-Cash Transaction Notice” has the meaning assigned thereto in Section 2.3(a).

“Non-Financing Issuance” means (i) an issuance of Securities upon the exercise or conversion of Convertible Securities existing at the date of this Agreement (including, but not limited to, the exercise of security or Common Share based compensation or the exercise of outstanding warrants); (ii) the granting of stock options, deferred share units, restricted share units, bonus shares, or other Securities under any security or share-based compensation arrangement of the Corporation; (iii) an issuance of Securities to all holders, on a pro rata basis, pursuant to a consolidation, subdivision, share dividend, recapitalization, reclassification, share exchange, rights offering or other similar transaction; (iv) an issuance of Securities pursuant to a regular dividend reinvestment or other plan of the Corporation made available by the Corporation to the holders of Securities where such plan permits the holder to direct that the dividends paid in respect of such Securities be applied to the purchase from the Corporation of further Securities and (v) an issuance of Securities upon the conversion of the US\$22,500,000 Secured Convertible Debenture dated December 16, 2021 issued by the Corporation to Sandstorm Gold Ltd.

“Outstanding Equity Securities” means the number of the Common Shares issued and outstanding at a particular time on a non-diluted basis.

“Participation Period” has the meaning assigned thereto in Section 2.2(b).

"Parties" means the Significant Shareholder and the Corporation and **"Party"** means any one of them.

"Person" means and includes any individual, corporation or other body corporate, partnership, trustee, trust or unincorporated association, joint venture, syndicate, sole proprietorship, other form of business enterprise, executor, administrator or other legal representatives, regulatory body or agency or governmental authority, however designated or constituted.

"Piggyback Registration" has the meaning assigned thereto in Section 3.1(a).

"Prospectus" means a "prospectus", as such term is used in National Instrument 41-101 – *General Prospectus Requirements*, including all amendments and supplements thereto.

"Purchase Agreement" has the meaning assigned thereto in the recitals.

"Purchased Shares" has the meaning assigned thereto in the recitals.

"Qualifying Securities" has the meaning assigned thereto in Section 3.1(a).

"Request" has the meaning assigned thereto in Section 3.1(b).

"Sale Notice" has the meaning assigned thereto in Section 4.1(b).

"Sale Shares" has the meaning assigned thereto in Section 4.1(b).

"Sale Response Period" has the meaning assigned thereto in Section 4.1(b).

"Securities" means the Common Shares or Convertible Securities.

"Securities Regulatory Authorities" means, collectively, the securities regulatory authority in the Canadian Reporting Jurisdictions.

"Shareholders" means the shareholders of the Corporation.

"Significant Shareholder" means Premier Gold Mines Limited.

"Significant Shareholder Equity Right" has the meaning assigned thereto in Section 2.1.

"Significant Shareholder Pro Forma Percentage" means the percentage of the issued and outstanding Common Shares owned beneficially by the Significant Shareholder and its Affiliates, collectively, calculated in accordance with Section 1.4.

"Specified Indemnified Party" has the meaning assigned thereto in Section 6(d) of Schedule A.

"Specified Indemnifying Party" has the meaning assigned thereto in Section 6(d) of Schedule A.

"Subsidiary" means, with respect to any Person, an entity which is Controlled by such Person.

“Transaction” has the meaning assigned thereto in the recitals.

“Transfer” includes any sale, transfer, donation, conveyance, exchange, assignment, gift, bequest, disposition, hypothec, mortgage, lien, charge, priority, pledge, encumbrance, grant of security interest or any arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing, and **“Transferred”**, **“Transferring”** and similar words have corresponding meanings.

Section 1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided:

- (a) “this Agreement” means this agreement, including the schedules hereto, and not any particular part, section or other portion hereof, and includes any agreement, document or instrument entered into, made or delivered pursuant to the terms hereof, as the same may, from time to time, be supplemented or amended and in effect;
- (b) all references in this Agreement to a designated “Article”, “Part”, “Section”, “subsection” or other subdivision or to a schedule are references to the designated part, section, subsection or other subdivision of, or schedule to, this Agreement;
- (c) the words “hereof”, “herein”, “hereto” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular part, section, subsection or other subdivision or schedule unless the context or subject matter otherwise requires;
- (d) the division of this Agreement into parts, sections and other portions and the insertion of headings are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (e) unless otherwise provided herein, all references to currency in this Agreement are to lawful money of Canada and, for greater certainty, “\$” means Canadian dollars;
- (f) a reference in this Agreement to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations;
- (g) the word “or” includes “and/or”;
- (h) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (i) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and

- (j) the singular of any term includes the plural, and vice versa, and words importing any gender include all genders, and the word “including” is not limiting whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto; and
- (k) in the event that any date on which any action is required to be taken hereunder by any of the Parties hereto is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

Section 1.3 Schedules

Attached to and forming part of this Agreement are the following schedules:

Schedule A – Registration Rights Procedure

Section 1.4 Calculation of Significant Shareholder Pro Forma Percentage

Subject to Section 2.2(c), for the purposes of this Agreement, the Significant Shareholder Pro Forma Percentage at any given time shall be calculated by using the number of the Common Shares owned beneficially by the Significant Shareholder and its Affiliates, collectively and dividing such number by the number of Outstanding Equity Securities.

Section 1.5 Control

- (a) For the purposes of this Agreement:
 - (i) a Person Controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the Person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate, or if the Person otherwise has the power to direct or cause the direction of the business and affairs of the body corporate by contract, voting trust or otherwise;
 - (ii) a Person Controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that Person and the Person is able to direct the business and affairs of the entity, or if the Person otherwise has the power to direct or cause the direction of the business and affairs of the entity by contract, voting trust or otherwise; and
 - (iii) the general partner of a limited partnership Controls the limited partnership.
- (b) A Person who Controls an entity is deemed to Control any entity that is Controlled, or deemed to be Controlled, by the entity.
- (c) A Person is deemed to Control, within the meaning of Section 1.5(a)(i) or Section 1.5(a)(ii), an entity if the aggregate of:
 - (i) any securities of the entity that are beneficially owned by that Person; and

- (ii) any securities of the entity that are beneficially owned by any entity Controlled by that Person;

is such that, if that Person and all of the entities referred to in Section 1.5(c)(ii) that beneficially own securities of the entity were one Person, that Person would Control the entity.

Section 1.6 Conflict with Articles and By-Laws.

In the event of any conflict or inconsistency between this Agreement and the articles and by-laws of the Corporation in effect from time to time, this Agreement shall prevail to the extent of the conflict or inconsistency, and the Corporation and the Shareholder shall take all necessary steps to amend the articles and by-laws of the Corporation to eliminate that conflict or inconsistency.

ARTICLE 2 – MATTERS WITH RESPECT TO THE COMMON SHARES

Section 2.1 Equity Rights

As of the Effective Time, and for so long as the Significant Shareholder Pro Forma Percentage is at least 10%, the Significant Shareholder shall have the right (the “**Significant Shareholder Equity Right**”) to maintain the Significant Shareholder Pro Forma Percentage in the issued and outstanding Common Shares in the event that the Corporation issues any Securities pursuant to (i) an Equity Financing, or (ii) a Non-Cash Transaction (assuming, in the case of an Equity Financing which includes the issuance of Convertible Securities, the full conversion of such Convertible Securities), other than a Non-Financing Issuance, such that immediately following the closing of any such Equity Financing (including the issuance, if any, of Securities to Persons having similar rights in respect of the issuance of Securities), the Significant Shareholder maintains the Significant Shareholder Pro Forma Percentage immediately prior to closing of the Equity Financing.

Section 2.2 Equity Financing

As of the Effective Time, and for so long as the Significant Shareholder Pro Forma Percentage is at least 10%, in the event that the Corporation proposes to issue Securities in connection with an Equity Financing:

- (a) the Corporation shall deliver a notice to the Significant Shareholder in writing as soon as possible prior to the public announcement of the Equity Financing, but in any event at least ten (10) Business Days prior to the proposed closing date of the Equity Financing (the “**Equity Financing Notice**”) specifying: (i) the total number of Outstanding Equity Securities; (ii) the total number of Securities which are proposed to be offered for sale; (iii) the rights, privileges, restrictions, terms and conditions of the Securities proposed to be offered for sale; (iv) the consideration for which the Securities are proposed to be offered for sale, provided that in the event such consideration is not determinable as of the date of the Equity Financing Notice, such information may be omitted from the Equity Financing Notice, but shall, in any event, be communicated to the Significant Shareholder in writing no later than five (5) Business Days prior to the proposed closing date of the Equity Financing; and (v) the proposed closing date of the Equity Financing;
- (b) the Significant Shareholder shall have the right to subscribe for and purchase up to that number of Securities that the Corporation proposes to offer for sale as

described in the Equity Financing Notice as equals the Significant Shareholder Pro Forma Percentage immediately prior to the first public announcement of the proposed Equity Financing multiplied by the number of Securities actually issued in such Equity Financing; provided, however, that the Significant Shareholder shall not have the right to exercise, convert or exchange, as applicable, any Convertible Securities issued in such financing if such exercise would result in the Significant Shareholder becoming a Control Person (as defined in Canadian Securities Laws or under the policies of the Exchange) prior to the Corporation obtaining any requisite Shareholder approval in accordance with Section 2.3. The Significant Shareholder shall have the option to subscribe for and purchase the Securities for the consideration and on the same terms and conditions as offered to the other potential purchasers, all as set forth in the Equity Financing Notice. If the Significant Shareholder elects to subscribe for such Securities, the Significant Shareholder shall provide written notice to the Corporation at least five (5) Business Days prior to the proposed closing date of the Equity Financing (the "**Participation Period**"); provided that if the Corporation is proposing to undertake a Bought Deal in respect of such Securities, the Corporation shall give such notice to the Significant Shareholder, including anticipated pricing, as early as practicable in the circumstances in light of the speed and urgency under which Bought Deals are conducted (but not less than three (3) Business Days prior to the launch or public announcement of such Bought Deal) and the Significant Shareholder shall have two (2) Business Days from the date the Corporation advises it of such proposed Bought Deal to notify the Corporation in writing of the number of Securities that the Significant Shareholder elects to subscribe for and purchase. Subject to Section 2.2(c), the subscription elected by the Significant Shareholder pursuant to this Section 2.2(b) shall close concurrently with the closing of the Equity Financing; and

- (c) the Significant Shareholder agrees that if the Corporation decides to complete an Equity Financing prior to the expiry of the Participation Period or without the Significant Shareholder's participation, it shall be entitled to do so, provided that to the extent the Significant Shareholder has exercised or exercises any the Significant Shareholder Equity Right in accordance with this Section 2.2, the Corporation will sell the applicable number of Securities to the Significant Shareholder on or before the date that is fifteen (15) Business Days following the completion of the Equity Financing, and provided, further, that until the closing of such sale to the Significant Shareholder (i) the Corporation will not hold any meetings of its Shareholders, and (ii) the Significant Shareholder Pro Forma Percentage for the purposes of this Agreement shall be deemed to be the Significant Shareholder Pro Forma Percentage immediately prior to the completion of the Equity Financing.

Section 2.3 Non-Cash Transactions

As of the Effective Date, and for so long as the Significant Shareholder Pro Forma Percentage is at least 10%, in the event that the Corporation proposes to issue Securities in connection with a Non-Cash Transaction:

- (a) the Corporation shall deliver a notice to the Significant Shareholder in writing as soon as possible after the public announcement of the Non-Cash Transaction, but in any event at least fifteen days prior to the proposed closing date of the Non-Cash Transaction (the "**Non-Cash Transaction Notice**") specifying: (i) the total

number of Outstanding Equity Securities; (ii) the total number of Securities which are proposed to be offered for sale in connection with the Non-Cash Transaction; (iii) the Non-Cash Consideration Value; and (iv) the proposed closing date of the Non-Cash Transaction;

- (b) the Significant Shareholder shall have the right to subscribe for and purchase that number (the “**Anti-Dilution Non-Cash Securities**”) of Securities that the Corporation proposes to offer for sale as described in the Non-Cash Transaction Notice such that the Significant Shareholder and its Affiliates collectively may maintain the Significant Shareholder Pro Forma Percentage immediately prior to the closing of the Non-Cash Transaction. The Significant Shareholder shall have the option to subscribe for and purchase the Anti-Dilution Non-Cash Securities for consideration equal to the product of the number of Anti-Dilution Non-Cash Securities multiplied by the Non-Cash Consideration Value, all as set forth in the Non-Cash Transaction Notice. If the Significant Shareholder elects to subscribe for such Anti-Dilution Non-Cash Securities, the Significant Shareholder shall provide written notice to the Corporation at least five (5) Business Days prior to the proposed closing date of the Non-Cash Transaction; and
- (c) to the extent the Significant Shareholder has exercised or exercises any Significant Shareholder Equity Right in accordance with this Section 2.3, the Corporation will sell the applicable number of Anti-Dilution Non-Cash Securities to the Significant Shareholder on or before the date that is fifteen (15) Business Days following the completion of the Non-Cash Transaction, and provided, further, that until the closing of such sale to the Significant Shareholder (i) the Corporation will not hold any meetings of its Shareholders, and (ii) the Significant Shareholder Pro Forma Percentage for the purposes of this Agreement shall be deemed to be the Significant Shareholder Pro Forma Percentage immediately prior to the completion of the Non-Cash Transaction.

Section 2.4 Approvals in Connection with Significant Shareholder Equity Rights

- (a) If the Significant Shareholder exercises the Significant Shareholder Equity Right and the Corporation is required, under the rules and policies of the Exchange or under Canadian Securities Laws, to seek Shareholder approval for the issuance of the Securities to the Significant Shareholder pursuant to Section 2.3, the Corporation shall use commercially reasonable efforts to, at its expense, duly call and hold a meeting of its Shareholders to consider (and the Corporation shall recommend that Shareholders vote in favour of) the issuance of the Securities to the Significant Shareholder within 75 days after the date that the Corporation is advised by the Exchange that it will require such Shareholder approval. The Corporation may close any such issuance of Securities prior to obtaining Shareholder approval; provided that, during the period between the closing of any such Equity Financing and the date of the Shareholder meeting to consider the issuance of the Securities to the Significant Shareholder, the Significant Shareholder Pro Forma Percentage for the purposes of this Agreement shall be deemed to be the Significant Shareholder Pro Forma Percentage immediately prior to the closing of the Equity Financing.
- (b) If the Significant Shareholder exercises the Significant Shareholder Equity Right and the Corporation is required, under the rules and policies of the Exchange or under Canadian Securities Laws, to seek Shareholder approval for the issuance

of the Securities to the Significant Shareholder pursuant to Section 2.2, the Corporation shall seek such Shareholder approval (and the Corporation shall recommend that Shareholders vote in favour of) at the next meeting of Shareholders that occurs more than 30 days after the closing date of the relevant Equity Financing.

- (c) If the Significant Shareholder exercises the Significant Shareholder Equity Right and the Corporation is required, under the rules and policies of the Exchange or under Canadian Securities Laws, to seek or obtain approval of the Exchange or any other person (other than Shareholders) for the issuance of the Securities to the Significant Shareholder pursuant to Section 2.2 or Section 2.3, the Corporation shall use commercially reasonable efforts to obtain such approvals or authorizations prior to any issuance of Securities such that the Significant Shareholder is able to fully exercise its rights under Section 2.2 or Section 2.3 in accordance with the terms set out therein.

Section 2.5 Blackout Periods.

In relation to any exercise periods for the Significant Shareholder to elect to purchase any Securities pursuant to the Significant Shareholder Equity Right, to the extent that the Significant Shareholder is restricted from trading in securities of the Corporation under Canadian Securities Laws or other applicable Laws regulating insider trading, the relevant exercise period shall be extended until the second Business Day following the termination of such restriction.

ARTICLE 3 – REGISTRATION RIGHTS

Section 3.1 Piggyback Registration Rights

- (a) For so long as the Significant Shareholder Pro Forma Percentage is at least 10% and this Agreement has not been terminated in accordance with Section 8.1, if the Corporation proposes to make a Distribution, other than by way of a Bought Deal, the Corporation shall promptly give the Significant Shareholder ten (10) Business Days prior written notice of the proposed Distribution (the “**Distribution Notice**”), including proposed pricing (provided that in the event the proposed pricing of the Distribution is not determinable as of the date of the Distribution Notice, such information may be omitted from the Distribution Notice, but, shall, in any event, be communicated to the Significant Shareholder in writing no later than ten (10) Business Days prior to the proposed closing date of the Distribution).
- (b) Within five (5) Business Days of receipt of the Distribution Notice, the Significant Shareholder may, at its option, deliver a written request (a “**Request**”) specifying all or any whole number of Common Shares held by the Significant Shareholder for inclusion in such Distribution (the “**Qualifying Securities**”). The Corporation shall use commercially reasonable efforts to, in conjunction with the proposed Distribution, cause to be qualified in such Distribution the Qualifying Securities, in accordance with the procedures set forth in Schedule A (a “**Piggyback Registration**”), provided that if the lead underwriter or underwriters of such proposed Distribution, acting in good faith, advise the Corporation in writing that, in its or their good faith judgment, the inclusion of the Qualifying Securities held by the Significant Shareholder in the proposed Distribution should be limited: (i) due to market conditions, or (ii) because the number of Common Shares proposed to be distributed is likely to interfere with the successful marketing of the proposed

Distribution (including the price acceptable to the Corporation), then the maximum number of Common Shares that the lead underwriter advises or lead underwriters advise shall be distributed in the priority provided in Schedule A.

- (c) If the proposed Distribution is not completed within 180 days of a notice of a Piggyback Registration, the Request delivered by the Significant Shareholder hereunder shall be deemed to be withdrawn and the Corporation shall again be required to comply with the procedures set out in this Section 3.1 with respect to any proposed Distribution.
- (d) If the Corporation is proposing to undertake a Bought Deal, the Corporation shall give such notice to the Significant Shareholder, including anticipated pricing, as early as practicable in the circumstances in light of the speed and urgency under which Bought Deals are conducted (but not less than three (3) Business Days prior to the launch of such Bought Deal). The Significant Shareholder shall have two (2) Business Days from the date the Corporation advises it of such proposed Bought Deal to notify the Corporation of the number of Qualifying Securities that the Significant Shareholder requests to be included in such Bought Deal; unless otherwise agreed to by the Corporation, such amount not to exceed the proportion in the Bought Deal that the Common Shares held by the Significant Shareholder represent of all outstanding Common Shares. The Corporation shall use commercially reasonable efforts to include such Common Shares in any Bought Deal, and, if so included, the procedures set forth in Schedule A shall apply to such Distribution; provided that if the lead underwriter or underwriters of such proposed Bought Deal, acting in good faith, advises the Corporation in writing that, in its or their good faith judgment, the inclusion of the Qualifying Securities held by the Significant Shareholder in the proposed Bought Deal should be limited (i) due to market conditions, or (ii) because the number of Common Shares proposed to be distributed is likely to have a significant adverse effect on the successful marketing of the proposed Distribution (including the price acceptable to the Corporation), then the maximum number of Common Shares that the lead underwriter advises or lead underwriters advise should be distributed shall be allocated as follows: (x) first, to the number of Common Shares that the Corporation proposes to distribute; and (y) second, to the number of Qualifying Securities, if any, that may be accommodated in such Distribution.
- (e) if, at any time after giving a Distribution Notice and prior to the date a receipt is issued by the applicable Securities Regulatory Authorities in respect of the prospectus to be filed in connection with the Distribution, the Corporation shall be unable to or shall determine for any reason not to proceed with the Distribution, the Corporation may, at its election, give written notice of such determination to the Significant Shareholder and thereupon the Corporation shall be relieved of its obligation hereunder to effect the Distribution and any qualification of any such Qualifying Securities (without prejudice to the rights of the Significant Shareholder or any in respect of any subsequent Distribution).

Section 3.2 Restrictions on Piggyback Registration.

The Significant Shareholder acknowledges and agrees that:

- (a) Any Piggyback Registration effected pursuant to this Section 3.2 shall be a one time right during the term hereof; and

- (b) the maximum number of Qualifying Securities that may be sold under the Piggyback Registration effected pursuant to this Section 3.2 is 33% of the number of Common Shares being offered under the Distribution.

ARTICLE 4 – ORDERLY DISPOSITION

Section 4.1 Disposition of Securities

- (a) For a period ending on the earlier of: (i) eight (8) months after the Effective Time, or (ii) the Significant Shareholder Pro Forma Percentage being less than ten percent (10%), except for any disposition of Securities pursuant to Article 3, the Significant Shareholder and its Affiliates agree not to Transfer any of their Common Shares without the prior written approval of the Corporation.
- (b) If, at any time following the eight (8) month period after the Effective Time, the Significant Shareholder or an Affiliate thereof wish to Transfer a number of their Common Shares which represent, in any thirty (30) day period an aggregate of greater than or equal to ten percent (10%) of the Common Shares held by the Significant Shareholder and its Affiliates (the “**Sale Shares**”) the Significant Shareholder will first give written notice to the Corporation (the “**Sale Notice**”), specifying the number of Sale Shares the Significant Shareholder wishes to sell and the minimum cash price which the Significant Shareholder is prepared to accept, and the Corporation will then have the right for a period of ten (10) Business Days after receipt of the Sales Notice (the “**Sale Response Period**”) to designate the purchaser(s) of the Sale Shares. If the Corporation elects to designate such purchaser(s) of the Sale Shares, the Significant Shareholder will be provided, prior to the expiry of the Sale Response Period, with an executed purchase agreement with respect to the sale of such Sale Shares that is acceptable to the Significant Shareholder, acting reasonably. In the event that the Corporation declines to designate purchaser(s) for the Sale Shares or fails to provide the Significant Shareholder with an executed purchase agreement as required, then the Significant Shareholder may for a period of one hundred and twenty (120) days following the expiry of the Sale Response Period sell such Sale Shares, to other purchasers. For greater certainty this Section 4.1(b) does not restrict the Significant Shareholder from tendering shares to a take-over bid made in compliance with Canadian Securities Laws. The obligations of this Section 4.1(b) shall terminate eighteen (18) months after the Effective Time.
- (c) If, at any time following the eight (8) month period after the Effective Time and ending eighteen (18) months after the Effective Time, the Significant Shareholder or an Affiliate thereof decides to Transfer it’s Common Shares to a third party which, to the Significant Shareholder’s knowledge, acting honestly and in good faith, without a duty of inquiry, holds at the time of the proposed Transfer, or will hold, directly or indirectly, greater than or equal to twenty percent (20%) of the Corporation’s outstanding Common Shares (the “**20% Holder**”), the Significant Shareholder and its Affiliates agree not to Transfer any of their Common Shares to such 20% Holder without the prior written approval of the Corporation.
- (d) If, at any time following the eight (8) month period after the Effective Time and ending eighteen (18) months after the Effective Time, the Significant Shareholder or an Affiliate thereof decides to dispose of Securities (a “**Disposition**”) other than as provided for in Section 4.1(b) or Section 4.1(c), the Significant Shareholder shall

provide written notice to the Corporation (the “**Disposition Notice**”), as soon as reasonably practicable, but no later than five (5) Business Days prior to the proposed disposition date (the “**Disposition Date**”). The Disposition Notice shall specify: (i) the total number of Securities which the Significant Shareholder or an Affiliate thereof wishes to dispose of; and (ii) the proposed Disposition Date.

ARTICLE 5 – STANDSTILL

Section 5.1 Standstill

Other than as set-out in this Agreement, until the earlier of (i) eighteen (18) months after the Effective Time, or (ii) the Significant Shareholder Pro Forma Percentage being less than ten percent (10%), neither the Significant Shareholder nor any of its Affiliates will, without the prior written authorization of the Board, directly, indirectly, whether alone or acting jointly or in concert with any other Person, unless otherwise expressly permitted by this Agreement:

- (a) purchase, offer or agree to: (i) purchase or negotiate to purchase any Securities; (ii) acquire a material portion of the assets or property of the Corporation or its Affiliates; or (iii) enter into any merger, arrangement, amalgamation or other business combination involving the Corporation;
- (b) solicit or join in or in any way directly or indirectly participate in a solicitation of proxies from the Corporation’s shareholders or otherwise attempt to influence the conduct of the Corporation’s shareholders; or
- (c) advise, assist or encourage any person to do, or take any action inconsistent with, any of the foregoing.

ARTICLE 6 – CONFIDENTIALITY

Section 6.1 Confidentiality of Information

- (a) Each of the Parties acknowledges and agrees that during the term of this Agreement it may acquire or have disclosed to it certain Confidential Information. Each Party agrees to abide by the following rules with respect to the Confidential Information:
 - (i) the Party will not use the Confidential Information in any manner or duplicate any Confidential Information received from the other Party except as reasonably required in connection with actions required to be taken hereunder;
 - (ii) the Party will not disclose or give access to the Confidential Information to any third parties, except with the other Party’s express prior written consent; and
 - (iii) subject to obtaining the other Party’s express prior written consent to disclose or give access to the Confidential Information to any third parties, the Party will inform any third parties having permitted access to the Confidential Information of its confidential nature and ensure that they maintain the confidentiality of the Confidential Information in accordance with the terms of this Agreement.

- (b) The Parties' obligations under this Section 6.1 will not apply to Confidential Information:
 - (i) which is or becomes part of the public domain through no breach of this Section 6.1 by the receiving Party, its Affiliates or representatives;
 - (ii) which the receiving Party can demonstrate was lawfully known to it before the date of the receipt of the Confidential Information; or
 - (iii) which becomes available to the receiving Party from another source who, to the knowledge of the receiving Party, is lawfully in possession of it and can disclose it to the receiving Party on a non-confidential basis; or
 - (iv) which the receiving Party can demonstrate was developed by it independently of the Confidential Information.

- (c) A Party will not be in breach of its obligation not to disclose any of the Confidential Information if that disclosure is required by Law, a court or arbitral order, award or similar proceedings, or by applicable government or stock exchange requirement, practice or policy, *provided* that the receiving Party gives the other Party as much notice as is reasonably possible in the circumstances prior to disclosing any of the Confidential Information and the receiving Party co-operates with the other Party in any application, proceedings or other action the other Party may undertake to obtain a protective order or other means of protecting the confidentiality of the Confidential Information required to be disclosed. Each Party will promptly notify the other Party of any actual or threatened breach under any of the terms of this Section 6.1 or any unauthorized communication, disclosure or use of any of the Confidential Information of which the Party has actual knowledge.

ARTICLE 7– OTHER COVENANTS

Section 7.1 Conflicting Agreements

The Corporation agrees that: (i) it shall not grant any proxy or enter into or agree to be bound by any voting trust or agreement with respect to the Common Shares, except as expressly contemplated or permitted by this Agreement; (ii) it shall not enter into any agreement or arrangement of any kind with any person with respect to any Common Shares in conflict with the provisions of this Agreement or for the purpose or with the effect of denying or reducing the rights of the Significant Shareholder under this Agreement; and (iii) if any provision of any charter, mandate, constating document or similar document of the Corporation or the Board conflicts with any provision of this Agreement, the provisions of this Agreement will prevail.

Section 7.2 Compliance with Agreement

The Significant Shareholder and the Corporation shall cause all meetings to be held, votes to be cast, resolutions to be passed, by-laws to be made and confirmed, documents to be executed and all other things and acts to be done to ensure that, at all times, the provisions of this Agreement are fully complied with and in full force and effect.

Section 7.3 Business Opportunities

To the fullest extent permitted by applicable Law, neither the Significant Shareholder nor any of its Affiliates shall have any obligation to refrain from (i) investing or owning any interest publicly or privately in, or developing a business relationship with, any person engaged in the same or similar activities or lines of business as, or otherwise in competition with, the Corporation or any of its Subsidiaries, or (ii) doing business with any counterparty of the Corporation or any of its Subsidiaries.

Section 7.4 Announcements

The Corporation and the Significant Shareholder agree that any press release, public announcement or other disclosure relating to this Agreement will only be made if required by applicable Law, including the requirements of the Exchange. If the Corporation or the Significant Shareholder is required by applicable Law, including the requirements of the Exchange, to make a public announcement with respect to the Agreement, such Party will provide reasonable notice to the other Party and consult with the such other Party as to the substance of the text and provide reasonable consideration to any commentary provided by the other Party. If the Corporation is required by applicable Law to publicly file this Agreement, it will make any redactions to the documents required to be filed reasonably requested by the Significant Shareholder and permitted by applicable Law.

Section 7.5 Reasonable Information and Access Rights

Subject to applicable Law, the Corporation will use its commercially reasonable efforts to permit the Significant Shareholder and any of its representatives, at reasonable times and customary intervals during normal business hours, to inspect any of its property, to visit its offices and to discuss its financial matters with its financial officers or its accountants and to examine any of its books or corporate records as may be reasonably requested by the Significant Shareholder.

ARTICLE 8– GENERAL

Section 8.1 Termination

This Agreement shall terminate and be of no further force and effect upon the earlier of: (i) the date that the Significant Shareholder Pro Forma Percentage falls below 10% for a continuous period of at least 30 days (other than in cases where the Significant Shareholder Pro Forma Percentage falls below such percentage due to the failure of the Corporation to obtain any required shareholder, Exchange or other approval or authorization for any issuance of Securities to the Significant Shareholder pursuant to its rights under Article 2 of this Agreement); and (ii) the date on which this Agreement is terminated by written agreement of the Parties, provided that, notwithstanding anything to the contrary in this Agreement, the provisions of Section 7.2 and this Article 8 shall survive any termination of this Agreement.

Section 8.2 Governing Law

- (a) This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the Laws of the Province of British Columbia and the federal Laws of Canada applicable in such province.

- (b) Each of the Parties irrevocably and unconditionally: (i) submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia over any action or proceeding arising out of or relating to this Agreement; (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

Section 8.3 Notices

- (a) Any notice, direction or other communication that is required or permitted to be given pursuant to this Agreement (each a “**Notice**”) shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by email with confirmation receipt requested as follows:

if to the Significant Shareholder:

Premier Gold Mines Limited
[Address redacted]

Attention: [Name redacted]
Email: [Email address redacted]

with a copy to:

Blake, Cassels & Graydon LLP
Suite 2600 - 595 Burrard Street
Vancouver, British Columbia, V7X 1L3

Attention: Bob Wooder
Email: bob.wooder@blakes.com

if to the Corporation:

Bear Creek Mining Corporation
[Address redacted]

Attention: [Name redacted]
Email: [Email address redacted]

with a copy, which shall not constitute notice, to:

Borden Ladner Gervais LLP
1200 Waterfront Centre, 200 Burrard St.
Vancouver, British Columbia, V7X 1T2

Attention: Fred R. Pletcher
Email: FPletcher @blg.com

- (b) Any such Notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted by email (or, if such day is not a Business Day or such notice or other communication was delivered or transmitted after 5:00 p.m. (recipient’s time), on the next following Business Day).

- (c) Any Party may at any time change its address for service from time to time by giving Notice to the other Parties in accordance with this Section 8.3.

Section 8.4 Assignment

The Parties agree that neither Party may assign or transfer this Agreement or any of the rights or obligations under it without the prior written consent of the other Party. Notwithstanding the foregoing, the Significant Shareholder shall be entitled to assign all its rights under this Agreement without the consent of the Corporation to an Affiliate who: (i) agrees to be bound by all of the covenants of the Significant Shareholder contained herein and comply with the provisions of this Agreement; and (ii) delivers, in a form acceptable to the Corporation, acting reasonably, a legal, valid, and enforceable document evidencing its agreement to be bound by, and comply with, the provisions of this Agreement. If any Affiliate ceases to be an Affiliate of the Significant Shareholder, such former Affiliate must assign its rights and obligations under the provisions of this Agreement back to the Significant Shareholder, at no cost to the Corporation.

Section 8.5 Amendments

No term or provision of this Agreement may be amended except by an instrument in writing signed by the Parties.

Section 8.6 Entire Agreement

This Agreement, along with the other documents contemplated herein, constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof and thereof except as provided herein or therein.

Section 8.7 Expenses

Except as otherwise set forth in this Agreement, the Parties shall pay for the own costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement.

Section 8.8 Enurement

This Agreement is binding upon and enures to the benefit of the Significant Shareholder and the Corporation and their respective successors and permitted assigns.

Section 8.9 Equitable Remedies

The Parties agree that irreparable damage would occur if any provisions of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to specifically enforce the performance of the terms and provisions hereof, in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties (i) agrees that it shall not oppose the granting of any such relief and (ii) hereby irrevocably waives any requirement for the securing or posting of any bond in connection with any such relief.

Section 8.10 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

Section 8.11 Further Assurances

Each of the Parties shall, from time to time hereafter, do all such acts and execute and deliver all such further certificates or other documents, and will cause the doing of all such acts and will cause the execution of all such further certificates or other documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done and or executed in order to give full effect to the provisions of this Agreement.

Section 8.12 Time of Essence

Time is of the essence hereof.

Section 8.13 Counterparts

This Agreement may be executed in any number of counterparts (including by pdf) each of which when so executed will be deemed to be an original and when taken together shall constitute the entire and same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Shareholder Agreement to be duly executed as of the date first set forth above.

BEAR CREEK MINING CORPORATION

Per: _____
Name:
Title:

PREMIER GOLD MINES LIMITED

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE A REGISTRATION RIGHTS PROCEDURES

1. Registration Procedures

In connection with the Corporation's Piggyback Registration obligations pursuant to Article 3 of the Agreement, the Corporation will use commercially reasonable efforts in accordance with Article 3 of the Agreement to effect the qualification for the offer and sale or other disposition or Distribution of Qualifying Securities of the Significant Shareholder in one or more Canadian Reporting Jurisdictions as directed by the Significant Shareholder, and in pursuance thereof the Corporation will as expeditiously as practicable:

- (a) in accordance with Article 3 of the Agreement, prepare and file in the English language, with the applicable Securities Regulatory Authorities a preliminary Prospectus and shall, as soon as possible after any comments of the applicable Securities Regulatory Authorities have been satisfied with respect thereto, prepare and file a final Prospectus under and in compliance with the applicable Canadian Securities Laws, relating to the applicable Piggyback Registration, including all exhibits, financial statements and such other related documents required by the applicable Securities Regulatory Authorities to be filed therewith, and use its commercially reasonable efforts to cause such Prospectus to be receipted; and the Corporation will furnish to the Significant Shareholder and the managing underwriters or underwriters, if any, copies of such preliminary Prospectus and final Prospectus and any amendments or supplements in the form filed with the applicable Securities Regulatory Authorities, promptly after the filing of such preliminary Prospectus and final Prospectus, amendments or supplements;
- (b) prepare and file with the applicable Securities Regulatory Authorities such amendments and supplements to the preliminary Prospectus and final Prospectus as may be necessary to complete the Distribution of all such Qualifying Securities and as required under any applicable provisions of Canadian Securities Laws;
- (c) notify the Significant Shareholder and the managing underwriter or underwriters, if any, and (if requested) confirm such advice in writing, as soon as practicable after notice thereof is received by the Corporation: (i) when the preliminary Prospectus and final Prospectus or any amendment thereto has been filed or been receipted, and furnish to the Significant Shareholder and managing underwriters or underwriters, if any, with copies thereof; (ii) of any request by the applicable Securities Regulatory Authorities for amendments to the preliminary Prospectus or the final Prospectus or for additional information; (iii) of the issuance by the applicable Securities Regulatory Authorities of any stop order or cease trade order relating to the Prospectus or any order preventing or suspending the use of any preliminary Prospectus or final Prospectus or the initiation or threatening of any proceedings for such purposes; and (iv) of the receipt by the Corporation of any notification with respect to the suspension of the qualification of the Qualifying Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;
- (d) promptly notify the Significant Shareholder and the managing underwriter or underwriters, if any, when the Corporation becomes aware of the happening of any event as a result of which the Prospectus contains any untrue statement of a

material fact or omits to state a material fact necessary to make the statement therein (in the case of the Prospectus in light of the circumstances under which they were made) when such Prospectus was delivered not misleading, fails to constitute full, true and plain disclosure of all material facts regarding the Qualifying Securities when such Prospectus was delivered or if for any other reason it will be necessary during such time period to amend or supplement the preliminary Prospectus or the final Prospectus in order to comply with Canadian Securities Laws and, in either case as promptly as practicable, prepare and file with the applicable Securities Regulatory Authorities, and furnish to the Significant Shareholder and the managing underwriters or underwriters, if any, a supplement or amendment to such preliminary Prospectus or final Prospectus which will correct such statement or omission or effect such compliance;

- (e) use commercially reasonable efforts to obtain the withdrawal of any stop order, cease trade order or other order against the Corporation or affecting the securities of the Corporation suspending the use of any Prospectus or suspending the qualification of any Qualifying Securities covered by the Prospectus, or the initiation or the threatening of any proceedings for such purposes;
- (f) furnish to the Significant Shareholder and each managing underwriter or underwriters, if any, copies of the preliminary Prospectus, final Prospectus or any amendments or supplements thereto, and provide the Significant Shareholder and its counsel with a reasonable opportunity to review and provide comments to the Corporation on the Prospectus;
- (g) deliver to the Significant Shareholder and the underwriters, if any, without charge, as many commercial copies of the preliminary Prospectus and the final Prospectus and any amendment or supplement thereto as such Persons may reasonably request (it being understood that the preliminary Prospectus and the final Prospectus or any amendment or supplement thereto may only be used by the Significant Shareholder and the underwriters, if any, in connection with the offering and sale of the Qualifying Securities covered by the preliminary Prospectus and the final Prospectus or any amendment or supplement thereto in accordance with applicable Canadian Securities Laws and, if applicable, pursuant to the terms and conditions of an underwriting agreement in customary form to be entered into among the Corporation, the Significant Shareholder and the underwriters, if any) and such other documents as the Significant Shareholder may reasonably request in order to facilitate the disposition of the Qualifying Securities by such Person;
- (h) on or prior to the date on which a receipt is issued for the Prospectus by the applicable Securities Regulatory Authorities, use commercially reasonable efforts to qualify, and cooperate with the Significant Shareholder, the managing underwriter or underwriters, if any, and their respective counsel in connection with the qualification of, such Qualifying Securities for offer and sale under the applicable Canadian Securities Laws, as any such Person or underwriter reasonably requests in writing provided that the Corporation will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

- (i) in connection with any underwritten offering, enter into customary agreements, including an underwriting agreement with the underwriter or underwriters, such agreements to contain such representations, warranties and indemnities by the Corporation and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions;
- (j) use its commercially reasonable efforts to obtain a customary legal opinion, in the form and substance as is customarily given by external company counsel in securities offerings, addressed to the Significant Shareholder and the underwriters, if any, and such other Persons as the underwriting agreement may reasonably specify, and a customary “comfort letter” from the Corporation’s auditor and/or the auditors of any financial statements included or incorporated by reference in a Prospectus;
- (k) furnish to the Significant Shareholder and the managing underwriter or underwriters, if any, and such other Persons as the Significant Shareholder may reasonably specify, such corporate certificates, satisfactory to the Significant Shareholder acting reasonably, as are customarily furnished in securities offerings, and, in each case, covering substantially the same matters as are customarily covered in such documents in the relevant jurisdictions and such other matters as the Significant Shareholder may reasonably request;
- (l) use commercially reasonable efforts to cause all Qualifying Securities covered by the Prospectus to be listed on each Exchange on which Common Shares are then listed or quoted;
- (m) participate in such marketing efforts as the Significant Shareholder and the Corporation jointly determine (with advice from the managing underwriter or underwriters, if any) are reasonably necessary, such as “roadshows”, institutional investor meetings and similar events; and
- (n) take such other actions and execute and deliver such other documents as may be reasonably necessary to give full effect to the rights of the Significant Shareholder under the Agreement.

2. **Significant Shareholder’s Obligations**

- (a) The Significant Shareholder will furnish to the Corporation such information regarding the Distribution of such Qualifying Securities and such other information relating to the Significant Shareholder’s ownership of Common Shares as the Corporation may from time to time reasonably request in writing in order to comply with applicable Canadian Securities Laws in each jurisdiction in which a Piggyback Registration is to be effected. The Significant Shareholder agrees to furnish such information to the Corporation and to cooperate with the Corporation as necessary to enable the Corporation to comply with the provisions of the Agreement and applicable Canadian Securities Laws. The Significant Shareholder will promptly notify the Corporation when the Significant Shareholder becomes aware of the happening of any event (insofar as it relates to the Significant Shareholder or information provided by the Significant Shareholder in writing for inclusion in the applicable Prospectus) as a result of which the Prospectus contains any untrue statement of a material fact or omits to state a material fact necessary to make the

statement therein (in the case of the Prospectus in light of the circumstances under which they were made) when such Prospectus was delivered not misleading or, if for any other reason it will be necessary during such time period to amend or supplement the preliminary Prospectus or the final Prospectus in order to comply with Canadian Securities Laws.

- (b) The Significant Shareholder will:
 - (i) comply with applicable Canadian Securities Laws in connection with the Significant Shareholder effecting trades (as defined under Canadian Securities Laws) in the Qualifying Securities and the use of any preliminary Prospectus, final Prospectus or other qualification document;
 - (ii) comply with any applicable published policies, rules and regulations of the applicable Securities Regulatory Authorities and any Exchange on which the Qualifying Securities are then listed or quoted; and
 - (iii) promptly review and comment on any draft documents provided to the Significant Shareholder under Section 1 of this Schedule A.
- (c) In connection with any underwritten offering in connection with a Piggyback Registration, the Significant Shareholder will enter into customary agreements, including an underwriting agreement with the underwriter or underwriters, such agreements to contain such representations, warranties and indemnities by the Significant Shareholder and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions.

3. **Underwriters' Cutback**

- (a) If, in connection with a Piggyback Registration, the managing underwriter or underwriters will impose a limitation on the number or kind of securities which may be included in any such Distribution because, in its reasonable judgment, the inclusion of securities requested to be included in such offering exceeds the number of securities which can be sold in an orderly manner in such offering within the minimum price acceptable to the Corporation (an "**Underwriters' Cutback**"), then the Corporation will be obligated to include in such Distribution only such securities as is determined in good faith by such managing underwriter or underwriters in the following priority:
 - (i) first, such securities offered by the Corporation for its own account; and
 - (ii) second, if there are any additional securities that may be underwritten at no less than the minimum price acceptable to the Corporation after allowing for the inclusion of all of the securities required under (i) above, such Qualifying Securities requested to be qualified by the Significant Shareholder, provided that if any Qualifying Securities requested to be qualified by the Significant Shareholder are not otherwise included in such Distribution, such Qualifying Securities that are not so included will be included, to the fullest extent possible, in an over-allotment option which will be granted to the underwriters in connection with such Distribution for such amount of Common Shares requested to be qualified by the

Significant Shareholder that were not otherwise included in such Distribution.

4. **Withdrawal of Qualifying Securities**

- (a) The Significant Shareholder will have the right to withdraw its request for inclusion of its Qualifying Securities in any Piggyback Registration pursuant to Section 3.1 of the Agreement by giving written notice to the Corporation of its request to withdraw; provided, however, that:
 - (i) such request must be made in writing prior to the execution of the enforceable bought deal letter or underwriting agreement with respect to such Distribution; and
 - (ii) such withdrawal will be irrevocable and, after making such withdrawal, the Significant Shareholder will no longer have any right to include its Qualifying Securities in the Distribution pertaining to which such withdrawal was made.
- (b) Provided that the Significant Shareholder withdraws all of its Qualifying Securities from a Piggyback Registration in accordance with Section 4(a) of this Schedule A prior to the filing of a preliminary Prospectus, the Significant Shareholder will be deemed to not have participated in or requested such Piggyback Registration.
- (c) Notwithstanding Section 4(a)(i) of this Schedule A, if the Significant Shareholder withdraws its request for inclusion of its Qualifying Securities from a Piggyback Registration at any time after having learned of a material adverse change in the condition, business or prospects of the Corporation, the Significant Shareholder will not be deemed to have participated in or requested such Piggyback Registration.

5. **Expenses**

All expenses incurred in connection with a Piggyback Registration pursuant to Section 3.1 of the Agreement (excluding the Significant Shareholder's *pro rata* share of underwriters' discounts and commissions, if any, applicable transfer taxes, if any, and the Significant Shareholder's legal and professional fees, all of which will be borne by the Significant Shareholder (the "**Significant Shareholder Expenses**")), including: (i) applicable Securities Regulatory Authorities, Canadian stock exchange registration listing and filing fees relating to the Qualifying Securities; (ii) fees and expenses of compliance with Canadian Securities Laws; (iii) printing and copying expenses; (iv) messenger and delivery expenses; (v) expenses incurred in connection with any road show and marketing activities; (vi) fees and disbursements of counsel to the Corporation; (vii) fees and disbursements of all independent public accountants (including the expenses of any audit and/or "comfort" letter) and fees and expenses of any other special experts retained by the Corporation; (viii) translation expenses; and (ix) any other fees and disbursements of underwriters customarily paid by issuers or sellers of securities (but excluding the Significant Shareholder's Expenses), will be borne by the Corporation.

6. Due Diligence; Indemnification

- (a) In connection with the preparation and filing of any Prospectus in connection with a Piggyback Registration as herein contemplated, the Corporation will give the Significant Shareholder, the underwriter or underwriters of such Distribution, if any, and their respective counsel, auditors and other representatives, the opportunity to review such documents and each amendment thereof or supplement thereto, and will insert therein such material furnished to the Corporation in writing, which in the reasonable judgment of the Corporation and its counsel should be included, and will give each of them such reasonable and customary access to the Corporation's books and records and such reasonable and customary opportunity to discuss the business of the Corporation with its officers and auditors, and to conduct all reasonable and customary due diligence which the Significant Shareholder and the underwriters or underwriter, if any, and their respective counsel may reasonably require in order to conduct a reasonable investigation in order to enable such underwriters to execute any certificate required to be executed by them in Canada for inclusion in such documents, provided that the Significant Shareholder and the underwriters agree to maintain the confidentiality of such information.

- (b) In connection with any Piggyback Registration, the Corporation will indemnify and hold harmless the Significant Shareholder and its Affiliates and each of their respective directors, officers, employees, advisors, agents, representatives, shareholders, limited partners and underwriters, from and against any loss (excluding loss of profits), liability, claim, damage and expense whatsoever (including reasonable legal fees and expenses), including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or several, incurred, arising out of or based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, or any amendment or supplement thereto, including all documents incorporated therein by reference, or any omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (ii) as incurred, arising out of or based upon any failure to comply with Canadian Securities Laws; provided that the Corporation will not be liable under this Section 6(b) of this Schedule A for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed; provided further that the indemnity provided for in this Section 6(b) of this Schedule A in respect of the Significant Shareholder will not apply to any loss, liability, claim, damage or expense to the extent incurred, arising out of or based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Corporation by the Significant Shareholder or underwriter stating that such information is being provided for use in the Prospectus.

- (c) In connection with any Piggyback Registration, the Significant Shareholder will indemnify and hold harmless the Corporation and each of its directors, officers, employees, advisors, agents, representatives and shareholders from and against any loss (excluding loss of profits), liability, claim, damage and expense whatsoever (including reasonable legal fees and expenses), including any amounts paid in settlement of any investigation, order, litigation, proceeding or

claim, joint or several, as incurred, arising out of or based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any Prospectus, or any amendment or supplement thereto, including all documents incorporated therein by reference, or any omission or alleged omission therefrom of a material fact, required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, as applicable, or (ii) any failure by the Significant Shareholder to comply with Canadian Securities Laws, in either case only with respect to untrue statements or omissions included in any Prospectus in reliance upon and in conformity with written information furnished to the Corporation by the Significant Shareholder, stating that such information is being provided for use in the Prospectus; provided that the Significant Shareholder will not be liable under this Section 6(c) of this Schedule A for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed; provided further that the indemnity provided for in this Section 6(c) of this Schedule A will not apply to any loss, liability, claim, damage or expense to the extent arising out of an untrue statement or omission or alleged untrue statement or omission contained in any Prospectus relating to a Piggyback Registration if the Corporation or any underwriter failed to send or deliver a copy of the Prospectus to the Person asserting such loss, liability, claim, damage or expense on or prior to the delivery of written confirmation of any sale of securities covered thereby to such Person in any case where such Prospectus corrected such untrue statement or omission; provided, further that in no event will the Significant Shareholder be liable for indemnification or contribution for an amount greater than the lesser of: (i) the net sales proceeds actually received by the Significant Shareholder; and (ii) the Significant Shareholder's proportionate share of any such liability based on the net sales proceeds actually received by the Significant Shareholder and the aggregate net sales proceeds of the Distribution.

- (d) Each Party entitled to indemnification under this Section 6 of this Schedule A (the "**Specified Indemnified Party**") will give written notice to the Party required to provide indemnification (the "**Specified Indemnifying Party**") promptly after such Specified Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and will permit the Specified Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Specified Indemnifying Party, who will conduct the defense of such claim or litigation, will be approved by the Specified Indemnified Party (whose approval will not be unreasonably withheld), and the Specified Indemnified Party may participate in such defense at such Party's expense, and provided further that the failure of any Specified Indemnified Party to give notice as provided herein will not relieve the Specified Indemnifying Party of its obligations under this Section 6 of this Schedule A unless the failure to give such notice is materially prejudicial to a Specified Indemnifying Party's ability to defend such action. A Specified Indemnified Party will have the right to retain its own counsel, with fees and expenses to be paid by the Specified Indemnifying Party, if representation of such Specified Indemnified Party by the counsel retained by the Specified Indemnifying Party would be inappropriate due to actual or potential conflicting interests between such Specified Indemnified Party and any other party represented by such counsel in such proceeding. No Specified Indemnifying Party, in the defense of any such claim or litigation, will, except with the consent of each Specified Indemnified Party, consent to entry of any judgment or enter into any

settlement unless such settlement includes as an unconditional term thereof: (i) the giving by the claimant or plaintiff to such Specified Indemnified Party of a release from all liability in respect to such claim or litigation; (ii) no admission on the part of the Specified Indemnified Party that it violated any law or infringed the rights of any person; and (iii) provides as the claimant's or plaintiff's sole relief monetary damages (that are paid in full by the Specified Indemnifying Party).

- (e) If the indemnification provided for in this Section 6 of this Schedule A is held by a court of competent jurisdiction to be unavailable to a Specified Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to therein, then the Specified Indemnifying Party, in lieu of indemnifying such Specified Indemnified Party hereunder, will contribute to the amount paid or payable by such Specified Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Specified Indemnifying Party on the one hand and of the Specified Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations, provided, however, that the liability of the Significant Shareholder under this Section 6(e) of this Schedule A will not exceed the lesser of: (i) the net sales proceeds actually received by the Significant Shareholder; and (ii) the Significant Shareholder's proportionate share of any such liability based on the net sales proceeds actually received by the Significant Shareholder and the aggregate net sales proceeds of the Distribution. The relative fault of the Specified Indemnifying Party and of the Specified Indemnified Party will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Specified Indemnifying Party or by the Specified Indemnified Party and the Parties' relative intent with respect to, knowledge regarding and opportunity to correct, such information. No Person guilty of fraudulent misrepresentation will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.