

**SUBSCRIPTION AND RENUNCIATION AGREEMENT
(Canadian Subscribers)**

TO: NEW BREAK RESOURCES LTD. (the "Company")

The undersigned (the "**Purchaser**"), on its own behalf, and, if applicable, on behalf of those for whom the undersigned is contracting hereunder as trustee or agent (a "**Beneficial Purchaser**"), hereby subscribes for and agrees to purchase the number of flow-through common shares of the Company ("**FT Shares**") set out below at a price of **CDN\$0.30** per FT Share, which shall qualify as a "flow-through share" as defined in subsection 66(15) of the *Income Tax Act* (Canada). This agreement, which for greater certainty includes and incorporates the attached Schedules, as each may be amended, supplemented or restated, is referred to herein as the "**Subscription Agreement**". The Purchaser agrees to be bound by the terms and conditions set forth in the attached "**Terms and Conditions of Subscription**" including without limitation the representations, warranties and covenants set forth in the schedules attached thereto. The Purchaser further agrees, without limitation, that the Company may rely on the Purchaser's representations, warranties and covenants contained in such documents.

Issuer: New Break Resources Ltd.

Issue: Flow-Through Shares

Price Per FT Share: <u>CDN\$ 0.30</u>	
Number of FT Shares Purchased: _____	Total Subscription Price of FT Shares: \$ _____

DATED this _____ day of _____, 2021.

Name and Address of Purchaser

(Name of Purchaser - please print)

(Purchaser's Address)

by: _____
Authorized Signature

(Purchaser's Address)

(Official Capacity or Title - please print)

(Telephone Number)

(Please print name of individual whose signature appears above if different than the name of the Purchaser printed above.)

(E-mail address)

Social Insurance Number (if Placee is an individual)

Business I.D. Number (if Placee is incorporated)

Details of the Beneficial Purchaser, if any, for whom the undersigned is contracting:

(Name of Purchaser - please print)

(Beneficial Purchaser's Address)

(if space is inadequate please attach a schedule containing the necessary information)

Registration Instructions:

Delivery Instructions:

Name

Account reference, if applicable

Account reference, if applicable

Address

Contact Name

Address

Telephone Number

E-mail Address

Number and kind of securities of the Company presently held, directly or indirectly, if any:

State whether Purchaser is an insider of the Company:

Yes No

State whether Purchaser is a registered investment dealer:

Yes No

A completed and originally executed copy of this Subscription Agreement, including all applicable schedules hereto, must be delivered by no later than 5:00p.m. (Toronto Time) on the date that is 2 days prior to the Closing Date, to

New Break Resources Ltd. 18 King Street East, Suite 902 | Toronto, ON M5C 1C4 Attention: Michael Farrant, President and CEO, E-mail: mfarrant@newbreakresources.ca

Or to

Peterson McVicar LLP 18 King Street East, Suite 902 | Toronto, ON M5C 1C4 Attention: Dennis Peterson, E-mail: pgeorgas@petelaw.com, Fax: 416-352-5693

ACCEPTANCE

The foregoing is acknowledged, accepted and agreed to this _____ day of _____, 2021.

NEW BREAK RESOURCES LTD.

Per: _____

Authorized Signing Officer

Michael Farrant

President, Chief Executive Officer and Director

TERMS AND CONDITIONS OF SUBSCRIPTION

1. **Subscription.** The Purchaser hereby tenders to the Company this subscription which, upon acceptance by the Company, will constitute an irrevocable agreement of the Purchaser to purchase from the Company and, of the Company to sell to the Purchaser, the number of FT Shares set out on the face page hereof at the price of \$0.30 per FT Share (the “**Purchase Price**”), all on the terms and subject to the conditions set out in this Subscription Agreement. For greater certainty, unless otherwise specifically referenced or unless the context otherwise requires, all references to “**Securities**” herein shall include all of the offered FT Shares and the issuance of the offered FT Shares shall be referred to as the “**Offering**”.

2. **Offering.** The Purchaser acknowledges that the FT Shares will be issued in connection with the issue of an aggregate of up to **5,000,000** FT Shares for an aggregate subscription price of up to **\$1,500,000.00**, which FT Shares are to be sold by the Company by private placement to be dated on or before the Closing Date (as herein defined). The Purchaser also acknowledges that the Company has the right at its sole discretion to increase the size of the Offering at any time without notice to the Purchaser.

3. **Definitions.** In this Subscription Agreement, unless the context otherwise requires:

- (a) “**affiliate**”, “**distribution**” and “**insider**” have the respective meanings ascribed to them in the *Securities Act* (Ontario);
- (b) “**Beneficial Purchaser**” has the meaning ascribed thereto on page 1 of this Subscription Agreement;
- (c) “**Canadian Exploration Expense(s)**” or “**CEE**” means expenses of the type described within paragraph (f) of the definition of “Canadian exploration expense” in subsection 66.1(6) of the ITA, excluding amounts which are prescribed to constitute “Canadian exploration and development overhead expense” under the ITA, the amount of any assistance described in paragraph 66(12.6)(a) of the ITA, the cost of any expenditure described in paragraph 66(12.6)(b.1) of the ITA or any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of the term “expense” in subsection 66(15) of the ITA;
- (d) “**Closing**” means the completion of the issue and sale by the Company and the purchase by the Purchasers of the FT Shares pursuant to this Subscription Agreement;
- (e) “**Closing Date**” means December 10, 2021, or such other date as the Company may determine;
- (f) “**Closing Time**” means 8:30 a.m. (Eastern Daylight Time) on the Closing Date or such other time as the Company may determine;
- (g) “**Closing Year**” means the calendar year in which the Closing takes place;
- (h) “**Common Shares**” means the common shares of the Company as constituted on the date hereof;
- (i) “**CRA**” means Canada Revenue Agency;
- (j) “**Designated Provinces**” means the provinces of Canada in which Purchasers are resident;
- (k) “**Exploration Program**” means an exploration program the Company intends to carry out, either alone or in conjunction with others, on the Property for the purpose of determining the existence, location and quality of the mineral resources located thereon;
- (l) “**Flow-Through Funds**” means the aggregate purchase price paid by the Purchaser for the FT Shares;
- (m) “**FT Shares**” has the meaning ascribed thereto on page 1 of this Subscription Agreement;

- (n) “**ITA**” means the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), as amended;
- (o) “**NI 45-106**” means National Instrument 45-106 - *Prospectus Exemptions* as such instrument is in effect at Closing in the Designated Province in which the Purchaser resides;
- (p) “**person**” means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;
- (q) “**Personal Information**” means any information about a person (whether an individual or otherwise) and includes information contained in this Subscription Agreement, including the Schedules incorporated by reference herein;
- (r) “**Property**” means the Moray property located in the Province of Ontario and the Sundog property, Sy property, Esker/Noomut property, and Angikuni Lake property located in the Territory of Nunavut, and upon which the Company will expend or cause to be expended the Qualifying Expenses required to be expended by it under this Subscription Agreement;
- (s) “**Purchase Price**” has the meaning ascribed to that term in section 1 of this Subscription Agreement;
- (t) “**Purchasers**” has the meaning ascribed thereto on page 1 of this Subscription Agreement;
- (u) “**Qualifying Expenses**” means expenses that are CEE which qualify as “flow-through mining expenditures” as defined in subsection 127(9) of the ITA;
- (v) “**Securities Commissions**” means, collectively, the applicable securities commission or other securities administrator in each of the Designated Provinces;
- (w) “**Securities Laws**” means, collectively, the applicable securities laws of each of the Designated Provinces and the respective regulations and rules made and forms prescribed thereunder together with all applicable and legally enforceable published policy statements, blanket orders, rulings and notices of the Securities Commissions;
- (x) “**Subscription Agreement**” has the meaning ascribed thereto on page 1 of this Subscription Agreement;
- (y) “**Termination Date**” means December 31, 2022;
- (z) “**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (aa) “**U.S. Person**” means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (bb) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

In this Subscription Agreement, whether the Company and the Purchaser deal with one another at arm’s length shall be determined in accordance with subsection 251(1) of the ITA.

4. Delivery and Payment. The Purchaser agrees that the following shall be delivered to the Company at the address and by the date and time set out on the face page hereof, or such other time, date or place as the Company may advise:

- (a) a completed and duly signed copy of this Subscription Agreement;

- (b) if the Purchaser is resident in or otherwise subject to the laws of Canada, a duly completed and executed copy of the Canadian Exemption Certificate in the form attached hereto as Schedule "A" (together with applicable Appendices);
- (c)
 - (i) a certified cheque or bank draft made payable on or before the Closing Date (or such other date as the Company may advise) in same day freely transferable Canadian funds at par in Toronto, Ontario to "New Break Resources Ltd." representing the aggregate Purchase Price payable by the Purchaser for the FT Shares; or
 - (ii) such other method of payment of the same amount against delivery of the FT Shares as the Company may accept; and
- (d) Any other documents required by the Securities Laws that the Company may request.

The Purchaser, and each Beneficial Purchaser, if any, acknowledges and agrees that such documents, when executed and delivered by the Purchaser, will form part of and will be incorporated into this Subscription Agreement and each shall constitute a representation, warranty or covenant of the Purchaser hereunder in favour of the Company. The Purchaser and each such Beneficial Purchaser consents to the filing of such documents as may be required to be filed with the Securities Commissions in connection with the transactions contemplated hereby.

5. Closing. The transactions contemplated hereby will be completed on or before the Closing Date at the Closing Time at the offices of Peterson McVicar LLP, Toronto, Ontario, or such other time and place as the Company and Purchaser may agree upon.

If, prior to the Closing Time, the terms and conditions contained in the Subscription Agreement have not been complied with to the satisfaction of the Company, or waived by it, the Company and the Purchaser will have no further obligations under this Subscription Agreement.

The Purchaser and each Beneficial Purchaser, if any, acknowledges that certificates representing the FT Shares will be available for delivery to it at the Closing against payment of the amount of the aggregate Purchase Price for the FT Shares.

The Purchaser will take up, purchase and pay for the FT Shares at the Closing upon acceptance of this offer by the Company and the satisfaction by the Company, or waiver on behalf of the Purchaser by the Company (to the extent permitted hereby), of the conditions set out in this Subscription Agreement.

6. Conditions of Closing. The Purchaser acknowledges that the Company's obligation to sell the Securities to the Purchaser is subject to, among other things, the following conditions:

- (a) the Purchaser or Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent executing and returning to the Company as directed in paragraph 4 all documents required by applicable Securities Laws for delivery on behalf of the Purchaser or Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent, including, without limitation, the documents specified in paragraph 4, by no later than 5:00 p.m. (Eastern Daylight Time) on the date that is two days before the Closing Date;
- (b) if applicable, the Company having obtained all required regulatory approvals to permit the completion of the transactions contemplated hereby;
- (c) the issue and sale and delivery of the FT Shares being exempt from the requirements to file a prospectus or deliver an offering memorandum (as defined in applicable Securities Laws, including Ontario Securities Commission Rule 14-501 "Definitions") or any similar document under applicable Securities Laws and other applicable securities laws relating to the issue, sale and delivery of the FT Shares, or that the Company has received such orders, consents or approvals as may be required to permit such issue, sale and delivery without the requirement to file a prospectus or deliver an offering memorandum or any similar document; and

- (d) the representations and warranties of the Purchaser being true and correct as at the Closing Time.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that as the sale of the FT Shares will not be qualified by a prospectus, such sale is subject to the condition that the Purchaser (or, if applicable each Beneficial Purchaser) sign and return to the Company all relevant documentation required by the Securities Laws.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the Company will be required to provide to the Securities Commissions a list setting out the identities of the Beneficial Purchasers of the FT Shares. Notwithstanding that the Purchaser may be purchasing FT Shares as an agent on behalf of an undisclosed principal (if permissible under the relevant Securities Laws), the Purchaser agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Company in order to comply with the foregoing and Securities Laws.

7. Acceptance or Rejection. The Company will have the right to accept or reject this offer in whole or in part at any time at or prior to the Closing Time. The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the acceptance of this offer will be conditional upon the issue and sale of the FT Shares to the Purchaser and each Beneficial Purchaser being exempt from the requirement to file a prospectus or deliver an offering memorandum or any similar document under the Securities Laws and the equivalent provisions of securities laws of any other applicable jurisdiction. The Company will be deemed to have accepted this offer upon the Company's execution of the acceptance form on page 3 of this Subscription Agreement and the delivery at the Closing of the certificates representing the FT Shares to or upon the direction of the Purchaser, in accordance with the provisions hereof.

If this Subscription Agreement is rejected in whole, the Purchaser and each Beneficial Purchaser, if any, for whom the Purchaser is acting as agent or trustee, understands that any funds, certified cheques and bank drafts delivered by the Purchaser to the Company representing the Purchase Price for the FT Shares will be promptly returned by the Company to the Purchaser without interest. If this Subscription Agreement is accepted only in part, the Purchaser understands that a cheque representing the portion of the Purchase Price for that portion of its subscription for FT Shares that is not accepted will be promptly delivered by the Company, as the case may be, to the Purchaser without interest.

8. Purchaser's Representations, Warranties and Covenants. The Purchaser represents, warrants and covenants in favour of the Company as follows and acknowledges that the Company is relying on such representations, warranties and covenants in connection with the transactions contemplated in this Subscription Agreement:

- (a) **Authorization and Effectiveness.** If the Purchaser (or the Beneficial Purchaser) is an individual, it is of the full age of majority and has all requisite legal capacity and competence to execute and deliver this Subscription Agreement and to observe and perform its covenants and obligations hereunder, or if the Purchaser (or the Beneficial Purchaser) is a corporation, the Purchaser (or the Beneficial Purchaser) is duly incorporated and is a valid and existing corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the FT Shares and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser (or the Beneficial Purchaser) is a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to execute and deliver this Subscription Agreement, to subscribe for the FT Shares and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in any case, upon acceptance by the Company, this Subscription Agreement will constitute a legal, valid and binding agreement of the Purchaser and the Beneficial Purchaser enforceable against the Purchaser and the Beneficial Purchaser in accordance with its terms and will not result in a violation of or create a state of facts which, after notice, lapse of time or both, would constitute a default or breach of any of the Purchaser's or the Beneficial Purchaser's constating documents, by-laws or authorizing resolutions (if applicable), any agreement to which the Purchaser or the Beneficial Purchaser is a party or by which it is bound or any law applicable to the Purchaser or any judgment, law applicable to the

Purchaser or the Beneficial Purchaser or any decree, order, statute, rule or regulation applicable to the Purchaser or the Beneficial Purchaser;

- (b) **Residence.** The Purchaser, and each Beneficial Purchaser, if any, for whom it is acting as trustee or agent, was offered the FT Shares in, and is a resident of, the jurisdiction referred to under “Name and Address of Purchaser” and “Details of Beneficial Purchaser”, respectively, set out on the face page and page 2 hereof and intends that the Securities Laws of that jurisdiction govern any transactions involving the Securities subscribed for by the Purchaser or any Beneficial Purchaser for whom it is contracting hereunder and that such addresses were not created and are not used solely for the purpose of acquiring the FT Shares;
- (c) **Private Placement Exemptions.** The Purchaser has properly completed, executed and delivered to the Company the applicable questionnaire(s) and certificate(s) (dated as of the date hereof) set forth in Schedule A (including all Appendices thereto) attached hereto and the information contained therein is true and correct and the representations, warranties and covenants contained in the applicable schedules attached hereto will be true and correct both as of the date of execution of this Subscription Agreement and as at the Closing Time;
- (d) **Purchasing as Principal.** Unless paragraph (g) below applies, the Purchaser is purchasing the FT Shares as principal (as defined in all applicable Securities Laws) for its own account, and not for the benefit of any other person;
- (e) **Purchasing for Investment Only.** Unless paragraph (g) below applies, the Purchaser is purchasing the FT Shares for investment or donation purposes only and not with a view to resale or distribution;
- (f) **No Syndication.** Unless paragraph (g) below applies, the Purchaser was not created solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” provided in Schedule A;
- (g) **Purchasing as Agent or Trustee.**
 - (i) In the case of the purchase by the Purchaser of the FT Shares as agent or trustee for any principal whose identity is disclosed or identified, each Beneficial Purchaser of the FT Shares for whom the Purchaser is acting, is purchasing its FT Shares (1) as principal (as defined in all applicable Securities Laws) for its own account and not for the benefit of any other person; (2) for investment or donation only and not with a view to resale or distribution; (3) was not created or used solely to purchase or hold securities in reliance on the “Minimum Amount Investment” exemption provided under Section 2.10 of NI 45-106 and it pre-existed the Offering and has a bona fide purpose other than investment in the Securities; (4) was not created solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” provided in Schedule “A”; and (5) either is purchasing its FT Shares (A) at an aggregate acquisition cost to such Beneficial Purchaser of more than CDN \$150,000, or (B) the Beneficial Purchaser is an “accredited investor” as defined in NI 45-106;
 - (ii) In the case of the purchase by the Purchaser of the FT Shares as agent or trustee for any principal, the Purchaser is the duly authorized trustee or agent of such disclosed Beneficial Purchaser with due and proper power and authority to execute and deliver, on behalf of each such Beneficial Purchaser, this Subscription Agreement and all other documentation in connection with the purchase of the FT Shares hereunder, to agree to the terms and conditions herein and therein set out and to make the representations, warranties, acknowledgements and covenants herein and therein contained, all as if each such Beneficial Purchaser were the Purchaser and the Purchaser’s actions as trustee or agent are in compliance with applicable law and the Purchaser and each Beneficial Purchaser acknowledges that the Company is required by law to disclose to certain regulatory

authorities the identity of each Beneficial Purchaser of FT Shares for whom it may be acting; and

- (iii) in the case of the purchase by the Purchaser of the FT Shares on behalf of an undisclosed Beneficial Purchaser, the Purchaser is deemed under applicable Securities Laws to be purchasing as principal;
- (h) **Broker.** There is no person acting or purporting to act on behalf of the Purchaser in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee payable by the Purchaser, and if any such person establishes a claim that any such fee or compensation is payable in connection with this subscription for the FT Shares, the Purchaser covenants to indemnify and hold harmless the Company with respect thereto and with respect to all costs reasonably incurred in the defence thereof;
- (i) **Illegal Use of Funds.** None of the funds being used to purchase the FT Shares are to the Purchaser's or the Beneficial Purchaser's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the FT Shares which will be advanced by the Purchaser to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Purchaser acknowledges that the Company may in the future be required by law to disclose the Purchaser's name and other information relating to this Subscription Agreement and the Purchaser's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Purchaser's knowledge, none of the funds to be provided by the Purchaser or the Beneficial Purchaser are being tendered on behalf of a person or entity who has not been identified to the Purchaser, and the Purchaser shall promptly notify the Company if the Purchaser or the Beneficial Purchaser discovers that any of such representations cease to be true, and shall promptly provide the Company with all necessary information in connection therewith;
- (j) **Resale Restrictions.** The Purchaser, and each Beneficial Purchaser for whom it is contracting hereunder, (1) has been advised to consult its own legal advisors with respect to trading in the FT Shares and with respect to the resale restrictions imposed by the Securities Laws of the jurisdiction in which the Purchaser or any Beneficial Purchaser for whom it is contracting hereunder resides and other applicable securities laws, (2) acknowledges that no representation has been made respecting the resale restrictions, including applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Purchaser (or any Beneficial Purchaser for whom it is contracting hereunder) to resell such securities, (3) acknowledges that the Purchaser (or any Beneficial Purchaser for whom it is contracting hereunder) is solely responsible to determine applicable restrictions, (4) is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions, and (5) is aware that the Purchaser (or any Beneficial Purchaser for whom it is contracting hereunder) may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws;
- (k) **No Purchase or Offer in United States.** The Purchaser and Beneficial Purchaser, if any, for whom it is acting as trustee or agent:
 - (i) is not a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a professional fiduciary organized, incorporated, or (if an individual) resident in the United States; or
 - (ii) is not, and is not purchasing the FT Shares for the account or benefit of, a U.S. Person under the U.S. Securities Act or for resale in the United States or to a U.S. Person in violation of United States federal or state securities laws, was not offered the FT Shares in the United States, at the time the purchase order originated was outside the United States, and did not execute or deliver this Subscription Agreement or related documents in the United States,

and acknowledges that none of the Securities have been, nor will they be, registered under the U.S. Securities Act or the securities laws of any state, and: (A) may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person, unless an exemption from the registration requirements under the U.S. Securities Act and applicable state securities laws is available; and (B) agrees not to offer, or sell the Securities in the United States or to a U.S. Person, unless registered under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act and applicable state securities laws is available;

- (l) **Company or Unincorporated Organization.** If the Purchaser, or any Beneficial Purchaser for whom it is acting as trustee or agent, is a corporation or a partnership, syndicate, trust, association, or any other form of unincorporated organization or organized group of persons, the Purchaser or such Beneficial Purchaser was not created or being used solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption;
- (m) **Absence of Offering Memorandum or Similar Document.** The Purchaser and Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent, has not received, nor has it requested, nor does it have any need to receive, any offering memorandum or any other document describing the business and affairs of the Company, nor has any document been prepared for delivery to, or review by, prospective purchasers in order to assist them in making an investment decision in respect of the Securities;
- (n) **Absence of Advertising.** The offering and sale of the FT Shares to the Purchaser or Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent, was not made or solicited through, and the Purchaser and each such Beneficial Purchaser is not aware of, any general solicitation or general advertising with respect to the offering of the FT Shares, including advertisements, articles, notices or other communications published in any printed public media, radio, television or telecommunications, including electronic display (such as the Internet, including but not limited to the Company's website), or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (o) **Investment Suitability.** The Purchaser and each Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent, has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment hereunder in the FT Shares and is able to bear the economic risk of total loss of such investment;
- (p) **Resale.** The Purchaser and each Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent, fully understands the restrictions on resale on the Securities and will not resell any of the Securities, except in accordance with the provisions of applicable Securities Laws and other applicable securities law;
- (q) **Other Documents.** The Purchaser and each Beneficial Purchaser, if any, for whom the Purchaser is acting as trustee or agent, will promptly execute and deliver any other documents required by the Company or applicable Securities Laws to permit the purchase of the FT Shares on the terms herein set forth which the Company may reasonably request;
- (r) **Personal Information.** The Purchaser acknowledges that this Subscription Agreement requires the Purchaser to provide certain Personal Information to the Company. Such information is being collected and will be used by the Company for the purposes of completing the proposed Offering, which includes, without limitation, determining the Purchaser's eligibility to purchase the FT Shares under applicable Securities Laws, preparing and registering certificates representing the FT Shares and completing filings required by the Securities Commissions. The Purchaser agrees that the Purchaser's Personal Information may be disclosed by the Company to: (a) applicable securities regulatory authorities; and (b) any of the other parties involved in the proposed Offering, including legal counsel to the Company, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Purchaser consents to the foregoing collection, use and disclosure of the Purchaser's Personal Information. The Purchaser also consents to the filing of

copies or originals of any of the Purchaser's documents described in paragraph 4 hereof as may be required to be filed with any securities regulatory authority in connection with the transactions contemplated hereby;

- (s) **Prescribed Shares.** Neither the Purchaser nor any Beneficial Purchaser (if any) for whom the Purchaser is acting as agent or trustee, has or will enter into any agreement or arrangement which will cause the FT Shares to be or become "prescribed shares" for purposes of regulation 6202.1 to the ITA; and
- (t) **Material Undisclosed Information.** The FT Shares to be issued hereunder are not being purchased with knowledge of any material fact about the Company that has not been generally disclosed.

The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that the foregoing representations, warranties and covenants are made by it with the intention that they may be relied upon by the Company in determining the Purchaser's eligibility or (if applicable) the eligibility of each Beneficial Purchaser on whose behalf it is contracting hereunder to purchase the FT Shares. The Purchaser and each Beneficial Purchaser, if any, further agrees that by accepting delivery of the certificates representing the FT Shares on the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser and each Beneficial Purchaser at the Closing Time and that they shall survive the purchase by the Purchaser and each Beneficial Purchaser of the FT Shares and shall continue in full force and effect notwithstanding any subsequent disposition by the Purchaser or any Beneficial Purchaser of the FT Shares. The Purchaser and each Beneficial Purchaser, if any, undertakes to notify the Company at c/o Peterson McVicar LLP, 18 King Street East, Suite 902, Toronto, Ontario M5C 1C4, Attention: Dennis Peterson (Fax number: 647-259-1785) immediately of any change in any representation, warranty or other information relating to the Purchaser set out in this Subscription Agreement which takes place prior to the Closing Time.

9. Purchaser's Acknowledgements. The Purchaser and each Beneficial Purchaser, if any, acknowledges and agrees that:

- (a) (i) no agency, securities commission, governmental authority, regulatory body, stock exchange or other entity has reviewed, passed on, made any finding or determination as to the merits of investment in, nor have any such agencies, securities commissions, governmental authorities, regulatory bodies, stock exchanges or other entities made any recommendation or endorsement with respect to the FT Shares or the offering thereof; (ii) there is no governmental or other form of insurance covering the FT Shares; and (iii) there are risks associated with the purchase of the FT Shares;
- (b) the purchase of the FT Shares has not been or will not be (as applicable) made through, or as a result of, and the distribution of the FT Shares is not being accompanied by, a general solicitation or advertisement including articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (c) no prospectus or other offering document has been filed by the Company with a securities commission or other securities regulatory authority in any jurisdiction in or outside of Canada in connection with the issuance of the FT Shares, and such issuances are exempt from the prospectus requirements otherwise applicable under the provisions of Securities Laws and, as a result, in connection with its purchase of the FT Shares hereunder, as applicable:
 - (i) the Purchaser and each Beneficial Purchaser is restricted from using most of the protections, rights and remedies available under Securities Laws including, without limitation, statutory rights of rescission or damages;
 - (ii) the Purchaser and each Beneficial Purchaser will not receive information that may otherwise be required to be provided to the Purchaser and each Beneficial Purchaser under

- applicable Securities Laws or contained in a prospectus prepared in accordance with applicable Securities Laws;
- (iii) the Company is relieved from certain obligations that would otherwise apply under such applicable Securities Laws;
 - (iv) the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement; and
 - (v) there are restrictions on the Purchaser's ability to resell the FT Shares and it is the responsibility of the Purchaser and each Beneficial Purchaser to determine these restrictions and to comply with them before selling the FT Shares;
- (d) the FT Shares are being offered for sale only on a "private placement" basis;
 - (e) all costs and expenses incurred by the Purchaser and each Beneficial Purchaser (including any fees and disbursements of legal counsel retained by the Purchaser and each Beneficial Purchaser) relating to the purchase of the FT Shares shall be borne by the Purchaser;
 - (f) the Securities will be subject to certain resale restrictions under the Securities Laws and the Purchaser and each Beneficial Purchaser agrees to comply with such restrictions. The Purchaser and each Beneficial Purchaser 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 Company is not in any manner responsible) for complying with such restrictions. For purposes of complying with the Securities Laws and National Instrument 45-102 *Resale of Securities*, the Purchaser and Beneficial Purchaser understand and acknowledge that upon the issuance of any FT Shares, all the certificates representing the FT Shares shall bear the following legends:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [CLOSING DATE], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.";
 - (g) neither the Company nor any person affiliated therewith has made any written or oral representations or undertakings: (i) that any person will resell or repurchase the FT Shares; (ii) that any person will refund all or any of the Purchase Price; or (iii) as to the future price or value of the FT Shares;
 - (h) in purchasing the FT Shares, the Purchaser and each Beneficial Purchaser for whom it is contracting hereunder, has relied solely on this Subscription Agreement and not upon any verbal or written representation as to any fact or otherwise made by or on behalf of the Company or any employee, agent or affiliate thereof or any other person associated therewith. The Company and the Company's counsel, Peterson McVicar LLP, are each entitled to the benefit of this subsection;
 - (i) the Purchaser and each Beneficial Purchaser, if any, is solely responsible for obtaining such legal advice and tax advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement and the completion of the transactions contemplated hereby;
 - (j) the Purchaser acknowledges that any interest accruing on Flow-Through Funds will accrue to the sole benefit of the Company and may be applied by the Company for general corporate purposes;
 - (k) the Purchaser, and each Beneficial Purchaser, deals at arm's length with the Company and will continue to deal at arm's length with the Company until the Termination Date; and
 - (l) if:

- (i) the Company has not accepted the subscription by the Purchaser for FT Shares; or
- (ii) the Purchaser has not paid in money the Flow-Through Funds to the Company;

on or before December 31, 2021, the Purchaser will not be entitled to have any Qualifying Expenses renounced to the Purchaser effective on or before December 31, 2021.

10. Further Acknowledgements of the Purchaser. The Purchaser hereby acknowledges, agrees and consents to:

- (a) the disclosure of Personal Information to each of the Company and the Securities Commissions; and
- (b) the collection, use and disclosure of Personal Information by the Company for corporate finance and shareholder communication purposes or such other purposes as are necessary to the Company's business for which the Company has received the Purchaser's consent, or which is otherwise permitted under applicable law.

If the Purchaser is resident in or otherwise subject to the securities laws of the Province of Ontario, the Purchaser authorizes the indirect collection of Personal Information pertaining to the Purchaser by the Ontario Securities Commission (the "OSC") and acknowledges and agrees that the Purchaser has been notified by the Company (i) of the delivery to the OSC of Personal Information pertaining to the Purchaser, including, without limitation, the full name, residential address and telephone number of the Purchaser, the number and type of securities purchased and the total Purchase Price paid in respect of the FT Shares, (ii) that this information is being collected indirectly by the OSC under the authority granted to it in securities legislation, (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (iv) that the title, business address and business telephone number of the public official in Ontario who can answer questions about the OSC's indirect collection of the information is the Administrative Assistant to the Director of Corporate Finance, the Ontario Securities Commission, Suite 1903, 20, Queen Street West, Toronto, Ontario, M5H 3S8, Telephone: (416) 593-8314, Facsimile: (416) 593-8122.

11. Company's Representations, Warranties and Covenants. The Company represents, warrants and covenants in favour of the Purchaser as follows and acknowledges that the Purchaser is relying on such representations, warranties and covenants in connection with the transaction contemplated by this Subscription Agreement:

- (a) Incurring and Renouncing of Qualifying Expenses. The Company hereby agrees to incur Qualifying Expenses in an amount equal to the Flow-Through Funds on or before the Termination Date in accordance with this Subscription Agreement and agrees to renounce to the Purchaser Qualifying Expenses in an amount equal to the Flow-Through Funds with an effective date no later than December 31, 2021, pursuant to subsection 66(12.6) of the ITA.
- (b) Renunciation. Subject to subsection 11(c) of this Subscription Agreement, the Company will, in accordance with the provisions of subsections 66(12.6) and 66(12.66) of the ITA, take all necessary steps to renounce in favour of the Purchaser, Qualifying Expenses in the amount of the Flow-Through Funds as follows:
 - (i) on or before March 31 of the year following the Closing Year, the Company will renounce, effective December 31 of the Closing Year, the Qualifying Expenses it has incurred between the date of Closing and the end of the Closing Year; and
 - (ii) on or before March 31 of the year following the Closing Year, the Company will renounce, effective December 31 of the Closing Year, Qualifying Expenses it has incurred or intends to incur during the year following the Closing Year.
- (c) Non-Arm's Length Subscriber. If the Purchaser does not deal at arm's length with the Company at any time during the year following the Closing Year, paragraph 11(b)(ii) shall be read as follows:

- “(ii) on or before March 31 of the second year following the Closing Year, the Company will renounce, effective December 31 of the year following the Closing Year, the Qualifying Expenses it has incurred during the year following the Closing Year.”
- (d) Amount of Qualifying Expenses. The aggregate Qualifying Expenses renounced to the Purchaser will be equal to the Flow-Through Funds.
- (e) Qualifying Expenses: The Qualifying Expenses to be renounced by the Company to the Purchaser:
- (i) will not include any amount that has previously been renounced by the Company to the Purchaser or to any other person; and
 - (ii) will not be subject to any reduction under subsection 66(12.73) of the ITA; and
 - (iii) would be deductible by the Company in computing its income for purposes of Part I of the ITA but for the renunciation to the Purchaser.
- (f) Valid Renunciation: The Company shall not be subject to the provisions of subsection 66(12.67) of the ITA in a manner which impairs its ability to renounce Qualifying Expense to the Purchaser in an amount equal to the Flow-Through Funds.
- (g) Applications for Prescribed Grants: If the Company receives, or becomes entitled to receive, any government assistance which is described in paragraph 66(12.6)(a) of the ITA and the receipt or entitlement to receive such government assistance has or will have the effect of reducing the amount of CEE validly renounced to the Purchaser hereunder to less than the Flow-Through Funds, the Company shall incur additional Qualifying Expenses using funds from other sources in an amount equal to any such assistance so that it may renounce Qualifying Expenses in an amount not less than the Flow-Through Funds to the Purchaser.
- (h) Company to File Prescribed Forms in Respect of Renunciations with the CRA. The Company will file, in respect of each renunciation made pursuant to this Subscription Agreement, on or before March 1, 2022, such information returns with the CRA as are prescribed by subsection 66(12.7) of the ITA (including form T101) and will send concurrently a copy of such information returns to the Purchaser.
- (i) Company to File Copy of Agreement with the CRA. The Company shall file with the CRA within the time prescribed by subsection 66(12.68) of the ITA the forms prescribed for the purposes of such legislation together with a copy of this Subscription Agreement or any “selling instrument” contemplated by such legislation or by this Subscription Agreement and shall forthwith following such filing provide to the Purchaser a copy of such forms certified by an officer of the Company.
- (j) Company to File Part XII.6 Return with the CRA. The Company will file with the CRA, before March of the year following a particular year, any return required to be filed under Part XII.6 of the ITA in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis.
- (k) Company to File Prescribed Form with the CRA in Respect of Excess. Where an amount that the Company has purported to renounce to the Purchaser effective December 31 of the Closing Year pursuant to this Subscription Agreement exceeds the amount that it can renounce on that effective date because it did not incur Qualifying Expenses within the applicable period of time specified in this Subscription Agreement, the Company will file a statement with the CRA in prescribed form before March of the second year following the Closing Year, as required by subsection 66(12.73) of the ITA. A copy of such statement will be sent concurrently to the Purchaser.

- (l) Delivery of Forms Constituting Authorization to File: The Company shall deliver to the Purchaser, on or before March 1, 2022, the relevant prescribed forms (including the T-101 Form, as applicable), fully completed and executed, renouncing to the Purchaser the Qualifying Expenses in an amount equal to the Flow-Through Funds with an effective date of no later than December 31, 2021, such delivery constituting the authorization of the Company to the Purchaser to file such prescribed forms with the relevant taxation authorities;
- (m) Investment Tax Credit: The Qualifying Expenses to be renounced by the Company to the Purchaser will qualify, once renounced to the Purchaser, as “flow-through mining expenditures” of the Purchaser as defined in subsection 127(9) of the ITA;
- (n) Reducing Renunciation Amount: The Company will not reduce the amount renounced to the Purchaser hereunder unless required to do so under the ITA;
- (o) Party to Any other Agreement. The Company is not a party to any other agreement for the issuance of “flow-through shares” (as defined in the ITA) other than pursuant to the Offering, for which the required expenditures have not been incurred and renounced;
- (p) Use of Proceeds: The Company shall use the aggregate commitment amounts received under all subscription and renunciation agreements relating to FT Shares issued on the Closing Date for Qualifying Expenses on the Property;
- (q) Principal Business Corporation. The Company is a “principal-business corporation” within the meaning prescribed by subsection 66(15) of the ITA, and will continue to be a “principal business corporation” until such time as all of the Qualifying Expenses required to be renounced under this Subscription Agreement have been incurred and validly renounced pursuant to the ITA.
- (r) FT Shares Qualify as “Flow-Through Shares”. Upon issue, the FT Shares will qualify as “flow-through shares” as defined in subsection 66(15) of the ITA and in particular will not be prescribed shares or as defined in section 6202.1 of the regulations of the ITA.
- (s) Amalgamation. If the Company amalgamates with any one or more companies, any shares issued to or held by the Purchaser as a replacement for the FT Shares, as a result of such amalgamation will qualify, by virtue of subsection 87(4.4) of the ITA, as “flow-through shares” as described in subsection 66(15) of the ITA and in particular will not be prescribed shares as defined in section 6202.1 of the regulations to the ITA.
- (t) Priorities. The Company shall incur and renounce Qualifying Expenses pursuant to this Subscription Agreement and all other agreements with other persons providing for the issue of FT Shares entered into by the Company on the Closing Date (collectively the “Other Agreements”) pro rata by the number of FT Shares issued or to be issued pursuant thereto before incurring and renouncing Qualifying Expenses pursuant to any other agreement which the Company has entered into or shall enter into with any person with respect to the issue of FT Shares. The Company shall not, without the prior written consent of the Purchaser (i) enter into any other agreement which would prevent or restrict its ability to renounce Qualifying Expenses to the Purchaser in the amount of the Flow-Through Funds, or (ii) hereafter enter into any agreement in 2021 with any person which provides for the issue of FT Shares or securities exchangeable or exercisable for, or convertible into, FT Shares at an effective price per FT Share which is less than the Purchase Price. If the Company is required under the ITA to reduce Qualifying Expenses previously renounced to the Purchaser, the reduction shall be made pro rata by number of FT Shares issued or to be issued pursuant to this Subscription Agreement to the reduction made under the Other Agreements but the Company shall not reduce Qualifying Expenses renounced to the Purchaser under this Subscription Agreement until it has first reduced to the extent possible all CEE renounced to persons other than the Purchaser and the Purchasers under the Other Agreements;

- (u) Bring Down of Representations etc. The representations, warranties, acknowledgments and covenants of the Company made in or pursuant to this Subscription Agreement shall be true as at the Closing Time with the same force and effect as if they had been made by the Company at the Closing Time; and
- (v) No Default. The Company has never been in default of any of its legal obligations in respect of any flow-through share financing previously undertaken by the Company.
- (w) Corporate Status: For a period of at least 24 months after the Closing Date, the Company shall remain a corporation validly subsisting under the laws of its jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction.
- (x) Securities Filings: Forthwith after the Closing the Company shall file such forms and documents as may be required under the Securities Laws relating to the offering of the FT Shares which, without limiting the generality of the foregoing, shall include a Form 45-106F1 as prescribed by NI 45-106.
- (y) Further Information: The Company shall provide such information as the Purchaser may reasonably request to enable the Purchaser to comply with the terms and conditions of any exemptive order or ruling obtained by the Purchaser from any applicable regulatory authority.
- (z) The authorized capital of the Company consists of an unlimited number of Common Shares of which **36,225,750** are issued and outstanding as of the date hereof. All of the Company's issued and outstanding securities have been duly authorized, are validly issued and outstanding, and are fully paid and non-assessable. No securities issued by the Company were issued in violation of any statutory or common law pre-emptive rights. There are no dividends which have accrued or been declared but are unpaid on the securities of the Company. All taxes required to be paid by the Company in connection with the issuance and any transfers of the Company's securities have been paid. All permits or authorizations required to be obtained from or registrations required to be effected with any person in connection with any and all issuances of securities of the Company have been obtained or effected, and all securities of the Company have been issued in accordance with the provisions of all applicable Securities Laws and other laws.
- (aa) The Company has not approved, entered into any binding agreement in respect of, or has any knowledge of:
 - (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company or any of its subsidiaries whether by asset sale, transfer of shares or otherwise;
 - (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or otherwise) of the Company; or
 - (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares or any of shares of its subsidiaries.
- (bb) No holder of outstanding shares in the capital of the Company is entitled to any pre-emptive or any similar rights to subscribe for any Common Shares or other securities of the Company and, other than as disclosed in writing to the Subscriber, there are no outstanding: (i) securities, notes or instruments convertible into or exercisable for any of the capital stock or other equity interests of the Company; (ii) options, warrants, subscriptions or other rights to acquire unissued capital stock

or other unissued equity interests of the Company; (iii) commitments, agreements or understandings of any kind, including employee benefit arrangements, relating to the issuance or repurchase by the Company of any capital stock or other equity interests of the Company. There are no outstanding rights which permit the holder thereof to cause the Company to file a prospectus or registration statement under any Securities Laws or which permit the holder thereof to include securities of the Company or any of its subsidiaries in a prospectus or registration statement filed by the Company or any of its subsidiaries under any Securities Laws, and there are no outstanding agreements or other commitments which otherwise relate to the registration of any securities of the Company or any of its subsidiaries for sale or distribution in any jurisdiction.

- (cc) The Company does not have any rights plan or similar plan in effect nor is a rights plan or similar plan contemplated to be put in place by the Company, and is not a party to any unanimous shareholder, voting trust or similar agreement, in each case relating to any of the issued and outstanding securities or equity interests of the Company.
- (dd) No consent, approval, order or authorization of, or declaration of filing with, any national, federal, state, provincial, local, or municipal administrative, judicial, legislative, executive, regulatory or taxing government or governmental or quasi-governmental authority of any nature, including any agency, branch, bureau, department, commission, official, or any court, arbitrator or other tribunal (“**Governmental Authority**”) or any other third party (including for greater certainty, Governmental Authorities in Canada in respect of exchange control, competition, indigenization requirements, as well as mining and resources permits and rights) is required to be obtained by the Company or any of its subsidiaries in connection with the execution and delivery of this Subscription Agreement and the FT Shares, the consummation of the transactions contemplated by this Subscription Agreement and the issue and sale of the FT Shares.
- (ee) The issue of the FT Shares have been approved by all necessary corporate actions. The Company has reserved or set aside sufficient shares in the treasury of the Company to issue the FT Shares, and will be validly issued as fully paid and non-assessable securities in the capital of the Company.
- (ff) The management accounts have been prepared on a basis consistent with that of prior fiscal periods, are complete and accurate, and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Company at the respective balance sheet dates, and the results of operations of the Company.
- (gg) The Company does not have any Off-Balance Sheet Arrangements. For this purpose, “**Off-Balance Sheet Arrangement**” means with respect to any person or entity, any securitization transaction to which that person or entity or its subsidiaries is party and any other transaction, agreement or other contractual arrangement to which an entity unconsolidated with that person or entity is a party, under which that person or entity or its subsidiaries, whether or not a party to the arrangement, has, or in the future may have (A) any obligation under a direct or indirect guarantee or similar arrangement, (B) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement, (C) derivatives to the extent that the fair value thereof is not fully reflected as a liability or asset in the management accounts, or (D) any obligation or liability, including a contingent obligation or liability, to the extent that it is not fully reflected in the management accounts (excluding the footnotes thereto) (for this purpose, obligations or liabilities that are not fully reflected in the management accounts (excluding the footnotes thereto) include, without limitation (i) obligations that are not classified as a liability according to IFRS, (ii) contingent liabilities as to which, as of the date of the management accounts, it is not probable that a loss has been incurred or, if probable, is not reasonably estimable, or (iii) liabilities as to which the amount recognized in the management accounts is less than the reasonably possible maximum exposure to loss under the obligation as of the date of the management accounts, but, in each case, exclude contingent liabilities arising out of litigation, arbitration or regulatory actions (not otherwise related to off-balance sheet arrangements)).

- (hh) All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company have been paid except for where the failure to pay such taxes would not constitute an adverse material fact of the Company or result in an adverse material change to the Company. All tax returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading except where the failure to file such documents would not constitute an adverse material fact of the Company or result in an adverse material change to the Company. To the knowledge of the Company, no examination of any tax return of the Company is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Company except where such examinations, issues or disputes would not constitute an adverse material fact of the Corporation or result in an adverse material change to the Company.
- (ii) The Company has established on their books and records reserves that 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 Company, and, to the knowledge of the Company, there are no audits pending of the tax returns of the Company or its subsidiaries (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would result in a material adverse effect on the Company;
- (jj) There is no contract to which the Company or its subsidiaries (if any) is a party or by which any of them or their respective properties or assets are bound that (the contracts described below, the "**Material Contracts**"):
 - (i) if terminated, would reasonably be expected to have a material adverse effect on the Company and its subsidiaries (if any) taken as a whole;
 - (ii) is a contract or group of related contracts which involves payments to or by the Company or its subsidiaries (if any) of more than \$200,000 for the remaining reasonable life of the contract;
 - (iii) is a contract that contains any non-competition obligations, any area of mutual interest, rights of first refusal, rights of first offer, exclusivity provisions or otherwise restricts in any material way the business of the Company; or
 - (iv) is a contract pursuant to which the Company provides an indemnification to any other person (other than the Company or its subsidiaries, if any);
- (kk) All Material Contracts are legal, valid, binding and in full force and effect and are enforceable by the Company and its subsidiaries in accordance with their respective terms and are the product of fair and arm's length negotiations between the parties thereto.
- (ll) The Company has performed in all material respects all respective obligations required to be performed by them to date under the Material Contracts and is not, and in breach or default in any material respect thereunder.
- (mm) To the knowledge of the Company, no counterparty to any Material Contract or condition contained in any Material Contract or other material instrument to which the Company is a party is in default in the performance or observance thereof, except where such default in performance would not have a material adverse effect on the Company.

- (nn) The Company is not in violation of its constating documents and the Company has conducted and is conducting its business in compliance with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and the Company possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate Governmental Authority necessary to carry on the business or own or hold rights or assets currently carried on or owned or held by it, in each case including in respect of competition, indigenization requirements, environmental, labour and employment, as well as mining and resources permits and rights in Canada.
- (oo) To the best of the knowledge of the Company, the Company is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and the Company has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would or could reasonably be expected to have a material adverse effect on any of the Company.
- (pp) The Company is the sole beneficial owner of the Property, free and clear of all security interest, liens, prior claims, charges, hypothecs, hypothecations, reservations of ownership, pledges, encumbrances, mortgages or adverse claims of any nature or kind (collectively, “**Encumbrances**”), and is the absolute legal and beneficial owner of, and has good and marketable title to, all of its material properties or assets as described and no other property rights are necessary for the conduct of the business of the Company as currently conducted or contemplated to be conducted by the Company, the Company does not know of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights and, except as previously disclosed to the Subscriber or its affiliates, the Company has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof. There is no material adverse claim against or challenge to the title to or ownership of the Property, nor is there a statement of facts or events that may give rise to such a claim or challenge. Other than as disclosed in writing to the Purchaser prior to the date hereof, the Company has the exclusive right to deal with the Property and no person other than the Company has any interest in the Property or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest, whether registered or unregistered, and the Company has not granted any royalty, royalty interest or similar payment or interest in or affecting the Property.
- (qq) To the best of the knowledge of the Company, the Company (i) in all material respects, is not in default of any filings with, or payment of any licence, registration or qualification fee owing to, any Governmental Authority under the laws of any jurisdiction in which it conducts business, and (ii) in all material respects, has conducted its business in compliance with all laws relating to occupational or public health and safety, noise control, pollution or the protection of the Environment or to the generation, production, installation, use, labelling, handling, storage, treatment, transportation, recycling, destruction, reclamation, rehabilitation, remediation, release or threatened release of hazardous substances (“**Environmental Laws**”), where “Environment” means the natural environment (including soil, land surface or subsurface strata), surface waters, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, and any other environmental medium or natural resource and all sewer systems.
- (rr) To the best of the knowledge of the Company, all of the mineral interests, rights and ancillary rights (including any fee land, patented and unpatented mining claims and mill sites, deeds, concessions, exploration licences, exploitation licences, prospecting permits, mining leases, mining rights, easements and leases) held by the Company (collectively, the “**Mineral Rights**”) are valid and subsisting in good standing, are held free and clear of all Encumbrances, and have been properly located, recorded, registered, inspected and otherwise owned and maintained in compliance with

applicable law and are held under valid, subsisting and enforceable documents or recognized and enforceable agreements or instruments, sufficient to permit the Company, as applicable, to explore the minerals relating thereto.

- (ss) To the best of the knowledge of the Company, there are no material restrictions on the ability of the Company to use, transfer or exploit any of the Mineral Rights, except pursuant to the applicable law or the terms of the Mineral Rights, and the Company have all surface rights, access rights and all other necessary rights and interests and Mineral Rights required to exploit the development potential of the Mineral Rights.
- (tt) To the best of the knowledge of the Company, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry by any Governmental Authority, or any claim, action, complaint, grievance, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative material matter or proceeding, including for greater certainty, any related to compliance with Environmental Laws or in respect of or in relation to any of the Mineral Rights (collectively, “**Proceedings**”) against the Company or any of its subsidiaries, that, if adversely determined, could materially adversely affect its respective business or financial conditions. To the best knowledge of the Company, no such Proceeding has been threatened as at the date hereof.
- (uu) None of the directors, officers or employees of the Company or any associate or affiliate of any of the foregoing had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Company which materially affects, is material to or will materially affect the Company.
- (vv) The Company is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a material adverse effect on the Company, and has not and is not engaged in any unfair labour practice.
- (ww) The assets of the Company are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Company has not failed to promptly give any notice of any claim thereunder.
- (xx) The Company has no obligation or liability, contingent or otherwise, for brokerage fees, finder’s fees, commissions or other forms of compensation with respect to the Offering.

The Company agrees that the above representations, warranties and covenants will be true and correct both as of the execution of this Subscription Agreement by the Company and as of the Closing Date.

12. **Indemnification**

- (a) Failure to Renounce: If the Company does not incur on or before the Termination Date and renounce to the Purchaser, effective on or before December 31, 2021, Qualifying Expenses equal to the Flow-Through Funds, the Company shall indemnify and hold harmless the Purchaser and each of the partners thereof if the Purchaser is a partnership or a limited partnership (for the purposes of this paragraph each an “Indemnified Person”) as to, and pay to the Indemnified Person, an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of “excluded obligation” in subsection 6202.1(5) of the regulations to the ITA) payable under the ITA (and under any corresponding provincial legislation) by any Indemnified Person as a consequence of such failure, which payment shall be made within 20 business days following the Termination Date. In the event that the CRA (or any similar provincial tax authority) reduces the amount renounced by the Company to the Purchaser pursuant to subsection 66(12.73) of the ITA (or any corresponding provincial legislation), the Company shall indemnify and hold harmless each Indemnified Person as

to, and pay to the Indemnified Person, an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of “excluded obligation” in subsection 6202.1(5) of the regulations to the ITA) payable under the ITA (and under any corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction, which payment shall be made within 20 business days once the amount is definitively defined. For certainty, the foregoing indemnity shall have no force or effect and the Purchaser shall not have any recourse or rights of action to the extent that such indemnity, recourse or rights of action would otherwise cause the FT Shares to be “prescribed shares” within the meaning of section 6202.1 of the regulations to the ITA.

- (b) Indemnities Held in Trust: To the extent that any person entitled to be indemnified hereunder is not a party to this Subscription Agreement, the Purchaser shall obtain and hold the rights and benefits of this Subscription Agreement in trust for, and on behalf of, such person and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this Subscription Agreement.

13. No Revocation. The Purchaser and each Beneficial Purchaser agrees that this offer is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Purchaser without the consent of the Company unless the Closing does not take place on or before December 10, 2021.

14. Indemnity. The Purchaser and each Beneficial Purchaser, if any, agrees to indemnify and hold harmless the Company and its directors, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Purchaser and each Beneficial Purchaser contained herein or in any document furnished by the Purchaser and each Beneficial Purchaser to the Company in connection herewith being untrue in any material respect or any material breach or failure by the Purchaser or any Beneficial Purchaser to comply with any covenant or agreement made by the Purchaser herein or in any document furnished by the Purchaser to the Company in connection herewith.

15. Modification. Subject to the terms hereof, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

16. Assignment. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of (i) the Purchaser and each Beneficial Purchaser and their respective successors, assignees, heirs, executors, administrators and personal representatives, as applicable, and (ii) the Company and its successors and assigns; provided that this Subscription Agreement shall not be assignable by any party without the prior written consent of the other party. For greater certainty this Subscription Agreement may only be transferred or assigned by the Purchaser subject to compliance with applicable laws (including, without limitation applicable Securities Laws) and with the express written consent of the Company.

17. Miscellaneous and Counterparts. All representations, warranties, agreements and covenants made or deemed to be made by the Purchaser and the Beneficial Purchaser herein will survive the execution and delivery, and acceptance, of this offer and the Closing for a period of two years following Closing. The representations, warranties, agreements and covenants of the Company contained in this Subscription Agreement shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Purchaser with respect thereto, shall continue in full force and effect for the benefit of the Purchaser for a period of two years following the Closing, except with respect to tax matters where the representations and warranties will continue to have full force and effect until expiry of a period of 60 days after the date on which the applicable limitation period expires for action by the applicable taxation authorities. This Subscription Agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile or other electronic form, shall be deemed to be an original and all of which together shall constitute one and the same document.

18. Governing Law. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Purchaser and each Beneficial

Purchaser, if any, hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Subscription Agreement.

19. Facsimile/Portable Document Format Suscriptions. The Company shall be entitled to rely on delivery by facsimile machine or portable document format of an executed copy of this Subscription Agreement, including the completed Schedules hereto, and acceptance by the Company of such facsimile or portable document format copy shall be legally effective to create a valid and binding agreement between the Purchaser and each Beneficial Purchaser, if any, and the Company in accordance with the terms hereof.

20. Entire Agreement. This Subscription Agreement (including the Schedules hereto) contains the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein. This Subscription Agreement may be amended or modified in any respect by written instrument only.

21. Language. The Purchaser and each Beneficial Purchaser, if any, acknowledges its consent and requests that all documents evidencing or relating in any way to its purchase of FT Shares be drawn up in the English language only. *Nous reconnaissons par les présentes avoir consenti et demandé que tous les documents faisant foi ou se rapportant de quelque manière à l'achat des actions accréditives soient rédigés en anglais seulement.*

22. Time of Essence. Time shall be of the essence of this Subscription Agreement.

23. Currency. All dollar amounts referred to in this Subscription Agreement are in Canadian Dollars.

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

25. Severability. If one or more of the provisions contained in this Subscription Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Subscription Agreement is hereby declared to be separate and distinct.

26. Notices. All notices or other communications to be given hereunder shall be delivered by hand or by telecopier, and if delivered by hand, shall be deemed to have been given on the date of delivery or, if sent by telecopier, on the date of transmission if sent before 5:00 p.m. (Toronto time) and such day is a business day in Toronto, Ontario or, if not, on the first business day in Toronto, Ontario following the date of transmission.

Notices to the Company shall be addressed to:

New Break Resources Ltd.
c/o Peterson McVicar LLP
18 King Street East, Suite 902
Toronto, ON M5C 1C4

Tel: (416) 278-4149
Email: mfarrant@newbreakresources.ca

Notices to the Purchaser shall be addressed to the address of the Purchaser set out on the execution pages hereof.

Either the Company or the Purchaser may change their respective address for service aforesaid by notice in writing to the other party hereto specifying its new address for service hereunder.

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

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

[remainder of this page intentionally left blank]

SCHEDULE A

CANADIAN EXEMPTION CERTIFICATE

Capitalized terms used in this Schedule A and defined in the Subscription Agreement to which this Schedule A is attached have the meaning defined in the Subscription Agreement unless otherwise defined herein.

In connection with the purchase by the undersigned of the FT Shares, the undersigned or, if applicable, the Beneficial Purchaser through the undersigned acting as its agent, hereby represents, warrants and certifies to the Company that:

1. the undersigned or, if applicable, the Beneficial Purchaser through the undersigned acting as its agent (please check the appropriate line):
 - (a) Accredited Investor Exemption: _____ is an “accredited investor” within the meaning of National Instrument 45-106 entitled “Prospectus Exemptions” (“**NI 45-106**”) by virtue of the fact that the undersigned or Beneficial Purchaser, as the case may be, falls within one or more of the subparagraphs of the definition of “accredited investor” set out in Appendix A or subsection 73.3 of the *Securities Act* (Ontario), as applicable, to this Schedule A (**YOU MUST ALSO COMPLETE APPENDICES A AND B ATTACHED TO THIS CERTIFICATE**); or
 - (b) Private Issuer Exemption: _____ is (or, if applicable, the Beneficial Purchaser, is) a family member, close personal friend and/or close business associate questionnaire of a director, executive officer, founder or control person of the Company;
2. the above representations, warranties and covenants will be true and correct both as of the execution of this certificate and as of the closing time of the purchase and sale of the FT Shares and will survive the completion of the issue of the certificates or ownership statements under an electronic book entry system representing the FT Shares; and
3. the foregoing representations, warranties and covenants are made by the Purchaser or, if applicable, the Beneficial Purchaser through the Purchaser acting as its agent, with the intent that they be relied upon in determining the suitability of the Purchaser or Beneficial Purchaser as a purchaser of the FT Shares and the undersigned undertakes to immediately notify the Company of any change in any statement or other information relating to the undersigned or, if applicable, the Beneficial Purchaser, set forth herein which takes place prior to the closing time of the purchase and sale of the FT Shares.

The Purchaser has executed this Certificate as of the _____ day of _____, 2021.

If a trust, partnership or other entity:

If an individual:

Name of Entity

Signature

Type of Entity

Name of Individual

Signature of Person Signing

Title of Person Signing

As used in this certificate, the following terms have the following meaning:

An issuer is an “**affiliate**” of another issuer if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person;

“**close business associate**” has the meaning ascribed thereto in section 2.8 of Companion Policy 45-106 CP to National Instrument 45-106 and subject thereto means an individual who has sufficient prior business dealings, with a director, executive officer, founder or control person of the Company, to be in a position to assess the capabilities and trustworthiness of such person;

“**close personal friend**” has the meaning ascribed thereto in section 2.7 of Companion Policy 45-106 CP to National Instrument 45-106 and subject thereto means an individual who has known a director, executive officer, founder or control person of the Company well enough and for a sufficient period to be in a position to assess the capabilities and trustworthiness of such person;

“**control person**” has the meaning ascribed to that term in the securities legislation except in Ontario, Québec and Nova Scotia where “control person” means any person that holds or is one of a combination of persons that holds (a) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or (b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

“**founder of the Company**” means a person who (a) acting alone, in conjunction or in concert with one or more other persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the Company; and (b) is now still actively involved in the business of the Company;

“**person**” includes an individual, a corporation, a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative; and

“**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

APPENDIX A TO SCHEDULE A

ACCREDITED INVESTOR CERTIFICATE

TO: NEW BREAK RESOURCES LTD. (the “Company”)

Capitalized terms used in this Appendix A to Schedule A and defined in the Subscription Agreement to which this Appendix A to Schedule A is attached have the meaning defined in the Subscription Agreement unless otherwise defined herein.

The undersigned or, if applicable, the Beneficial Purchaser through the undersigned acting as its agent, hereby represents, warrants and certifies to the Company that the undersigned, or if applicable the Beneficial Purchaser, is an “Accredited Investor” as defined in subsection 1.1 of National Instrument 45 106. The undersigned has indicated below the categories which the undersigned or, if applicable, the Beneficial Purchaser, satisfies in order to qualify as an “Accredited Investor”.

The undersigned or, if applicable, the Beneficial Purchaser through the undersigned acting as its agent, understands that the Company and its counsel are relying upon this information in determining to sell securities to the undersigned or, if applicable, the Beneficial Purchaser, in a manner exempt from the prospectus and registration requirements of applicable securities laws.

The undersigned or, if applicable, the Beneficial Purchaser through the undersigned acting as its agent, represents, warrants and certifies that it, he or she is:

(initial or place a check mark as applicable)

		Initial	Check
(a)	except in Ontario, a Canadian financial institution, or a Schedule III bank;		<input type="checkbox"/>
(a.1)	only in Ontario, a financial institution described below: (i) A bank listed in Schedule I, II or III to the <i>Bank Act</i> (Canada); (ii) An association to which the <i>Cooperative Credit Associations Act</i> (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of the <i>Securities Act</i> (Ontario); (iii) A loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be		<input type="checkbox"/>
(b)	the Business Development Bank incorporated under the <i>Business Development Bank of Canada Act</i> (Canada);		<input type="checkbox"/>
(c)	a subsidiary of any person referred to in paragraphs (a) or (b), and only in Ontario paragraph (a.1), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;		<input type="checkbox"/>

		Initial	Check
(d)	a person, registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, except only in Ontario, as otherwise prescribed by the regulations;		<input type="checkbox"/>
(e)	an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);		<input type="checkbox"/>
(e.1)	an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the <i>Securities Act</i> (Ontario) or the <i>Securities Act</i> (Newfoundland and Labrador);		<input type="checkbox"/>
(f)	the Government of Canada, and: (i) except in Ontario, the Government of a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the government of Canada or a jurisdiction of Canada and: (ii) in Ontario, the government of a province or territory of Canada, or any Crown corporation, agency or wholly owned entity of the Government of Canada or of the government of a province or territory of Canada,		<input type="checkbox"/>
(g)	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;		<input type="checkbox"/>
(h)	any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;		<input type="checkbox"/>
(i)	a pension fund that is regulated by: (i) except in Ontario the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada; and (ii) only in Ontario, either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a province or territory of Canada;		<input type="checkbox"/>
(j)	an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000;		<input type="checkbox"/>
(j.1)	an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;		<input type="checkbox"/>
(k)	an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;		<input type="checkbox"/>
(l)	an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;		<input type="checkbox"/>
(m)	a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;		<input type="checkbox"/>

		Initial	Check
(n)	an investment fund that distributes or has distributed its securities only to: (i) a person that is or was an accredited investor at the time of the distribution; (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds]; or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of NI 45-106;		<input type="checkbox"/>
(o)	a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;		<input type="checkbox"/>
(p)	a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;		<input type="checkbox"/>
(q)	a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;		<input type="checkbox"/>
(r)	a registered charity under the <i>Income Tax Act</i> (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;		<input type="checkbox"/>
(s)	an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;		<input type="checkbox"/>
(t)	a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;		<input type="checkbox"/>
(u)	an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;		<input type="checkbox"/>
(v)	a person that is recognized or designated as an accredited investor by: (i) except in Ontario or Quebec, the securities regulatory authority; (ii) only in Ontario, the Ontario Securities Commission; or Québec, the regulator;		<input type="checkbox"/>
(w)	a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse; or		<input type="checkbox"/>

		Initial	Check
(x)	only in Ontario, a person or company that is recognized or designated by the Ontario Securities Commission as an accredited investor.		<input type="checkbox"/>

The Purchaser has executed this certificate as of the _____ day of _____, 2021.

If a trust, partnership or other entity:

If an individual:

Name of Entity

Signature

Type of Entity

Name of Individual

Signature of Person Signing

Title of Person Signing

As used in this Certificate, the following terms have the following meanings:

An issuer is an “**affiliate**” of another issuer if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person;

“**Canadian financial institution**” means:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or
- (b) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

“**control person**” has the meaning ascribed to that term in securities legislation except in Ontario, Québec and Nova Scotia where “control person” means any person that holds or is one of a combination of persons that holds:

- (a) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or
- (b) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

“**eligibility advisor**” means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and

- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
- (i) have a professional business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and
 - (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

“**financial assets**” means cash, securities, or a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

“**foreign jurisdiction**” means a country other than Canada or a political subdivision of a country other than Canada;

“**fully managed account**” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;

“**investment fund**” has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure* and means a mutual fund or a non-redeemable investment fund;

“**jurisdiction**” means a province or territory of Canada except when used in the term foreign jurisdiction;

“**local jurisdiction**” means the jurisdiction in which the Canadian securities regulatory authority is situated;

“**non-redeemable investment fund**” has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure* and means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;
- (b) that does not invest;
 - (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 - (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
- (c) that is not a mutual fund;

“**person**” includes an individual, a corporation, a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative;

“**regulator**” means, for the local jurisdiction, the Executive Director as defined under securities legislation of the local jurisdiction;

“**related liabilities**” means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
- (b) liabilities that are secured by financial assets;

“**securities legislation**” means securities legislation as such term is defined in National Instrument 14-101
Definitions;

“**spouse**” means, an individual who:

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual;
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

“**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

Calculation of purchaser’s net assets: To calculate a purchaser’s net assets under paragraph (a) of the “Accredited Investor” definition, subtract the purchaser’s total liabilities from the purchaser’s total assets. The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the trade.

APPENDIX “B” TO SCHEDULE “A”

RISK ACKNOWLEDGEMENT FORM FOR ACCREDITED INVESTORS

<p>WARNING! This investment is risky. Don’t invest unless you can afford to lose all the money you pay for this investment.</p>
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SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER

1. About your investment

Type of securities: FT Shares	Issuer: New Break Resources Ltd.
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Purchased from: New Break Resources Ltd.
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SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER

2. Risk acknowledgement

This investment is risky. Initial that you understand that:	Your initials
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Risk of loss – You could lose your entire investment of \$ _____. <i>[Instruction: Insert the total dollar amount of the investment.]</i>	
--	--

Liquidity risk – You may not be able to sell your investment quickly – or at all.	
--	--

Lack of information – You may receive little or no information about your investment.	
--	--

Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
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3. Accredited investor status

You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your initials
---	----------------------

<ul style="list-style-type: none"> • Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.) 	
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<ul style="list-style-type: none"> • Your net income before taxes combined with your spouse’s was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
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<ul style="list-style-type: none"> • Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
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<ul style="list-style-type: none"> • Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	
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4. Your name and signature

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:	Date:
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SECTION 5 TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and last name of salesperson (please print): Michael Farrant	
Telephone: 416-278-4149	Email: mfarrant@newbreakresources.ca
Name of firm (if registered): N/A	
SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
<p>New Break Resources Ltd. c/o Peterson McVicar LLP 18 King Street East, Suite 902 Toronto, Ontario M5C 1C4</p> <p>Michael Farrant, President and CEO Tel: (416) 278-4149 Email: mfarrant@newbreakresources.ca</p> <p>For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.</p>	

Form instructions:

1. *This form does not mandate the use of a specific font size or style but the font must be legible.*
2. *The information in sections 1, 5 and 6 must be completed before the purchaser completes and signs the form.*
3. *The purchaser must sign this form. Each of the purchaser and the issuer or selling security holder must receive a copy of this form signed by the purchaser. The issuer or selling security holder is required to keep a copy of this form for 8 years after the distribution.*