

# LUX

Lux Uranium Purchase Agreement, between Lux  
Partners Limited and Madison Metals Inc.

**URANIUM PURCHASE AGREEMENT**

**between**

**LUX PARTNERS LIMITED**

**and**

**MADISON METALS INC.**

September 30, 2022

**THIS URANIUM PURCHASE AGREEMENT** dated as of September 30, 2022  
**BETWEEN:**

**LUX PARTNERS LIMITED**, an Isle of Man corporation (“**Buyer**”)

- and -

**MADISON METALS INC.**, a company existing under the laws of the Province of British Columbia

(“**Parent**”)

**WITNESSES THAT:**

**WHEREAS** the Parent through its wholly-owned subsidiaries (the “**Subsidiaries**”), are the holders of the Mining Properties and currently own and operates the Project;

**AND WHEREAS** Parent has agreed to sell to Buyer, and Buyer has agreed to purchase from Parent a stream of uranium produced at the Project, subject to and in accordance with the terms and conditions of this Agreement;

**AND WHEREAS** the Parent through the Subsidiaries has an interest in the Madison North Uranium Project which has a current National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, Technical Report prepared by SRK dated 2015 outlining 9 million pounds U3O8 Uranium;

**AND WHEREAS** Parent, through the Subsidiaries, owns an 85% interest a license contributing 7.65 million pounds U3O8 uranium;

**AND WHEREAS** the Parent has an interest in Madison West Uranium Project where it owns a 24% interest with a resource estimate of roughly 50M lbs U3O8 uranium which can optionally contributing up to an additional 12.35M million pounds;

**AND WHEREAS** the Buyer will acquire and interest in up to 7.65 million pounds of U3O8 uranium pursuant to the terms hereof;

**AND WHEREAS** the Buyer will issue uranium-backed tokens to the public and private markets to de-risk Buyer and Parent with the resulting capital infusion to fund key operational requirements of Parent and the Subsidiaries;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties mutually agree as follows:

## **Article 1**

### **INTERPRETATION**

## 1.1 Definitions

In this Agreement:

“**Acquirer**” has the meaning set out in the definition of “Change of Control”.

“**Additional Resources**” shall refer to any resources beyond an initial resource base of 19.5 million pounds of uranium U308 at the Project, as quantified in a future Preliminary Economic Assessment and that demonstrates the economic viability of the additional resources.

“**Adverse Impact**” means any effect, event, occurrence or other change that, when taken together with all other effects, events, occurrences or other changes, is or would reasonably be expected to have a material adverse impact on the Parent or the Project.

“**Affected Property**” has the meaning set out in Section 8.6(a).

“**Affiliate**” means, in relation to any person (other than an individual), any other person (other than an individual) controlling, controlled by, or under common control with such first mentioned person.

“**Agreement**” means this Uranium Purchase Agreement and all attached schedules, in each case as the same may be supplemented, amended, restated, modified or superseded from time to time in accordance with the terms hereof.

“**Applicable Law**” means any law, regulation, decision, ordinance, code, order, rule, policy or other requirement of any Governmental Authority (including any stock exchange), including any judicial or administrative interpretation thereof, common law or other requirement or rule of law, applicable to a person or any of its properties, assets, businesses or operations.

“**Approvals**” means all authorizations, licences, permits, rights (including surface and access rights), privileges, concessions, franchises, clearances, consents, orders and other approvals required to be obtained from any person, including any Governmental Authority.

“**Approved Standard**” means the JORC Code or the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Resources and Mineral Reserves, in each case as in effect from time to time, or any other classification system for mineral reserves and mineral resources agreed to by Parent and Buyer, or any successor instrument, rule or policy to any of the foregoing.

“**Auditor’s Report**” means a written report prepared by a national accounting firm in Canada, the United States, or Namibia that is independent of the Parties, is mutually agreeable to the Parties and has experience and expertise in determining the quantity of uranium mined, produced, extracted or otherwise recovered from mining projects, which report determines at a minimum the number of pounds of Purchased Uranium that Buyer was entitled to have received pursuant to this Agreement in respect of any period in dispute.

“**Board of Directors**” means:

- (a) with respect to a corporation, the Board of Directors of the corporation or (other than for purposes of determining Change of Control) the executive committee of the Board of Directors;
- (b) with respect to a partnership, the Board of Directors of the general partner of the partnership; and
- (c) with respect to any other person, the board or committee of such person serving a similar function.

**“Books and Records”** means books, records, data, documentation, invoices, weight, moisture and assay certificates, scientific and technical data, samples and other information relating to operations and activities with respect to the Project.

**“Business Day”** means any day other than a Saturday or Sunday or a day that is a statutory or bank holiday under the laws of British Columbia, Canada.

**“Capital Stock”** of any person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such person, including any Preferred Stock and limited liability or partnership interests (whether general or limited), but excluding any debt securities convertible or exchangeable into such equity.

**“Capitalized Lease Obligations”** means an obligation that would have been required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS as in effect on the date of this Agreement. The amount of Financial Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS as in effect on the date of this Agreement, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

**“Change of Control”** of a person means the consummation of any transaction, including any consolidation, arrangement, amalgamation or merger or any issue, Transfer or acquisition of voting shares, the result of which is that:

- (a) any other person or group of other persons acting jointly or in concert for purposes of such transaction (any such person or group of persons being referred to as the **“Acquirer”**):
  - (i) becomes the beneficial owner, directly or indirectly, of 50% or more of the voting shares of such person, measured by voting power rather than number of shares; or
  - (ii) acquires control of such person; or
- (b) the entity that is not controlled by any other person that controls such person, otherwise ceases to be the beneficial owner, directly or indirectly, of 50% or more of the voting shares of such person, measured by voting power rather than number of shares.

**“Closing Date”** means October 15, 2022.

**“Completion Date”** means September 30, 2027 or if chosen to be extended by the Parent for a period of 2 additional years upon granting the Buyer a no-cost increase of 1,530,000 pounds of uranium.

“**Confidential Information**” has the meaning set out in Section 5.5(a).

“**control**” means the right, directly or indirectly (including through one or more subsidiaries), to direct or cause the direction of the management of the business or affairs of a person, whether by ownership of securities, by contract or otherwise (including by way of entitlement to nominate a majority of the directors of such person), and “**controls**”, “**controlling**”, “**controlled by**” and “**under common control with**” have corresponding meanings

“**Disclosing Party**” has the meaning set out in Section 5.5(a) .

“**Dispute**” means any question, claim, controversy or dispute arising out of or relating to the validity, construction, interpretation, meaning, performance, effect or breach any one or more of this Agreement or the rights and liabilities of the parties thereto arising thereunder.

“**Dispute Notice**” has the meaning set out in Section 8.7(a).

“**Effective Date**” means September 30, 2022.

“**Encumbrances**” means all Financial Encumbrances and all other liens, restrictions, patent or other reservations in respect of minerals, royalty claims, and other encumbrances and adverse claims of every nature and kind.

“**Enforcement Event**” means any action is taken by a person to enforce any Encumbrance in, over or against any of the Project which if successful would result in a material disruption to the operations of the Project or adversely affect Buyer’s interest in this Agreement, including any security interest contemplated hereby, if any.

“**entity**” means a person which is not an individual.

“**Event of Default**” means a Parent Event of Default or a Buyer Event of Default, as applicable.

“**Expropriation Event**” means an expropriatory act or series of expropriatory acts by a Governmental Authority (or at the direction of a Governmental Authority) as a result of which all or substantially all of the rights, privileges and benefits pertaining to or associated with all or a portion of the Project, for any period of time, cease being, directly or indirectly, for the benefit or entitlement of Parent or its Affiliates, whether as a result of ceasing to own all or such portion of the Project or otherwise.

“**Financial Encumbrance**” means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, deed of trust, deemed trust, charge, security interest, assignment conferring security, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under Applicable Law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction and, for the avoidance of doubt, “Financial Encumbrance” includes any Encumbrance that creates a priority or preference of any kind in and to any asset or the proceeds thereof; provided that in no event shall an operating lease be deemed to constitute a Financial Encumbrance.

**“Financial Indebtedness”** means (without double counting) any indebtedness for or in respect of:

- (a) moneys borrowed or credit granted;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any bill of exchange or any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold or discounted on a non-recourse basis);
- (f) any amount of liability in respect of any purchase price for assets or services the payment of which is deferred where the deferral of such price is either:
  - (i) used primarily as a method of raising credit; or
  - (ii) not made in the ordinary course of business;
- (g) any agreement or option to re-acquire an asset if one of the primary reasons for entering into such agreement or option is to raise finance;
- (h) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (k) the amount raised by the issue of redeemable shares to the extent such shares are redeemable prior to the date this Agreement is terminated; and
- (l) the amount of any liability in respect of any guarantee, indemnity or similar assumption of any responsibility or obligations in respect of any other person for any of the items referred to in paragraphs (a) to (k) above and irrespective of whether the debt or liability (i) is present or owing in the future, (ii) is owed or incurred alone or severally or jointly or both with another person or (iii) is a combination of any of the above.

**“Force Majeure”** means a cause beyond the reasonable control of a Party, which may include acts of God; acts, regulations, or laws of any government; war; terrorism; civil commotion; fire, flood, earthquake, tornado, tsunami, explosion or storm; pandemic; epidemic and failure of public utilities or common carriers.

**“Uranium Market Price”**, means the monthly spot price as calculated by a third-party data provider.

**“Uranium Purchase Price”** has the meaning set out in Section 2.5(a).

**“Governmental Authority”** means any international, federal, state, provincial, national, territorial, municipal or local government, agency, department, ministry, authority, board, tribunal, commission, official, court, arbitrator (public or private), stock exchange or securities commission.

**“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board as in effect from time to time.

**“including”, “include” or “includes”** means including without limitation, include without limitation or includes without limitation, respectively.

**“incur”** means issue, create, assume, guarantee, incur or otherwise become liable for, and the terms **“incurred”** and **“incurrence”** have meanings correlative to the foregoing.

**“Indebtedness Currency”** has the meaning set out in Section 9.5.

**“Initial Uranium Purchase Price”** has the meaning set out in Section 2.5(a).

**“Initial Purchased Uranium”** has the meaning set out in Section 2.1(a).

**“Insolvency Event”** means, in relation to any person, any one or more of the following events or circumstances:

- (a) a decree or order of a Governmental Authority is entered (i) adjudging it to be bankrupt or insolvent, or (ii) approving a petition seeking reorganization, arrangement or adjustment of or in respect of it under Applicable Law relating to bankruptcy, insolvency or relief of debtors; or
- (b) it makes an assignment for the benefit of its creditors, or petitions or applies to any Governmental Authority for the appointment of a receiver or trustee for itself or any substantial part of its property.

**“Judgment Currency”** has the meaning set out in Section 9.5.

**“Losses”** of a Party means all claims, demands, proceedings, fines, losses, damages, liabilities, obligations, deficiencies, costs and expenses (including all legal and other professional fees and disbursements, interest, penalties, judgment and amounts paid in settlement of any demand, action, suit, proceeding, assessment, judgment or settlement or compromise), including any Taxes payable in respect thereof, including the value or change in value of past, current or future required or expected deliveries of uranium hereunder (including any decline in value of any uranium that is not delivered when due), in connection with or in respect of any breach or default by the other Party. In determining the Losses suffered or incurred by Buyer in connection with or relating to any future period in connection with (a) any claim in a proceeding in connection with an Insolvency Event where this Agreement is terminated, disclaimed or vested out, or (b) the termination of this Agreement. The Parties hereby acknowledge and agree that such determination of Losses is intended to represent fair compensation for the Losses that may reasonably be anticipated in connection with or relating to any such future period.



**“Material Adverse Event”** means either of the following:

- (a) a failure by Parent to comply in all material respects with its obligation to sell and deliver uranium to Buyer on the terms and conditions set forth in Sections 2.1(a) and 2.2(a) which is continuing for a period of six (6) consecutive months; or
- (b) the completion of any Transfer or Change of Control in breach of Sections 6.4 or 10.13(b), other than where such breach is limited to a breach of any of Sections 6.5(a), 6.5(d), 6.6(a), 10.13(b)(i) or 10.13(b)(iii).

**“Material Contract”** means any contract or agreement in effect as of the date of this Agreement that has been entered into by the Parent and that is material to the operation or ownership of the Project or that would reasonably be expected to have an Adverse Impact if it was terminated or suspended or if any party thereto failed to perform its material obligations thereunder.

**“Minerals”** means any and all ore and metal bearing material or product in whatever form or state (including uranium) that is mined, produced, extracted or otherwise recovered or derived from the Project, including any such material or product derived from any processing or reprocessing of any tailings, stockpiles, waste rock or other waste products originally derived from the Project, and including ore and any other products requiring further milling, processing, smelting, refining or other beneficiation of Minerals, including concentrates or doré bars.

**“Mining Properties”** means mineral claims, mining leases and licenses, and other rights in Minerals or real property owned or held by the Parent, as of the Effective Date and as identified on Schedule A and Schedule B, and any extension, renewal, replacement, conversion or any other form of successor or substitute title to or tenure derived from any of the foregoing, and any after acquired or resulting right (or any greater or lesser area of any of the foregoing), including any such right re-acquired after abandonment or other disposition of any such right.

**“NI 43-101”** means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, or any successor instrument, rule or policy.

**“Overdue Uranium Pounds”** means the balance from time to time, if any, of the number of pounds of Purchased Uranium that have not been delivered to Buyer when due in accordance with this Agreement.

**“Parent”** means Madison Metals Inc., a corporation existing under the laws of the Province of British Columbia, Canada.

**“Parties”** means the parties to this Agreement.

**“Payment Default Notice”** has the meaning set out in Section 10.3(a).

**“Permitted Encumbrances”** means, with respect to Parent:

- (a) pledges or deposits of cash or securities by such person under workers’ compensation laws, unemployment insurance laws, pension laws or similar legislation, or good faith deposits of cash or securities in connection with bids, tenders, contracts (other than for the payment

- of Financial Indebtedness) or deposits of cash or securities to secure public or statutory obligations, in each case incurred in the ordinary course of business;
- (b) carriers', warehousemen's, mechanics', materialmen's and repairmen's Encumbrances and other similar Encumbrances imposed by Applicable Law, in each case, incurred in the ordinary course of business;
  - (c) Encumbrances for taxes, assessments or other governmental charges not yet due or delinquent or that are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to IFRS have been made in respect thereof;
  - (d) Encumbrances over cash collateral in favor of issuers of surety or performance bonds or letters of credit or similar instruments issued to secure performance obligations in the ordinary course of business;
  - (e) Encumbrances resulting from the rules and regulations of any clearing system or stock exchange over shares and/or other securities held in that clearing system or stock exchange;
  - (f) easements or other similar encumbrances on real property or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, minor defects, survey exceptions or irregularities in title and similar encumbrances) as to the use of real properties incurred in the ordinary course of business that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of Parent;
  - (g) judgment Encumbrances so long as such judgment is being contested in good faith by appropriate proceedings and as to which appropriate reserves required pursuant to IFRS have been made in respect thereof and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;
  - (h) Encumbrances for the purpose of securing the payment of all or a part of Capitalized Lease Obligations or purchase money obligations provided that:
    - (i) such Encumbrances relate solely to the assets acquired and any proceeds thereof; and
    - (ii) the aggregate principal amount of Financial Indebtedness secured by such Encumbrances does not exceed the aggregate amount of \$75,000,000;
    - (i) Encumbrances arising solely by virtue of any statutory or common law provisions relating to rights of set off or combination of accounts as to deposit accounts or other funds maintained with a depository institution; provided that:
      - (ii) such deposit account is not intended by Parent to provide collateral to the depository institution; and
      - (iii) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by Parent in excess of those set forth by regulations promulgated by the United States Federal Reserve Board;

- (b) any netting or set-off arrangement entered into by Parent (i) in the ordinary course of its banking arrangements pursuant to the standard terms and conditions of the applicable banking institution's customary account documentation (but, for certainty, excluding term and/or revolving credit facilities with any financial institution) and (ii) pursuant to hedging arrangements in relation to uranium, silver, copper and other commodity prices, foreign exchange rates and interest rates where such arrangements are entered into for the purposes of providing protection against fluctuation in such rates or prices in the ordinary course of business and not for speculative purposes, in each case, for the purpose of netting debit and credit balances;
- (c) Encumbrances arising from Uniform Commercial Code (or similar statutes in other jurisdictions) financing statement filings solely regarding operating leases entered into in the ordinary course of business;
- (d) Encumbrances under industrial revenue, municipal or similar bonds in favour of public utilities or any municipalities or Governmental Authorities when required by the utility, municipality or Governmental Authority in connection with the supply of services or utilities to Parent;
- (e) Encumbrances in favour of a Governmental Authority in respect of any environmental bonds which Parent is required to issue under any applicable environmental law;
- (f) the interest of a vendor or lessor under any conditional sale, hire purchase, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;
- (g) Encumbrances on specific items of equipment or other goods and including any proceeds thereof where such equipment or goods are being acquired by any person securing such person's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such equipment or other goods;
- (h) Royalty interests in the Mining Properties in existence at the time this Agreement is executed;
- (i) Encumbrances securing Financial Indebtedness in an aggregate principal amount not to exceed \$50,000,000 at any time outstanding; and
- (j) any other Encumbrance as agreed by Buyer in writing.

**"person"** means and includes the Parties, individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, Governmental Authorities or any other type of organization, whether or not a legal entity.

**"Preliminary Economic Assessment"** has the meaning given to such term in NI 43-101.

**"Project"** means the mining project commonly referred to as the Bruner uranium and silver project in Nye County, Nevada, United States, currently owned and operated by the Parent, as described in greater detail in Schedule A.

“**Project Assets**” means the all present and after-acquired real or personal property, used or acquired for use, by the Parent in connection with the Project.

“**Purchased Uranium**” has the meaning set out in Section 2.2(a).

“**Rate of Exchange**” has the meaning set out in Section 9.5.

“**Receiving Party**” has the meaning set out in Section 5.5(a).

“**Reserves**” means proven and probable mineral reserves (or their equivalent) as defined under any Approved Standard.

“**Resources**” means measured, indicated and inferred mineral resources (or their equivalent) as defined under any Approved Standard.

“**Restricted Person**” means any person that:

- (a) is named, identified, described in or on or included in or on any of:
  - (i) the lists issued under Canadian economic sanctions and terrorism financing legislation, including the *Special Economic Measures Act* (Canada), the *Criminal Code* (Canada), the *United Nations Act* (Canada), the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* (Canada), and the *Freezing Assets of Corrupt Foreign Officials Act* (Canada), and any regulations promulgated under the foregoing;
  - (ii) the Denied Persons List, the Entity List or the Unverified List, compiled by the Bureau of Industry and Security, U.S. Department of Commerce;
  - (iii) the List of Statutorily Debarred Parties compiled by the U.S. Department of State;
  - (iv) the Specially Designated Nationals Blocked Persons List compiled by the U.S. Office of Foreign Assets Control;
  - (v) the annex to, or is otherwise subject to the provisions of, U.S. Executive Order No. 13324; or
  - (vi) any publicly available lists maintained under the Applicable Laws of Canada or the United States relating to anti-terrorism or anti-money laundering matters;
- (b) is subject to trade restrictions under any Applicable Laws of Canada or the United States, including:
  - (i) the *Special Economic Measures Act* (Canada), the *Criminal Code* (Canada), the *United Nations Act* (Canada), the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* (Canada) and the *Freezing Assets of Corrupt Foreign Officials Act* (Canada);
  - (ii) the *International Emergency Economic Powers Act*, 50 U.S.C.; or
  - (iii) the *Trading with the Enemy Act*, 50 U.S.C. App. 1 et seq.; or any other enabling legislation or executive order relating thereto, including the *Uniting and*

*Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Title III of Pub. L. 107-56;

- (c) is known, after reasonable inquiry, to be an Affiliate of a person referred to in paragraph (a) or (b) of this definition.

“**ROFR**” has the meaning set out in Section 2.2(a).

“**ROFR Purchase Price**” has the meaning set out in Section 2.5(b).

“**Royalty**” has the meaning given set out in Section 2.6.

“**SEDAR**” means the System for Electronic Data Analysis and Retrieval maintained by the Canadian Securities Administrators.

“**subsidiary**” of a person means:

- (a) any other person in which such person is the beneficial owner, directly or indirectly, of 50% or more of the voting shares of such other person, measured by voting power rather than number of shares; and
- (b) any other person controlled by such person.

“**Parent Event of Default**” has the meaning set out in Section 8.1.

“**Tax**” or “**Taxes**” means all taxes, assessments and other charges, duties, and impositions, including any interest, penalties, tax instalment payments or other additions that may become payable in respect thereof, imposed by any Governmental Authority, which taxes shall include all income or profits taxes (including federal, provincial, and state income taxes), taxes imposed under Section 897 and 1445 of the United States *Internal Revenue Code*, minimum tax, non-resident withholding taxes, sales and use taxes, branch profit taxes, value added, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, land transfer taxes, asset or capital taxes, extraordinary income taxes, surface area taxes, property taxes, asset transfer taxes, and other charges and obligations of the same or of a similar nature to any of the foregoing.

“**Time of Delivery**” has the meaning set out in Section 2.3(d).

“**tons**” means short tons with one ton being equal to 2,000 pounds.

“**Token Payment**” has the meaning set out in section 2.5(a)(ii).

“**Transfer**”, when used as a verb, means to sell, transfer, assign, convey, dispose or otherwise grant a right, title or interest (including expropriation or other Transfer required or imposed by Applicable Law or any Governmental Authority, whether voluntary or involuntary), or to abandon, surrender or otherwise relinquish a right, title or interest, and when used as a noun has a corresponding meaning.

“**Trigger Event**” means any Parent Event of Default or any event or circumstance which, with notice, the passage of time or both, would constitute a Parent Event of Default.

“**Buyer Event of Default**” has the meaning set out in Section 8.3.

## **1.2 Interpretation**

Where a Party covenants to: (i) ensure an action or event occurs or exists, or does not occur or exist; or (ii) cause an action or event to occur, exist, not occur or not exist; except in the event of a Force Majeure, such covenant shall not be reduced or limited in any manner even if such Party cannot control such action or event, or cannot control a person who is able to control such action or event.

## **1.3 Statutory References**

Any reference in this Agreement to a statute refers to such statute and all regulations or rules promulgated thereunder from time to time, and any reference to a statute, regulation, rule or any provision contained therein shall be a reference to the statute, regulation, rule or provision as it may be amended, restated, re-enacted or replaced from time to time.

## **1.4 Cross-References, Headings, Etc.**

References in this Agreement to any “Article”, “Section”, “paragraph”, “Schedule” or “definition” are to articles, sections and paragraphs of, schedules attached to, and definitions set out in, this Agreement, respectively. Headings of Articles and Sections of, and Schedules to, this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions when used in this Agreement refer to the whole of this Agreement and not to any particular Article, Section, paragraph, Schedule, definition or other portion hereof.

## **1.5 Construction**

The Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

## **1.6 Plural, Gender**

Unless the context otherwise requires, in this Agreement, words importing the singular include the plural and *vice versa* and words importing gender include all genders.

## **1.7 Days**

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Eastern Standard Time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 5:00 p.m. (Eastern Standard Time) on the next Business Day.

## **1.8 Dollar Amounts**

Unless specified otherwise in this Agreement, all statements or references to dollar amounts in this Agreement are to United States dollars.

## Article 2

### PURCHASE AND SALE

#### 2.1 Purchase and Sale

- (a) Subject to the terms and conditions of this Agreement, with effect from and after the Effective Date, Parent hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Parent a stream of 7,650,000 pounds of U308 (the “**Initial Purchased Uranium**”), being 39.2% of known uranium resources at the Project.
- (b) Buyer shall exclusively purchase uranium from Parent during the term of this Agreement.
- (c) All deliveries to Buyer of uranium under Section 2.1(a) shall be in the form of uranium yellowcake commencing on the earlier of (i) 120 days after commercial production at the Project is declared by the Parent and (ii) 36 months after the Completion Date. Parent’s obligation to sell and deliver uranium hereunder shall be solely to sell and deliver uranium in a manner and in an amount determined in accordance with the terms of this Agreement.

#### 2.2 Right of First Refusal

- (a) Buyer shall have a right of first refusal (the “**ROFR**”) to enter into a financing arrangement with Parent on such terms as agreed to by the Parties, including but not limited to the purchase of an additional uranium stream from the Project of an amount to be agreed upon of any future uranium production, after an initial 7,650,000 pounds of total production has been achieved (the “**ROFR Uranium**” and together with the Purchased Uranium, the “**Purchased Uranium**”).
- (b) All deliveries to Buyer of uranium under Section 2.2(a) shall be in the form of yellowcake.

#### 2.3 Delivery Obligations

- (a) Parent will make available to Buyer uranium on or before the last calendar day of each calendar month.
- (b) If uranium required to be sold and delivered to Buyer by Parent pursuant to Section 2.1(a) or Section 2.2(a) contains a fraction of a pound to be sold and delivered then such fraction of a pound of uranium shall be added to the next required delivery of uranium.
- (c) The obligations of the Parties set out in Sections 2.1(a) and 2.2(a) are conditional upon the satisfaction and fulfilment of the conditions set forth in Section 3.2(a) (or the waiver thereof by Buyer) and Section 3.3(a) (or the waiver thereof by Parent) on or before the Closing Date, as applicable.
- (d) Notwithstanding anything else herein, no delivery may be permitted under this Agreement if the Buyer is not fully licensed to receive the Purchased Uranium. In the event that the Buyer is not permitted to take physical possession of the Purchased Uranium, the Parent shall warehouse the Purchased Uranium at its facility (less a handling charge of 3% of the purchase price) and shall sell such Purchased Uranium on the Buyer’s behalf to a lawful purchaser and remit the proceeds to the Buyer once received. The determination of whether the Buyer is legally allowed to possess the Purchased Uranium will be made solely by the Parent.

- (e) Subject to subsection (d) above, Parent shall sell and deliver to Buyer all Purchased Uranium to be sold and delivered under this Agreement by way of the delivery of yellowcake located at the Parent's warehouse or such other location(s) or account(s) as may be designated by Buyer from time to time and acceptable to Parent, acting reasonably. Delivery of uranium to Buyer shall be deemed to have been made at the time such uranium is delivered to the Buyer (the "**Time of Delivery**"). Title to, and risk of loss of, such Purchased Uranium shall pass from Parent to Buyer at the Time of Delivery. All costs and expenses pertaining to each delivery of uranium shall be borne by Parent.
- (f) Parent represents, warrants and covenants that, as of each Time of Delivery:
  - (i) it is the legal and beneficial owner of the Purchased Uranium delivered and credited to the designated metal account of Buyer pursuant to this Agreement;
  - (ii) it has good, valid and marketable title to such Purchased Uranium; and
  - (iii) such Purchased Uranium is free and clear of all Encumbrances.

## 2.4 Invoicing

- (a) Parent shall notify Buyer in writing at least five Business Days before any delivery and credit to the designated metal account of Buyer of:
  - (i) the number of pounds of Purchased Uranium to be delivered and credited; and
  - (ii) the estimated date and time of delivery and credit.
- (b) At the Time of Delivery, Parent shall deliver to Buyer an invoice setting out:
  - (i) the number of pounds of Purchased Uranium so credited,
  - (ii) the Uranium Purchase Price for such Purchased Uranium; and
  - (iii) the calculation of the amount credited against the any amount of the Uranium Purchase Price that has already been paid in respect of such Purchased Uranium.

## 2.5 Purchase Price

- (a) In order for the Parent to enter into this Agreement and commit to the supply of Purchased Uranium, Buyer shall pay to Parent the following sum with respect to the Purchased Uranium that is committed to by Parent to Buyer under this Agreement the "**Initial Uranium Purchase Price**"):
  - (i) 50% of the sale price paid by purchasers of the Buyer with respect to the creation and sale of tokens backed by the Purchased Uranium (the "**Uranium Tokens**") to be paid immediately to the Buyer (the "**Cash Payment**") on the first 20 million pounds and 30% to be retained by the Buyer after that; and
  - (ii) any trading revenue received from the Buyer for the secondary sales and trading of the Purchased Uranium backed tokens minted by it shall be split 50%/50% with the Parent and the Buyer, to be paid to Parent by deposit to the wallet designed by the Parent monthly (the "**Token Payment**").
- (b) In the event that Buyer exercises the ROFR, Buyer shall pay to Parent a purchase price with respect to the ROFR Uranium of 70% of the price at which the Uranium Tokens are



sold for from the Buyer's treasury (the "**ROFR Purchase Price**" and, together with the Initial Uranium Purchase Price, the "**Uranium Purchase Price**").

- (c) All Cash Payments and Token Payments due to Parent from Buyer will be due to be wired to the Parent in United States Dollars first Friday of every month along with a report of the sales and trades made in the Uranium Tokens.
- (d) The Buyer acknowledges that no Uranium Tokens can be sold by the Buyer at a price less than \$17 USD per Uranium Token which represents one pound of U308 uranium without the written consent of Parent.

## **2.6 Loss of Delivery and Application of Insurance Proceeds**

In the event of any total or partial loss of any Purchased Uranium including by way of loss, accident, theft or otherwise prior to the transfer of risk of loss of any such Purchased Uranium to an Buyer that gives rise to a payment of insurance proceeds, (i) such payment, shall be allocated between Buyer and Parent in proportion to their respective interests therein, and (ii) the portion of such payment allocated to Buyer shall be used to purchase Purchased Uranium for sale and delivery by Parent to Buyer, in the following manner:

- (a) the payment in respect of insurance proceeds shall be allocated between Purchased Uranium and other metals or minerals in proportion to the relative values ascribed to the Purchased Uranium and other metals and minerals in such shipment by the insurance payor;
- (b) the amount of Purchased Uranium deliverable by Parent to Buyer shall be determined by dividing the portion of such proceeds allocated to Purchased Uranium by the Uranium Market Price as of the date that such proceeds were received by Parent; and
- (c) the amounts of Purchased Uranium determined above shall be delivered for sale by Parent to Buyer within five Business Days following the end of the calendar month in which such payment of insurance proceeds was received by Parent and the provisions of this Article 2 shall apply to such sale and delivery, *mutatis mutandis*.

## **Article 3**

### **PAYMENT**

#### **3.1 Conditions Precedent to Cash Payment**

- (a) The obligation of Buyer to pay Parent the Cash Payment shall be subject to the satisfaction and fulfillment of all of the following conditions on or prior to the Closing Date:
  - (i) Parent shall have delivered to Buyer a current certificate of corporate status, good standing or compliance (or equivalent) issued by the relevant Governmental Authority; and
  - (ii) Parent shall have executed and delivered to Buyer a certificate of a director or senior officer of Parent, in form and substance satisfactory to Buyer, acting reasonably, certifying that, on and as of the Closing Date all of the representations and warranties made by Parent pursuant to this Agreement are true and correct in all material respects as of such date.

- (b) Each of the conditions set forth in Section 3.2(a) is for the exclusive benefit of Buyer and may be waived by Buyer in its sole discretion. If the conditions set forth in Section 3.2(a) have not been satisfied on or before the Completion date, then Buyer shall have the right to terminate this Agreement at any time thereafter upon written notice to Parent without any liability; provided that each Party shall continue to be liable for any breach of this Agreement that occurred prior to such termination.

### **3.2 Conditions Precedent in Favour of Parent**

- (a) The obligation of Parent to perform its obligations to deliver Purchased Uranium under this Agreement shall be subject to the satisfaction and fulfillment of all of the following conditions on or prior to the Closing Date:
  - (i) following the satisfaction or waiver of all conditions precedent in Section 3.2(a), Buyer shall have paid to Parent the Token Payment and the Cash Payment (in whole or in part, as agreed to by the Parties) pursuant to the terms of this Agreement or in such manner as otherwise agreed to by the Parties;
  - (ii) Buyer shall have delivered to Parent a current certificate of corporate status, good standing or compliance (or equivalent) for Buyer issued by the relevant Governmental Authority;
  - (iii) Buyer shall have executed and delivered to Parent a certificate of a director or senior officer of Buyer, in form and substance satisfactory to Parent, acting reasonably, certifying that, on and as of the Closing Date:
    - (A) all of the representations and warranties made by Buyer pursuant to this Agreement are true and correct in all material respects as of such date;
    - (B) Buyer is not in breach or default of this Agreement or under applicable securities laws; and
    - (C) all of the conditions in this Section 3.3(a) have been satisfied and fulfilled.
- (b) Each of the conditions set forth in Section 3.3(a) is for the exclusive benefit of Parent and may only be waived by Parent in its sole discretion. If the conditions set forth in Section 3.3(a) have not been satisfied on or before the Completion date, then Parent shall have the right to terminate this Agreement at any time thereafter upon written notice to Buyer without any liability; provided that each Party shall continue to be liable for any breach of this Agreement that occurred prior to such termination.

### **3.3 Satisfaction of Conditions Precedent**

Each Party shall use all reasonable commercial efforts and take all reasonable action as may be necessary or advisable to satisfy and fulfil all the conditions precedent set forth in this Article 3 as promptly as reasonably practicable. The Parties will co-operate in exchanging such information and providing such assistance as may be reasonably required in connection with the foregoing.

### **3.4 Use of Proceeds**

Parent shall use the funds received by it pursuant to this Agreement for the further development of the Project, risk management of hedge book, additional uranium purchases either in the ground resources or physical uranium and general working purposes.

## **Article 4**

### **TERM**

#### **4.1 Term**

The term of this Agreement shall commence on the date hereof and, subject to Sections 3.2(b) and 3.3(b) shall continue until the earlier of: (i) the date on which all deliveries of the Purchased Uranium have been made; and (ii) the date this Agreement is terminated under Section 8.

#### **4.2 Uncredited Payments**

For greater certainty, upon expiration of the term of this Agreement, Buyer will not be entitled to a return or refund of any uncredited payments made under this Agreement.

## **Article 5**

### **REPORTING; BOOKS AND RECORDS**

#### **5.1 Reporting Requirements**

- (a) Promptly after a life of mine plan for the Project is presented to the Board of Directors of Parent, and in any event at least once every 12 months, and promptly whenever an update to any such life of mine plan is adopted by management of Parent, Parent shall provide to Buyer such life of mine plan or updated life of mine plan, as applicable, including:
  - (i) the annual production forecast for uranium from the Project during the upcoming calendar year (to be set out on a monthly basis) and the remaining life of mine thereafter (to be set out on a yearly basis);
  - (ii) the amounts of uranium production as forecast for the upcoming calendar year (to be set out on a monthly basis) and the remaining life of mine thereafter (to be set out on a yearly basis);
  - (iii) a list of assumptions used in developing the forecasts referred to in Sections 5.1(a)(i) and 5.1(a)(ii), including the types, tonnages, uranium grade and uranium recoveries of ore from the Project and the operating costs and assumed sustaining capital during the applicable forecast period in the case of the production forecast referred to in Section 5.1(a)(i); and
  - (iv) a statement setting out the uranium Reserves and Resources for the Project and the assumptions used prepared in accordance with mining industry best practices and compliant with an Approved Standard.
- (b) Parent shall notify and consult with Buyer regarding any matter concerning the Project that has or is reasonably likely to have an Adverse Impact.

#### **5.2 Books and Records**

Parent shall keep true, complete and accurate Books and Records reasonably needed to confirm compliance with the terms and conditions of this Agreement, including the determination of uranium production, and to the extent required by Applicable Law and/or consistent with applicable requirements and accepted practices in the international mining industry. Parent shall provide copies to Buyer of such Books and Records upon request from Buyer and permit Buyer and its authorized representatives and agents to perform audits, reviews and other examinations of such Books and Records from time to time, at reasonable times and upon reasonable notice, and at Buyer's sole risk and expense, solely for the purpose of enabling Buyer to confirm compliance with the terms and conditions of this Agreement.

### 5.3 Technical Reports

Parent shall prepare technical reports on the Mining Properties in compliance with an Approved Standard as and when required by Applicable Law.

### 5.4 Inspections

Subject at all times to the workplace rules and supervision of Parent, and provided any inspections do not interfere with any exploration, development, mining or processing work conducted on the Project, Parent shall allow Buyer and its authorized representatives and agents, at reasonable times and upon reasonable notice, and at Buyer's sole risk and expense, to physically inspect the Books and Records and the Project, in each case solely for the purpose of confirming compliance with the terms and conditions of this Agreement. Buyer (i) shall be solely responsible for any injuries to, or losses suffered by, Buyer and its representatives or agents while visiting the Project unless such injuries or losses are caused by the negligence or wilful misconduct of Parent or its representatives or agents, and (ii) agrees to indemnify and save Parent and their respective directors, officers, employees, representatives and agents harmless from and against any and all losses suffered or incurred by any of them as a result of the actions of Buyer or its representatives or agents during any such visit except to the extent that such losses arise from the negligence or wilful misconduct of an indemnified person.

### 5.5 Confidentiality

- (a) Each Party agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates and its and their employees, officers, directors, advisors, agents and representatives to maintain as confidential and not to disclose, the terms and conditions of this Agreement or any information (whether written, oral or in electronic format) received or reviewed by such Party (a "**Receiving Party**") from any other Party, its Affiliates or its or their employees, officers, directors, advisors, agents or representatives (a "**Disclosing Party**") as a result of or in connection with this Agreement, except in the following circumstances:
  - (i) a Receiving Party may disclose Confidential Information to its professional advisors, including its auditors, legal counsel, lenders, brokers, underwriters and investment bankers and prospective financing or acquisition parties, provided that such persons are advised of the confidential nature of the Confidential Information, and instructed to maintain the confidentiality of the Confidential Information;
  - (ii) a Receiving Party may disclose Confidential Information where that disclosure is necessary to comply with Applicable Law, court order or regulatory request or

where the Receiving Party determines, acting reasonably, that such disclosure is necessary in connection with litigation to which such Receiving Party or any of its Affiliates is party, provided that such disclosure shall be limited to only that Confidential Information reasonably determined by the Receiving Party to be required to be disclosed and that the Receiving Party shall have availed itself of the full benefit of any Applicable Laws or protective remedies, to the extent applicable, as to disclosure on a confidential basis to which it may be entitled including, to the extent permitted by Applicable Laws, redacting all proprietary, structural or other Confidential Information of the Disclosing Party prior to making such disclosure and, where

reasonably practicable, only after providing a copy of such proposed disclosure to the Disclosing Party;

- (iii) a Receiving Party may disclose Confidential Information where such information is already public knowledge other than by a breach of the confidentiality terms of this Agreement, or is known by the Receiving Party prior to the entry into of this Agreement, or is obtained independently of this Agreement and the source of such information is not known by the Receiving Party to be bound by a confidentiality agreement or otherwise prohibited from transmitting the Confidential Information by a contractual, legal or fiduciary obligation;
  - (iv) with the prior written approval of the Disclosing Party; and
  - (v) a Receiving Party may disclose Confidential Information to those of its and its Affiliates' directors, officers, employees and agents who need to have knowledge of the Confidential Information.
- (b) Each Party shall ensure that its and its Affiliates' employees, directors, officers and agents and those persons listed in Section 5.5(a)(i) are made aware of, and comply with the provisions of, this Section 5.5. Each Party shall be liable to the other Party for any improper use or disclosure of Confidential Information by such persons. In addition, each Party has the right to pursue causes of action or other acts against such persons.
  - (c) If a Party or any of its Affiliates is required to file a copy of this Agreement in any public registry, filing system or depository, including SEDAR, in order to comply with Applicable Law, it shall notify the other Parties of such requirement within two Business Days of the date of this Agreement, and the Parties shall consult with each other with respect to any proposed redactions to this Agreement in compliance with such Applicable Laws before it is filed in any such registry, filing system or depository.

## **Article 6**

### **COVENANTS**

#### **6.1 Conduct of Operations**

- (a) Parent or its Affiliates will carry out and perform all mining operations and activities pertaining to or in respect of Project in a commercially prudent manner and in all material respects (i) in accordance with all Applicable Laws, including but not limited to the

*Corruption of Foreign Public Officials Act* (Canada), and the Approvals of any Governmental Authority necessary for the operation of the Project, and (ii) in accordance with good mining, processing, engineering and environmental practices prevailing in the mining industry. Parent shall comply in all material respects with the World Uranium Council Conflict-Free Uranium Standard, as it may be supplemented, amended, restated, modified or superseded from time to time, with respect to all operations at the Project. In addition, Parent shall ensure that all cut-off grade, short term mine planning, long term mine planning and production decisions concerning the Mining Properties, determinations of Reserves and Resources, all Mineral marketing and sales, all decisions with respect to exploration and all other decisions concerning the operation of the Mining Properties are based on uranium prices typical of normal industry practice and on the assumption that the Parent is receiving payment for all uranium produced at the Project at market prices, without regard to the financial impact of this Agreement. Parent and each of its applicable Affiliates will continue to observe all practices and procedures in use as of the date of this Agreement, or such other procedures as may be adopted by the Parent or its Affiliates, as applicable, in accordance with good processing, engineering and environmental practices prevailing in the mining industry, for the processing of uranium from the Project.

## **6.2 Preservation of Corporate Existence**

- (a) Parent shall do all things necessary or advisable to maintain its corporate existence.
- (b) Without limiting any other provision of this Agreement, Parent shall not consolidate, amalgamate with, or merge with or into, Transfer all or substantially all of its assets to, or reorganize, reincorporate or reconstitute into or as another entity, or continue to any other jurisdiction or consummate a similar corporate event unless at the time of such consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution, Transfer, continuance or similar corporate event, the resulting, surviving or transferee entity assumes in favour of Buyer all the obligations of Parent under this Agreement pursuant to one or more written agreements. Parent shall provide thirty (30) days prior written notice to Buyer of the details of any such proposed consolidation, amalgamation, merger, reorganization, reincorporation, reconstitution, Transfer, continuance or other corporate event referred to in this Section 6.2(b).

## **6.3 Insurance**

Parent shall maintain with reputable insurance companies, insurance (including business interruption insurance) with respect to Project and the operations of Parent conducted on and in respect of the Project against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar operations.

## **6.4 Transfers**

Except as permitted by Sections 6.5, 6.6 and 6.7 or with the prior written consent of Buyer, such consent not to be unreasonably withheld, conditioned or delayed, Parent shall not:

- (a) Transfer, in whole or in part, or otherwise cease to hold all beneficial and legal title to the Project or any right, title or interest therein; or

- (b) agree to, or enter into any agreement, arrangement or other transaction with any person that would cause, or otherwise allow or permit to occur, a Change of Control of Parent.

## **6.5 Permitted Transfers**

The matters and actions set forth in Section 6.4 are permitted in connection with a Transfer of the Project to a transferee if:

- (a) Parent shall have provided Buyer with at least thirty (30) days prior written notice of the details of the proposed Transfer;
- (b) Parent shall have Transferred all but not less than all of the Project Assets in existence as of the date of such Transfer to such transferee;
- (c) either:
  - (i) Parent transfers and assigns its rights and obligations under this Agreement to:
    - (A) the transferee; or
    - (B) an Affiliate of the transferee,
 in each case concurrently with any such Transfer, and the transferee or such Affiliate, as the case may be, assumes in favour of Buyer all of Parent's obligations under this Agreement pursuant to a written agreement in form and substance satisfactory to Buyer, acting reasonably (and in connection with such Transfer Parent shall be released from any obligations hereunder arising after the date of such Transfer); or
  - (ii) such transferee or an Affiliate of such transferee acquires control of Parent concurrently with such Transfer;
- (d) the transferee and any Affiliates of the transferee, as applicable, comply with the conditions set forth in Section 3.2(a) *mutatis mutandis*, including in respect of such Transfer, the transferee and the Affiliates of the transferee, any assignment under this Agreement and any Encumbrance under this Agreement; and
- (e) no Trigger Event has occurred that is continuing or will occur in connection with such Transfer or any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 6.5.

## **6.6 Permitted Change of Control**

The matters and actions set forth in Section 6.4(b) are permitted in connection with a Change of Control of Party, if:

- (a) Such Party has provided the other Party with at least thirty (30) days prior written notice of the details of the proposed Change of Control;
- (b) Such Party transfers and assigns its rights and obligations under this Agreement to the person acquiring control of that Party, or an Affiliate of such person, in each case concurrently with any such Change of Control, and such person or such Affiliate, as the case may be, assumes in favour of the other Party all of such Party's obligations under this Agreement pursuant to a written agreement in form and substance satisfactory to the other

Party, acting reasonably (and in connection with such Transfer Parent shall be released from any obligations hereunder arising after the date of such Transfer); or

- (c) the person acquiring control of Parent and any Affiliates of such person, as applicable, comply with the conditions set forth in Section 3.2(a) *mutatis mutandis*, including in respect of the Change of Control, the person acquiring such control and the Affiliates of such person, as applicable, any assignment permitted under this Agreement, if applicable, and any Encumbrance under this Agreement;
- (d) such Change of Control and any other actions and steps undertaken in connection with, or in relation to, such Change of Control, including those required by this Section 6, would not be reasonably expected to have an Adverse Impact; and
- (e) no Trigger Event has occurred that is continuing or will occur in connection with such Change of Control or any other actions and steps undertaken in connection with, or in relation to, such Change of Control, including those required by this Section 6.

## **6.7 Project Assets**

Parent shall:

- (a) subject to Sections 6.5 and 6.6, be the only legal and beneficial owner of the Project Assets, and ensure that no other person holds or acquires any ownership right, title or interest in or to the Project Assets other than pursuant to:
  - (i) currently existing royalty obligations over the Mining Properties;
  - (ii) Encumbrances on such Project Assets not prohibited pursuant to this Agreement or any Transfer of such Project Assets pursuant thereto;
  - (iii) any sales of Minerals;
  - (iv) any Transfers of obsolete, worn out or no longer useful property, whether now owned or hereafter acquired;
  - (v) any Transfer of equipment to the extent the value of such property disposed of in any one calendar year does not exceed 5% of the total value of all of the assets of Parent; and
  - (vi) any Transfer of any equipment in the ordinary course of business and consistent with good practice standards then prevailing in the mining industry;
- (b) keep the Project in good standing; provided that Parent shall be entitled to abandon, surrender, relinquish or let lapse any of the Project if Parent shall have determined, acting commercially reasonably, that it is no longer economical to mine the Minerals from the Project that it proposes to abandon, surrender, relinquish or let lapse, without regard to the financial impact of this Agreement; and
- (c) keep the Approvals necessary to operate the Project in all material respects in good standing and continue to have all rights and benefits thereunder.

## **Article 7**

### **REPRESENTATIONS AND WARRANTIES**



## 7.1 Representations and Warranties of Parent

The Parent hereby acknowledges that Buyer is entering into this Agreement in reliance thereon, hereby makes the following representations and warranties to Buyer as of the date hereof:

- (a) Each Subsidiary is a private company that are subsidiaries of the Parent or the Parent has a right to the resources held by each such Subsidiary. Parent is duly incorporated and validly existing under the laws of the jurisdiction of the Parent and is up to date in respect of all filings required by Applicable Law.
- (b) All requisite corporate acts and proceedings have been done and taken by Parent and the Subsidiaries, including obtaining all requisite Board of Directors' approval, with respect to the entering into of this Agreement and performing its obligations hereunder.
- (c) Parent has the requisite corporate power, capacity and authority to enter into this Agreement, and to perform its obligations hereunder.
- (d) This Agreement and the exercise of Parent's rights and performance of its obligations hereunder do not and will not:
  - (i) conflict with any agreement, mortgage, bond or other instrument to which Parent is a party or which is binding on its assets,
  - (ii) conflict with the constitutional or organisational documents of Parent (including, without limitation, its memorandum of incorporation), or
  - (iii) conflict with or violate any Applicable Law.
- (e) No Approvals are required to be obtained by Parent in connection with the execution and delivery by Parent of this Agreement or the performance by Parent of this Agreement or the transactions contemplated hereby, except for such Approvals as have been obtained prior to the date of this Agreement.
- (f) This Agreement has been duly and validly executed and delivered by Parent and constitutes a legal, valid and binding obligation of Parent, enforceable against it in accordance with its terms.
- (g) Parent has not suffered an Insolvency Event or Enforcement Event and, to the best of its knowledge and belief, there is no circumstance which, with notice or the passage of time, or both, would give rise to the foregoing.
- (h) The description of the Project listed in Schedule A and that appears on the maps in Schedule B constitute all of the real property, mining rights, tenements, concessions and other interests, whether created privately or through the actions of any Governmental Authority having jurisdiction, that comprise the interest of the Parent in the Project. The map attached hereto in Schedule B depicts the location of the Project as of the date of this Agreement.
- (i) Parent is the registered or recorded owner of a 100% legal and beneficial right, title and interest in and to the Project, with good and marketable title thereto free and clear of all Encumbrances other than Permitted Encumbrances.

- (j) Parent has paid all material Taxes, fees, assessments, rents or other amounts required to keep the Project in good standing.
- (k) There are no outstanding, pending (or, to the knowledge of Parent, threatened) actions, suits, proceedings, investigations or claims affecting, or pertaining in any respect to, the Project that would reasonably be expected to have an Adverse Impact, except relating to Permitted Encumbrances outstanding on the date of this Agreement.
- (l) Neither Parent nor the Project is subject to any outstanding judgment, order, writ, injunction or decree that would reasonably be expected to have an Adverse Impact.
- (m) All material Approvals necessary for the operation of the Project have either been obtained and received by the Parent and continue to be in place without challenge or appeal, to the extent reasonably considered necessary or appropriate given the current stage of the Project, or are reasonably expected to be obtained in the ordinary course of business by the time they are necessary. All material Approvals necessary for the operation of the Project that have already been obtained are expected to be renewed in the ordinary course of business by the time such renewals are necessary.
- (n) None of the foregoing representations and warranties contains any untrue statement of a material fact or omits to state any material fact necessary to make any such statement of representation not misleading with respect to the transactions contemplated herein.

## **7.2 Representations and Warranties of Buyer**

Buyer, acknowledging that Parent is entering into this Agreement in reliance thereon, hereby makes the following representations and warranties as of the date hereof:

- (a) Buyer is a company duly incorporated and validly existing under the Applicable Law of the Isle of Man and is up to date in respect of all filings required by Applicable Law.
- (b) Buyer is in compliance with all Applicable Laws.
- (c) All requisite corporate acts and proceedings have been done and taken by Buyer, including obtaining all requisite Board of Directors' approval, with respect to entering into this Agreement and performing its obligations hereunder.
- (d) Buyer has the requisite corporate power, capacity and authority to enter into this Agreement and to perform its obligations hereunder.
- (e) Buyer has entered into and will perform this Agreement on its own account and not as trustee or a nominee of any other person.
- (f) This Agreement and the exercise of Buyer's rights and performance of its obligations hereunder do not and will not:
  - (i) conflict with any agreement, mortgage, bond or other instrument to which Buyer is a party or which is binding on its assets;
  - (ii) conflict with the constating or constitutive documents of Buyer; or
  - (iii) conflict with or violate any Applicable Law.

- (g) No Approvals are required to be obtained by Buyer in connection with the execution and delivery by Buyer of this Agreement or the performance by Buyer of this Agreement or the transactions contemplated hereby.
- (h) This Agreement has been duly and validly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms.
- (i) Buyer has not suffered an Insolvency Event and, to its knowledge, there is no circumstance which, with notice or the passage of time, or both, would give rise to the foregoing.
- (j) Buyer has entered into and will perform this Agreement on its own account and not as trustee or a nominee of any other person.

### **7.3 Survival of Representations and Warranties**

The representations and warranties of the Parties set forth herein pursuant to Sections 7.1 and 7.2 shall survive the execution and delivery of this Agreement.

### **7.4 Non Mitigation of Representations and Warranties**

The right to indemnification, payment, reimbursement, or other remedy based upon any representation, warrant, covenant, or obligation herein will not be affected by any investigation or due diligence conducted or any knowledge acquired, or any knowledge that could have been acquired, at any time, whether before or after the execution and delivery of this Agreement or the Effective Date, with respect to the accuracy or inaccuracy of, or default, breach, non-performance or compliance with, such representation, warranty, covenant, or obligation.

### **7.5 Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “knowledge” of Parent or Buyer, it shall be deemed to refer to the actual knowledge of any director or officer of Parent or Buyer (as applicable), and all knowledge which any such person would have if such person made due enquiry into the relevant subject matter having regard to the role and responsibilities of such person as a director or officer Parent or Buyer, as applicable.

## **Article 8**

### **DEFAULTS AND DISPUTES**

#### **8.1 Parent Events of Default**

Each of the following events or circumstances constitutes an event of default with respect to Parent (each, a “**Parent Event of Default**”), provided that such event of default is not due to Force Majeure:

- (a) Parent fails to sell and deliver uranium to Buyer on the terms and conditions set forth in this Agreement within thirty (30) days of receipt of notice from Buyer notifying Parent of such default;
- (b) Parent is in breach or default of any of its representations, warranties, covenants or obligations set forth in this Agreement in any material respect, and such breach or default

is not remedied within 30 days following delivery by Buyer to Parent of written notice of such breach or default, or such longer period of time as the Parties may agree; or

- (c) upon the occurrence of an Insolvency Event or an Enforcement Event affecting Parent.

## 8.2 Buyer Remedies

If a Parent Event of Default occurs and is continuing, Buyer shall have the right, upon written notice to Parent, at its option and in addition to and not in substitution for any other remedies available under Applicable Law, to take any or all of the following actions:

- (a) demand all amounts, and all deliveries of Overdue Uranium Pounds due from Parent to Buyer but not yet paid or delivered, including Losses pursuant to Section 10.5, and set off any such amount in accordance with Section 9.4;
- (b) terminate this Agreement by written notice to Parent and demand all Losses suffered or incurred as a result of the occurrence of such Parent Event of Default and termination;
- (c) bring an action for specific performance; and
- (d) in the event of any Transfer in breach of this Agreement, take all steps available under Applicable Law to have such Transfer declared null and void, provided that Buyer shall have no right to the remedies set out herein unless and until the occurrence and continuance of such Parent Event of Default results in a Material Adverse Event.

## 8.3 Buyer Event of Default

Each of the following events or circumstances constitutes an event of default with respect to Buyer (each, a “**Buyer Event of Default**”) provided that such event of default is not due to Force Majeure and is not caused by a Material Adverse Event:

- (a) Buyer fails to pay for Purchased Uranium on the terms and conditions set forth in Section 2.5(b) within ten (10) days of receipt of notice from Parent notifying Buyer of such default (the “**Payment Default Notice**”); or
- (b) Buyer is in breach or default of any of its representations, warranties, covenants or obligations set forth in this Agreement in any material respect and such breach or default is not remedied within 30 days following delivery by Parent to Buyer of written notice of such breach or default, or such longer period of time as Parent may determine in its sole discretion.

## 8.4 Parent Remedies

If a Buyer Event of Default occurs and is continuing, Parent shall have the right, upon written notice to Buyer, at its option and in addition to and not in substitution for any other remedies available under Applicable Law, to take any or all of the following actions:

- (a) demand all amounts due from Buyer to Parent but not yet paid, including Losses pursuant to Section 8.5, and set off any such amount in accordance with Section 9.4;
- (b) in the event of any Buyer Event of Default set out in Section 8.3(a), terminate this Agreement and demand all Losses suffered or incurred as a result of the occurrence of such Buyer Event of Default and termination;

- (c) in the event of any Buyer Event of Default set out in Section 8.3(b) and provided there is no continuing Parent Event of Default at such time, or a Buyer Change of Control or Transfer in favour of a Restricted Person in breach of this Agreement, upon written notice to Buyer, suspend its delivery obligations in respect of Purchased Uranium under Sections 2.1(a) and 2.2(a) than those delivery obligations that arose prior to the date of such Buyer Event of Default), and such other obligations contained herein as are required in connection therewith;
- (d) bring an action for specific performance; and/or
- (e) in the event of any Transfer in breach of this Agreement, take all steps available under Applicable Law to have such Transfer declared null and void;

provided that if Parent elects the remedy set out in Section 8.4(c) and Buyer cures such Buyer Event of Default in full within ninety (90) days, then Parent's suspended obligations under this Agreement shall recommence as of the date Buyer so cures such Buyer Event of Default and notifies Parent thereof in writing, and any Purchased Uranium that Parent would have been obligated to deliver but for such suspension shall then be due and deliverable with the next delivery obligations pursuant to this Agreement. Prior to the curing of such Buyer Event of Default by Buyer, Parent may sell Purchased Uranium to any third parties in its discretion at prices agreed with such third parties, provided that for greater certainty such third party sales shall in no way reduce Parent's delivery obligations to deliver any Purchased Uranium that Parent would have been obligated to deliver but for such suspension once the Buyer Event of Default is cured.

## **8.5 Indemnity**

- (a) Each Party agrees to indemnify and save harmless the other Party and its respective Affiliates and its and their respective directors, officers, employees and agents from and against any and all Losses suffered or incurred by any of the foregoing persons in connection with:
  - (i) any material inaccuracy in or material default or breach of any representation or warranty of such Party or any of its Affiliates contained in this Agreement;
  - (ii) any material breach or default by such Party or any of its Affiliates of any covenant or obligation to be performed by it pursuant to this Agreement;
  - (iii) in the case of indemnification by Parent, a Parent Event of Default;
  - (iv) in the case of indemnification by Buyer, a Buyer Event of Default;
  - (v) a failure by such Party to make a deduction, withholding, charge or levy for or on account of Taxes pursuant to this Agreement; and
  - (vi) pursuing any remedies that the other Party is entitled to hereunder.
- (b) This Section 8.5 is:
  - (i) a continuing obligation, separate and independent from the Parties' other obligations and survives the termination of this Agreement; and
  - (ii) absolute and unconditional.

- (c) It is not necessary for a Party to incur expense or make payment before enforcing a right of indemnity under this Agreement.
- (d) Upon written demand by a Party, the other Party shall promptly pay all Losses owing to the demanding Party within 10 Business Days, or provide written notice within such 10 Business Day period that the other Party disputes the amount of such Losses and shall then promptly pay the amount determined upon settlement of such dispute; *provided* that the other Party shall pay to the demanding Party any amount not in dispute, and if any such written notice is not provided within such 10 Business Day period, then the other Party will be deemed to have agreed with the Losses demanded by demanding Party.

## 8.6 Expropriation Event and Sharing of Compensation

- (a) Notwithstanding any other provision of this Agreement, upon the occurrence and during the continuance of an Expropriation Event after the Closing Date, Parent shall promptly notify Buyer of such occurrence, and all obligations of the Parties set out in Article 2 (but in the case of an Expropriation Event, only to the extent that such obligations relate to the portion of the Project to which the Expropriation Event pertains (such portion being the “**Affected Property**”)), including Parent’s obligation to deliver uranium to Buyer, shall be suspended and not accrue while such Expropriation Event exists. In the event that such Expropriation Event subsequently ceases to exist, all obligations of the Parties under this Agreement which were suspended pursuant to this Section 8.6 shall automatically resume from and as of the date that such Expropriation Event ceases to exist.
- (b) At no time and under no circumstances shall all or any portion of any payments made under this Agreement be reimbursed as a result of the occurrence of an Expropriation Event.
- (c) Without limiting the generality of this Section 8.6:
  - (i) any loss of ownership or control over the Project or any Affected Property as a result of an Expropriation Event shall not constitute a Transfer, or a Change of Control of any entity, for any purpose under this Agreement; and
  - (ii) any portion of the Project that becomes an Affected Property as a result of an Expropriation Event shall (for so long as the Expropriation Event is continuing) be deemed not to be part of the Project for any purpose under this Agreement.

## 8.7 Disputed Reports

- (a) If Buyer disputes any invoice, report or quantity of uranium previously delivered pursuant to this Agreement, Buyer shall deliver written notice (a “**Dispute Notice**”) to Parent within thirty six (36) months from the delivery of such invoice, report or quantity (failing which Buyer shall be deemed to have accepted such invoice, report or quantity and it will become final), in which event Buyer and Parent shall have 60 days from the date the Dispute Notice is delivered to resolve the dispute. If Buyer and Parent have not resolved the dispute within such period, then Buyer shall have the right to require Parent to deliver an Auditor’s Report with respect to the subject matter of the dispute. Each of the Parties agrees to deliver such

Books and Records as may be reasonably requested by the person completing the Auditor's Report.

- (b) The costs of the Auditor's Report shall be paid by Buyer, unless the Auditor's Report concludes that the Payable Uranium for the period covered by the Dispute Notice is greater than the number of pounds of uranium actually delivered in respect of such period, in which event the cost of the Auditor's Report shall be for the account of Parent.

## **8.8 Disputes**

If a Dispute arises between the Parties, the Parties shall promptly and in good faith attempt to resolve such Dispute through negotiations conducted in the following manner:

- (a) the disputing Party shall give written notice to the other Parties to the Dispute, which notice shall include a statement of the disputing Party's position and a summary of the arguments supporting its position;
- (b) within 20 days after receipt of such notice, each receiving Party shall submit a written response to the disputing Party which shall also include a statement of the receiving Party's position and a summary of the arguments supporting its position;
- (c) the Chief Executive Officer or President of each of the Parties to the Dispute shall meet at a mutually acceptable time and place, but in any event within 30 days after issuance of the disputing Party's written notice, to attempt to resolve the Dispute; and
- (d) if the Dispute has not been resolved within 10 days after such meeting, any Party may pursue all other rights and remedies available under Applicable Law.

## **Article 9**

### **ADDITIONAL PAYMENT TERMS**

## **9.1 Payments**

All payments due by one Party to another under this Agreement shall be made in United States dollars and shall be made by wire transfer in immediately available funds to the bank account or accounts designated by the other Party in writing from time to time.

## **9.2 Taxes**

- (a) Subject to Section 9.2(b), all deliveries of Purchased Uranium and all amounts paid hereunder shall be made without any deduction, withholding, charge or levy for or on account of any Taxes unless required by Applicable Law. If any such Taxes are so required to be deducted, withheld, charged or levied by the Party making such delivery or payment, then such Party shall make, in addition to such delivery or payment, such additional delivery or payment, as applicable, as is necessary to ensure that the net amount received by the other Party entitled to such delivery or payment (free and clear and net of any such Taxes, including any Taxes required to be deducted, withheld, charged or levied on any such additional amount) equals the full amount such other Party would have received had no such deduction, withholding, charge or levy been required. Any additional payment or delivery by a Party to Buyer under this Section 9.2(a) shall not reduce the amount of any

uncredited payments under this Agreement (as such amount is determined in accordance with Section 2.4).

- (b) Notwithstanding Section 9.2(a): (i) Parent shall not be required to provide any gross-up or additional amounts under this Section 9.2 to the extent such requirement arises because of: (A) an assignment by Buyer pursuant to Section 10.13(c) to an assignee, or (B) a consolidation, amalgamation, merger, reorganization, change of control or similar corporate event, in either case such that the successor to Buyer is not resident in Labuan, Malaysia and such gross-up or additional amounts would not have arisen had such successor to Buyer been resident in Labuan, Malaysia; and (ii) Buyer shall not be required to provide any gross-up or additional amounts under this Section 9.2 to the extent such requirement arises because of: (A) an assignment by Parent pursuant to this Agreement to an assignee, or (B) a consolidation, amalgamation, merger, reorganization, change of control or similar corporate event, in either case such that the successor to Parent is not resident in Nevada, United States of America and such gross-up or additional amounts would not have arisen had such successor to Parent been resident in Nevada, United States of America; provided that in each case the Parties will co-operate in good faith so as to not adversely affect the Tax payable by another Party.
- (c) Upon the written request of the Party (or its Affiliate) required by Applicable Law to make any deduction, withholding, charge or levy for or on account of any Taxes in respect of a delivery or payment referred to in Section 9.2(a), the Party entitled to receive such delivery or payment shall provide the first-mentioned Party (or its Affiliate) with any executed forms, statements or certificates necessary for such first-mentioned Party (or its Affiliate) to make such deliveries and payments free and clear of any applicable deduction, withholding, charge or levy in accordance with Applicable Law; provided that the Party entitled to receive such delivery or payment shall not be required execute such forms, statements or certificates if it would have an adverse impact on such Party or its Affiliates.

### **9.3 New Tax Laws**

In the event that any new Tax is implemented, or there shall occur any revision in, implementation of, amendment to or interpretation of any existing Tax, in each case that has an adverse effect on any of the Parties or any of their Affiliates in respect of the transactions contemplated by this Agreement, then Parent and Buyer agree that they shall negotiate in good faith with each other to amend this Agreement so that the other Parties and their Affiliates are no longer adversely affected by any such enactment, revision, implementation, amendment or interpretation, as the case may be; provided that any amendment to this Agreement shall not have any adverse impact on Parent and its Affiliates on the one hand, and Buyer and its Affiliates on the other hand.

### **9.4 Set Off**

Any dollar amount not paid when due by a Party or any Overdue Uranium Pounds may be set off by the other Party against any dollar amount or Purchased Uranium owed to such Party by the other Party. Any amount of Purchased Uranium set off and withheld against any non-payment by a Party shall be valued at the Uranium Market Price as of the date that such amount of Purchased Uranium first became payable to such Party. Any dollar amount set off and withheld against any Overdue Uranium Pounds shall result in a



reduction to the Overdue Uranium Pounds by that number of pounds equal to the dollar amount set off divided by the Uranium Market Price as of the day such dollar amount first became payable.

## **9.5 Judgment Currency**

If, for the purpose of obtaining or enforcing judgment against any Party in any court in any jurisdiction, it becomes necessary to convert into a particular currency (the “**Judgment Currency**”) an amount due in another currency (the “**Indebtedness Currency**”) under this Agreement, that conversion will be made at the rate of exchange, which shall be that at which, in accordance with its normal banking procedures, the non-defaulting Party could purchase the Indebtedness Currency with the Judgment Currency on the Business Day immediately preceding the date on which judgment is given (or if received on a day other than a Business Day, on the next succeeding Business Day), or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied (the “**Rate of Exchange**”). If, as a result of a change in the Rate of Exchange between the date of judgment and the date of actual payment, the conversion of the Judgment Currency into Indebtedness Currency results in the non-defaulting Party receiving less than the full amount of Indebtedness Currency payable to the non-defaulting Party, the defaulting Party agrees to pay the non-defaulting Party an additional amount (and in any event not a lesser amount) as may be necessary to ensure that the amount received is not less than the full amount of Indebtedness Currency payable by the defaulting Party on the date of judgment. Any additional amount due under this Section 9.5 will be due as a separate debt, gives rise to a separate cause of action, and will not be affected by judgment obtained for any other sums due under this Agreement.

## **Article 10**

### **GENERAL**

#### **10.1 Further Assurances**

Each Party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

#### **10.2 No Joint Venture**

Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, agency relationship, fiduciary relationship, or other partnership relationship between the Parties.

Neither Party shall, and each Party shall cause its Affiliates to not, contest in any manner the effectiveness, validity, binding nature or enforceability of this Agreement.

#### **10.3 Not a Debt Instrument; No Real Property Ownership**

- (a) The Parties hereby confirm and agree that this Agreement and the purchase and sale transactions contemplated hereby are, and are intended to be, transactions for the purchase and sale of uranium bullion. Nothing in this Agreement shall be construed to create, expressly or by implication, a debt instrument between the Parties under any Applicable Law. No Party shall, or shall permit any of its Affiliates to, characterize the transactions

contemplated by this Agreement as involving any debt instrument for any purpose, including in filings, communications or other representations made with or to any Governmental Authority for Tax reporting, accounting, or financial reporting, unless such Party determines such characterization is necessary or appropriate including pursuant to Applicable Laws or IFRS.

- (b) Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that Buyer holds no right, title or interest in the Project, and that this Agreement does not Transfer any right, title or interest in the Project to Buyer. Except to the extent security is granted to Buyer in connection with this Agreement, no right or obligation attributed to Buyer under this Agreement shall be considered a real property interest, or Transfer thereof, nor shall any such right or obligation run with the Project.

#### **10.4 Governing Law**

This Agreement shall be governed by and construed under the laws of the State of Nevada and the federal laws of the United States of America applicable therein (without regard to its laws relating to any conflicts of laws). The courts of the State of Nevada shall have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. The *United Nations Vienna Convention on Contracts for the International Sale of Goods* shall not apply to this Agreement.

#### **10.5 Costs and Expenses**


All costs and expenses incurred by a Party in considering whether to provide a consent contemplated under this Agreement or an amendment or waiver requested by any other Party, shall be for the account of such other Party. All costs and expenses in connection with the registration and perfection of security, if any, in accordance with this Agreement (including any stamp duty or taxes) shall be for the account of Parent. Subject to the foregoing and except as otherwise expressly set out in this Agreement or any other agreement between the Parties, all costs and expenses incurred by a Party shall be for its own account.

#### **10.6 Survival**

Without limiting any other provision of this Agreement, the following provisions hereof shall survive termination of this Agreement: Sections 2.6, 3.2(b), 3.3(b), 5.5, 8.1, 8.2, 8.3, 8.4, 8.5, 8.7, 8.8, 9.1 through 9.5 and 10.3, and such other provisions of this Agreement as are required to give effect thereto.

#### **10.7 Communications and Notices**

For the purposes of Canada's anti-spam legislation, each of the Parties hereby consents to electronic communications between any director, officer or employee of such Party and any other director, officer or employee of the other Party for the purposes of communications in respect of this Agreement or any other related matter. Any notice or other communication (in each case, a "**notice**") required or permitted to be given hereunder shall be in writing and shall be delivered by hand or transmitted by facsimile transmission addressed to:

- (a) If to Parent:  
Madison Metals Inc.  
c/o 

Attention: Duane Parnham  
e-mail: duane.parnham@gmail.com  
with a copy to:

CC Corporate Counsel Professional Corporation

Attention: Michael Bluestein  
e-mail: mbluestein@corpcounsel.ca

- (b) If to Buyer, to:  
Lux Partners Limited  
27 Hope St  
Douglas, Isle of Man

Attention: \_\_\_\_\_  
e-mail: \_\_\_\_\_

with a copy to:  
Attention: Lux Legal  
e-mail: \_\_\_\_\_

Any notice given in accordance with this Section 10.7, if transmitted by e-mail transmission, shall be deemed to have been received on the next Business Day following transmission or, if delivered by hand, shall be deemed to have been received when delivered.

Notwithstanding the foregoing, the Parties agree that a notice to be given pursuant to this Agreement may also be sent by electronic mail to the following email address:

- (a) If to Parent, to: david.vincent@canamexuranium.com  
(b) If to Buyer, to: eli@metalstream.io

and any such notice sent by electronic mail shall be deemed to have been received on the next Business Day following transmission.

Either Party may change its email or physical address for delivery of notices from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

## 1.2 Press Releases

The Parties shall jointly plan and co-ordinate, and shall cause their respective Affiliates to jointly plan and co-ordinate, any public notices, press releases, and any other publicity concerning this Agreement and the transactions contemplated by this Agreement. Neither Party or its Affiliates shall act in this regard without the prior approval of the other Party, such approval not to be unreasonably withheld, conditioned or delayed, unless such disclosure is required to meet timely disclosure obligations of any Party or its Affiliates under

Applicable Law in circumstances where prior consultation with the other Party is not practicable. To the extent reasonably practicable, a copy of such disclosure shall be provided to the other Party at such time as it is made publicly available.

### **1.3 Amendments**

This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

### **1.4 Beneficiaries**

This Agreement is for the sole benefit of the Parties and their successors and permitted assigns and, except as expressly contemplated herein, nothing herein is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature or kind whatsoever under or by reason of this Agreement.

### **1.5 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto.

### **1.6 Waivers**

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

### **1.7 Assignment**

- (a) This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties and their respective successors and permitted assigns.
- (b) Except for Transfers made in accordance with this Agreement, Parent shall not Transfer all or any part of its rights or obligations under this Agreement without the prior written consent of Buyer, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Parent may Transfer all (but not part) of its rights or obligations under this Agreement to an Affiliate without the prior written consent of Buyer if:
  - (i) Parent shall have provided Buyer with at least thirty (30) days prior written notice of the details of the proposed Transfer;
  - (ii) the transferee assumes in favour of Buyer all of Parent's obligations under this Agreement pursuant to a written agreement;

- (iii) the transferee complies with the conditions set forth in Section 3.2(a) *mutatis mutandis*, including in respect of the transferee, the assumption of obligations under Section and any Encumbrance under Section 10.13(b)(v);
  - (iv) such Transfer and any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 10.13(b), would not be reasonably expected to:
    - (A) have an Adverse Impact (where, for purposes of this Section 10.13(b)(iv)(A), the reference to “Parent” in paragraph (d) of the definition of “Adverse Impact” shall instead refer to the transferee); or
    - (B) increase any Tax payable by Buyer, or increase the potential for any Tax to become payable by Buyer, unless the amount of any such additional Tax actually or potentially payable by Buyer is not material and would be reduced to nil after giving effect to the provisions of Section 9.2; and
  - (v) no Trigger Event has occurred that is continuing or will occur in connection with such Transfer or any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 10.13(b).
- (c) Buyer shall not Transfer all or any part of its rights or obligations under this Agreement without the prior written consent of Parent, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Buyer may Transfer all or any part of this Agreement to:
- (i) an Affiliate without the prior written consent of Parent; or
  - (ii) if a Parent Event of Default has occurred and is continuing, to any person, without the prior written consent of Parent, if:
    - (A) No payments required to be paid to Parent that have come due are outstanding under this Agreement;
    - (B) Buyer shall have provided Parent with at least thirty (30) days prior written notice of the proposed Transfer;
    - (C) such Transfer and any other actions and steps undertaken in connection with, or in relation to, such Transfer, including those required by this Section 10.13(c)(ii), would not be reasonably expected to:
      - (I) limit, restrict or impair the ability of the transferee to perform its obligations under this Agreement; or
      - (II) increase any Tax payable by Parent, or increase the potential for any Tax to become payable by Parent, unless the amount of any such additional Tax actually or potentially payable by Parent is not material and would be reduced to nil after giving effect to the provisions of Section 9.2;
    - (D) the transferee assumes in favour of Parent all of Buyer’s obligations under this Agreement; and

- (E) the transferee (x) taken collectively with its Affiliates, is not primarily in the business of the exploration, development and exploitation of mineral properties; and (y) is not a Restricted Person.
- (d) For greater certainty, any Transfer pursuant to Sections 10.13(b) or 10.13(c) shall not release the transferor of its obligations under this Agreement unless expressly agreed otherwise in this Agreement or in any other written agreement.

### **1.8 Invalidity and Unenforceability**

If a provision of this Agreement is determined by a court of competent jurisdiction to be wholly or partially invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

It is hereby declared to be the intention of the Parties that this Agreement would have been executed without reference to any portion which may, for any reason, hereafter be declared or held invalid.

### **1.9 Counterparts**

This Agreement may be executed in one or more counterparts, and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission or by sending a scanned copy by electronic email shall be effective as delivery of a manually executed counterpart of this Agreement.

*[Remainder of this page intentionally left blank]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first written above.

**LUX PARTNERS LIMITED**

Per: /s/  
Name: Zach Kelling  
Title: CEO

**MADISON METALS INC.**

Per: /s/  
Name: Duane Parnham  
Title: Director

[Execution Page to Uranium Purchase Agreement]

## **Schedule A – Project Description**

The Madison North and Madison South Uranium projects are located in Namibia in the Erongo Uranium Province. Namibia is a mining friendly jurisdiction with a long history of uranium mining and exploration. The country has two active uranium mines and was the world's second largest producer of uranium in 2021. The Erongo region itself has excellent infrastructure including a seaport, an international airport, road, rail, water and power.

### **Madison North Uranium Project**

The Madison North Uranium Project is made up of Exclusive Prospecting Licences (EPLs) 8531 and 7011. The project is located approximately 50 km northeast of the city of Swakopmund and covers a total area of 322 km<sup>2</sup>. The Madison North Uranium Project borders the world's longest-running uranium mine, the Rössing Uranium Mine, to the southeast.

Previous operators identified five prospective uranium targets in EPL-8531. Two of the targets were followed up with drilling. The drilling campaign totalled 3,720 metres of reverse circulation (RC) drilling from 50 drill holes. Based on this drilling, SRK Consulting (UK) Limited ("SRK") prepared an initial mineral resource estimate for the intersected uranium mineralization, in accordance with the disclosure standards of JORC. The estimate, dated November 2015, was entitled "MINERAL RESOURCE ESTIMATE, EPLS3524 AND 3624, NAMIBIA". SRK derived an inferred mineral resource estimate of 15.6 Mt grading at 260 ppm U<sub>3</sub>O<sub>8</sub> for a contained metal total of 9.0 million pounds (Mlbs) U<sub>3</sub>O<sub>8</sub>. Madison's attributable ownership of the resource will amount to 7.65 Mlbs U<sub>3</sub>O<sub>8</sub>. Madison considers this to be a "historical estimate" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and would need to review and verify the previous drill-hole data and conduct an exploration program to verify the historical estimate as a current mineral resource.

EPL-7011 is relatively underexplored and is comprised of a favourable stratigraphic setting for Rössing-type deposits in the Central Namib. This includes sheeted alaskites intruding into the Khan Formation as well as synforms, antiforms and isoclinal folding. Exploration activities to date have focused on field validation of the uranium anomalies via a systematic ground radiometric and geological survey. The ground surveys delineated two main anomalies within alaskites in the southeast portion of the EPL; the southwesternmost anomaly with a strike extent of 650 m; and the northeasternmost anomaly with a strike extent of 3.4 km.

### **Madison South Uranium Project**

The Madison South Uranium Project is made up of Exclusive Prospecting Licence 8115 and Mining Licence 121 (EPL-8115 and ML-121). The project is located approximately 40 km east of the city of Swakopmund and covers a total area of 96 km<sup>2</sup>. The Madison South Uranium Project lies approximately 9 km southwest of the Rössing Uranium Mine and 7 km west of the Husab Mine.

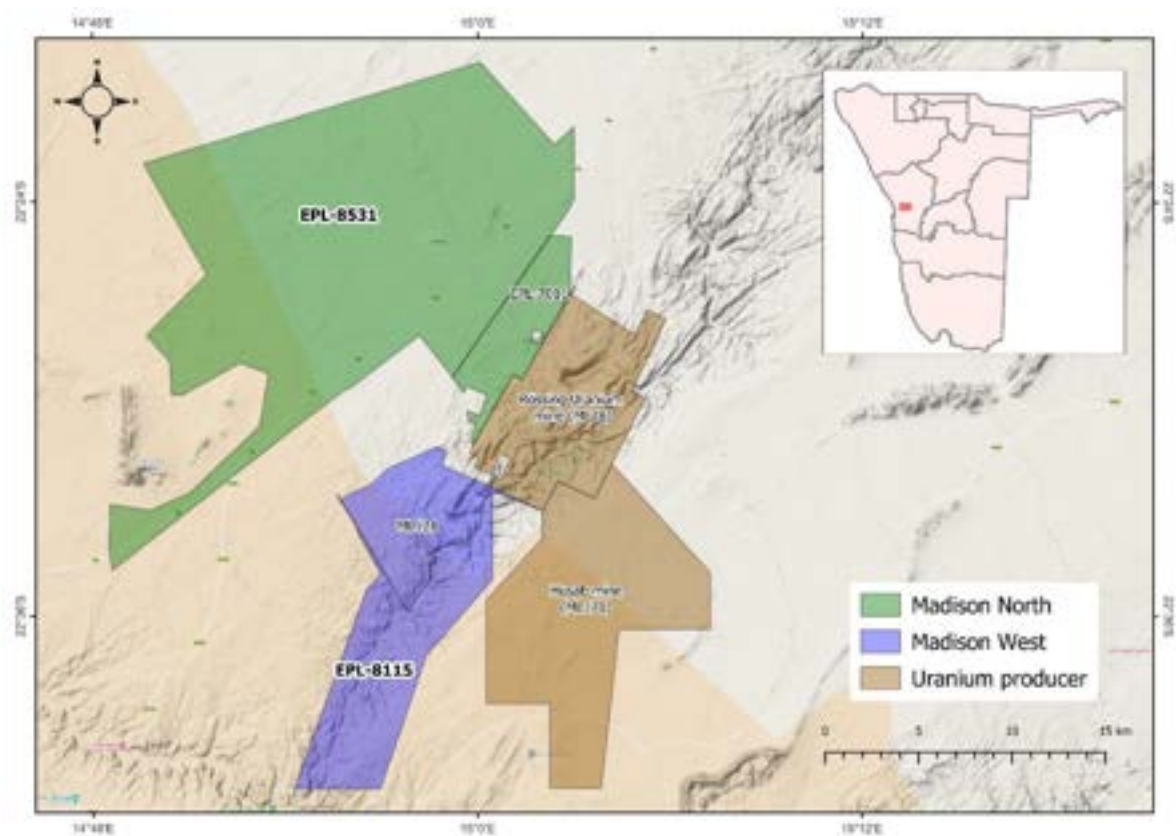
The ML-121 mining licence covers base and rare metals, dimension stone, industrial minerals, nuclear fuel minerals and precious metals. The area has significant potential for leucogranite-hosted uranium mineralization, given that its geological and structural setting bears a strong resemblance to the Rössing deposit, with uranium-bearing granites concentrated at the Khan-Rössing boundary within the north-



northeasterly trending deformation corridor of the Welwitschia magnetic lineament. Historical exploration work focused on the 2.3 km long radiometric anomaly in the northwest portions of ML-121. Anomaly was followed up with 6 diamond drill holes and 59 reverse circulation drill holes. Madison will undertake an independent review and verification of the data to define an NI 43-101 compliant resource.

EPL-8115 is largely underexplored and Madison plans to capitalize on the potential of this area. Geologically, the project area is comprised of units of the Abbabis Metamorphic Complex, intruded by leucogranites. Airborne radiometric data acquired from Namibia's Ministry of Mines and Energy shows anomalous radiometric signatures on the northern portions of the licence area. Madison considers EPL-8115 to be highly prospective for leucogranite-hosted uranium mineralization.

## Schedule B – Map of Project



*Location of Madison North Uranium Project (EPL-7011 and EPL-8531), Madison West Uranium Project (EPL-8115 and ML121), and uranium-producing mines in Namibia's Erongo Uranium Province.*