

SOCIO-ECONOMIC AGREEMENT

BETWEEN: **MARATHON GOLD CORPORATION**, a corporation incorporated pursuant to the laws of Canada, which has an office at 36 Lombard Street, Suite 600,, Toronto, ON and is represented by Matt Manson, President and Chief Executive Officer who is duly authorized to execute this Socio-Economic Agreement ("**SEA**"), hereinafter "**Marathon**";

AND: **Qalipu Mi'kmaq First Nation Band**, an Indian Band established under the *Indian Act*, R.S.C., 1985, c. I-5, as amended, acting and represented by Chief Brendan Mitchell, who is duly authorized to execute this Agreement, hereinafter "**Qalipu**";

(Each of Marathon and Qalipu being a "Party" and collectively, "the Parties")

PREAMBLE

WHEREAS Marathon is a gold development company advancing its Valentine Gold Project (hereinafter referred to as the "Project") through to production in the Central Region of Newfoundland and Labrador as depicted in Schedule A;

WHEREAS Marathon and Qalipu are committed to the development of a cooperative, constructive, and mutually beneficial relationship over the life of the Project;

WHEREAS Marathon and Qalipu intend to work together to encourage meaningful participation by Qalipu and its members in the Project;

NOW, THEREFORE in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Agreement, when capitalized, the terms defined below have the meaning ascribed to them unless the context suggests otherwise:
 - a. “Agreement” means this SEA;
 - b. “Designated Representative” means the individual appointed by a Party for purposes of section 12.1;
 - c. “Effective Date” means the date on which this Agreement comes into effect under section 9.1;
 - d. “Project” means the Valentine Project;
- 1.2 The several Articles of this Agreement, including the Schedule(s) and Preamble, which form part of this Agreement, shall be read together, and interpreted as one Agreement.
- 1.3 The Recitals and Purpose of this Agreement are intended to assist in the construction and interpretation of this Agreement.
- 1.4 The division of this Agreement into sections and the insertion of captions and headings is intended solely for the convenience of the reader, and shall not affect the scope, intent, or interpretation of this Agreement.
- 1.5 Words importing the singular number shall include the plural and the singular and all references to gender shall include the male and female as the context shall require or imply.

- 1.6 Each Party acknowledges that it has had the opportunity to obtain independent legal advice with respect to entering into this Agreement and has either obtained such advice or waived its right to do so and signs this Agreement freely and voluntarily.
- 1.7 The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favouring either Party by virtue of the authorship of any provisions of this Agreement.

2. PURPOSE

- 2.1 The purposes of this Agreement are to:
- a. establish and maintain a long-term working relationship between the Parties based on mutual trust and respect,
 - b. support the environmentally and socially sustainable development of the Project;
 - c. provide a framework for the Parties to communicate and cooperate in the performance of their respective obligations under this Agreement;
 - d. enhance access to the Project's employment and economic opportunities for Qalipu members and businesses;
 - e. provide for the cooperation and involvement of Qalipu in assisting Marathon in:
 - i. fulfilling commitments made during the environmental assessment of the Project;
 - ii. developing and implementing monitoring programs;
 - iii. , the identification of, and potential options for, measures to mitigate any environmental effects caused by the Project; and

- iv. providing a forum for the Parties to discuss and respond to issues and concerns over the life of the Project.

3. ENGAGEMENT

- 3.1. The Parties agree to establish an Engagement Committee within 1 month of the Effective Date of the SEA.
- 3.2. The Engagement Committee shall consist of 4 members as follows:
 - a) Two representatives appointed by Qalipu; and
 - b) Two representatives appointed by Marathon.

Each Party agrees that that one of its representatives shall have experience in engagement or communications with respect to that party's activities.

- 3.3. The Engagement Committee may make recommendations to the Parties on any matter related to joint engagement and communications, including any of the matters listed in section 6.
- 3.4. The Engagement Committee shall strive to operate by means of consensus. For purposes of this section, 'consensus', including a consensus recommendation, means the unanimous agreement of all members of the committee and not simply the agreement of all members present at a meeting. If consensus cannot be achieved:
 - a) a decision or recommendation may be made by majority vote and any dissenting vote shall be recorded; and
 - b) in the event of a tie vote, the matter may be referred to Dispute Resolution under Article 12.

- 3.5. The Engagement Committee may establish terms of reference for its operations, including the frequency, location and methods of meeting, subject to the following: during the first year following its establishment, the committee shall meet on a quarterly basis and may meet more often if necessary.
- 3.6. The mandate of the Engagement Committee shall include the following:
- a. the determination of joint priorities in relation to the SEA or the Project;
 - b. the identification of opportunities for collaborative engagement between the Parties to promote the implementation of the SEA;
 - c. the preparation and/or review of joint communiqués if and as required by the Parties as provided for in the Communication Framework (Appendix B);
 - d. the exchange of information respecting engagement meetings conducted by either Qalipu with its membership or external stakeholders or by Marathon with its stakeholders, including the dates, times, locations, and objectives of such engagement activities to promote efficiency and coordination;
 - e. co-operate in the dissemination of SEA or Project-related information on any websites or other similar locations maintained by either of the Parties;
 - f. prepare, review, and update the annual engagement plan, as necessary; and
 - g. any other matter associated with this SEA as agreed to by the Parties.
- 3.7. One month prior to the end of a calendar year, the Engagement Committee shall prepare an annual engagement plan for the next calendar year setting out proposed engagement activities over the calendar year which will support and enhance the relationship between Qalipu and Marathon consistent with the terms of the SEA. The annual plan shall be submitted for approval to the Chief and Council of Qalipu and the CEO of Marathon.

- 3.8. Within 2 months of the end of a calendar year, the Engagement Committee shall prepare an annual report detailing activities over that calendar year which shall be submitted to Chief and Council of Qalipu and the CEO of Marathon. The annual report of the Engagement Committee may be made public by either Party, including on its website or on any social media site maintained by the Party.
- 3.9. Each Party shall be responsible for its costs of participation on the Engagement Committee. Responsibility for costs incurred during any engagement activity will be determined on a case-by-case basis.

4. ENVIRONMENTAL STEWARDSHIP

- 4.1. The Parties agree that the protection of the environment throughout the life of the Project is essential and fundamental and that it is necessary to establish measures and mechanisms to support:
 - a. the timely exchange of information between the Parties;
 - b. the identification of potential environmental issues of significance to either Party;
 - c. collaboration between the Parties on aspects of environmental research and monitoring; and
 - d. the incorporation of aspects of business, employment and education and training opportunities relating to the environmental aspects of the Project.

Environmental Stewardship Committee

- 4.2. The Parties agree to establish an Environmental Stewardship Committee (the "ESC") within one month of the Effective Date of the SEA.
- 4.3. The ESC shall consist of six members as follows:

- a. Three representatives appointed by Qalipu; and
 - b. Three representatives appointed by Marathon.
- 4.4. Each Party agrees that two of its representatives on the ESC shall have environmental experience and Marathon further agrees that two of its representatives shall be directly responsible for the environmental management and performance of the Project. The Parties further agree that either Party may replace or add a member to the ESC on a temporary or permanent basis to support the discussion and handling of specific issues where particular expertise is required, provided all members of the ESC agree with the replacement or addition.
- 4.5. The ESC may make recommendations to the Parties on any matter related to environmental stewardship, including any of the matters listed in Section 4.7.
- 4.6. The frequency of meetings shall be established by agreement of the ESC, subject to the following: in the first year following its establishment, the ESC shall meet on a quarterly basis and may meet more often if necessary. Meetings of the ESC may be in person, by conference call or by any other means as agreed to by the ESC.
- 4.7. The mandate of the ESC shall include the following:
- a. the determination of joint environmental stewardship priorities in relation to the Project and the SEA;
 - b. the review of environmental reports and reporting protocols of joint interest;
 - c. the discussion of environmental information provided by Marathon and any concerns on the part of Qalipu related to environmental performance and reporting;
 - d. the identification of business, education and training opportunities relating to the environmental aspects of the Project in accordance with Section 5.
 - e. the review of environmental assessment, monitoring, rehabilitation and enhancement in accordance with Section 4.9;

- f. the determination of the mandate and objectives of the ESC and the recommendation of changes to the Parties; and
- g. any other matter as agreed to by the Parties.

Environmental Reporting

- 4.8. Marathon will prepare and publish an annual Sustainability Report that will contain detailed information regarding the environmental performance of the Valentine Gold Project, including:
 - a. monitoring programs for water, air quality, wildlife and fish, and other components;
 - b. any planned changes that the project may implement that may negatively or positively affect the environment; and
 - c. socio-economic aspects related to the Project.

The first Sustainability Report will be issued for 2020 calendar year.
- 4.9. In the first quarter of 2021, Marathon will develop a protocol for environmental reporting on a quarterly basis that will include information that is of specific concern to Indigenous groups, communities, and stakeholders. Marathon will consult with the Qalipu through the ESC to determine what types of information related to environmental monitoring, incidents, activities, or changes to the Project should be addressed in the protocol. While reporting to regulators will comply with regulatory reporting requirement, the ESC may vary reporting thresholds for certain components for purposes of environmental reporting to the Parties.
- 4.10. The Parties may discuss the implementation of other reporting components or formats over the life of this Agreement.

Research and Knowledge Exchange

- 4.11. Where from time to time the Parties or the ESC identify a need or opportunity for research or knowledge exchange, the ESC will recommend options to proceed to complete an agreed scope or task. Where the proposed scope or task may have an effect on an adjacent community, the ESC, Marathon or Qalipu, as appropriate, shall engage with that community prior to finalizing the scope or undertaking the task.

Environmental Assessment, Monitoring, Rehabilitation, and Enhancement

- 4.12. The Parties agree that there are aspects of Environmental Assessment (EA), environmental monitoring, mine rehabilitation, and environmental enhancement work (e.g. fish habitat restoration) related to the Project in which the involvement of the Qalipu (or a representing entity such as MAMKA West) either by direct appointment, or as a bidding contractor/consultant, may be beneficial to both parties.
- 4.13. The Parties acknowledge that as of the Effective Date of the SEA, Marathon has submitted the EIS and that some environmental or permitting-related studies may be required prior to the commencement of construction and operations monitoring and Marathon will advise Qalipu of any opportunities associated with the execution of this work.
- 4.14. The Parties acknowledge that Marathon will be required to complete construction and operations related monitoring and Marathon agrees to discuss such monitoring programs with Qalipu with respect to its participation in their execution. The details of Qalipu's potential participation in those programs will be referred to the ESC which may establish the terms and conditions of their participation. Monitoring activities that may be considered under this approach may include but are not necessarily limited to caribou, fish and fish habitat, fish habitat offsets (or compensation projects), progressive

rehabilitation (revegetation programs), country foods, and environmental enhancement programs.

4.15. Where Marathon is required to undertake monitoring programs in addition to those referred to in Section 4.14, Marathon agrees to provide notice to Qalipu to enable Qalipu to submit competitive bids for the undertaking of such work. Monitoring programs referred to in this section may include one or more of the following:

- a. air quality, including noise and light;
- b. other wildlife (moose, waterfowl, marten and others)
- c. groundwater and surface water;
- d. avifauna; and
- e. EEM programs under the Metal and Diamond Effluent Discharge Regulations (SOR/2002-222);

Environmental-Related Business Opportunities, Education, and Training

4.16. Except as noted in Sections 4.12 through 4.15, business opportunities, education, and training are formally addressed in Section 5 of this agreement.

5. ECONOMIC OPPORTUNITIES

Education and Training

- 5.1. Marathon will provide Qalipu with information regarding anticipated/projected Project-related employment prior to the start of construction or operations, as appropriate. To the extent possible, the list will include job descriptions, NOC codes, and a high-level indication of required skills, certifications, etc. This list will be updated as appropriate through life of Project.
- 5.2. Within 30 days of the signing of this Agreement, Marathon and Qalipu will commence discussions with a view to identifying training needs/opportunities related to the Project. Marathon will use reasonable efforts to work with Qalipu and educational institutions to develop training programs to assist Qalipu membership in accessing Project employment opportunities.
- 5.3. Marathon will work with Qalipu to identify funding sources and support Qalipu applications for government-administered training funds.
- 5.4. Marathon will work with Qalipu to identify opportunities to encourage and mentor youth in mining-related careers, and support university graduates in terms of work terms, and post-graduate employment and mentoring.
- 5.5. Marathon will develop programs for training for trades and professionals who require apprenticeships and on-the-job training.

Employment Opportunities and Workplace Conditions

- 5.6. Marathon will develop a Gender Equity & Diversity Plan to promote employment of underrepresented groups, including Qalipu membership. Provisions of the Gender Equity & Diversity Plan respecting Indigenous persons, including any provisions relating to workplace conditions will be developed in consultation with Qalipu.
- 5.7. Provisions of the Gender Equity & Diversity Plan will be incorporated in Marathon's Human Resources Strategy and policies.
- 5.8. Marathon will report annually on progress in implementing employment provisions of the Gender Equity & Diversity Plan.
- 5.9. The Parties will meet annually to discuss progress in implementation of Gender Equity & Diversity Plan.
- 5.10. Qalipu will share its labour force inventory with Marathon.
- 5.11. Marathon will provide direct notice of employment opportunities to Qalipu.
- 5.12. All employment ads will contain language referencing diversity and inclusion.
- 5.13. Marathon will use all reasonable efforts to ensure that employment provisions of Gender Equity & Diversity Plan are binding on contractors.

- 5.14. Marathon will implement policies addressing workplace harassment and discrimination and will require that its on-site employees participate in training in cultural sensitivity and diversity in the workforce.
- 5.15. Marathon will take into consideration Qalipu's perspectives when developing workplace policies on diversity and inclusion.

Procurement and Contracting

- 5.16. Marathon will provide Qalipu with information regarding Marathon's general procurement strategy, and specific information with respect to procurement opportunities for both construction and operations phases, as the information becomes available.
- 5.17. Marathon will provide Qalipu directly with information regarding pre-qualification and health and safety requirements for procurement opportunities, and other information that must be met by Qalipu and/or member businesses who may wish to pursue supply and services contracts, as the information becomes available.
- 5.18. Marathon will provide Qalipu directly with Tender opportunities (including any Requests for Proposals, Expressions of Interest requests, or similar matters).
- 5.19. Qalipu will provide Marathon with a list of Qalipu Businesses and member businesses who may wish to pursue supply and services contracts, and Marathon will include these businesses in Marathon's procurement database. Marathon will provide these businesses full and fair opportunity to participate in the Project's procurement processes.
- 5.20. Marathon will make reasonable efforts to work with Qalipu to provide information regarding procurement opportunities for the Project to Qalipu Businesses and member businesses through information sessions, or other forums.

- 5.21. Marathon's procurement strategy will include consideration of Indigenous involvement in a business, including Indigenous involvement through ownership or other interest and labour participation.
- 5.22. Where a bid submitted by a Qalipu Business has not resulted in the award of contract, Marathon will provide the unsuccessful bidder with appropriate feedback, subject to confidentiality and any other legal requirements.

6. CONFIDENTIALITY

- 6.1. The Parties acknowledge that a result of negotiating, entering, and performing this Agreement, each party has and will have access to certain of the other party's Confidential Information. Each Party agrees that it will keep confidential, and will require its respective members, directors, officers, employees, elected officials, consultants, agents, advisors, affiliated entities and representatives to keep confidential, the substance of negotiations and the terms and conditions of this Agreement (hereinafter "Confidential Information") provided that, for greater certainty, this obligation of confidentiality does not extend to the fact of negotiations or the existence of or the entry into this Agreement. Each Party further agrees that it will not use or disclose to others, or permit the use or disclosure of, any such Confidential Information without the written consent of the other Party. The obligation of confidentiality does not extend to:
- a. the disclosure or use of Confidential Information by the employees, directors, officers, elected officials, and legal, financial or other professional advisors of either Party, provided that such persons agree not to disclose Confidential Information to any other person;
 - b. the disclosure or use by Qalipu leadership or Qalipu employees to inform Qalipu members of the contents of this Agreement;
 - c. the disclosure of Confidential Information if required by law provided the other party has been given prior notice and the disclosing party has sought all available safeguards against widespread dissemination prior to such disclosure; or

- d. the disclosure of Confidential Information in connection with legal proceedings that arise in relation to this Agreement.

7. REPRESENTATIONS AND WARRANTIES

7.1. Marathon represents and warrants that it is a corporation duly organized, validly existing, and in good standing under the laws of Canada, has corporate power to carry on its business as it is now being conducted, and has the full legal right, power, authority and capacity:

- a. to execute and deliver this Agreement and has taken all necessary actions to do so; and
- b. to perform its obligations, covenants, and undertakings hereunder.

7.2. Qalipu represents and warrants to Marathon that it has the full legal right, power, authority, and capacity to

- a. to execute and deliver this Agreement and has taken all necessary actions to do so; and
- b. to perform its obligations, covenants, and undertakings hereunder.

8. ASSIGNMENT

- 8.1. Subject to section 8.2, Marathon may assign this Agreement or any right, obligation or interest in it to any person or entity without the prior written consent, authorization or approval of Qalipu.
- 8.2. If Marathon proposes to assign this Agreement or any right, obligation or interest in it to another person or entity, it shall provide notice to Qalipu and obtain from that other person or entity a binding undertaking in favour of Qalipu under which the proposed assignee undertakes to comply with the provisions of this Agreement being assigned as if it was an original signatory to it.

9. TERM OF AGREEMENT

- 9.1. This Agreement shall come into force on the last date on which it is executed by both Parties (the Effective Date) and shall terminate on the earlier of the following events:
 - a. the date on which one Party provides written notice to the other Party of its intention to terminate this Agreement pursuant to Section 9.2; and
 - b. the date of formal notice being given by Marathon to Qalipu confirming abandonment or cancellation of the Project.
- 9.2. Either Marathon or Qalipu may terminate this Agreement at any time in their sole, absolute, and unfettered discretion by providing 30 days written notice to the other Party.
- 9.3. The termination of the Agreement under section 9.1 shall terminate all rights and obligations of the Parties under this Agreement, except for:
 - a. any rights or obligations that accrued prior to termination; and
 - b. any rights or obligations referred to in Section 10.

10. SURVIVAL

10.1. Notwithstanding any other provision of this Agreement, all provisions of Sections 6, 7, 11 shall survive termination of this Agreement and shall remain in full force and effect indefinitely.

11. NON-DEROGATION OF RIGHTS

11.1. Nothing in this Agreement shall be construed or interpreted as affecting, restricting, prejudicing or waiving in any way, shape or form Marathon's rights and interests in respect of the Project, including any permits, approvals and authorizations issued to or held by Marathon for the Project before the execution of this Agreement or that Marathon may obtain or acquire during the Term of this Agreement.

11.2. Nothing in this Agreement shall be construed or interpreted as affecting, restricting, prejudicing or waiving in any way, shape or form any Aboriginal or treaty rights which have been or may be established or recognized or which are, or may be, claimed Qalipu in any forum or proceeding at any time.

11.3. Nothing in this Agreement shall be construed or interpreted as affecting, restricting, prejudicing, or waiving in any way the right or ability of Qalipu or any of its members to provide comments and express concerns about the Project.

12. DISPUTE RESOLUTION

- 12.1. The Parties shall endeavour to resolve any dispute that arises between them in connection with this Agreement amicably by negotiation between their designated representatives.
- 12.2. If the designated representatives of the Parties are unable to resolve the dispute after 28 calendar days:
- a. the dispute shall be submitted in writing to the Chief Executive Officer of Marathon, and to the Chief of Qalipu to resolve the dispute to the satisfaction of all Parties and the Chief Executive Officer and Chief shall make all reasonable efforts to resolve the dispute to the satisfaction of the Parties;
 - b. if within 60 days of the submission of the dispute under paragraph a), the dispute has not been resolved to the satisfaction of the Parties, it shall be referred by the Parties to mediation; and
 - c. if the dispute cannot be resolved by mediation under paragraph b), either Party may refer the matter to arbitration under the Newfoundland and Labrador *Arbitration Act*.
- 12.3. Each Party shall be responsible for its own costs of participating in mediation and the common costs shall be shared equally by the Parties.
- 12.4. Unless the Parties otherwise agree, the referral of a matter to dispute resolution under section 12.2 does not suspend, defer or delay the rights and obligations of the Parties under the other provisions of this Agreement.

13. REVIEW AND IMPLEMENTATION

- 13.1. Each year, at a time and place of their choosing, the Chief and Council of Qalipu and the CEO of Marathon shall meet to review the operation of this Agreement and discuss any issues associated with its implementation.

14. NOTICES

- 14.1. A notice related to this Agreement shall be made in writing and delivered personally or sent by mail, facsimile or e-mail to the following:

If to Marathon: TBD

If to Qalipu: Band Manager

15. GENERAL PROVISIONS

- 15.1. This Agreement is a contract and is binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, and assigns.
- 15.2. Neither Party shall challenge in any forum or proceeding the validity or enforceability of this Agreement or any of the provisions thereof, nor shall either of them advise, induce or encourage or otherwise support in any manner, any other person or entity seeking to challenge such validity or enforceability in any forum or proceeding.
- 15.3. This Agreement shall be governed by, construed, interpreted, and enforced in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada as applicable.

- 15.4. Any amendment to this Agreement shall be in writing and signed by the Parties.
- 15.5. Nothing in this Agreement creates or is intended to create an agency, association, employer-employee, partnership, or joint venture relationship between Marathon and Qalipu.
- 15.6. The invalidity or unenforceability of any provision of this Agreement or any undertaking contained in it shall not affect the validity or enforceability of any other provision of this Agreement or undertaking contained in it, and this Agreement shall be construed as if such invalid or unenforceable provision or undertaking were omitted.
- 15.7. In order to be effective any waiver of right, remedy or warranty provided under this Agreement must be in writing and signed by the Party purporting to exercise the waiver. No waiver made with respect to any a right, remedy, or warranty shall be deemed to be a waiver with respect to the right, remedy, or warranty.
- 15.8. This Agreement may be executed in counterpart by facsimile or by electronic transmission each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.