



CANADIAN  
COPPER

Commodities that *electrify our world.*

# Indemnification Agreement



## INDEMNIFICATION AGREEMENT

**THIS INDEMNIFICATION AGREEMENT** (the "Agreement") is made effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between Canadian Copper Inc. (the "Company"), a corporation incorporated under the laws of the Province of British Columbia, and \_\_\_\_\_ (the "Indemnified Party").

### RECITALS:

A. The board of directors of the Company (the "Board") has determined that the Company should act to assure the Indemnified Party of reasonable protection through indemnification against certain risks arising out of service to, and activities on behalf of, the Company and/or its subsidiaries to the extent permitted by law and the Company's by-laws. References to the Company herein shall be deemed to include the Company's subsidiaries.

**NOW THEREFORE** the parties agree as follows:

1. **Indemnification.** The Company will indemnify and save harmless the Indemnified Party and the heirs and legal representatives of the Indemnified Party to the fullest extent permitted by applicable law and the Company's by-laws:

1.1 from and against all Expenses (as defined below) reasonably sustained or incurred by the Indemnified Party in respect of any civil, criminal, administrative, investigative, regulatory or other Proceeding (as defined below), whether or not brought by the Company, to which the Indemnified Party is made a party by reason of being or having been a director or officer of the Company; and

1.2 from and against all Expenses reasonably sustained or incurred by the Indemnified Party as a result of serving as a director or officer of the Company in respect of any act, matter, deed or thing whatsoever made, done, committed, permitted or acquiesced in by the Indemnified Party as a director or officer of the Company, whether before or after the effective date of this Agreement and whether or not related to a Proceeding brought by the Company,

provided that the indemnity contemplated in this Section 1 shall not apply to any Expense attributable to the Indemnified Party's not having acted honestly and in good faith with a view to the best interests of the Company or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Party's not having had reasonable grounds for believing that his or her conduct was lawful.

Subject to applicable law, this indemnity will apply without reduction regardless of whether the Indemnified Party committed any fault or omitted to do anything that the Indemnified Party ought to have done. To the extent prior court or other approval is required in connection with any indemnification obligation of the Company hereunder, the Company will seek and use all reasonable efforts to obtain that approval as soon as reasonably possible in the circumstances.

**"Expenses"** means all costs, charges, damages, awards, settlements, liabilities, fines, penalties, statutory obligations, professional fees and other expenses of whatever nature or kind, provided that any costs, expenses and professional fees reasonably incurred by the Indemnified Party.



**“Proceeding”** will include a claim, demand, suit, proceeding, inquiry, hearing, discovery or investigation, of whatever nature or kind, whether anticipated, threatened, pending, commenced, continuing or completed, and any appeal or appeals therefrom.

The indemnities in this Agreement also apply to an Indemnified Party in respect of his or her service at the Company’s request as: (a) an officer or director of another corporation; or (b) a similar role with another entity, including a partnership, trust, joint venture or other unincorporated entity. [This Agreement shall not be deemed an employment agreement between the Company and the Indemnified Party.](#)

The foregoing indemnities will not apply to any Proceeding initiated by the Indemnified Party against: (a) the Company unless it is brought to establish or enforce any right under this Agreement; or (b) any other person or entity unless the Company or other party described in the previous paragraph has joined with the Indemnified Party in or consented to the initiation of that Proceeding.

## 2. **Presumptions/Knowledge**

2.1 For purposes of any determination hereunder, the Indemnified Party will be deemed, subject to compelling evidence to the contrary, to have acted in good faith and/or in the best interests of the Company. The Company will have the burden of establishing the absence of good faith.

2.2 The knowledge and/or actions, or failure to act, of any other director, officer, agent or employee of the Company or any other entity will not be imputed to the Indemnified Party for purposes of determining the right to indemnification under this Agreement.

2.3 The Company will have the burden of establishing that any Expense it wishes to challenge is not reasonable.

3. **Notice by Indemnified Party.** As soon as is practicable, upon the Indemnified Party becoming aware of any Proceeding which may give rise to indemnification under this Agreement other than a Proceeding commenced by the Company, the Indemnified Party will give written notice to the Company. Failure to give notice in a timely fashion will not disentitle the Indemnified Party to indemnification.

4. **Investigation by the Company.** The Company may conduct any investigation it considers appropriate of any Proceeding of which it receives notice under Section 3, and will pay all costs of that investigation. Upon receipt of reasonable notice from the Company, the Indemnified Party will, acting reasonably, co-operate fully with the investigation provided that the Indemnified Party will not be required to provide assistance that would materially prejudice: (a) his or her defence; (b) his or her ability to fulfill his or her business obligations; or (c) his or her business and/or personal affairs. The Indemnified Party will, for the period of time that s/he cooperates with the Company with respect to an investigation, be compensated by the Company at the rate of \$1,500 per day (or partial day) plus reasonable out-of-pocket Expenses actually incurred provided that the Indemnified Party will not be entitled to the per diem if he/she is employed as an officer of the Company when co-operation is sought.

5. **Payment for Expenses of a Witness.** Notwithstanding any other provision of this Agreement, to the extent that the Indemnified Party is, by reason of the fact that the Indemnified Party is or was a director or officer of the Company or of another entity at the Company’s request, a witness or participant other than

as a named party in a Proceeding, the Company will pay to the Indemnified Party all out-of-pocket Expenses actually and reasonably incurred by the Indemnified Party or on the Indemnified Party's behalf in connection therewith. The Indemnified Party will also be compensated by the Company at the rate of \$1,500 per day (or partial day) provided that the Indemnified Party will not be entitled to the per diem if he/she is a full-time employee of the Company when co-operation is sought.

6. **Expense Advances.** The Company will, to the extent permitted by law and the Company's by-laws, upon request by the Indemnified Party, make advances ("Expense Advances") to the Indemnified Party of all amounts for which the Indemnified Party seeks indemnification under this Agreement before the final disposition of the relevant Proceeding. Expense Advances may include anticipated Expenses, but shall not include judgments, penalties, fines or amounts paid in settlement of a proceeding. In connection with such requests, the Indemnified Party will provide the Company with a written affirmation of the Indemnified Party's good faith belief that the Indemnified Party is legally entitled to indemnification, along with sufficient particulars of the Expenses to be covered by the proposed Expense Advance to enable the Company to make an assessment of its reasonableness. The Indemnified Party's entitlement to such Expense Advance will include those Expenses incurred in connection with any Proceeding by the Indemnified Party against the Company seeking an adjudication or award pursuant to this Agreement. The Company will make payment to the Indemnified Party within ten (10) calendar days after the Company has received the foregoing information from the Indemnified Party. All Expenses for which indemnification is sought must be reasonable and Expense Advances must relate to Expenses anticipated within a reasonable time of the request.

The Indemnified Party will repay to the Company all Expense Advances not actually required, and all Expense Advances if and to the extent that it is finally determined by a court of competent jurisdiction that the Indemnified Party is not entitled to indemnification under this Agreement. If requested by the Company and to the extent required under applicable law and the Company's by-laws, the Indemnified Party will provide a written undertaking to the Company confirming the Indemnified Party's obligations under the preceding sentence as a condition to receiving an Expense Advance.

7. **Indemnification Payments.** With the exception of Expense Advances which are governed by Section 6, the Company will pay to the Indemnified Party any amounts to which the Indemnified Party is entitled hereunder promptly upon the Indemnified Party providing the Company with reasonable details of the claim. The Company will, forthwith after any request for payment to or for an Indemnified Party, seek any court approval that may be required to permit payment. The Company will not be required to pay any amounts under this Section to an Indemnified Party if a court of competent jurisdiction has finally determined that that Indemnified Party is not entitled to indemnification.

8. **Right to Independent Legal Counsel.** If the Indemnified Party is named as a party or a witness to any Proceeding, or the Indemnified Party is questioned or any of his or her actions, omissions or activities are in any way investigated, reviewed or examined in connection with or in anticipation of any actual or potential, to any Proceeding, the Indemnified Party will be entitled to retain independent legal counsel at the Company's expense to act on the Indemnified Party's behalf to provide an initial assessment to the Indemnified Party of the appropriate course of action for the Indemnified Party. The Indemnified Party will be entitled to continued representation by independent counsel at the Company's expense beyond the initial assessment unless the parties agree that there is no conflict of interest between the Company and the Indemnified Party that necessitates independent representation.

9. **Settlement.** The parties will act reasonably in pursuing the settlement of any Proceeding. The Company may not negotiate or effect a settlement of claims against the Indemnified Party without the consent of the Indemnified Party, acting reasonably. The Indemnified Party may negotiate and effect a settlement without the consent of the Company, but the Company will not be liable for indemnification under this Agreement with respect to any settlement negotiated without its prior written consent, which consent will not be unreasonably withheld or delayed.

10. **Directors' & Officers' Insurance.** The Company will ensure that its liabilities under this Agreement, and the potential liabilities of the Indemnified Party that are subject to indemnification by the Company pursuant to this Agreement, are at all times supported by a directors' and officers' liability insurance policy that has been approved by the Board. If the Company is sold or enters into any business combination as a result of which the directors and officers' liability insurance policy is terminated and not replaced with a substantially similar policy equally applicable to the Indemnified Party, the Company will cause run off "tail" insurance to be purchased for the benefit of the Indemnified Party with substantially the same coverage for the balance of the 6-year term set out in Section 16 without any gap in coverage. The Company will provide to the Indemnified Party a copy of each policy of insurance providing the coverages contemplated by this Section promptly after coverage is obtained, and will promptly notify the Indemnified Party if the insurer cancels, makes material changes to coverage or refuses to renew coverage (or any part of the coverage).

11. **Arbitration.** All disputes, disagreements, controversies or claims arising out of or relating to this Agreement, including, without limitation, with respect to its formation, execution, validity, application, interpretation, performance, breach, termination or enforcement will be determined by arbitration before a single arbitrator under the *Arbitration Act* (British Columbia). The arbitrator will determine, based on the outcome of the arbitration, the breakdown between the Company and the Indemnified Party of the costs for conducting the arbitration.

12. **Tax Adjustment.** Should any payment made pursuant to this Agreement, including the payment of insurance premiums or any payment made by an insurer under an insurance policy, be deemed to constitute a taxable benefit or otherwise be or become subject to any tax or levy, then the Company will pay any amount necessary to ensure that the amount received by or on behalf of the Indemnified Party, after the payment of or withholding for tax, fully reimburses the Indemnified Party for the actual cost, expense or liability incurred by or on behalf of the Indemnified Party.

13. **Cost of Living Adjustment.** The \$1,500 per diem payable pursuant to Sections 4 and 5 will be adjusted to reflect changes on January 1 of each year in the Consumer Price Index for British Columbia prepared by Statistics Canada or any successor index or government agency.

14. **Governing Law.** This Agreement will be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Furthermore, nothing herein will obligate the Company to indemnify the Indemnified Party or pay Expense Advances to the Indemnified Party, if contrary to the provisions of the *Business Corporations Act* (British Columbia).

15. **Priority and Term.** This Agreement will supersede any previous agreement between the Company and the Indemnified Party dealing with this subject matter, and will be deemed to be effective as of the date on which the Indemnified Party first became a director or officer of the Company.

16. **Survival.** The obligations of the Company under this Agreement, other than Section 10, will continue until the later of (a) 15 years after the Indemnified Party ceases to be a director or officer of the



Company or any other entity in which he or she serves in a similar capacity at the request of the Company and (b) one year after the final termination of all Proceedings with respect to which the Indemnified Party is entitled to claim indemnification hereunder. The obligations of the Company under Section 10 of this Agreement will continue for 6 years after the Indemnified Party ceases to be a director or officer of the Company or any other entity in which he or she serves in a similar capacity at the request of the Company.

*[Signature page follows.]*

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**Canadian Copper Inc.**

by:

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Name:

Title: Authorized Signing Officer

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Witness Signature

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Name:

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Witness Name

*[Signature Page to the Canadian Copper Inc.. Indemnification Agreement]*