

PURCHASE OPTION AGREEMENT

BETWEEN

NUINSCO RESOURCES LIMITED

AND

FIRST CLASS METALS PLC

This Purchase Option Agreement ("**Option Agreement**") is made on this 3rd day of October, 2022

Between

NUINSCO RESOURCES LIMITED, a public company, incorporated under the laws of Ontario, Canada, having its registered office at 66 Wellington Street West, Suite 4100, Toronto, Ontario, Canada, M5K 1B7 (hereinafter referred to as "**Optionor**")

And

FIRST CLASS METALS PLC, a public company, incorporated under the laws of England and Wales, having its registered office at Suite 16, Freckleton Business Centre, Freckleton Street, Blackburn, Lancashire, BB2 2AL (hereinafter referred to as "**Optionee**")

*(Unless otherwise required by context, the Optionor and the Optionee are individually referred to as "**Party**" and collectively as "**Parties**")*

Introduction

- A. The Optionor herein has agreed to grant the Optionee an exclusive right to purchase the rights of the Optionor over the "Sunbeam Project", collectively the Sunbeam Project which is composed of:
- i. The "**Sunbeam Claim Group**", being certain mining claims held by the Optionor. The relevant mining claims are, as detailed in **Schedule C** attached hereto; and
 - ii. The "**Option**", which is a right to acquire certain mining claims granted by the option agreement dated October 22nd, 2020, between the Optionor and [REDACTED] ("**Option Agreement**"). A copy of which agreement referred to is attached in **Schedule B** hereto, and the relevant mining claims therein are detailed in **Schedule D** attached hereto. The relevant mining claims are 50% owned by [REDACTED] and 50% by [REDACTED]. The relevant mining claims shall be referred to as the "**Option Claim Group**".
- B. In this regard, the Parties herein have signed an agreement to, *inter alia*, advance a certain sum to the Optionor by the Optionee ("**PPR Advance Agreement**").
- C. The Parties now wish to formalise their agreement into writing as follows.

NOW THIS AGREEMENT WITNESSETH, that for and consideration of mutual covenants and agreements herein contained and the sum of C\$ 10.00 (the receipt and sufficiency whereof is hereby acknowledged), it is hereby agreed by and between the Parties hereto as follows:

1. Definitions

1.1. Unless indicated otherwise by context, the following capitalised terms shall have the corresponding meaning:

1.1.1. "**Business Day**" means any day other than a Saturday, Sunday or day on which banks in Toronto, Canada and/or London, United Kingdom are generally not open for business;

1.1.1. "**Confidential Information**" means any and all data, records, reports, drill hole logs, calculations, opinions, maps, charts, documents, financial budgets and projections, and other information, whether written or oral, pertaining to the Properties provided by a Party to the other, and including any copies thereof and any all summaries, extracts, notes, memoranda, studies or analyses derived therefrom or based thereon;

1.1.2. "**Exploration Expenditures**" means all costs including all reasonable payments, expenses, obligations and liabilities of whatsoever kind or nature made or incurred, by the Optionee which relate directly to the exploration, evaluation, development and operation of the Sunbeam Project or any portion thereof, but including, without limiting the generality of the foregoing, monies expended:

- a. to determine the existence, location, extent or quality of a mineral resource within the Properties;
- b. to carry out any survey or do any geophysical, geochemical or geological work or drilling, assaying, testing or bulk sampling within the Properties;
- c. to pay for all proper taxes, fees, charges, rentals paid to governmental authorities related to the Sunbeam Project;
- d. to pay the fees, wages, salaries, travelling expenses and fringe benefits of persons engaged in work in respect of or for the benefit of the Sunbeam Project or any portion thereof and in paying for the food, lodging and other reasonable needs of such persons; and
- e. an administration expense equal to up to 10% (ten per cent) of the actual expenditures made or incurred above.

Unless otherwise stated herein, the following costs shall not be considered to be "Exploration Expenditures": (i) any corporate overhead costs of the Optionee, including, without limitation, any compensation paid to directors or officers of the Optionee or its affiliates, or (ii) cash payments

payable to the Optionor pursuant to this Option Agreement or to [REDACTED] or otherwise pursuant to the [REDACTED] Option Agreement;

- 1.1.3. “**Indicated Mineral Resource**” shall have the meaning as stated by the Canadian Institute of Mining Metallurgy and Petroleum;
- 1.1.4. “**Initial Payment**” refers to the initial aggregate payment of C\$ 30,000 (Canadian Dollar thirty thousand);
- 1.1.5. “**NI 43-101**” refers to National Instrument 43-101-Standards of Disclosure for Mineral Projects, adopted by the Canadian Securities Administrators in Canada;
- 1.1.6. “**NSR Royalty Agreements**” refers to the form of agreement detailed in Schedule F and Schedule G attached hereto;
- 1.1.7. “**Pre Production Royalty**” shall mean the pre-production payment referred to in Clause 7(e) of the Sunbeam Option Agreement detailed in Schedule A attached herein;
- 1.1.8. “**Property**” or “**Properties**” refers to the mining claims held or optioned by the Optionor that comprise the Sunbeam Project;
- 1.1.9. “**Sunbeam Option Agreement**” refers to the option agreement executed by the Optionor with [REDACTED] on February 12, 2018 referred to in **Schedule A** attached herein; and
- 1.1.10. “**Sunbeam Royalty**” refers to the royalty obligation of the Optionor pursuant to the Sunbeam Option Agreement, which obligation will be assumed by the Optionee pursuant hereto.

2. Grant Of Option

- 2.1. The Optionor hereby gives and grants to the Optionee the sole, exclusive and irrevocable right and option to acquire a 100% undivided interest in and to the Sunbeam Project, free and clear of all liens, encumbrances, royalties, profit interests or other payments of any kind of whatsoever nature, except as may be provided for under the provisions of Sunbeam Royalty, the [REDACTED] Option Agreement and the NSR Royalty Agreements.
- 2.2. The Optionor acknowledges having received the Initial Payment from the Optionee. Further, within 10 (ten) Business Days from the execution date of this Option Agreement, the Optionor will procure from [REDACTED] and [REDACTED], an executed letter based on the format provided in **Schedule H** attached herein.

2.3. In order to exercise the option granted in Clause 2.1 hereinabove, the Optionee is required to:

- 2.3.1. Within 10 (ten) Business Days after the first day following the execution of this Option Agreement, pay to the Optionor the sum of C\$ 400,000 (Canadian Dollar four hundred thousand) less the Initial Payment, of which C\$200,000 (Canadian Dollar two hundred thousand) less 50% of the Initial payment will deem to be allocated to the Sunbeam Claim Group and C\$200,000 (Canadian Dollar two hundred thousand) less 50% of the Initial Payment will deem to be allocated to the [REDACTED] Option Claim Group.
- 2.3.2. Within 4 (four) months of the payment stated in Clause 2.3.1, pay a sum of C\$ 150,000 (Canadian Dollar one hundred fifty thousand) to the Optionor of which C\$75,000 (Canadian Dollar seventy-five thousand) will deem to be allocated to the Sunbeam Claim Group and C\$75,000 (Canadian Dollar seventy-five thousand) will deem to be allocated to the [REDACTED] Option Claim Group.
- 2.3.3. Within 8 (months) of the execution date of this Option Agreement, pay the Optionor, a sum of C\$ 150,000 (Canadian Dollar one hundred fifty thousand) of which C\$75,000 (Canadian Dollar seventy-five thousand) will deem to be allocated to the Sunbeam Claim Group and C\$75,000 (Canadian Dollar seventy-five thousand) will deem to be allocated to the [REDACTED] Option Claim Group.

The Optionee may accelerate any of the above payments stipulated in Clause 2.3.1, Clause 2.3.2 or Clause 2.3.3 at its choice.

- 2.3.4. Execute:
 - a) a net smelter royalty agreement in the form contained in **Schedule F** hereto whereby it agrees in favour of the Optionor and the counterparties to the Sunbeam Option Agreement to adopt and be bound by the extant terms of the Sunbeam Option Agreement and relieve the Optionor of its obligations thereunder; and
 - b) a net smelter royalty agreement in the form contained in **Schedule G** hereto whereby it agrees in favour of the Optionor and [REDACTED] to adopt and be bound by the extant terms of the [REDACTED] Option Agreement and relieve the Optionor of its obligations thereunder.

2.4. Notwithstanding any other provisions of this agreement or the NSR Royalty Agreements in **Schedule F** and **Schedule G** hereto, if the Optionee chooses to exercise its purchase right pursuant to Clause 13 of either of such NSR Royalty Agreements, it shall be deemed to have exercised such similar right in respect of both NSR Royalty Agreements and shall pay the full consideration in respect of both of such exercises to the Optionor.

2.5. Upon the Optionee's payment of an aggregate sum of C\$550,000 (Canadian Dollar five hundred fifty thousand) from the payments contemplated in Clause 2.3.1, 2.3.2 and 2.3.3 above, and its assuming the Optionor's obligations under the Sunbeam Option Agreement and the [REDACTED] Option Agreement as contemplated in Clause 2.3.4 above, the Optionor shall within 7 (seven) Business Days thereafter execute and deliver to the Optionee a transfer of the Optionor's registered interest in the Sunbeam Claim Group to the Optionee in a registrable form. The Optionee shall acquire the Optionor's beneficial interest in the Sunbeam Claim Group by fulfilling each of the following conditions:

2.5.1. Spending an aggregate sum of C\$750,000 (Canadian Dollar seven hundred fifty thousand) as Exploration Expenditures on the Properties within a period of 3 (three) years following the execution of this Option Agreement and providing the Optionor with a report detailing such Exploration Expenditures on a half yearly basis. The Parties agree that, of the total C\$ 750,000, the Optionee will be obligated to spend a minimum of C\$50,000 (Canadian Dollar fifty thousand) only in the first year as Exploration Expenditure, with the remaining being required to be spent equally over the succeeding two years. Further, any payments made in relation to the Properties (such as payment towards the upkeep of the Properties) and any payments made to any third-parties in relation to the Properties (including any contractual sum paid as pre-production royalty to the previous owners of the Properties) shall be set-off against such work requirements and shall be considered as Exploration Expenditure.

2.5.2. Executing the NSR Royalty Agreements in favour of the Optionor (or as it may direct).

2.6. In addition to the foregoing, if the Optionee produces a 'technical report' as defined in NI 43-101 containing an estimate of an initial Indicated Mineral Resource of 250,000 (two hundred fifty thousand) ounces of gold in the Properties, it shall promptly deliver a copy of same to the Optionor and pay the Optionor C\$250,000 (Canadian Dollar two hundred fifty thousand). An additional C\$250,000 (Canadian Dollar two hundred fifty thousand) will be payable to the Optionor upon the Optionee producing and delivering to the Optionor an additional 'technical report' as defined in NI 43-101 containing an estimate of an additional Indicated Mineral Resource of 250,000 (two hundred fifty thousand) ounces of gold in the Properties (total aggregate Indicated Mineral Resource being 500,000 (five hundred thousand) ounces of gold, total sum payable being C\$500,000 (Canadian Dollar five hundred thousand)).

3. Optionees Rights And Obligations

3.1. The Optionee and its employees, agents or nominees shall hereby, for the tenancy of the Option Agreement, have the sole and exclusive right to:

- 3.1.1. enter upon the Properties;
 - 3.1.2. have exclusive and quiet possession thereof;
 - 3.1.3. explore, develop, diamond drill and do such other mining work thereon and thereunder as it thinks advisable;
 - 3.1.4. remove from the Properties and dispose of ores, concentrates, minerals and metals, but only for the purpose of making assays or tests thereof; and
 - 3.1.5. bring upon and/or erect in and upon the Properties such mining plant, buildings, machinery, tools, appliances and/or equipment as may be deemed appropriate.
- 3.2. The Optionee covenants and agrees with the Optionors that prior to fully exercising the option hereby granted:
 - 3.2.1. it shall cause to be done all things that may be required to keep the Property in good standing and shall carry out or cause to be carried out, filed and recorded sufficient assessment work to keep the Property in good standing under the laws of the province of Ontario;
 - 3.2.2. it will pay all accounts of every nature and kind for wages, supplies, workmen's compensation assessments and other amounts or indebtedness incurred by the Optionee in connection with any operations or work carried out by it on the Properties as and when same become due and payable;
 - 3.2.3. it will conduct all exploration, development and mining operations in, on and under the Property in good and workmanlike manner in accordance with good mining and engineering practice and in compliance with all applicable laws, regulations and orders;
 - 3.2.4. it shall pay any and all taxes, duties, assessments and rents payable in respect of the Property;
- 3.3. Upon the execution of this Option Agreement the Optionee shall be responsible for all consultation with First Nations and Metis in respect of the Property (and acknowledges that the Optionors shall not be responsible for such consultation, although the Optionors agree to provide commercially reasonable assistance to the Optionee with respect to same).
- 3.4. Upon the execution of this Option Agreement by the Optionee, the Optionee shall be responsible for meeting all reporting requirements under and compliance with environmental laws with respect to the Properties (and acknowledges that the Optionors shall not be responsible for such reporting and compliance).

4. Assignment and Disposal

- 4.1. The Optionor shall not assign its rights and obligations under this Option

Agreement to any other Party without the prior written consent of the Optionee.

4.2. The Optionee shall not assign its rights and obligations under this Option Agreement or sell or otherwise dispose of the Properties without having first obtained a written agreement from the assignee causing it to adopt and be bound by the terms of this Option Agreement as though it were an original signatory hereto.

5. Representations And Warranties

5.1. Each Party represents and warrants to each other as follows:

- a. it has all requisite power and authority to execute, deliver, bind itself and perform its obligations under this Option Agreement;
- b. it has all necessary statutory and regulatory permissions, approvals and permits for the running and operation of its establishment for the conduct of its business;
- c. it will provide such cooperation as the other Party reasonably requests in order to give full effect to the provisions of this Option Agreement; and
- d. the execution and performance of this Option Agreement by either of the Parties does not and shall not violate any provision of any existing agreement with any other party, provisions of any law, bye law, charter, regulation, or any other governing authority of the party.

5.2. The Optionor further represents and warrants to the Optionee as of date that:

- a. to the best of its knowledge there are no impediments to the transfer of the Properties and rights attached as contemplated herein;
- b. The Optionor has or is conducting work in the Properties in order to satisfy minimum annual work requirements as may be required by the [REDACTED] Option Agreement as well as may be required to maintain the mining claims in good standing under Ontario Ministry of Northern Development and Mines regulations.
- c. Nuinsco will not execute any further agreements with [REDACTED] [REDACTED] (either jointly or severally) in relation to the subject matter of this Option Agreement, without the prior consent of the Optionee for the duration of the Option Agreement;
- d. no third party approvals are required for the execution of this Option Agreement;
- e. To the best of the Optionor's knowledge [REDACTED] and [REDACTED] each hold a 50% interest in the mining claims stated in **Schedule D**, and [REDACTED] is the registered holder of said claims, as of date. Further, upon completing the terms contemplated herein, there are no hindrances in order for the Optionee to be the full and final, registered and beneficial owner of said claims;
- f. The Optionor has paid a sum of C\$22,000 (Canadian Dollar twenty two

thousand) to [REDACTED] in compliance with requirements stipulated under Clause 1 of the [REDACTED] Option Agreement, further it will make any other payments that may be required to be made under said agreement as they become due until such time the Sunbeam Claim Group is transferred to the Optionee. In the event the Optionee is required to pay such amounts stipulated in Clause 1 of the [REDACTED] Option Agreement during such time, the same amount may be set-off against any payments that may be due to the Optionor herein or in the NSR Royalty Agreement;

- g. The Optionor is in compliance with its obligations as stated in the [REDACTED] Option Agreement. In the event the Optionee is required to comply with any such obligations on behalf of the Optionor, the value of such may be set-off in cash value against any payments that may be due to the Optionor;
- h. The Optionor is in compliance with its obligations as stated in the Sunbeam Option Agreement. In the event the Optionee is required to comply with any such obligations on behalf of the Optionor, the value of such may be set-off in cash value against any payments that may be due to Nuinsco;
- i. The Optionor is the full holder of the mining claims stated in Schedule C through title transfer upon completion of all necessary payments in cash and common shares of the Optionor and completion of all work commitments as may be required.
- j. The Optionor has made the necessary Pre Production Royalty payments as is stipulated under Clause 7(e) of the Sunbeam Option Agreement. Further the credit for the same shall be availed by the Optionee.

6. Default And Termination

6.1. The Optionor may terminate this Option Agreement at its sole discretion if:

- 6.1.1. the payment referred to in Clause 2.3.1 has not occurred on or before 5 (five) Business Days from the day upon which it is to be made.
- 6.1.2. The payment referred to in Clause 2.3.2 has not occurred on or before 5 (five) Business Days from the day upon which it is to be made.
- 6.1.3. The payment referred to in Clause 2.3.3 has not occurred on or before 5 (five) Business Days from the day upon which it is to be made.
- 6.1.4. the Optionee does not fulfil the requirements of Clause 2.5 to fully-exercise its option by the time periods specified therein;
- 6.1.5. the Optionee defaults with respect to any of its obligations under Clause 3, provided that the Optionor has first given notice of such default to the Optionee and the Optionee does not rectify such default within 45 (forty-five) days from the Optionor's giving of such notice.

6.2. The Optionee may terminate this Option Agreement if the Optionor defaults with respect to its obligation under Clause 2.2 and Clause 2.5, provided that the Optionee has first given notice of such default to the Optionor and the does not rectify such default within 45 (forty-five) days from the Optionee's

giving of such notice.

6.3. In the event that termination occurs as per Clause 6.1 above, then the Optionor will not be obligated to return any sum it may have received from the Optionee.

6.4. In the event termination occurs as per Clause 6.2 above, then the Optionee will not be required to make any further payments or have any other obligations towards the Optionor and shall be entitled to have any sum of money already paid to the Optionor returned to the Optionee including the Initial Payment. The Optionor shall promptly pay the same.

7. Title Documents

7.1. The Optionor shall, upon satisfaction of the exercise condition contained in Clause 2.3 above, take such actions as may be necessary to transfer the registered ownership of the Sunbeam Claim Group to the Optionee.

7.2. If the Optionee fails to fully-exercise its option by reason of failure to fulfil the exercise conditions in Clause 2.3 or Clause 2.5, or if this Option Agreement is terminated pursuant to Clause 6.1, the Optionee shall immediately duly transfer registered ownership of the Sunbeam Claim Group back to the Optionor and execute in favour of the Optionor an acknowledgment of abandonment and release and quit claim of any interest in the Sunbeam Claim Group or under this Option Agreement, and such transfer of the Sunbeam Claim Group to the Optionor shall be completed free of any liens or charges arising from the Optionee's activities in respect of the Sunbeam Claim Group, and the Optionee covenants to make the necessary registrations to effect same.

8. Indemnification

8.1. Each Party hereby agrees to indemnify the other Party to the extent of any and all damages suffered or incurred by the other Party, its affiliates, directors, officers, employees, agents and authorised representatives in relation to any inaccuracy of any representation, breach of any warranty or covenant, or agreement made or given by it in this Option Agreement or for any liability or expense due to claims arising out of or in connection with the performance of its obligations under this Option Agreement, its fault or negligence thereof.

8.2. Notwithstanding anything contained herein, from the date of the execution of this Agreement, the Optionee will indemnify the Optionor from any and all damages suffered or incurred by the Optionor due to the actions or inactions of the Optionee upon the Properties.

8.3. Notwithstanding anything contained herein, the Optionor shall indemnify the Optionee from any and all damages arising from unfulfilled environmental obligations or environmental liabilities suffered or incurred by the Optionee due to the actions or inactions of the Optionor upon the Properties that occurred prior to the date hereof.

9. Confidentiality

9.1. All Confidential Information exchanged between the Parties in connection with matters contemplated in this Option Agreement, or developed in the course of dealings between the Parties, including the existence and terms of this Option Agreement, shall be received and held by the recipient thereof as confidential information. Neither Party hereto shall make any disclosure of Confidential Information received from the other Party to third parties or issue any press or other publicity release pertaining to this Option Agreement or the subject matter contained herein, use such Confidential Information for its private commercial advantage, or otherwise disclose Confidential Information to third parties without the prior written consent of the other Party, unless required by law, by any court of competent jurisdiction, or by any government agency or other regulatory or taxation authority of competent jurisdiction lawfully requesting such disclosure, such consent shall not be unreasonably withheld. Provided, however, that the Parties agree that Confidential Information does not mean such portions of the Confidential Information which:

9.1.1. whether prior to or after the time of disclosure or utilization, is generally available to the public, other than as a result of an unauthorized disclosure in breach of this Option Agreement; or

9.1.2. whether prior to or after the time of disclosure or utilization, is known or available to the receiving Party or its representatives from a source other than the disclosing Party provided such other source is not, to the knowledge of the receiving Party, under an obligation of confidentiality to the disclosing Party; or

9.1.3. is independently developed by the receiving Party without use of, or recourse to, Confidential Information.

10. Notice

10.1. Any notice that may be required to be given to the other Party shall be given by electronic mail to the address mentioned below ("**Notice**"):

To the Optionor

Email Address: [REDACTED]
For the attention of: [REDACTED]

To the Optionee

Email Address: [REDACTED]

For the attention of [REDACTED]

- 10.2. Such Notice shall deem to have been delivered on the succeeding Business Day from the day the Notice was sent.

11. Miscellaneous

11.1. Further Assurances

The parties hereto agree to sign, execute and deliver all such other deeds and documents and to do all such other things as may be expedient or necessary to give full force and effect to this Option Agreement.

11.2. Headings

It is understood and agreed that the headings used in this Option Agreement are inserted for convenience only and shall be disregarded in construing this Agreement.

11.3. Inurement

This Option Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

11.4. Applicable Law

This Option Agreement shall be governed under the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Courts of Ontario shall have exclusive jurisdiction over any matters arising hereof.

11.5. Entire Agreement

This Option Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth. No supplement, modification or waiver of this Option Agreement shall be binding unless executed in writing by the parties to be bound thereby.

Nothing contained in this Clause 11.5 shall affect the PPR Advance Agreement which shall remain in force until otherwise agreed to by the Parties.

11.6. Severability

In the event that any court or administrative body of competent jurisdiction determines that any part, term, or provision of this Option Agreement is unenforceable, illegal, or in conflict with any federal, provincial, regional, or local law, the parties shall petition (or shall hereby be deemed to have petitioned) such court or administrative body to amend such part, term, or provision in such a way as to carry out the intent of the parties hereto to the extent permissible under such law; provided, however, that if the court or administrative body declines to so act, then, such part, term, or provision shall be considered severable from the rest of the Option Agreement, and the remaining provisions of the Option Agreement shall not be thereby affected, and this Option Agreement shall be construed and enforced as if the Option Agreement did not contain such part, term or provision.

11.7. Counterparts

This Option Agreement may be signed in counterparts, which taken together shall form the same agreement. The exchange of copies of this Option Agreement or amendments thereto and of signature pages by email transmission in portable document format, or similar format, shall constitute effective execution and delivery of such instrument(s) as to the Parties and may be used in lieu of the original Option Agreement or amendment for all purposes. Signatures of the Parties transmitted by email transmission in portable document format, or similar format, shall be deemed to be their original signatures for all purposes.

11.8. Fees and Expenses

Each Party shall bear its own fees and expenses that may be accrued in connection with this Option Agreement.

11.9. Currency.

All references to currency herein and all calculations and payments to be made hereunder shall be in Canadian Dollars.

[The remainder of this page has been intentionally left blank. Signature page and Annexure follows]

THE PARTIES HERETO have executed this agreement on the day, month and year hereinbelow mentioned

First Class Metals Plc



Name: [Redacted]
Position: [Redacted]
Date: 03/10/22

For Nuinsco Resources Limited

Name: [Redacted]
Position: [Redacted]
Date: 03/10/22

Schedule A

[Copy of Agreement between the Optionor and [REDACTED] and others inserted by way of reference]

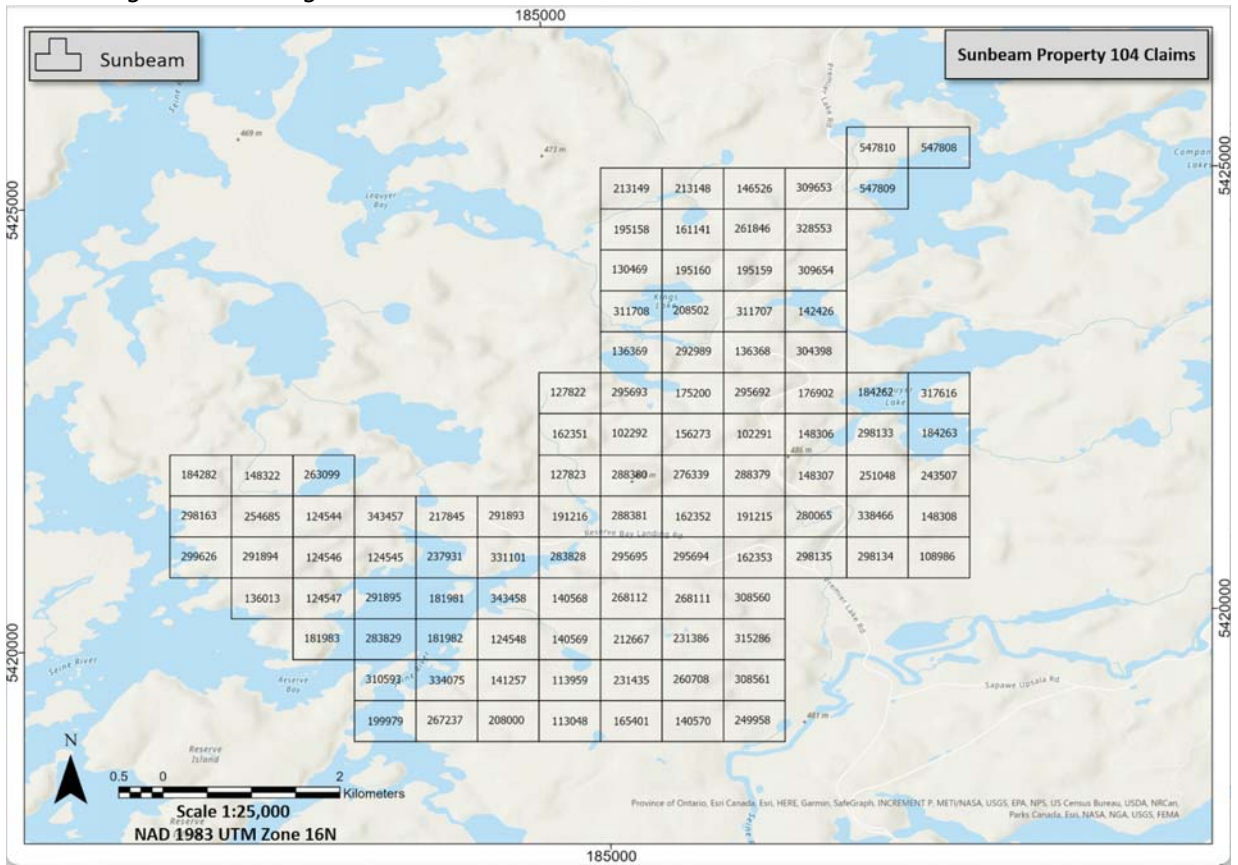
Schedule B

[Copy of Agreement between the Optionor and [REDACTED] inserted by way of reference]

Schedule C

Description of Sunbeam Claim Group

A. Registered Mining Claims



[Continued on succeeding page]

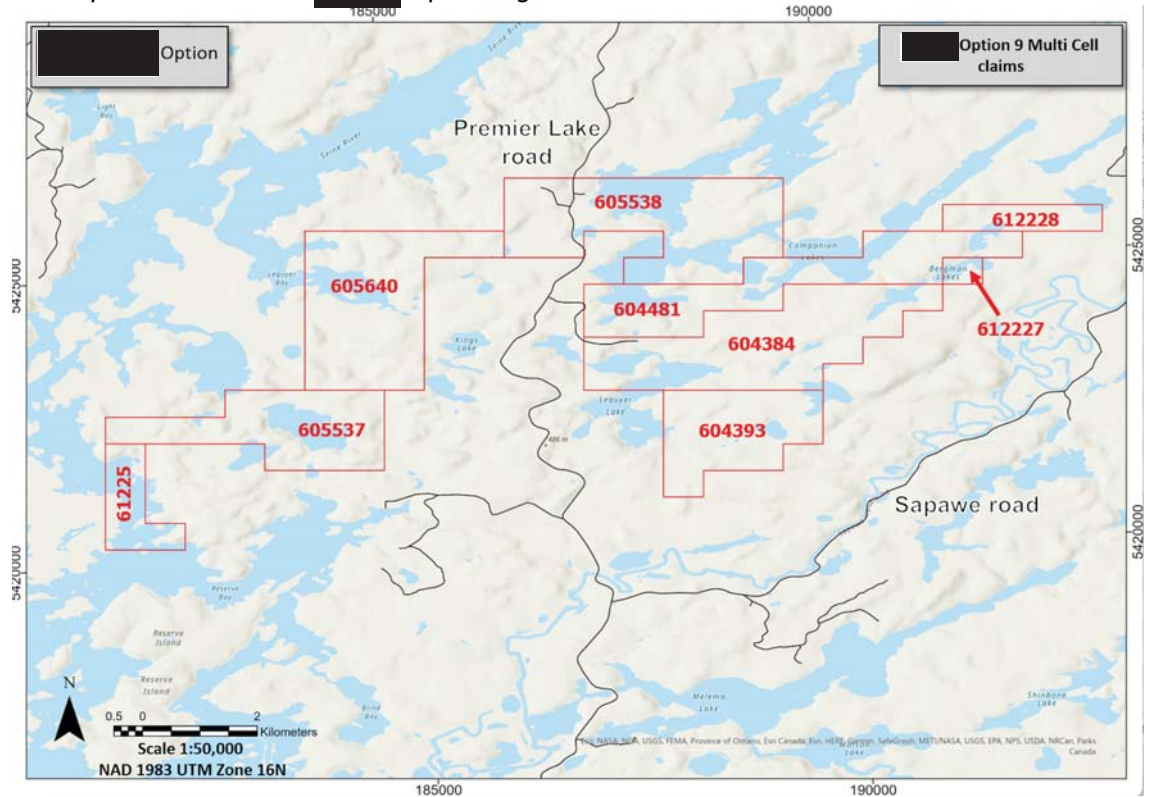
Area bearing the following mining claims, all located in Ramsay Wright Township,
Thunder Bay Mining Division, Ontario, Canada:

136368	127823	288379	181982	113959	308561	309654
136369	148306	288380	181983	124548	315286	311707
148322	148307	288381	191216	140568	331101	311708
184282	148308	295692	199979	140569	343458	328553
263099	156273	295693	217845	140570	130469	231386
292989	162351	298133	237931	141257	142426	212667
298163	162352	298134	254685	162353	146526	268111
299626	175200	298135	267237	165401	161141	268112
304398	176902	317616	283829	208000	195158	
547808	184262	338466	291893	231435	195159	
547809	184263	124544	291894	249958	195160	
547810	191215	124545	291895	260708	208502	
102291	243507	124546	310593	283828	213148	
102292	251048	124547	334075	295694	213149	
108986	276339	136013	343457	295695	261846	
127822	280065	181981	113048	308560	309653	

Schedule D

Description of [REDACTED] Option Claim Group

B. Area optioned under the [REDACTED] Option Agreement



The following mining claim numbers:

Claim	Area/Township
604384	Bellmore Lake Area, Ramsay Wright
604393	Ramsay Wright
604481	Bellmore Lake Area, Ramsay Wright
605537	Ramsay Wright
605538	Ramsay Wright
605640	Ramsay Wright
612225	Ramsay Wright
612227	Bellmore Lake Area
612228	Bellmore Lake Area

Schedule E

Extant Obligations from the Sunbeam Option Agreement and the [REDACTED] Option Agreement

The Parties agree that the Optionee shall, from the date of execution of this Option Agreement and unless this Option Agreement is otherwise terminated, be obligated to fulfil certain obligations stated in the Sunbeam Option Agreement and the [REDACTED] Option Agreement to the extent such obligations are due to be fulfilled. Such obligations are stated below:

A. Sunbeam Option Agreement

Item No	Clause Reference	Description of Obligation in brief
1.	Clause 6 (b)	i) Do the necessary to keep the Property in good standing. ii) Pay all accounts due iii) Conduct activities in proper manner and in compliance with law. iv) Indemnify Optionor from damages as a result of its work on the Property. v) Pay all taxes and similar dues with respect to the Property. vi) Be responsible for consultation with First Nations and Metis groups. vii) Annual report of work to be provided.
2.	Clause 7 (e)	Obligation to pay Pre-Production Royalty that may be due henceforth.

B. [REDACTED] Option Agreement

Item No	Clause Reference	Description of Obligation
1.	Clause 1	Annual Cash Payment – remaining C\$ 41,000 (Canadian Dollar forty one thousand only), to be paid annually or until such time the option is exercised.
2.	Clause 10	Annual report of work to be provided.

Schedule F

Form of NSR Royalty Agreement for the Sunbeam Claim Group

This Net Smelter Return Royalty Agreement (“**NSR Agreement**”) is made on this [date to be inserted]

Between

NUINSCO RESOURCES LIMITED, a corporation that is a reporting issuer incorporated under the laws of Ontario, Canada, having its registered office at 115 2420 Bank Street, Ottawa, Ontario, Canada (hereinafter referred to as “**Nuinsco**”)

And

FIRST CLASS METALS PLC, a company incorporated under the laws of England and Wales, having its registered office at Suite 16, Freckleton Business Centre, Freckleton Street, Blackburn, Lancashire, BB2 2AL (hereinafter referred to as “**FCM**”);

*(Unless otherwise required by context, Nuinsco and FCM are individually referred to as “**Party**” and collectively as “**Parties**”)*

Introduction

- A. The Parties hereto have entered into an agreement for the sale of certain mining claims on or about the execution of this NSR Agreement on [date to be inserted] (“**Option Agreement**”).
- B. The Parties have agreed that as a part of the sale transaction, Nuinsco shall be entitled to the NSR Royalty (as defined below) in relation to the Properties (as defined below).
- C. The Parties now wish to formalise their agreement into writing as follows.

NOW THIS AGREEMENT WITNESSETH, that for and in consideration of mutual covenants and agreements herein contained and the sum of C\$ 10.00 (the receipt and sufficiency whereof is hereby acknowledged), it is hereby agreed by and between the Parties hereto as follows:

1. Definitions

- 1.2. Unless indicated otherwise by context, the following capitalised terms shall have the corresponding meaning:
 - 1.2.1. “**Affiliate**” has, with respect to the relationship between two or more companies, the meaning given to it in the *Canada Business Corporations*

Act as such act may be amended from time to time and, with respect to the relationship between two or more Persons any of which are not bodies corporate, a Person shall be deemed to be an Affiliate of another Person if one of them is controlled by the other or if both are controlled by the same Person, and for this purpose, control means the right, directly or indirectly, to direct or cause the direction of the management of the affairs of a Person, whether by ownership of securities, by contract or otherwise.

- 1.2.2. **“Business Day”** means any day other than a Saturday, Sunday or day on which banks in Toronto, Canada and/or London, United Kingdom are generally not open for business.
- 1.2.3. **“Calculation Price”** means in respect of Minerals for which FCM receives payment from a Processor or from any other Person, or that are credited to the account of FCM, the Spot Price on the Business Day that FCM receives such payment or on which FCM’s account is credited with such Minerals or with the Canadian dollar cash equivalent monetary value thereof.
- 1.2.4. **“Commercial Production”** means, and is deemed to have commenced:
- a. if a plant is located on any of the Properties, when the plant processing ores, for other than testing purposes, has operated for a period of 75 production days at an average rate of not less than 60% of design capacity; or
 - b. if a plant is not located on the Properties, when ores have been produced and shipped from the Properties for a period of 75 production days at the rate of not less than 60% of the mining rate specified in a feasibility study recommending placing the Properties in Commercial Production.
- 1.2.5. **“Confidential Information”** means any and all data, records, reports, drill hole logs, calculations, opinions, maps, charts, documents, financial budgets and projections, and other information, whether written or oral, pertaining to the Properties provided by a Party to the other, and including any copies thereof and any all summaries, extracts, notes, memoranda, studies or analyses derived therefrom or based thereon.
- 1.2.6. **“Existing Royalty”** shall have the meaning ascribed to the term in Clause 2.2 herein.
- 1.2.7. **“Governmental Authority”** shall mean any federal, provincial, or local governmental, regulatory or administrative authority, agency or commission, or any court, tribunal or judicial or arbitral body or stock exchange, having jurisdiction.

- 1.2.8. **“Hedging Transactions”** has the meaning given to it in Clause 6.
- 1.2.9. **“IFRS”** means International Financial Reporting Standards.
- 1.2.10. **“Interest”** has the meaning given to it in Clause 3.6.
- 1.2.11. **“Minerals”** means all marketable naturally occurring metallic and non-metallic minerals or mineral bearing material in whatever form or state, including, without limitation, any precious metal, any base metal, natural gas, petroleum, coal, gems, diamonds, salt and rock, sand, clays, rare earths, gravel or aggregate, that are mined, extracted, removed, produced or otherwise recovered from the Properties (other than any rock, sand, gravel or aggregate used in connection with the conduct of operations by FCM), whether in the form of ore, doré, concentrates, refined metals or otherwise, including without limitation, and any other beneficiated or derivative products thereof and including any such minerals or mineral bearing materials or products derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Properties.
- 1.2.12. **“Net Smelter Returns”** means, in respect of any period following the commencement of Commercial Production, the aggregate of: (a) the actual gross monetary proceeds received by FCM from the sale or other disposition of Minerals or, in the event that the account of FCM at a Processor is credited with Minerals processed by the Processor, the gross value of Minerals so credited to FCM calculated on the basis of the aggregate quantity of such Minerals so credited at the relevant time period multiplied by the Calculation Price, (b) an amount equal to the quantities of all Minerals sold by FCM in such period, to persons not dealing at arm’s length with FCM, multiplied by the Calculation Price and (c) any proceeds of insurance received during such period on Minerals lost or stolen, less the following expenses:
- a. all taxes based directly on or assessed against the value or quantity of Minerals produced, sold or otherwise disposed of from the Property, including the following:
 - i. direct sales and/or value added taxes;
 - ii. use taxes;
 - iii. gross receipts taxes;
 - iv. severance taxes; and
 - v. royalties of any Governmental Authority;but excluding any and all taxes based upon the net or gross income of FCM or other operator of the Properties, the value of the Properties or

the privilege of doing business and other taxes assessed on a similar basis;

- b. all transportation costs, including shipping, freight, handling and forwarding expenses and related insurance costs, for transportation of Minerals from the Properties to or from a Processor or to the point of sale or other disposition; and
- c. all direct charges and/or costs charged or incurred by any Processor or other purchaser of the Minerals, including penalties, storage charges, treatment and handling charges, environmental charges, wire transfer charges or metal account administration charges (provided such charges, costs and/or penalties have not been previously deducted by the Processor) and all sales and/or marketing charges and/or costs related to the sale or other disposition of Minerals; provided that if the milling, smelting, refining, minting and/or further processing is carried out at facilities owned or controlled, in whole or in part, by FCM, then the charges and costs for such milling, smelting, refining, minting and/or further processing of such Minerals shall be the lesser of: (A) the costs and charges that FCM would have incurred if such milling, smelting, refining, minting and/or further processing was carried out at facilities that are not owned or controlled by FCM and that are offering comparable services in a comparable location for comparable products; and (B) the actual charges and/or costs incurred by FCM with respect to such milling, smelting, refining, minting and/or further processing.

1.2.13. **“NI 43-101”** refers to National Instrument 43-101 - Standards of Disclosure for Mineral Projects, adopted by the Canadian Securities Administrators.

1.2.14. **“Notice”** shall have the meaning set out in Clause 17.8 herein.

1.2.15. **“Person”** means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities.

1.2.16. **“Place of Delivery”** means the place or account directed by Nuinsco in writing.

1.2.17. **“Pre Production Royalty”** or **“PPR”** shall mean the pre-production payment referred to in Clause 7(e) of the Sunbeam Option Agreement detailed in **Schedule B** attached herein.

- 1.2.18. **“Prime”** means at any particular time, the reference rate of interest, expressed as a rate per annum, that Royal Bank of Canada establishes as its prime rate of interest in order to determine interest rates that it will charge for demand loans in Canadian dollars to its most credit worthy commercial customers in Canada.
- 1.2.19. **“Processor”** means collectively any mill, smelter, refinery, mint or other processor, which processes Minerals to the final product stage before sale or other disposition, by or for the account of FCM.
- 1.2.20. **“Properties”** means collectively those properties described in **Schedule A** attached hereto, and each of the properties referred to on **Schedule A** is a “Property”.
- 1.2.21. **“Royalty”** shall have the meaning set out in Clause 2 of this Agreement.
- 1.2.22. **“Spot Price”** on any given date means (i) in the case of Minerals that are gold, the price of gold in U.S. dollars on the London Bullion Market, Afternoon Fix on such date; (ii) in the case of Minerals that are silver, the price of silver in U.S. dollars determined using the Handy & Harman quoted price of silver on such day as reported in the Wall Street Journal and (iii) in the case of all other Minerals, the price per unit in U.S. dollars for the relevant Minerals as quoted on the London Metal Exchange, or if for any reason the London Metal Exchange does not report spot pricing for a particular Mineral, then the Parties shall mutually agree upon an appropriate pricing entity or mechanism that accurately reflects the market value of any such Mineral. If for any reason the London Bullion Market, the Wall Street Journal or the London Metal Exchange are no longer in operation, the “Spot Price” of such Minerals shall be determined by reference to the price of such Minerals on another commercial exchange mutually acceptable to the Parties hereto. The exchange rate used to convert a “Spot Price” for Minerals from U.S. dollars to any other currency on a particular date shall be determined on the basis of the Bank of Canada noon exchange rate for U.S. dollars on such day.
- 1.2.23. **“Sunbeam Option Agreement”** refers to the option agreement executed by the Optionor with [REDACTED] on February 12, 2018 referred to in **Schedule B** attached herein.
- 1.2.24. **“Sunbeam Royalty”** refers to the royalty obligation of Nuinsco pursuant to the Sunbeam Option Agreement, which obligation is assumed by FCM pursuant hereto.

2. GRANT OF ROYALTY AND OTHER TERMS

- 2.1. Subject to the terms of this Agreement, FCM, hereby grants, and agrees to

pay to Nuinsco a royalty (the “**Royalty**”) equal to 1% (one per cent) of any Net Smelter Returns. FCM and Nuinsco expressly acknowledge and agree that the grant of the Royalty referred to in this Clause 2 is effective as of the date of the exercise of the Option Agreement and is intended to run with and bind each of the Properties and the title of FCM thereto and shall be binding upon the successors and assigns of FCM and all successors of FCM in title to the Properties.

2.2. In addition to the Royalty contemplated in Clause 2.1 above, the Parties acknowledge that there exists an obligation to pay a Net Smelter Returns royalty of 2.5% (two and a half per cent) to [REDACTED] pursuant to Clause 7(a) of the Sunbeam Option Agreement (“**Existing Royalty**”). The Parties agree that the Royalty is exclusive of the Existing Royalty. The Parties further agree that it shall be the responsibility of FCM to pay such Existing Royalty to the holders of the same as and when it becomes due.

2.3. The Parties agree that any and all right to acquire the Existing Royalty shall pass onto FCM and FCM may exercise the same at its sole discretion.

2.4. In addition to the Existing Royalty, the Parties acknowledge that, as per Clause 7(e) of the Sunbeam Option Agreement, there exists an obligation to pay a Pre-Production Royalty to [REDACTED]. FCM agrees to make such payments as and when they become due. Any and all credit for PPR related payments made to date shall accrue to the benefit of FCM.

3. TIME AND MANNER OF ROYALTY PAYMENTS

3.1. The Royalty payment shall be calculated and paid for each quarter of each calendar year during the term of this NSR Agreement (a “**quarter**”) (i.e., each succeeding three month period of a calendar year, the first quarter commencing on January 1st), commencing with the quarter (or the remainder thereof) in which the commencement of Commercial Production occurs. Subject as set out in Clause 3.2 below, the Royalty payment for each quarter shall be paid to Nuinsco by FCM by certified cheque, bank draft or wire transfer (in the discretion of Nuinsco) in Canadian dollars, on or before the day that is 60 (sixty) days after the last day of each quarter. Any adjustment to the determination of any Royalty payment as contemplated pursuant to the terms of this NSR Agreement shall be made on the next scheduled Royalty payment after such adjustment is determined. All such Royalty and adjustment payments shall be delivered to Nuinsco at the Place of Delivery in the foregoing manner as specified in writing by the Holder.

3.2. Nuinsco shall have no right to receive Royalty payments in the Mineral in the physical product in kind.

- 3.3. At least 60 (sixty) days prior to commencing any mining of the Properties and concurrently with the release of the annual report by FCM (or within 60 (sixty) days of the end of each calendar year in the circumstances that any party that is not FCM is not obligated to issue an annual report), FCM shall deliver to Nuinsco a reasonably detailed and reasoned estimate specific to the Properties of the proven and probable reserves of Minerals on, in or under the Properties.
- 3.4. At the time each Royalty payment is paid to Nuinsco, FCM shall prepare and deliver to Nuinsco a statement setting out in reasonable detail the manner in which such Royalty payment was calculated, including: (i) the quantities of Minerals produced and sold or otherwise disposed of by FCM with respect to such quarter or the amount of Minerals produced and credited to the account of FCM for such quarter, as the case may be; (ii) the quantities of Minerals to which such Royalty payment is applicable; (iii) the calculation of the applicable Net Smelter Returns; (iv) the Calculation Price for Minerals, if applicable, (v) the calculation of Interest accrued on such Royalty payment, if any; and (vi) in the event of any commingling as contemplated in Clause 5, a detailed summary of the determination by FCM of the quantity of Minerals commingled in accordance with Clause 5 and subject to the Royalty; and (vii) in the case of Minerals in the form of ores mined and stockpiled but not sold or processed by FCM during the previous quarter, the tonnage and location of such Minerals so stockpiled.
- 3.5. Notwithstanding the terms of any other provision in this NSR Agreement, FCM shall not be obligated to make any Royalty payment before FCM has received payment for the sale or other disposition of Minerals, or its account has been credited with Minerals by any end Processor.
- 3.6. Nuinsco may object in writing to any statement or Royalty payment amount within 1 year of the receipt by Nuinsco of the relevant statement in respect of such payment. If it is determined by agreement of the Parties that any Royalty payment has not been properly paid in full as provided herein, FCM shall pay interest on the delinquent payment at a rate per annum of Prime plus 2% per annum ("**Interest**"), commencing on the date on which such delinquent payment was properly due and continuing until the date on which Nuinsco receives payment in full of such delinquent payment and all accrued Interest thereon. For the purposes of this Clause 3.6, Prime shall be determined as of the date on which such delinquent payment was properly due.
- 3.7. If it is determined by agreement of the Parties or by arbitration that any Royalty payment was overpaid, FCM shall be entitled to offset such amount against the next Royalty payment.
- 3.8. All Royalty payments, including Interest, if any, will be made subject to

withholding or deduction in respect of the Royalty for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied on such Royalty payment by or on behalf of any Governmental Authority having power and jurisdiction to tax and for which FCM is obligated in law to withhold or deduct and remit to such Governmental Authority. FCM shall set out in the statement referred to in Clause 3.4 any amount so withheld.

3.9. All tailings, waste rock or other waste products resulting from the mining, milling or other processing of ores derived from the Properties from and after the date of this NSR Agreement shall be the sole and exclusive property and responsibility of FCM, but shall be subject to the Royalty and the terms of this NSR Agreement, including the provisions in respect of commingling, if such tailings, waste rock or other waste products are processed in the future resulting in the production of Minerals therefrom.

4. TERM AND INTEREST IN THE PROPERTY

4.1. The term of this NSR Agreement and of the existence of the Royalty shall commence on the date first above written and continue in perpetuity, it being the intent of the Parties hereto that the Royalty shall constitute a covenant running with and binding upon the title to the Properties and all accessions thereto and all successions thereof, whether created privately or through governmental action, and binding upon the successors and assigns of FCM and the successors in title to the Properties. If any right, power or interest of either Party under this NSR Agreement would violate the rule against perpetuities or equivalent rule under applicable Law, then such right, power or interest shall terminate at the expiration of 20 (twenty) years after the death of the last survivor of all the lineal descendant of His Majesty, King Charles III of England, living at the date of this NSR Agreement.

5. COMMINGLING

5.1. Subject to Clause 5.2 below, FCM shall be entitled to commingle Minerals from the Properties with ore or minerals from any other properties owned or leased by FCM or from any other property which may be custom or toll milled by FCM, during the stockpiling, milling (concentrating), smelting, refining, minting or further processing of Minerals produced from the Properties.

5.2. Before any Minerals are commingled with ores or minerals from any other properties, including stockpiling, the Minerals shall be measured and sampled in accordance with standard mining and metallurgical practices. Representative samples of the Minerals shall be retained by FCM and assays and appropriate analyses of these samples shall be made before commingling to determine metal, mineral, moisture and other appropriate content of the Minerals. From this information, FCM shall determine the quantity of the Minerals subject to the Royalty notwithstanding that the Minerals have been

commingled with ores or minerals from other properties. Absent outstanding objection made by Nuinsco pursuant to Clause 3.6, FCM may dispose of the materials and data required to be produced and kept by this Clause after a period of 2 (two) years from the date such materials and data are produced.

6. HEDGING TRANSACTIONS

6.1. Any and all profits, losses and expenses resulting from FCM engaging in any commodity futures trading, option trading, metals trading, metal loans, and any other hedging transactions or any combination thereof (collectively “**Hedging Transactions**”) are specifically excluded from calculations of Royalty payments pursuant to this NSR Agreement. All Hedging Transactions shall be for FCM’s sole account and shall not affect the calculation and payment to Nuinsco of the Royalty payment which shall be calculated and paid in accordance with Clause 3 without regard for any Hedging Transactions.

7. STOCKPILING

7.1. Subject to Clauses 3.6 and 11.1 of this NSR Agreement, FCM or an operator shall be entitled to temporarily stockpile, store or place ores or mined rock containing Minerals produced from the Properties in any locations owned, leased or otherwise controlled by FCM or its Affiliates or the Processor on or off the Properties, provided the same are appropriately identified as to ownership and origin and secured from loss, theft, tampering and contamination.

8. BOOKS; RECORDS; INSPECTIONS

8.1. FCM shall keep accurate books and records of all of its operations and activities with respect to the Properties, including the mining of Minerals therefrom and the mining, treatment, processing, refining and transportation of Minerals, prepared in accordance with IFRS, consistently applied. Subject to complying with the confidentiality provisions of this NSR Agreement, Nuinsco and/or its authorized representatives shall be entitled, upon delivery of 10 (ten) Business Days advance notice, and during the normal business hours of FCM, to perform audits or other reviews and examinations of FCM’s books and records relevant to the calculation and payment of the Royalty pursuant to this NSR Agreement once per calendar year to confirm compliance with the terms of this NSR Agreement, including without limitation, calculations of Net Smelter Returns. Without limiting the generality of the foregoing, Nuinsco shall have the right to audit all invoices and other records relating to the transportation of Minerals from the Properties to any Processor at which Minerals from the Properties may be milled, smelted, concentrated, refined or otherwise treated or processed, including the transportation of Minerals in the form of concentrates, doré, slag or other waste products from any mill at which Minerals from the Properties may be milled, to a Processor. Nuinsco shall diligently complete any audit or other examination permitted hereunder. All expenses of any audit or other

examination permitted hereunder shall be paid by Nuinsco, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of any Royalty payments paid to Nuinsco hereunder in respect of the period being audited or examined in an amount greater than 5% of the amount of the Royalty properly payable with respect to such period, in which event all expenses of such audit or other examination shall be paid by FCM.

8.2. In performing such audit Nuinsco and/or its agents shall have reasonable access to all sampling, assay, weighing, and production records, including all mining, stockpile and milling records of FCM relating to any Minerals derived from the Properties (and Nuinsco shall be allowed to make notes or a photocopy thereof), all of which such records shall be kept and retained by FCM or operator of the Properties in accordance with good mining industry practice for the period of retention required herein.

9. RIGHTS TO MONITOR PROCESSING OF MINERALS

9.1. Subject at all times to the workplace rules and supervision of FCM, and provided any rights of access do not interfere with any exploration, development, mining or milling work conducted on the Properties or at any mill at which Minerals from the Properties may be processed, Nuinsco shall at reasonable times and upon at least ten (10) days notice, and at its sole risk and expense, have (a) a right of access by its representatives to the Properties and to any mill used by FCM to process Minerals derived from the Properties (provided that in the event such mill is not owned or controlled by FCM, such right of access shall only be the same right as any such right of access of FCM), and (b) the right to monitor FCM's stockpiling and milling of ore or Minerals derived from the Properties and to take samples from the Properties or any stockpile or from any mill or Processor (if not prohibited under any contract between FCM and any such Processor) for purposes of assay verifications.

10. CONFIDENTIALITY

10.1. Nuinsco shall not, without the prior written consent of FCM, which shall not be unreasonably delayed or withheld, knowingly disclose to any third party Confidential Information obtained pursuant to this NSR Agreement which is not generally available to the public; provided, however, Nuinsco may disclose Confidential Information if so obtained without the consent of FCM:

- (a) if required for compliance with laws, rules, regulations or orders of a governmental agency or stock exchange;
- (b) to any of Nuinsco's consultants or advisors;
- (c) to any third party to whom Nuinsco, in good faith, anticipates selling or assigning Nuinsco's Royalty interest; and

- (d) to a prospective lender,
- (e) to its consultants or advisors; or
- (f) to a third party to which a Party or its parent company contemplates a transfer to, or a merger, amalgamation or other corporate reorganization with,
- (g) provided however, that any party under (b), (c), (d), (e) or (f) to whom disclosure is made has a legitimate business need to know the disclosed information, and shall first agree in writing to protect the confidential nature of such information to the same extent Nuinsco is obligated under this Clause.

10.2. **Press Releases.** A Party desiring to make a disclosure, statement or press release concerning this NSR Agreement shall first consult with the other Party prior to making such disclosure, statement or press release, and the Parties shall use all reasonable efforts, acting expediently and in good faith, to agree upon a text for such statement or press release which is satisfactory to all Parties. Subject to its rights and obligations regarding confidentiality under Clause 10.1, Nuinsco shall not issue any press release containing Confidential Information relating to the Property except upon giving FCM two (2) days advance written notice of the contents thereof, and Nuinsco shall make any reasonable changes to such proposed press release as such changes may be timely requested by FCM, provided, however, Nuinsco may include in any press release without notice any information previously reported by FCM or Nuinsco. A Party shall not, without the consent of the other Party, issue any press release that implies or infers that the non-issuing Party endorses or joins the issuing Party in statements or representations contained in any press release.

11. CONDUCT OF OPERATIONS

11.1. All decisions concerning methods, the extent, timing, procedures or techniques of any (i) exploration, development and mining related to the Properties, (ii) extraction, stockpiling, leaching, milling, processing, refining or treatment of the Minerals or (iii) materials to be introduced on, under or to the Properties or produced therefrom, shall be made by FCM in its sole and absolute discretion, and all decisions concerning the sale or other disposition of Minerals from the Properties, shall be made by FCM in its sole and absolute discretion.

11.2. FCM shall not be required to develop and/or mine the Properties or to mine and process any Minerals. FCM shall not be responsible for or obliged to make any Royalty payments for Minerals or Mineral value lost in any mining or processing of the Minerals or for any Minerals stranded in situ as a result of

mining except for the obligations contemplated in this NSR Agreement.

12. NO IMPLIED COVENANTS

12.1. The Parties agree that there are no implied covenants or duties relating to or affecting any of their respective rights or obligations under this NSR Agreement, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this NSR Agreement.

13. SALE AND ASSIGNMENT BY NUINSCO

13.1. The Parties agree that FCM shall have an exclusive right to acquire 50% (fifty per cent) of the Royalty payable to Nuinsco for a sum of C\$250,000 (Canadian Dollars two hundred fifty thousand) at FCM's discretion.

13.2. In addition to Clause 13.1, FCM shall have a right, on a right of first refusal basis, to acquire the remaining 50% (fifty per cent) of the Royalty should Nuinsco elect to market the same. Prior to making such election, Nuinsco shall provide notice of the same to FCM to allow it to exercise the foregoing right of first refusal. Upon receiving such notice, FCM shall have two (2) Business Days to respond and exercise its right of first refusal, failing which such right shall terminate immediately thereafter.

13.3. Subject to Clause 13.1 and Clause 13.2, Nuinsco shall have the right, at any time and from time to time, to assign, transfer, convey, mortgage, pledge or charge any portion or all of the Royalty and its interest in and to this NSR Agreement, provided any such assignee, transferee, mortgagee, pledgee or chargee enters into a written agreement with FCM whereby it agrees to be bound, and to cause any assignee, transferee, mortgagee, pledgee or chargee from it to be bound, by the terms of this NSR Agreement. FCM covenants and agrees that it shall be bound by and shall perform, and that it will acknowledge in writing in favour of such assignee, transferee, mortgagee, pledgee or chargee that it is bound by and shall perform, the terms of this NSR Agreement upon any such assignment, transfer, conveyance, mortgage, pledge or charge. Nuinsco shall notify FCM in writing prior to the completion of any such assignment, transfer or conveyance, confirming the identity of such transferee, the appropriate Place of Delivery and the new address for notice to such transferee.

14. TRANSFER BY FCM

14.1. FCM shall be entitled to assign, sell, transfer, lease, mortgage, charge or otherwise encumber any or all of the Properties or the Minerals or the proceeds thereof and its rights and obligations under this NSR Agreement, in whole or in part, without the consent of Nuinsco, provided the following conditions are satisfied, and upon such conditions being satisfied in respect of any such assignment, sale or transfer, lease, mortgage, charge or other encumbrance and, subject to the provision of Clause 17.3, FCM shall be released from all

obligations under this NSR Agreement:

- a. any purchaser, transferee, lessee or assignee of such Properties or this NSR Agreement agrees in advance in writing in favour of Nuinsco to be bound by the terms of this NSR Agreement including, without limitation, this Clause 14 and the provisions set out in Clause 17 of this NSR Agreement;
- b. any purchaser, transferee or assignee of this NSR Agreement has simultaneously acquired FCM's right, title and interest in and to the applicable Properties;
- c. any mortgagee, chargee, lessee, assignee or encumbrancer of FCM of such Properties or this NSR Agreement agrees at the time of such mortgage, charge, lease, assignment or encumbrance in favour of Nuinsco that, at the time of enforcement of its rights, (i) it shall be bound by and subject to the terms of this NSR Agreement in the event it takes possession of or forecloses on all or part of such Properties and acknowledges that Nuinsco shall be entitled to receive the Royalty payments to which it is entitled hereunder in priority to any payments to such mortgagee, charge, lessee, assignee or encumbrancer and undertakes to obtain an agreement in writing in favour of Nuinsco from any subsequent purchaser, lessee, assignee or transferee of such mortgagee, charge holder, lessee or encumbrancer that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this NSR Agreement including, without limitation, this Clause 14; and
- d. any royalty or other similar interest in or to such Properties, or in and to any Minerals, granted by FCM after the date hereof, shall contain a term to the effect that no payment thereof, in cash or in product in kind, shall be made until the Royalty hereunder has been paid in full for the relevant time period.

15. REGISTRATION

15.1. It is the express intention of the Parties that the Royalty shall run with FCM's title to the Properties and be binding upon the successors of FCM in title to the Properties. Notwithstanding Clause 10 (Confidentiality), Nuinsco may cause, at its own expense, the registration of a short form notice of the existence of the Royalty and this Agreement (without disclosing the Royalty terms herein) against the title to the Properties and FCM covenants and agrees that it shall cooperate with such registration and provide its written consent or signature to any documents or things reasonably necessary to accomplish such registration in order to ensure that any successor or assignee or other acquiror or encumbrancer of FCM's title to the Properties, or any interest therein, shall have public notice of the existence of the Royalty and this Agreement, which consent or signatures shall be granted by FCM without condition within five (5) Business

Days of the receipt by FCM of a request for such written consent.

16. REPRESENTATIONS AND WARRANTIES OF AND INDEMNITY BY FCM

- 16.1. FCM hereby represents and warrants that it has the corporate power, capacity and authority to grant the Royalty to Nuinsco and such grant, and the execution and delivery of this NSR Agreement by FCM, has been duly authorized by all required corporate action of FCM and this NSR Agreement represents a valid and binding obligation of FCM duly enforceable against it by Nuinsco subject to the enforcement of creditor's rights generally and orders for equitable remedies in the discretion of the courts.
- 16.2. It is acknowledged that Nuinsco has no involvement in the carrying out of work related to or conducted on, in or under the Properties or in any decisions related to the Properties or any work related to or conducted on, in or under the Properties from and after the date of this NSR Agreement, all such matters being in the sole control of FCM. FCM hereby indemnifies and saves harmless Nuinsco and its respective Affiliates and their respective directors, officers, shareholders and employees from and against any and all costs, expenses (including reasonable fees and expenses of legal counsel), damages, obligations, penalties, claims, orders or directives or other liability of any nature whatsoever incurred in respect of or arising out of the Properties or the title thereto or ownership thereof, or any work, operations, activities or event thereon, therein or thereunder or related thereto, conducted or arising from and after the date of this NSR Agreement by virtue or by reason of the status of Nuinsco as a royalty holder.

17. GENERAL PROVISIONS

17.1. 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 NSR Agreement, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

17.2. Relationship of the Parties.

Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or any other partnership relationship between FCM and Nuinsco.

17.3. Assignment.

Any assignment, transfer, conveyance, mortgage, pledge or charge or lease or purported assignment, transfer, conveyance, mortgage, pledge or charge or lease of any interest in the Properties by FCM, or in, to or arising under this NSR Agreement by FCM, which does not comply with the terms of this NSR Agreement shall be null and void and of no force or effect whatsoever. Notwithstanding any other provision in this Agreement, FCM shall remain liable

for all covenants, agreements, obligations, representations and warranties of FCM contained in this NSR Agreement, despite any assignment, transfer, conveyance, mortgage, pledge, charge or lease of any interest in the Properties, or in, to or arising under this NSR Agreement, by FCM to any Affiliate of FCM, until such time as the Affiliate is released pursuant to Clause 14.

17.4. Governing Law.

This NSR Agreement shall be governed by and construed under the laws of the Province of Ontario and the laws of Canada applicable in such province.

17.5. Time of Essence.

Time is of the essence in this NSR Agreement.

17.6. Severability.

If any provision of this NSR Agreement is wholly or partially invalid, this NSR Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of the NSR Agreement which shall be construed as if the NSR Agreement had been executed without the invalid portion. It is hereby declared to be the intention of the Parties that this NSR Agreement would have been executed without reference to any portion which may, for any reason, hereafter be declared or held invalid.

17.7. Accounting Principles.

All calculations hereunder shall be made in accordance with IFRS as the same may be in effect from time to time.

17.8. Notices.

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 email transmission addressed as follows:

If to FCM, to it at:

Email Address: [REDACTED]

If to the Holder, to it at:

Email Address: [REDACTED]

For the attention of: [REDACTED]

Any Notice given in accordance with this Clause, if transmitted by email transmission, shall be deemed to have been received on the business

day transmission or, if delivered by hand, shall be deemed to have been received when delivered.

17.9. Schedules.

The schedules which are attached to this NSR Agreement are incorporated into this NSR Agreement by reference and are deemed to form part hereof.

17.10. Currency.

All references to currency herein and all calculations and payments to be made hereunder shall be in Canadian Dollars.

17.11. Counterparts.

This NSR Agreement may be executed in counterparts, which counterparts together shall constitute one and the same instrument and such counterparts may be delivered by electronic mail with originals subsequently delivered.

[Signature page and schedules to follow]

Schedule A

List of Mining Claims

[List of mining claims to be inserted]

Schedule B

Copy of [REDACTED] Option Agreement inserted by way of reference

*****End of Agreed format for the NSR Royalty Agreement regarding the Sunbeam Claim Group*****

Schedule G

Form of NSR Royalty Agreement for the [REDACTED] Option Claim Group

This Net Smelter Return Royalty Agreement (“**NSR Agreement**”) is made on this [date to be inserted]

Between

NUINSCO RESOURCES LIMITED, a corporation that is a reporting issuer incorporated under the laws of Ontario, Canada, having its registered office at 115 2420 Bank Street, Ottawa, Ontario, Canada (hereinafter referred to as “**Nuinsco**”)

And

FIRST CLASS METALS PLC, a company incorporated under the laws of England and Wales, having its registered office at Suite 16, Freckleton Business Centre, Freckleton Street, Blackburn, Lancashire, BB2 2AL (hereinafter referred to as “**FCM**”);

*(Unless otherwise required by context, Nuinsco and FCM are individually referred to as “**Party**” and collectively as “**Parties**”)*

Introduction

- A. The Parties hereto have entered into an agreement for the sale of certain mining claims on or about the execution of this NSR Agreement on [date to be inserted] (“**Option Agreement**”).
- B. The Parties have agreed that as a part of the sale transaction, Nuinsco shall be entitled to the NSR Royalty (as defined below) in relation to the Properties (as defined below).
- C. The Parties now wish to formalise their agreement into writing as follows.

NOW THIS AGREEMENT WITNESSETH, that for and in consideration of mutual covenants and agreements herein contained and the sum of C\$ 10.00 (the receipt and sufficiency whereof is hereby acknowledged), it is hereby agreed by and between the Parties hereto as follows:

1. Definitions

- 1.3. Unless indicated otherwise by context, the following capitalised terms shall have the corresponding meaning:

- 1.3.1. “**Affiliate**” has, with respect to the relationship between two or more companies, the meaning given to it in the *Canada Business Corporations Act* as such act may be amended from time to time and, with respect to

the relationship between two or more Persons any of which are not bodies corporate, a Person shall be deemed to be an Affiliate of another Person if one of them is controlled by the other or if both are controlled by the same Person, and for this purpose, control means the right, directly or indirectly, to direct or cause the direction of the management of the affairs of a Person, whether by ownership of securities, by contract or otherwise.

- 1.3.2. "**Business Day**" means any day other than a Saturday, Sunday or day on which banks in Toronto, Canada and/or London, United Kingdom are generally not open for business.
- 1.3.3. "**Calculation Price**" means in respect of Minerals for which FCM receives payment from a Processor or from any other Person, or that are credited to the account of FCM, the Spot Price on the Business Day that FCM receives such payment or on which FCM's account is credited with such Minerals or with the Canadian dollar cash equivalent monetary value thereof.
- 1.3.4. "**Commercial Production**" means, and is deemed to have commenced:
- a. if a plant is located on any of the Properties, when the plant processing ores, for other than testing purposes, has operated for a period of 75 production days at an average rate of not less than 60% of design capacity; or
 - b. if a plant is not located on the Properties, when ores have been produced and shipped from the Properties for a period of 75 production days at the rate of not less than 60% of the mining rate specified in a feasibility study recommending placing the Properties in Commercial Production.
- 1.3.5. "**Confidential Information**" means any and all data, records, reports, drill hole logs, calculations, opinions, maps, charts, documents, financial budgets and projections, and other information, whether written or oral, pertaining to the Properties provided by a Party to the other, and including any copies thereof and any all summaries, extracts, notes, memoranda, studies or analyses derived therefrom or based thereon.
- 1.3.6. "**Option Agreement**" refers to the option agreement executed between Nuinsco and [REDACTED] on October 22nd 2020, a copy of the agreement is referred to in **Schedule B** attached herein;
- 1.3.7. "**Existing Royalty**" shall have the meaning ascribed to the term in Clause 2.2 herein.

- 1.3.8. **“Governmental Authority”** shall mean any federal, provincial, or local governmental, regulatory or administrative authority, agency or commission, or any court, tribunal or judicial or arbitral body or stock exchange, having jurisdiction.
- 1.3.9. **“Hedging Transactions”** has the meaning given to it in Clause 6.
- 1.3.10. **“IFRS”** means International Financial Reporting Standards.
- 1.3.11. **“Interest”** has the meaning given to it in Clause 3.6.
- 1.3.12. **“Minerals”** means all marketable naturally occurring metallic and non-metallic minerals or mineral bearing material in whatever form or state, including, without limitation, any precious metal, any base metal, natural gas, petroleum, coal, gems, diamonds, salt and rock, sand, clays, rare earths, gravel or aggregate, that are mined, extracted, removed, produced or otherwise recovered from the Properties (other than any rock, sand, gravel or aggregate used in connection with the conduct of operations by FCM), whether in the form of ore, doré, concentrates, refined metals or otherwise, including without limitation, and any other beneficiated or derivative products thereof and including any such minerals or mineral bearing materials or products derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Properties.
- 1.3.13. **“Net Smelter Returns”** means, in respect of any period following the commencement of Commercial Production, the aggregate of: (a) the actual gross monetary proceeds received by FCM from the sale or other disposition of Minerals or, in the event that the account of FCM at a Processor is credited with Minerals processed by the Processor, the gross value of Minerals so credited to FCM calculated on the basis of the aggregate quantity of such Minerals so credited at the relevant time period multiplied by the Calculation Price, (b) an amount equal to the quantities of all Minerals sold by FCM in such period, to persons not dealing at arm’s length with FCM, multiplied by the Calculation Price and (c) any proceeds of insurance received during such period on Minerals lost or stolen, less the following expenses:
- a. all taxes based directly on or assessed against the value or quantity of Minerals produced, sold or otherwise disposed of from the Property, including the following:
 - i. direct sales and/or value added taxes;
 - ii. use taxes;
 - iii. gross receipts taxes;
 - iv. severance taxes; and

- v. royalties of any Governmental Authority;
but excluding any and all taxes based upon the net or gross income of FCM or other operator of the Properties, the value of the Properties or the privilege of doing business and other taxes assessed on a similar basis;
- b. all transportation costs, including shipping, freight, handling and forwarding expenses and related insurance costs, for transportation of Minerals from the Properties to or from a Processor or to the point of sale or other disposition; and
- c. all direct charges and/or costs charged or incurred by any Processor or other purchaser of the Minerals, including penalties, storage charges, treatment and handling charges, environmental charges, wire transfer charges or metal account administration charges (provided such charges, costs and/or penalties have not been previously deducted by the Processor) and all sales and/or marketing charges and/or costs related to the sale or other disposition of Minerals; provided that if the milling, smelting, refining, minting and/or further processing is carried out at facilities owned or controlled, in whole or in part, by FCM, then the charges and costs for such milling, smelting, refining, minting and/or further processing of such Minerals shall be the lesser of: (A) the costs and charges that FCM would have incurred if such milling, smelting, refining, minting and/or further processing was carried out at facilities that are not owned or controlled by FCM and that are offering comparable services in a comparable location for comparable products; and (B) the actual charges and/or costs incurred by FCM with respect to such milling, smelting, refining, minting and/or further processing.

1.3.14. **"NI 43-101"** refers to National Instrument 43-101 - Standards of Disclosure for Mineral Projects, adopted by the Canadian Securities Administrators.

1.3.15. **"Notice"** shall have the meaning set out in Clause 17.8 herein.

1.3.16. **"Person"** means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities.

1.3.17. **"Place of Delivery"** means the place or account directed by Nuinsco in writing.

1.3.18. **"Prime"** means at any particular time, the reference rate of interest, expressed as a rate per annum, that Royal Bank of Canada establishes as

its prime rate of interest in order to determine interest rates that it will charge for demand loans in Canadian dollars to its most credit worthy commercial customers in Canada.

1.3.19. **“Processor”** means collectively any mill, smelter, refinery, mint or other processor, which processes Minerals to the final product stage before sale or other disposition, by or for the account of FCM.

1.3.20. **“Properties”** means collectively those properties described in **Schedule A** attached hereto, and each of the properties referred to on **Schedule A** is a **“Property”**.

1.3.21. **“Royalty”** shall have the meaning set out in Clause 2 of this Agreement.

1.3.22. **“Spot Price”** on any given date means (i) in the case of Minerals that are gold, the price of gold in U.S. dollars on the London Bullion Market, Afternoon Fix on such date; (ii) in the case of Minerals that are silver, the price of silver in U.S. dollars determined using the Handy & Harman quoted price of silver on such day as reported in the Wall Street Journal and (iii) in the case of all other Minerals, the price per unit in U.S. dollars for the relevant Minerals as quoted on the London Metal Exchange, or if for any reason the London Metal Exchange does not report spot pricing for a particular Mineral, then the Parties shall mutually agree upon an appropriate pricing entity or mechanism that accurately reflects the market value of any such Mineral. If for any reason the London Bullion Market, the Wall Street Journal or the London Metal Exchange are no longer in operation, the **“Spot Price”** of such Minerals shall be determined by reference to the price of such Minerals on another commercial exchange mutually acceptable to the Parties hereto. The exchange rate used to convert a **“Spot Price”** for Minerals from U.S. dollars to any other currency on a particular date shall be determined on the basis of the Bank of Canada noon exchange rate for U.S. dollars on such day.

2. GRANT OF ROYALTY AND OTHER TERMS

2.1. Subject to the terms of this Agreement, FCM, hereby grants, and agrees to pay to Nuinsco a royalty (the **“Royalty”**) equal to 1% (one per cent) of any Net Smelter Returns. FCM and Nuinsco expressly acknowledge and agree that the grant of the Royalty referred to in this Clause 2 is effective as of the date of the exercise of the Option Agreement and is intended to run with and bind each of the Properties and the title of FCM thereto and shall be binding upon the successors and assigns of FCM and all successors of FCM in title to the Properties.

2.2. In addition to the Royalty contemplated in Clause 2.1 above, the Parties acknowledge that there exists an obligation to pay a Net Smelter Returns

royalty of 2% (two per cent) to [REDACTED] (“Existing Royalty”) pursuant to the [REDACTED] Option Agreement. The Parties agree that the Royalty is exclusive of the Existing Royalty. The Parties further agree that it shall be the responsibility of FCM to pay such Existing Royalty to the holders of the same as and when it becomes due.

2.3. The Parties agree that any and all right to acquire the Existing Royalty shall pass onto FCM and FCM may exercise the same at its sole discretion.

3. TIME AND MANNER OF ROYALTY PAYMENTS

3.1. The Royalty payment shall be calculated and paid for each quarter of each calendar year during the term of this NSR Agreement (a “quarter”) (i.e., each succeeding three month period of a calendar year, the first quarter commencing on January 1st), commencing with the quarter (or the remainder thereof) in which the commencement of Commercial Production occurs. Subject as set out in Clause 3.2 below, the Royalty payment for each quarter shall be paid to Nuinsco by FCM by certified cheque, bank draft or wire transfer (in the discretion of Nuinsco) in Canadian dollars, on or before the day that is 60 (sixty) days after the last day of each quarter. Any adjustment to the determination of any Royalty payment as contemplated pursuant to the terms of this NSR Agreement shall be made on the next scheduled Royalty payment after such adjustment is determined. All such Royalty and adjustment payments shall be delivered to Nuinsco at the Place of Delivery in the foregoing manner as specified in writing by the Holder.

3.2. Nuinsco shall have no right to receive Royalty payments in the Mineral in the physical product in kind.

3.3. At least 60 (sixty) days prior to commencing any mining of the Properties and concurrently with the release of the annual report by FCM (or within 60 (sixty) days of the end of each calendar year in the circumstances that any party that is not FCM is not obligated to issue an annual report), FCM shall deliver to Nuinsco a reasonably detailed and reasoned estimate specific to the Properties of the proven and probable reserves of Minerals on, in or under the Properties.

3.4. At the time each Royalty payment is paid to Nuinsco, FCM shall prepare and deliver to Nuinsco a statement setting out in reasonable detail the manner in which such Royalty payment was calculated, including: (i) the quantities of Minerals produced and sold or otherwise disposed of by FCM with respect to such quarter or the amount of Minerals produced and credited to the account of FCM for such quarter, as the case may be; (ii) the quantities of Minerals to which such Royalty payment is applicable; (iii) the calculation of the applicable Net Smelter Returns; (iv) the Calculation Price for Minerals, if applicable, (v) the calculation of Interest accrued on such Royalty payment, if any; and (vi) in

the event of any commingling as contemplated in Clause 5, a detailed summary of the determination by FCM of the quantity of Minerals commingled in accordance with Clause 5 and subject to the Royalty; and (vii) in the case of Minerals in the form of ores mined and stockpiled but not sold or processed by FCM during the previous quarter, the tonnage and location of such Minerals so stockpiled.

- 3.5. Notwithstanding the terms of any other provision in this NSR Agreement, FCM shall not be obligated to make any Royalty payment before FCM has received payment for the sale or other disposition of Minerals, or its account has been credited with Minerals by any end Processor.
- 3.6. Nuinsco may object in writing to any statement or Royalty payment amount within 1 year of the receipt by Nuinsco of the relevant statement in respect of such payment. If it is determined by agreement of the Parties that any Royalty payment has not been properly paid in full as provided herein, FCM shall pay interest on the delinquent payment at a rate per annum of Prime plus 2% per annum ("**Interest**"), commencing on the date on which such delinquent payment was properly due and continuing until the date on which Nuinsco receives payment in full of such delinquent payment and all accrued Interest thereon. For the purposes of this Clause 3.6, Prime shall be determined as of the date on which such delinquent payment was properly due.
- 3.7. If it is determined by agreement of the Parties or by arbitration that any Royalty payment was overpaid, FCM shall be entitled to offset such amount against the next Royalty payment.
- 3.8. All Royalty payments, including Interest, if any, will be made subject to withholding or deduction in respect of the Royalty for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied on such Royalty payment by or on behalf of any Governmental Authority having power and jurisdiction to tax and for which FCM is obligated in law to withhold or deduct and remit to such Governmental Authority. FCM shall set out in the statement referred to in Clause 3.4 any amount so withheld.
- 3.9. All tailings, waste rock or other waste products resulting from the mining, milling or other processing of ores derived from the Properties from and after the date of this NSR Agreement shall be the sole and exclusive property and responsibility of FCM, but shall be subject to the Royalty and the terms of this NSR Agreement, including the provisions in respect of commingling, if such tailings, waste rock or other waste products are processed in the future resulting in the production of Minerals therefrom.

4. TERM AND INTEREST IN THE PROPERTY

4.1. The term of this NSR Agreement and of the existence of the Royalty shall commence on the date first above written and continue in perpetuity, it being the intent of the Parties hereto that the Royalty shall constitute a covenant running with and binding upon the title to the Properties and all accessions thereto and all successions thereof, whether created privately or through governmental action, and binding upon the successors and assigns of FCM and the successors in title to the Properties. If any right, power or interest of either Party under this NSR Agreement would violate the rule against perpetuities or equivalent rule under applicable Law, then such right, power or interest shall terminate at the expiration of 20 (twenty) years after the death of the last survivor of all the lineal descendant of His Majesty, King Charles III of England, living at the date of this NSR Agreement.

5. COMMINGLING

5.1. Subject to Clause 5.2 below, FCM shall be entitled to commingle Minerals from the Properties with ore or minerals from any other properties owned or leased by FCM or from any other property which may be custom or toll milled by FCM, during the stockpiling, milling (concentrating), smelting, refining, minting or further processing of Minerals produced from the Properties.

5.2. Before any Minerals are commingled with ores or minerals from any other properties, including stockpiling, the Minerals shall be measured and sampled in accordance with standard mining and metallurgical practices. Representative samples of the Minerals shall be retained by FCM and assays and appropriate analyses of these samples shall be made before commingling to determine metal, mineral, moisture and other appropriate content of the Minerals. From this information, FCM shall determine the quantity of the Minerals subject to the Royalty notwithstanding that the Minerals have been commingled with ores or minerals from other properties. Absent outstanding objection made by Nuinsco pursuant to Clause 3.6, FCM may dispose of the materials and data required to be produced and kept by this Clause after a period of 2 (two) years from the date such materials and data are produced.

6. HEDGING TRANSACTIONS

6.1. Any and all profits, losses and expenses resulting from FCM engaging in any commodity futures trading, option trading, metals trading, metal loans, and any other hedging transactions or any combination thereof (collectively "**Hedging Transactions**") are specifically excluded from calculations of Royalty payments pursuant to this NSR Agreement. All Hedging Transactions shall be for FCM's sole account and shall not affect the calculation and payment to Nuinsco of the Royalty payment which shall be calculated and paid in accordance with Clause 3 without regard for any Hedging Transactions.

7. STOCKPILING

7.1. Subject to Clauses 3.6 and 11.1 of this NSR Agreement, FCM or an operator

shall be entitled to temporarily stockpile, store or place ores or mined rock containing Minerals produced from the Properties in any locations owned, leased or otherwise controlled by FCM or its Affiliates or the Processor on or off the Properties, provided the same are appropriately identified as to ownership and origin and secured from loss, theft, tampering and contamination.

8. BOOKS; RECORDS; INSPECTIONS

- 8.1. FCM shall keep accurate books and records of all of its operations and activities with respect to the Properties, including the mining of Minerals therefrom and the mining, treatment, processing, refining and transportation of Minerals, prepared in accordance with IFRS, consistently applied. Subject to complying with the confidentiality provisions of this NSR Agreement, Nuinsco and/or its authorized representatives shall be entitled, upon delivery of 10 (ten) Business Days advance notice, and during the normal business hours of FCM, to perform audits or other reviews and examinations of FCM's books and records relevant to the calculation and payment of the Royalty pursuant to this NSR Agreement once per calendar year to confirm compliance with the terms of this NSR Agreement, including without limitation, calculations of Net Smelter Returns. Without limiting the generality of the foregoing, Nuinsco shall have the right to audit all invoices and other records relating to the transportation of Minerals from the Properties to any Processor at which Minerals from the Properties may be milled, smelted, concentrated, refined or otherwise treated or processed, including the transportation of Minerals in the form of concentrates, doré, slag or other waste products from any mill at which Minerals from the Properties may be milled, to a Processor. Nuinsco shall diligently complete any audit or other examination permitted hereunder. All expenses of any audit or other examination permitted hereunder shall be paid by Nuinsco, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of any Royalty payments paid to Nuinsco hereunder in respect of the period being audited or examined in an amount greater than 5% of the amount of the Royalty properly payable with respect to such period, in which event all expenses of such audit or other examination shall be paid by FCM.
- 8.2. In performing such audit Nuinsco and/or its agents shall have reasonable access to all sampling, assay, weighing, and production records, including all mining, stockpile and milling records of FCM relating to any Minerals derived from the Properties (and Nuinsco shall be allowed to make notes or a photocopy thereof), all of which such records shall be kept and retained by FCM or operator of the Properties in accordance with good mining industry practice for the period of retention required herein.

9. RIGHTS TO MONITOR PROCESSING OF MINERALS

- 9.1. Subject at all times to the workplace rules and supervision of FCM, and

provided any rights of access do not interfere with any exploration, development, mining or milling work conducted on the Properties or at any mill at which Minerals from the Properties may be processed, Nuinsco shall at reasonable times and upon at least ten (10) days notice, and at its sole risk and expense, have (a) a right of access by its representatives to the Properties and to any mill used by FCM to process Minerals derived from the Properties (provided that in the event such mill is not owned or controlled by FCM, such right of access shall only be the same right as any such right of access of FCM), and (b) the right to monitor FCM's stockpiling and milling of ore or Minerals derived from the Properties and to take samples from the Properties or any stockpile or from any mill or Processor (if not prohibited under any contract between FCM and any such Processor) for purposes of assay verifications.

10. CONFIDENTIALITY

10.1. Nuinsco shall not, without the prior written consent of FCM, which shall not be unreasonably delayed or withheld, knowingly disclose to any third party Confidential Information obtained pursuant to this NSR Agreement which is not generally available to the public; provided, however, Nuinsco may disclose Confidential Information if so obtained without the consent of FCM:

- (h) if required for compliance with laws, rules, regulations or orders of a governmental agency or stock exchange;
- (i) to any of Nuinsco's consultants or advisors;
- (j) to any third party to whom Nuinsco, in good faith, anticipates selling or assigning Nuinsco's Royalty interest; and
- (k) to a prospective lender,
- (l) to its consultants or advisors; or
- (m) to a third party to which a Party or its parent company contemplates a transfer to, or a merger, amalgamation or other corporate reorganization with,
- (n) provided however, that any party under (b), (c), (d), (e) or (f) to whom disclosure is made has a legitimate business need to know the disclosed information, and shall first agree in writing to protect the confidential nature of such information to the same extent Nuinsco is obligated under this Clause.

10.2. **Press Releases.** A Party desiring to make a disclosure, statement or press release concerning this NSR Agreement shall first consult with the other Party prior to making such disclosure, statement or press release, and the Parties shall use all reasonable efforts, acting expediently and in good faith, to agree

upon a text for such statement or press release which is satisfactory to all Parties. Subject to its rights and obligations regarding confidentiality under Clause 10.1, Nuinsco shall not issue any press release containing Confidential Information relating to the Property except upon giving FCM two (2) days advance written notice of the contents thereof, and Nuinsco shall make any reasonable changes to such proposed press release as such changes may be timely requested by FCM, provided, however, Nuinsco may include in any press release without notice any information previously reported by FCM or Nuinsco. A Party shall not, without the consent of the other Party, issue any press release that implies or infers that the non-issuing Party endorses or joins the issuing Party in statements or representations contained in any press release.

11. CONDUCT OF OPERATIONS

11.1. All decisions concerning methods, the extent, timing, procedures or techniques of any (i) exploration, development and mining related to the Properties, (ii) extraction, stockpiling, leaching, milling, processing, refining or treatment of the Minerals or (iii) materials to be introduced on, under or to the Properties or produced therefrom, shall be made by FCM in its sole and absolute discretion, and all decisions concerning the sale or other disposition of Minerals from the Properties, shall be made by FCM in its sole and absolute discretion.

11.2. FCM shall not be required to develop and/or mine the Properties or to mine and process any Minerals. FCM shall not be responsible for or obliged to make any Royalty payments for Minerals or Mineral value lost in any mining or processing of the Minerals or for any Minerals stranded in situ as a result of mining except for the obligations contemplated in this NSR Agreement.

12. NO IMPLIED COVENANTS

12.1. The Parties agree that there are no implied covenants or duties relating to or affecting any of their respective rights or obligations under this NSR Agreement, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this NSR Agreement.

13. SALE AND ASSIGNMENT BY NUINSCO

13.1. The Parties agree that FCM shall have an exclusive right to acquire 50% (fifty per cent) of the Royalty payable to Nuinsco for a sum of C\$250,000 (Canadian Dollars two hundred fifty thousand) at FCM's discretion.

13.2. In addition to Clause 13.1, FCM shall have a right, on a right of first refusal basis, to acquire the remaining 50% (fifty per cent) of the Royalty should Nuinsco elect to market the same. Prior to making such election, Nuinsco shall provide notice of the same to FCM to allow it to exercise the foregoing right of first refusal.

Upon receiving such notice, FCM shall have two (2) Business Days to respond and exercise its right of first refusal, failing which such right shall terminate immediately thereafter.

13.3. Subject to Clause 13.1 and Clause 13.2, Nuinsco shall have the right, at any time and from time to time, to assign, transfer, convey, mortgage, pledge or charge any portion or all of the Royalty and its interest in and to this NSR Agreement, provided any such assignee, transferee, mortgagee, pledgee or chargee enters into a written agreement with FCM whereby it agrees to be bound, and to cause any assignee, transferee, mortgagee, pledgee or chargee from it to be bound, by the terms of this NSR Agreement. FCM covenants and agrees that it shall be bound by and shall perform, and that it will acknowledge in writing in favour of such assignee, transferee, mortgagee, pledgee or chargee that it is bound by and shall perform, the terms of this NSR Agreement upon any such assignment, transfer, conveyance, mortgage, pledge or charge. Nuinsco shall notify FCM in writing prior to the completion of any such assignment, transfer or conveyance, confirming the identity of such transferee, the appropriate Place of Delivery and the new address for notice to such transferee.

14. TRANSFER BY FCM

14.1. FCM shall be entitled to assign, sell, transfer, lease, mortgage, charge or otherwise encumber any or all of the Properties or the Minerals or the proceeds thereof and its rights and obligations under this NSR Agreement, in whole or in part, without the consent of Nuinsco, provided the following conditions are satisfied, and upon such conditions being satisfied in respect of any such assignment, sale or transfer, lease, mortgage, charge or other encumbrance and, subject to the provision of Clause 17.3, FCM shall be released from all obligations under this NSR Agreement:

- e. any purchaser, transferee, lessee or assignee of such Properties or this NSR Agreement agrees in advance in writing in favour of Nuinsco to be bound by the terms of this NSR Agreement including, without limitation, this Clause 14 and the provisions set out in Clause 17 of this NSR Agreement;
- f. any purchaser, transferee or assignee of this NSR Agreement has simultaneously acquired FCM's right, title and interest in and to the applicable Properties;
- g. any mortgagee, chargee, lessee, assignee or encumbrancer of FCM of such Properties or this NSR Agreement agrees at the time of such mortgage, charge, lease, assignment or encumbrance in favour of Nuinsco that, at the time of enforcement of its rights, (i) it shall be bound by and subject to the terms of this NSR Agreement in the event it takes possession of or forecloses on all or part of such Properties and acknowledges that Nuinsco shall be entitled to receive the Royalty payments to which it is entitled

hereunder in priority to any payments to such mortgagee, charge, lessee, assignee or encumbrancer and undertakes to obtain an agreement in writing in favour of Nuinsco from any subsequent purchaser, lessee, assignee or transferee of such mortgagee, charge holder, lessee or encumbrancer that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this NSR Agreement including, without limitation, this Clause 14; and

- h. any royalty or other similar interest in or to such Properties, or in and to any Minerals, granted by FCM after the date hereof, shall contain a term to the effect that no payment thereof, in cash or in product in kind, shall be made until the Royalty hereunder has been paid in full for the relevant time period.

15. REGISTRATION

15.1. It is the express intention of the Parties that the Royalty shall run with FCM's title to the Properties and be binding upon the successors of FCM in title to the Properties. Notwithstanding Clause 10 (Confidentiality), Nuinsco may cause, at its own expense, the registration of a short form notice of the existence of the Royalty and this Agreement (without disclosing the Royalty terms herein) against the title to the Properties and FCM covenants and agrees that it shall cooperate with such registration and provide its written consent or signature to any documents or things reasonably necessary to accomplish such registration in order to ensure that any successor or assignee or other acquiror or encumbrancer of FCM's title to the Properties, or any interest therein, shall have public notice of the existence of the Royalty and this Agreement, which consent or signatures shall be granted by FCM without condition within five (5) Business Days of the receipt by FCM of a request for such written consent.

16. REPRESENTATIONS AND WARRANTIES OF AND INDEMNITY BY FCM

16.1. FCM hereby represents and warrants that it has the corporate power, capacity and authority to grant the Royalty to Nuinsco and such grant, and the execution and delivery of this NSR Agreement by FCM, has been duly authorized by all required corporate action of FCM and this NSR Agreement represents a valid and binding obligation of FCM duly enforceable against it by Nuinsco subject to the enforcement of creditor's rights generally and orders for equitable remedies in the discretion of the courts.

16.2. It is acknowledged that Nuinsco has no involvement in the carrying out of work related to or conducted on, in or under the Properties or in any decisions related to the Properties or any work related to or conducted on, in or under the Properties from and after the date of this NSR Agreement, all such matters being in the sole control of FCM. FCM hereby indemnifies and saves harmless Nuinsco and its respective Affiliates and their respective directors, officers, shareholders and employees from and against any and all costs, expenses (including

reasonable fees and expenses of legal counsel), damages, obligations, penalties, claims, orders or directives or other liability of any nature whatsoever incurred in respect of or arising out of the Properties or the title thereto or ownership thereof, or any work, operations, activities or event thereon, therein or thereunder or related thereto, conducted or arising from and after the date of this NSR Agreement by virtue or by reason of the status of Nuinsco as a royalty holder.

17. GENERAL PROVISIONS

17.1. *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 NSR Agreement, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

17.2. *Relationship of the Parties.*

Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or any other partnership relationship between FCM and Nuinsco.

17.3. *Assignment.*

Any assignment, transfer, conveyance, mortgage, pledge or charge or lease or purported assignment, transfer, conveyance, mortgage, pledge or charge or lease of any interest in the Properties by FCM, or in, to or arising under this NSR Agreement by FCM, which does not comply with the terms of this NSR Agreement shall be null and void and of no force or effect whatsoever. Notwithstanding any other provision in this Agreement, FCM shall remain liable for all covenants, agreements, obligations, representations and warranties of FCM contained in this NSR Agreement, despite any assignment, transfer, conveyance, mortgage, pledge, charge or lease of any interest in the Properties, or in, to or arising under this NSR Agreement, by FCM to any Affiliate of FCM, until such time as the Affiliate is released pursuant to Clause 14.

17.4. *Governing Law.*

This NSR Agreement shall be governed by and construed under the laws of the Province of Ontario and the laws of Canada applicable in such province.

17.5. *Time of Essence.*

Time is of the essence in this NSR Agreement.

17.6. *Severability.*

If any provision of this NSR Agreement is wholly or partially invalid, this NSR Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of the NSR Agreement which shall be construed as if the NSR Agreement had been

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

17.7. Accounting Principles.

All calculations hereunder shall be made in accordance with IFRS as the same may be in effect from time to time.

17.8. Notices.

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 email transmission addressed as follows:

If to FCM, to it at:

Email Address: [REDACTED]

If to the Holder, to it at:

Email Address: [REDACTED]

For the attention of: [REDACTED]

Any Notice given in accordance with this Clause, if transmitted by email transmission, shall be deemed to have been received on the business day transmission or, if delivered by hand, shall be deemed to have been received when delivered.

17.9. Schedules.

The schedules which are attached to this NSR Agreement are incorporated into this NSR Agreement by reference and are deemed to form part hereof.

17.10. Currency.

All references to currency herein and all calculations and payments to be made hereunder shall be in Canadian Dollars.

17.11. Counterparts.

This NSR Agreement may be executed in counterparts, which counterparts together shall constitute one and the same instrument and such counterparts may be delivered by electronic mail with originals subsequently delivered.

[Signature page and schedules to follow]

Schedule A
List of Mining Claims

[List of mining claims to be inserted]

Schedule B
Copy of [REDACTED] Option Agreement inserted by way of reference

*****End of Agreed format for the NSR Royalty Agreement regarding the [REDACTED] Option Claim Group*****

Schedule H

Form of letter to be signed by [REDACTED] and [REDACTED]

From,

[Insert details of [REDACTED]]

To,

First Class Metals Inc.

Suite 16, Freckleton Business Centre, Freckleton Street,
Blackburn, Lancashire, BB2 2AL

Subject: Letter of Consent

We the undersigned, are aware of the transaction between Nuinsco Resources Limited (“**NWI**”) and First Class Metals PLC (“**FCM**”). We have been made aware of the substantive terms of the Purchase Option Agreement dated [Date to be inserted] and hereby provide our full consent for the transfer of the concerned mining claims thereof to FCM upon FCM’s fulfillment of its obligations in said Purchase Option Agreement including full compliance with the terms of the “[REDACTED] Option Agreement”, which is a right to acquire certain mining claims granted by the binding option agreement dated October 22nd 2020, between the NWI and [REDACTED] and included as Schedule B in the Purchase Option Agreement between NWI and FCM.

[REDACTED]

Date: [Date to be inserted]

Signature:

For [REDACTED],

Name: [Name to be inserted]

Position: [Position to be inserted]

Date: [Date to be inserted]

Signature: