

VANICOM RESOURCES LIMITED

AND

**LEGENDARY ORE MINING
CORPORATION**

AMENDED AND RESTATED OPTION AGREEMENT

April 27, 2020

**AMENDED AND RESTATED OPTION
AGREEMENT**

THIS AMENDED AND RESTATED OPTION AGREEMENT is made as of the 27th day
of April, 2020.

BETWEEN:

VANICOM RESOURCES LIMITED, a corporation incorporated pursuant to the laws
of Australia

(“**Vanicom**”)

AND:

LEGENDARY ORE MINING CORPORATION, a company continued under the
Business Corporations Act
(Ontario)

(“**Legendary**”)

WHEREAS:

- A. Vanicom and Quebec Precious Metals Corporation are parties to an agreement entitled “Somanike” Property Option Agreement” dated August 20, 2018, as amended on March 20, 2019 and September 18, 2019, a copy of which is attached as Schedule “A” hereto (the “**Option Agreement**”).
- B. In accordance with the terms of the Option Agreement, Vanicom has the right and option to acquire a 100% right, title and interest in and to one hundred eleven (111) mineral claims known as the “Somanike Property” located in the Abitibi area of the Province of Quebec, as more particularly set forth in Schedule “A” to the Option Agreement (the “**Property**”).
- C. On August 1, 2019, 2,500,000 common shares in the capital of Legendary were issued to Vanicom to reimburse Vanicom for option payments made on the Property totaling \$50,000.00, with such amounts more particularly described in Schedule “B” hereto (the “**Debt Settlement**”).
- D. As consideration for the Debt Settlement, Vanicom wishes to grant Legendary the exclusive right and option to acquire all of Vanicom’s right, title and interest in and to the Option Agreement and in and to the Property, pursuant to an assignment, as set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which is acknowledged, that the parties hereto mutually agree and covenant as follows:

1. DEFINITIONS

1.1 In this Agreement and in the Schedules and the recitals hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) “**affiliate**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

- (b) **“Debt Settlement”** has the meaning ascribed thereto in the recitals hereto;
- (c) **“Defaulting Party”** has the meaning ascribed thereto in Section 10.1;
- (d) **“Effective Date”** means September 24, 2019, the effective date of this Agreement;
- (e) **“Encumbrances”** means all interests, mortgages, charges, royalties, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or however arising and any rights or privileges capable of becoming any of the foregoing;
- (f) **“Expenditures”** means all costs, expenses, obligations and liabilities of whatever kind or nature spent or incurred directly or indirectly by Vanicom or its affiliates in respect of the Property up to the Option Exercise Date including, without limiting the generality of the foregoing, monies expended in connection with:
 - (i) maintaining the Property in good standing and fulfilling any of the requirements of any title documents, permits or applicable mining or environmental laws in Quebec with respect to the Property, including the costs of any discussions or negotiations with governmental authorities in connection therewith;
 - (ii) mobilization and de-mobilization of work crews, supplies, facilities and equipment to and from the Property, including all transportation, insurance, customs brokerage and import and export taxes, fees and charges and all other governmental levies in connection therewith;
 - (iii) implementing and carrying out any program of surface or underground prospecting, exploring or mapping or of geological, geophysical or geochemical surveying;
 - (iv) trenching or other surface or near surface sampling;
 - (v) reverse circulation, diamond or other drilling;
 - (vi) drifting, raising or other underground work;
 - (vii) assaying and metallurgical testing;
 - (viii) carrying out environmental studies and preparing environmental impact assessment reports;
 - (ix) carrying out all required restoration and reclamation of the Property required as a result of activities thereon hereunder, and posting any bond (whether cash or surety) required in that regard by any applicable governmental authority;
 - (x) preparing and making submissions to government agencies with respect to substitute or successor title to any of the Property and test and production permits;
 - (xi) the securing of good relations with communities in the area surrounding the Property, including, without limitation, all costs associated with the negotiation and implementation of any impact and benefit agreement or access agreement and any services provided in aid of consultation between aboriginal people and governmental authorities relating to operations;
 - (xii) acquiring, constructing and transporting facilities; and

- (xiii) fees, wages, salaries and traveling expenses (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property and the food, lodging and other reasonable needs of such persons.

All Expenditures incurred on the Property will be filed as assessment credits toward the Property.

- (g) “**Legendary**” has the meaning set forth in the recitals hereto;
- (h) “**Option Exercise Date**” means the date upon which the Option is deemed to be exercised in Section 3;
- (i) “**Operator**” has the meaning ascribed thereto in Section 6.1;
- (j) “**Option**” has the meaning ascribed thereto in Section 2.1;
- (k) “**Party**” means any of Vanicom or Legendary and their respective successors and permitted assigns and “**Parties**” means, together, Vanicom and Legendary and their successors and permitted assigns;
- (l) “**Property**” has the meaning set forth in the recitals hereto;
- (m) “**Transfer**” has the meaning ascribed thereto in Section 12.1; and
- (n) “**Vanicom**” has the meaning set forth in the recitals hereto.

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) all references in this Agreement to “articles”, “sections” and other subdivisions or Schedules are to the designated articles, sections or other subdivisions or Schedules of or attached to this Agreement;
- (b) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section or other subdivision;
- (c) the headings are for convenience only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement;
- (d) the singular of any term includes the plural, and vice versa, the use of any term is equally applicable to any gender and, where applicable, a body corporate, the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language is used with reference thereto);
- (e) the words “written” or “in writing” include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including facsimile or e-mail;
- (f) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- (g) a “day” shall refer to a calendar day and in calculating all time periods the first day of a period is not included and the last day is included and references to a “business day” shall

refer to days on which banks are ordinarily open for business in Toronto, Ontario, but if a period ends on a day on which the banks are not open for business in Toronto, Ontario, the period will be deemed to expire on the next calendar day on which banks are open for business in Vancouver, Ontario; and

- (h) all references to currency are references to Canadian dollars unless otherwise indicated.

2. OPTION

2.1 As consideration for the Debt Settlement, Vanicom hereby grants to Legendary the exclusive irrevocable right and option to acquire all of Vanicom's right, title and interest in and to the Option Agreement, pursuant to an assignment and a 100% interest in and to Vanicom's rights to the Property, free and clear of all Encumbrances (the "**Option**"). On or before the Option Exercise Date, Legendary shall:

- (a) on or before five business days after the Effective Date, pay to Vanicom \$1.00 in lawful money of Canada; and
- (b) on or before 36 months after the Effective Date, reimburse Vanicom, whether in cash or securities of the parent of Legendary, Class 1 Nickel and Technologies Limited, all Expenditures on the Property incurred by Vanicom up to the date of exercise of the Option by Legendary.

3. EXERCISE OF OPTION

3.1 Once Legendary has satisfied its obligations in accordance with Section 2.1 with respect to the Property (the "**Option Exercise Date**"), Legendary will have exercised the Option and acquired an undivided 100% right, title and interest in and to the Option Agreement and Vanicom's rights to the Property and will give notice to Vanicom to that effect.

3.2 Following the exercise by Legendary of the Option with respect to the Property, Vanicom will take the necessary actions to assign the Option Agreement and obtain any necessary consents therefor, and transfer to and record in the name of Legendary an undivided 100% legal and beneficial interest in and to Vanicom's interest in the Property in accordance with applicable laws.

4. REPRESENTATIONS AND WARRANTIES

4.1 Vanicom represents and warrants to Legendary that, as of the date of this Agreement:

- (a) it is a valid and subsisting corporation duly incorporated under the laws of Australia, has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of it enforceable against it in accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and
 - (iv) rights of indemnity and contribution hereunder may be limited under applicable

law;

- (b) the execution of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, result in a breach of or accelerate the performance required by any agreement to which it is a party;
- (c) the execution of this Agreement and the consummation of the transactions contemplated hereby will not result in a breach of any laws of a jurisdiction applicable to it or its constating documents;
- (d) it is the sole registered, legal and beneficial holder of the option to acquire the claims comprising the Property as listed in Schedule "A" to the Option Agreement, which are free and clear of all Encumbrances, and has all necessary right, title and authority to grant or transfer to Legendary the rights and interest in the Property provided for in this Agreement; and
- (e) it has not granted any other person any agreement or other right to acquire any interest in the Option Agreement or the Property or any portion thereof.

4.2 Legendary represents and warrants to Vanicom that as of the date of this Agreement:

- (a) it is a valid and subsisting corporation duly continued under the laws of Ontario and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of Legendary enforceable against it in accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and
 - (iv) rights of indemnity and contribution hereunder may be limited under applicable law; and
- (b) the execution of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, result in a breach of or accelerate the performance required by any agreement to which Legendary is a party.

4.3 The representations and warranties herein set out are conditions on which the Parties have relied in entering into this Agreement and each of the Parties will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by it and contained in this Agreement. The representations and warranties set out herein shall survive the Effective Date.

5. EXPENDITURES

5.1 Prior to the Option Exercise Date, Legendary shall not be required to contribute to Expenditures with respect to the Property. The parties agree and acknowledge that Vanicom will fund all

Expenditures on the Property up until the Option Exercise Date.

6. OPERATOR

- 6.1 Throughout the term of this Agreement, Vanicom shall be the operator (the “**Operator**”) with overall responsibility for the operations on the Property.
- 6.2 The Operator may, in its sole discretion, hire Legendary or third parties to provide services in connection with the administration and carrying out of the exploration programs on the Property.

7. AUTHORITY, DUTIES AND OBLIGATIONS

7.1 For so long as Legendary has the Option to acquire an interest in the Property, Vanicom, as the Operator, shall:

- (a) maintain the Property in good standing and pay all costs in respect thereof and not in any way encumber the Property;
- (b) conduct exploration in a professional, good and workmanlike manner in accordance with good mining practice and comply with all applicable laws with respect to its activities on the Property. Vanicom shall be responsible for the remediation of all surface and environmental disturbances resulting from its activities on the Property;
- (c) allow the employees, agents and contractors of Legendary to conduct site visits on the Property on reasonable prior notice to Legendary;
- (d) maintain true and correct books, accounts and records of Expenditures; and
- (e) provide Legendary at Legendary’s own cost, upon reasonable request and within five business days thereof, all information related to the Option Agreement and the Property, including without limitation, a report of the amount of Expenditures incurred on the Property, reports summarizing exploration activity carried out and planned to be carried out on the Property, exploration information, including any notices, demands or other material communications Vanicom receives relating to the Property.

7.2 In addition, for so long as Legendary has the Option to acquire an interest in the Property, unless Legendary otherwise provides Vanicom with its consent in writing, Vanicom shall:

7.3

- (a) do all things necessary and proper to keep the Option Agreement in full force and effect.
- (b) subject to complying with Section 3.2, remain the registered optionee under the Option Agreement owner of the Property and not in any way encumber the Property;
- (c) refrain from any conduct or activity, including any omission or failure to act, that might jeopardize title to or the status of the Property or hinder the rights of Legendary under this Agreement;
- (d) make available to Legendary and its representatives all records and files in its possession relating to the Property and permit Legendary and its representatives, at its own expense, to take abstracts therefrom and make copies thereof;
- (e) other than a Transfer in accordance with Section 12.1, not solicit offers or engage in any discussions with a third party relating to the ownership or development of the Property;

- (f) keep and perform the obligations on its part to be kept and performed under the Option Agreement;
- (g) promptly notify Legendary of the occurrence of any default under the Option Agreement whether committed by it or any other party, as soon as it becomes aware of such default;
- (h) deliver to Legendary a copy of any written notice delivered by it or received by it pursuant to the Option Agreement;
- (i) notify Legendary of its intention to exercise the option under the Option Agreement promptly and not less than 30 days prior to any such exercise;
- (j) not create any Encumbrance with respect to the Option Agreement or the Property; and
- (k) not terminate, assign or otherwise dispose of any interest in, waive any default under, or breach of, or fail to enforce, or forgive or release any material right, interest or entitlement under, or seek to rescind or suspend, or amend, supplement or modify, the Option Agreement.

7.4 Legendary shall have the right at any time to audit (an “**Audit**”), at its expense, information regarding Expenditures incurred in a report delivered to Legendary pursuant to Section 7.1(e). Legendary shall complete an Audit as soon as is reasonably practicable following delivery of the items set forth in Section 7.1(e) and in any event no later than 30 days following receipt by Legendary of the applicable notice or report. If, as a result of an Audit, Legendary disputes any of the Expenditures or exploration works that have been incurred and described in the applicable notice or report, Legendary will provide written notice of the same (the “**Dispute Notice**”) to Vanicom upon completion of the Audit. The Dispute Notice will identify any disputed amounts, expenditures or works in reasonable detail and provide any additional explanation necessary to allow Vanicom to understand the nature and specifics of the dispute. Where available, Vanicom will provide Legendary with additional reasonable evidence relating to any Expenditures or works so disputed, and Vanicom and Legendary will use reasonable commercial efforts to resolve such dispute.

7.5 Any obligations of Legendary under the Option with respect to payments to Vanicom may be satisfied in whole or in part by an affiliate of Legendary.

7.6 This Agreement is an option only and except as herein specifically provided otherwise, nothing herein contained shall be construed as obligating Legendary to do any acts or make any expenditures or payments hereunder, and any act or payment as shall be made hereunder shall not be construed as obligating Legendary to do any further act or payment. Legendary shall have no obligation to complete the exercise of the Option and may allow any such option to lapse without notice.

7.7 After execution of this Agreement, Legendary may, at its expense, register on title to the Property, or elsewhere as permitted by applicable law, notice of its interest in this Agreement and its right to acquire an interest in the Property.

8. SHARING OF INFORMATION & CONFIDENTIALITY

8.1 Except as otherwise required by law or securities regulatory authorities, each Party will obtain prior comments from the other Party before issuing any press release or public statement: (a) using the other Party’s name or the names of the other Party’s assignees or of its officers, directors or employees or of its assignees, or (b) which contains confidential information. Where a request is

made for such comments, a reply thereto will be made within 24 hours after receipt of such request, failing which the Party requesting will be entitled to issue its press release or public statement as if the other Party had given its consent thereto. If the Parties fail to agree upon the text of the press release or public statement, the Party making the disclosure will make only such public statement or release as its counsel advises in writing is legally required to be made or is otherwise reasonable in the circumstances.

- 8.2 The Parties further agree that this Agreement, the transactions contemplated herein and any information relating to the Property and the other Party will not be provided to any third party or used other than for the activities contemplated hereunder, except as required by law or by the rules and regulations of any regulatory authority (including stock exchange) having jurisdiction (in which case the Party required to disclose such information shall to the extent practical give the other Party an opportunity to review and provide reasonable comments on the disclosure), or with the written consent of the other Party, such consent not to be unreasonably withheld.
- 8.3 Consent to disclosure of information pursuant to this Section 8 will not be unreasonably withheld or delayed where a Party wishes to disclose any such information to a third party for the purpose of arranging financing, entering into a corporate transaction or for the purpose of selling its interest or its rights as contemplated in this Agreement, provided that such third party first enters into a written agreement with the other Party that any such information not theretofore publicly disclosed will be kept confidential and not disclosed to others on terms satisfactory to the other Party acting reasonably.

9. ASSOCIATION OF PARTIES

- 9.1 Legendary, on the one hand, and Vanicom, on the other hand, shall become associated only for the purposes set forth in this Agreement. Except as otherwise expressed in this Agreement, the rights and obligations of the Parties will be, in each case, several, and will not be or construed to be either joint or several. Nothing contained in this Agreement shall, except to the extent specifically authorized hereunder, be deemed to constitute a Party, a partner, an agent or legal representative of the other Party. It is intended that this Agreement shall not create the relationship of a partnership among the Parties and that no act done by any Party pursuant to the provisions hereof will operate to create such a relationship.
- 9.2 All transactions, contracts, employments, purchases, operations, negotiations with third parties and any other matter or act undertaken on behalf of the Parties in connection with the Property will be done, transacted, undertaken or performed in the name of the transacting Party only and no Party will do, transact, perform or undertake anything in the name of any other Party or in the joint names of the Parties.
- 9.3 Except as specifically provided hereunder:
- (a) each Party shall be at liberty to engage, for its own account and without duty to account to the other Party, in any mining or other business or activity outside the boundaries of the Property, including the ownership and operation of any other mining concessions, permits, licenses, claims and leases wherever located;
 - (b) no Party shall be under any fiduciary or other duty or obligation to the other Party which will prevent or impede such Party from participating in, or enjoying the benefits of, competing endeavours of a nature similar to the business or activity undertaken by the Parties hereunder outside of the Property; and
 - (c) the legal doctrines of “corporate opportunity” or “business opportunity” sometimes applied to persons occupying a relationship similar to that of the Parties will not apply outside of the boundaries of the Property with respect to participation by any Party in any mining or

other business activity or endeavour.

10. DEFAULT

10.1 If any Party (a “**Defaulting Party**”) is in default of any requirement herein set forth, the Party affected by such default will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement, unless within 15 days after the giving of the first notice of default by an affected Party the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance and if the Defaulting Party fails within such period to take reasonable steps to cure any such default, the affected Party will be entitled to seek any remedy it may have on account of such default including terminating this Agreement and/or seeking the remedies of specific performance, injunction or damages.

11. TERMINATION

11.1 Subject to the terms of this Agreement, this Agreement terminates:

- (a) upon the written agreement of the Parties hereto;
- (b) if Legendary fails to complete the exercise of the Option with respect to either Property in accordance with Section 2.1; or
- (c) at the election of an affected Party in accordance with Section 10.1.

11.2 Notwithstanding the termination of this Agreement, the indemnities contained in the confidentiality provisions contained in Section 8 and all other provisions hereof necessary for the interpretation and enforcement thereof will remain in full force and effect.

12. TRANSFERS

12.1 Until the Option Exercise Date or the earlier termination of this Agreement in accordance with its terms, no party shall transfer, convey, assign, mortgage, grant an option in respect of, grant a right to purchase or in any other manner dispose of or alienate any or all of its direct or indirect interest in the Option Agreement and Property or transfer or assign any of its rights under this Agreement (a “**Transfer**”) without the prior written consent of the other party, which consent shall not be unreasonably withheld.

12.2 Nothing in Section 12.1 applies to or restricts in any manner:

- (a) a disposition by the transferring party of all or a portion of its interests to an affiliate of the transferring party, provided that such affiliate first assumes and agrees to be bound by the terms of this Agreement and agrees with the other party in writing to retransfer the interests to the transferring party before ceasing to be an affiliate of the transferring party;
- (b) an amalgamation, merger or other form of corporate reorganization involving or the acquisition of shares or assets of the transferring party which is a bona fide business transaction that has the effect in law of the amalgamated or surviving corporation possessing, directly or indirectly, substantially all the property, rights and interests and being subject to substantially all the debts, liabilities and obligations of the transferring party; or
- (c) a sale, forfeiture, charge, withdrawal, transfer or other disposition or Encumbrance which is otherwise specifically required or permitted under this Agreement.

12.3 As a condition of any Transfer, the transferee must covenant and agree in writing to be bound by

this Agreement, including this Section 12, and, prior to the completion of any such Transfer, the transferring party will deliver to the non-transferring party evidence thereof in a form satisfactory to the other party, acting reasonably, in which case the transferring party will be released from its obligations hereunder with the exception of the confidentiality provisions contained in Section 8, for which the transferring party will remain subject to and liable.

13. EXPENSES

- 13.1 Each Party shall be responsible for the payment of its own costs and expenses, including legal fees and disbursements, incurred by it in connection with the negotiation and execution of this Agreement.

14. NOTICES

- 14.1 Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by the delivery of the same or by mailing the same by prepaid registered or certified mail or by sending the same by mail, e-mail, facsimile or other similar form of communication, in each case addressed as follows:

- (a) If to Vanicom at:

Vanicom Resources Limited
Level 11 London House 216 St. George's Terrace
Perth, Western Australia 6000

Attention: Ben Cooper
Email: coopercorporate@gmail.com

- (b) If to Legendary at:

Legendary Ore Mining Corporation
82 Richmond Street East
Toronto, ON M5C 1P1

Attention: Benjamin Cooper
Email: bcooper@class1nickel.com

- 14.2 Any notice, direction or other instrument will:

- (a) if delivered, be deemed to have been given and received on the day it was delivered; and
(b) if sent by e-mail, facsimile or other similar form of communication, be deemed to have been given and received on the business day following the day it was so sent.

- 14.3 A Party may at any time give to the other Party notice in writing of any change of address of the Party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving notice hereunder.

15. GENERAL TERMS

- 15.1 The Parties shall execute such further and other documents and do such further and other things as may be necessary or convenient to carry out and give effect to the intent of this Agreement.

- 15.2 Time will be of the essence in the performance of this Agreement.
- 15.3 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. No Party may sell, assign, pledge or mortgage or otherwise encumber all or any part of its interest herein without the prior written consent of all the other Parties; provided that either Party may at any time at its sole discretion and without the prior approval of the other Party assign and transfer any benefit or right herein to an affiliate of such transferring Party, subject at all times to the requirement that any such affiliate remain affiliated with such transferring Party failing which any such interest shall be immediately transferred back to such transferring Party; and provided further that any transfer of all or any part of a Party's interest herein to its affiliate will be accompanied by the written agreement of any such affiliate to assume the obligations of such transferring Party hereunder and to be bound by the express terms and conditions hereof.
- 15.4 This Agreement (including the Schedules hereto) constitutes the entire agreement between the Parties and, except as hereafter set out, replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether oral or written, express or implied, statutory or otherwise between the Parties with respect to the subject matter herein.
- 15.5 This Agreement shall be governed by and construed according to the laws of Ontario and the federal laws of Canada applicable therein.
- 15.6 This Agreement may only be amended by the written agreement of all the Parties hereto and their permitted successors and assigns.
- 15.7 This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but each of which shall constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

VANICOM RESOURCES LIMITED

By: (signed) "Benjamin Cooper"
(Authorized Signatory)

LEGENDARY ORE MINING CORPORATION

By: (signed) "Benjamin Cooper"
(Authorized Signatory)

Signature Page to Option Agreement

SCHEDULE "A"

**OPTION
AGREEMENT**

(see attached)

“SOMANIKE” PROPERTY OPTION AGREEMENT

This Agreement made as of August 20, 2018

BETWEEN:

QUEBEC PRECIOUS METALS CORPORATION, a company duly existing under the laws of Canada having its registered office at 1080 Côte du Beaver Hall, Bureau 210, Montréal, Québec, H2Z 1S8;

(the “**Optionor**”);

AND:

VANICOM RESOURCES LIMITED, a company duly existing under the laws of Australia, having its registered office at Level 11, 216 St Georges Terrace, Perth, Western Australia, Australia 6000;

(the “**Optionee**”)

WHEREAS the Optionor is the sole legal and registered owner of a 100% right, title and interest in and to the Somanike Property located in the Abitibi area of the Province of Québec consisting of one hundred eleven (111) claims as more particularly set forth in Schedule “A” attached hereto, as hereafter described as the “**Property**”, and has agreed to grant to the Optionee the exclusive right and option to acquire a 100% right, title and interest in and to the Property on the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual promises, covenants and agreements herein contained, the parties hereto agree as follows:

1. INTERPRETATION

1.1 In this Agreement and in the recitals and Schedules hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) “**Abitibiwinni**” means the Abitibiwinni First Nation located in Pikogan, Québec;
- (b) “**Abitibiwinni Agreement**” means the agreement date June 1st, 2015 between Abitibiwinni and Sphinx Resources Ltd., a copy of which is attached to Schedule “B”;
- (c) “**Act**” means the *Mining Act* (Québec) and the regulations adopted thereunder, as same may be amended from time to time;
- (d) “**Area of Interest**” shall the meaning ascribed thereto in Section 7.1;
- (e) “**ASX**” means the Australian Securities Exchange;

- (f) “**Business Day**” means a day other than a Saturday, Sunday or a public statutory holiday in the province of Québec;
- (g) “**Commercial Production**” means the commercial exploitation of any “mineral reserve” (as defined under National Instrument 43-101 - Standards of Disclosure for Mineral Projects) but does not include milling for the purpose of testing or milling by a pilot plant or initial tune-up period of a plant. Commercial Production will be deemed to have commenced on the first day during which minerals have been shipped from the Property or processed on a commercial basis for the purpose of earning revenue;
- (h) “**Consents**” means, as applicable, written consents from each of the several Royalty Interest Holders and Glencore Canada Corporation to the assignment of all rights and obligations from the Optionor to the Optionee, in accordance with the terms of the Underlying Agreements;
- (i) “**Exchange Rate**” means the 5:00 pm fixing (New York) Canadian dollar: Australian dollar exchange rate quoted by Bloomberg on “AUDCAD:CUR” on the day prior to the exchange date of cash or Shares.
- (j) “**Exploration Work**” means all expenditures made to explore and develop the Property, including without limitation, the maintenance of the Property in good standing under the Act, geochemical, geological, geophysical, prospecting and sampling surveys, trenching, drilling, underground work, public consultation, permitting and reclamation.
- (k) “**Facilities**” means all mines and plants, including without limitation, all pits, shafts, haulage ways, and other underground workings, and all buildings, plants, waste, tailings, fuel, and other structures, fixtures and improvements, and all other property, whether fixed or moveable, as the same may exist at any time in, or on the Property or outside the Property if for the exclusive benefit of the Property only;
- (l) “**Fundamental Changes**” shall have the meaning ascribed thereto in Section 5.1;
- (m) “**Glencore Offtake**” means the obligations, rights and entitlements of the Optionor arising under the Xstrata Definitive Agreement;
- (n) “**Globex Agreement**” means the agreement dated June 15, 2015 between Globex Mining Enterprises Inc. and Sphinx Resources Ltd., as amended on June 7, 2016;
- (o) “**Globex GMR**” means the gross amount of royalty in favour of Globex Mining Enterprises Inc. relating to certain claims forming part of the Property and pursuant to the Globex Agreement, a copy of which is attached to Schedule “C”;
- (p) “**Jefmar Royalty**” means the 2% royalty in favour of Jefmar Inc. relating to certain claims forming part of the Property and pursuant to the property acquisition agreement between Royal Nickel Corporation and Jefmar Inc. dated March 26, 2008 and the royalty agreement between Royal Nickel Corporation and Jefmar Inc.

dated March 26, 2008, copies of which are attached as a schedule to the RNC Agreement;

- (q) “**Listing Date**” means the date that the Shares become listed and fully tradable on the ASX;
- (r) “**Listing Price**” means the price of the Shares calculated in the offering prospectus or other listing document;
- (s) “**Notice**” shall have the meaning ascribed to such term in Section 16.1;
- (t) “**Intervening Event**” share have the meaning ascribed thereto in Section 17.1;
- (u) “**operating the Property as a mine**” or “**operation of the Property as mine**” means any or all of the mining, milling, smelting, refining or other recovery of ores, minerals, metals or concentrates derived from the Property;
- (v) “**Option**” means the option granted by the Optionor to the Optionee pursuant to Section 3;
- (w) “**Parties**” means the Optionor and the Optionee and “**party**” means the Optionor or the Optionee, as the context dictates;
- (x) “**Property**” means those one hundred eleven (111) claims more particularly set forth and described in Schedule “A” attached hereto, together with all ancillary or appurtenant rights attached or accruing thereto under the Act, and any substitute or successor mineral mining right granted, obtained or issued in connection with or in place of any such claims (including, without limitation, any mining right acquired to cover internal gaps or fractions in respect of such ground);
- (y) “**Reacquisition Notice**” shall have the meaning ascribed thereto in Section 18.1;
- (z) “**RNC Agreement**” means the project acquisition agreement dated June 1st, 2015 between Royal Nickel Corporation and Sphinx Resources Ltd.;
- (aa) “**Royal Nickel NSR**” means the 2% net smelter return royalty in favour of Royal Nickel Corporation relating to certain claims forming part of the Property and pursuant to the RNC Agreement, a copy of which is attached to Schedule “D”;
- (bb) “**Royalty Interests**” means, collectively, the Globex GMR, the Jefmar Royalty, the Royal Nickel NSR and the Virginia NSR;
- (cc) “**Royalty Interest Holders**” means each holder of the respective Royalty Interests;
- (dd) “**Shares**” means fully paid and non-assessable common shares without par value in the capital of the Optionee as constituted on the date of this Agreement;
- (ee) “**Surrendered Property**” shall have the meaning ascribed thereto in Section 18.1;

- (ff) “**VWAP**” means the volume weighted average price of the Shares on the ASX calculated over the 10 trading days prior to the issue date of any Shares;
- (gg) “**Underlying Agreements**” means, collectively, the Abitibiwinni Agreement, the Globex Agreement, the RNC Agreement, the Xstrata Definitive Agreement and the Virginia Agreement;
- (hh) “**Vanicom Quebec**” means Vanicom Resources Quebec Inc., a wholly owned subsidiary of the Optionee, incorporated under and governed by the Quebec *Business Corporations Act*;
- (ii) “**Virginia Agreement**” means the agreement dated June 16, 2014 between Virginia Mines Inc. and Donner Metals Ltd., as amended on July 29, 2014;
- (jj) “**Virginia NSR**” means the 2% net smelter return royalty in favour of Virginia Mines Inc., now Osisko Gold Royalties Ltd., relating to certain claims forming part of the Property and pursuant to the Virginia Agreement, a copy of which is attached to Schedule “E”; and
- (kk) “**Xstrata Definitive Agreement**” means that certain definitive agreement dated July 31, 2009 between Royal Nickel Corporation and Xstrata Canada Corporation (now Glencore Canada Corporation), as amended as of May 22, 2015, a copy of which is attached as a schedule to the RNC Agreement.

1.2 Interpretation. Unless the context otherwise expressly requires, in this Agreement:

- (a) the singular includes the plural and conversely and a gender includes all genders;
- (b) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (c) a reference to a person (including a Party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust or governmental authority;
- (d) a reference to a section, schedule or annexure is a reference to a section of or a schedule or annexure to this Agreement;
- (e) a reference to any Party includes that Party’s executors, administrators, substitutes (including, but not limited to, persons taking by novation), successors and permitted assigns;
- (f) a reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Agreement or that other agreement or document;

- (g) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it;
- (h) a reference to writing includes a facsimile or electronic mail transmission and any means of reproducing words in a tangible and permanently visible form;
- (i) the word “**including**” means “**including without limitation**” and “**include**” and, “**includes**” will be construed similarly;
- (j) headings and any table of contents or index are for convenience only and do not form part of this Agreement or affect its interpretation;
- (k) a provision of this Agreement must not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement;
- (l) if an act is prescribed to be done on a specified day which is not a Business Day, it must be done instead on the next Business Day; and
- (m) where the phrase “to the best of the knowledge of” or similar expressions are used, it is a requirement that the person in respect of whom the phrase is used must have made the enquiries that are reasonably necessary to enable that person to make the statement or disclosure.

1.3 Schedules. The following schedules are attached to and incorporated in this Agreement:

- (i) Schedule A - Description of Property;
- (ii) Schedule B - Abitibiwinni Agreement;
- (iii) Schedule C - Globex Agreement;
- (iv) Schedule D - RNC Agreement;
- (v) Schedule E - Virginia Agreement; and
- (vi) Schedule F – Xstrata Definitive Agreement.

2. **REPRESENTATIONS AND WARRANTIES**

2.1 Each of the parties represents and warrants to the other that:

- (a) it is a body corporate duly incorporated or continued and duly organized and validly subsisting under the laws of its jurisdiction;

- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) the execution and delivery of this Agreement and any agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents;
- (d) all corporate authorizations have been obtained for the execution of this Agreement and for the performance of its obligations hereunder; and
- (e) this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms.

2.2 The Optionor represents and warrants to, and covenants with, the Optionee that:

- (a) the Property is accurately described in Schedule "A", are presently in good standing under the Act, free and clear of any lien, charge and encumbrance whatsoever, except for the Glencore Offtake and the Royalty Interests;
- (b) the Optionor has the exclusive right to enter into this Agreement and, subject to the Consents, to sell, transfer and dispose of all of his right, title and interest in and to the Property in accordance with the terms of this Agreement;
- (c) the Optionor is the sole legal and registered owner of the Property, subject to the rights of Globex Mining Enterprises Inc. under the Globex Agreement;
- (d) there is no adverse claim or challenge against or to the ownership of the Property nor, to the best of the knowledge of the Optionor, is there any basis therefor, there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof, no person, firm or corporation has any proprietary or possessory interest in the Property other than the Optionor and the Optionee pursuant to this Agreement;
- (e) to the best of the knowledge of the Optionor, there are no pending or threatened actions, suits, claims, disputes or proceedings regarding the Property or the Optionor nor is the Optionor aware of any basis therefore;
- (f) to the best of the knowledge of the Optionor, conditions on and relating to the Property and operations conducted thereon have been in compliance with all applicable laws, regulations or orders relating to environmental matters including, without limitation, waste disposal and storage;
- (g) there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property and the conduct of the operations related thereto, it has not received any notice of the same and it is not aware of any basis on which any such orders or direction could be made;

- (h) all filings, payments and recordings required to be made with any governmental authority to maintain the Property in good standing have been made and all work requirements to be met to maintain the Property in good standing have been met and, to the best of the Optionor's knowledge, no default has been alleged in respect thereto; and
- (i) the Optionor has delivered or made available to the Optionee all material information concerning the Property, including, without limitation, all data in its possession or control and it is not aware of any material fact or circumstance which has not been disclosed to the Optionee which should be disclosed in order to prevent the representations and warranties in this section from being misleading or which may be material in the Optionee's decision to enter into this Agreement and acquire the Property.

2.3 The representations and warranties hereinbefore set out are conditions on which the parties have relied in entering into this Agreement and will survive the acquisition of any interest in the Property by the Optionee, and each party will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by such party and contained in this Agreement.

3. OPTION

3.1 For and in consideration of the payment by the Optionee to the Optionor of the sum of \$25,000 upon execution of the Agreement, the Optionor hereby gives and grants to the Optionee the sole, exclusive and irrevocable right and option to acquire a 100% right, title and interest in and to the Property, subject to the terms of the Underlying Agreements and to the terms contained herein. In such case, the Optionee may elect to acquire the Property through Vanicom Quebec, in which case the Optionee and Vanicom Quebec shall be solidary liable towards the Optionor for the obligations of the Optionee hereunder, but the obligation of the Optionee to issue the Shares under section 4.1 shall remain the sole responsibility of the Optionee.

4. TERMINATION

4.1 This Agreement and the Option will, except for Sections 13, 15 and 16, automatically terminate and the Optionee will have no further interest in or to this Agreement and the Property, upon written notice by the Optionor to the Optionee:

- (a) On March 31, 2019 unless on or before that date the Optionee has successfully listed its Shares on the ASX, and issued to the Optionor Shares having a total value of \$25,000 at a price per share equal to the Listing Price on or before the Listing Date;
- (b) On June 15, 2019 unless on or before that date the Optionee has made an additional cash payment of \$25,000 to the Optionor, issued an additional Shares having a total value of \$25,000 at a price per share equal to the VWAP, and completed \$400,000 of Exploration Work on the claims subject to the Globex Agreement, as shown on the map in Schedule "A" attached hereto;

- (c) On June 15, 2020 unless on or before that date the Optionee has made an additional cash payment of \$25,000 to the Optionor, issued additional Shares having a total value of \$25,000 at a price per share equal to the VWAP, and completed \$100,000 of Exploration Work; and
- (d) On June 15, 2021 unless on or before that date the Optionee has made an additional cash payment of \$50,000 to the Optionor, issued additional Shares having a total value of \$50,000 at a price per share equal to the VWAP, and completed \$100,000 of Exploration Work.

4.2 The Optionee will have the right to terminate this Agreement at any time up to the date of exercise of the Option by giving no less than thirty (30) days' notice of such termination to the Optionor, and in the event of such termination this Agreement will, except for the provisions of Sections 13, 15 and 16, be of no further force and effect save and except for any obligations of the Optionee incurred prior to the effective date of termination.

5. ADJUSTMENT OF SHARES AND RESALE RESTRICTIONS

5.1 Any Shares which may be issued by the Optionee pursuant to this Agreement shall be subject to adjustment in accordance with the following provisions:

- (a) upon the occurrence of one or more events involving the capital reorganization, reclassification, subdivision or consolidation of the Shares, or the merger, amalgamation or other corporate combination of the Optionee with one or more other entities, or of any other events in which new securities of any nature are delivered in exchange for the issued Shares and such issued Shares are cancelled (collectively, the "**Fundamental Changes**"), then in the event of any issue of Shares to the Optionor pursuant to this Agreement after such Fundamental Changes, and in lieu of issuing the Shares which, but for such Fundamental Changes and this Section 5, would have been issued upon such exercise, the Optionee or its successor shall issue instead such number of new securities as would have been delivered as a result of the Fundamental Changes in exchange for those Shares which the Optionor would have been entitled to receive if such Shares had been issued prior to the occurrence of the Fundamental Changes; and
- (b) the Optionee shall not effect any such Fundamental Changes unless, as applicable, prior to or simultaneously with the consummation thereof the entity succeeding the Optionee acknowledges in writing that it is bound by and will comply with the terms of this Agreement.

5.2 The Optionor hereby acknowledges that the Optionee's ability to issue Shares is subject to the securities laws of Australia and to the rules and policies of the ASX, and the Shares will be subject to resale restrictions imposed by such securities laws, rules and policies, which rules may require that a restrictive legend be placed on all certificates representing the Shares delivered to the Optionor under this Agreement and the Optionor covenants and agrees with the Optionee to abide by all such resale restrictions.

6. RIGHT OF ENTRY

6.1 During the currency of the Option, the Optionee, Vanicom Quebec, their employees, agents and independent contractors will have, subject to the terms of this Agreement, the sole and exclusive right and option to:

- (a) enter upon the Property;
- (b) have exclusive and quiet possession thereof;
- (c) do such prospecting, exploration, development or other mining work thereon and thereunder as the Optionee in its sole discretion may consider advisable;
- (d) bring and erect upon the Property such Facilities as the Optionee may consider advisable; and
- (e) remove from the Property and dispose of material for the purpose of testing.

7. AREA OF INTEREST

7.1 This Agreement shall be subject to an area of interest, which area is situated within 1.6 kilometres of the outside boundaries of the Property (the “**Area of Interest**”). If either party acquires by staking or map designation, directly or indirectly, any interest in any mining right which are all or partly within the Area of Interest, the acquiring party must disclose this acquisition promptly to the other party and the acquiring party's new mineral titles shall form part of the Property and become subject to the terms of this Agreement.

8. TRANSFER OF TITLE

8.1 Upon exercise by the Optionee of the Option in accordance with the terms of this Agreement, the Optinor shall forthwith deliver to the Optionee duly executed transfers of the Property in favour of the Optionee, and shall provide the Optionee with such further documents and assistance as the Optionee may require to effect the transfer of legal title to the Property to the Optionee.

9. COVENANTS OF OPTIONOR

9.1 During the currency of this Agreement, the Optionor will:

- (a) not do any act or thing which would or might in any way adversely affect the rights of the Optionee hereunder;
- (b) cooperate with the Optionee to make all filings, payments, insofar as such payments relate only to the claims expiring in 2018, and recordings required to be made with any governmental authority to maintain the Property in good standing;

- (c) make available to the Optionee and its representatives all records and files relating to the Property and permit the Optionee and its representatives at their own expense to take abstracts therefrom and make copies thereof;
- (d) promptly provide the Optionee with any and all notices and correspondence from government agencies in respect of the Property;
- (e) cooperate fully with the Optionee in obtaining any surface and other rights on or related to the Property as the Optionee may require to carry out its obligations hereunder;
- (f) cooperate fully with the Optionee to register, as permitted by the Act, the present Agreement against the Property in the Public Register of Real and Immovable Mining Rights maintained under the Act; and
- (g) cooperate fully and promptly with the Optionee in satisfying any regulatory requirements or any conditions imposed by the ASX in the context of the Optionee listing its Shares on such exchange, including any requirement that the apparent title and ownership of the Property be transferred to the Optionee prior to the exercise of the Option, in which case the Parties will agree on a transfer mechanism, including any escrow requirements during the currency of the Option, acceptable to both parties acting reasonably.

10. COVENANTS OF THE OPTIONEE

10.1 During the currency of the Option, the Optionee will:

- (a) keep the Property free and clear of all liens, charges and encumbrances arising from its operations hereunder (except liens for taxes not yet due, other inchoate liens or liens contested in good faith by the Optionee) and proceed with all diligence to contest or discharge any lien that is filed;
- (b) pay or cause to be paid all workers and wage earners employed by it or its contractors on the Property, and pay for all materials, services and supplies purchased or delivered in connection with its activities on or with respect to the Property;
- (c) permit the Optionor, or its representatives duly authorized by it in writing, at their own risk and expense, to access to the Property at all reasonable times and to all records and reports, if any, prepared by the Optionee in connection with work done on or with respect to the Property, and furnish the Optionor each four months with a quarterly report with respect to the work carried out by the Optionee on or with respect to the Property during the preceding calendar year and material results obtained;
- (d) conduct all work on or with respect to the Property in a careful manner and in compliance with all applicable federal, provincial and local laws, rules, orders and regulations, and indemnify and save the Optionor harmless from any and all claims,

suits, demands, losses and expenses including, without limitation, with respect to environmental matters, made or brought against it as a result of work done or any act or thing done or omitted to be done by the Optionee on or with respect to the Property;

- (e) subject to section 9.1(b), cooperate with the Optionor to keep the Property in good standing under applicable legislation by recording all work performed by or on behalf of the Optionee with respect to the Property as required for assessment purposes with the appropriate government offices, to the maximum amounts permissible under the Act, and taking all other actions necessary in that regard, including making the required payments to keep the Property in good standing under the Act..

11. EXERCISE OF OPTION

11.1 Once the Optionee has paid to the Optionor an aggregate amount of \$125,000, issued to the Optionor Shares having an aggregate value of \$125,000 and completed Exploration Work for an aggregate value of \$600,000 in accordance with the terms of this Agreement, the Optionee will be deemed to have exercised the Option and to have acquired a 100% right, title and interest in and to the Property free and clear of any interest of Optionor, subject to the Royalty Interests and the Glencore Offtake.

11.2 Notwithstanding Section 11.1, the Optionee will be under no obligation whatsoever to place the Property into Commercial Production and if the Property is placed into Commercial Production, the Optionee will have the right at any time to curtail, suspend or terminate such Commercial Production as the Optionee in its sole discretion deems advisable.

12. ASSUMPTION OF OPTIONOR'S OBLIGATIONS UNDER THE UNDERLYING AGREEMENTS

12.1 Effective as of the exercise of the Option, the Optionee shall assume all obligations of the Optionor relating to the Underlying Agreements, the Glencore Offtake and the Royalty Interests and shall release and indemnify the Optionor from any and all payments, obligations, claims or liabilities relating to such obligations to be made thereunder, and the Optionee shall assist the Optionor in obtaining from the relevant parties a final release and discharge relating thereto.

13. OBLIGATIONS OF THE OPTIONEE AFTER TERMINATION

13.1 In the event of termination of the Option for any reason other than through the exercise thereof, or Section 18.1 following the excise of the Option, the Optionee will:

- (a) leave the Property:
 - (i) in good standing for a minimum period of 12 months (1 year assessment) under the Act,
 - (ii) free and clear of all liens, charges and encumbrances arising from its operations hereunder,

- (iii) in a safe and orderly condition, and
 - (iv) in a condition which is in compliance with all rules and orders of governmental authorities with respect to reclamation and rehabilitation;
- (b) make available to the Optionor, within forty-five (45) days of a written request therefor, all pulps, core samples, concentrates, copies of field notes and any other material items relating to or taken from the Property and; a written report prepared in accordance with reporting standards under the Act on all work carried out by the Optionee on the Property together with copies of all sample location maps, drill hole assay logs, assay results and other technical data compiled by the Optionee with respect to the Property; and
- (c) have the right (and, if requested by the Optionor within sixty (60) days of the effective date of termination, the obligation) to remove from the Property, within ninety (90) days of the effective date of termination, all Facilities erected, installed or brought upon the Property by or at the instance of the Optionee, failing which such Facilities will then become the property of the Optionor if the Optionor elects to acquire ownership of such Facilities. If the Optionor does not elect to acquire ownership of such Facilities or any part thereof, the Optionee will be responsible for all costs of disposal and cleanup of any such Facilities or parts thereof.

14. DISPOSITION OF INTEREST

14.1 Subject to the terms of the Underlying Agreements, as applicable, the Optionee may after exercising this Option sell, transfer, mortgage, pledge, charge or otherwise dispose of all or any portion of its interest in and to the Property without obtaining the further consent of the Optionor provided that any purchaser, grantee or transferee of any such interest will have first delivered to the Optionor its agreement related to this Agreement and to the Property, containing:

- (a) a covenant with the Optionor by such transferee to perform all the obligations of the Optionee to be performed under this Agreement in respect of the interest to be acquired by it from the Optionee;
- (b) a provision subjecting any further sale, transfer or other disposition of such interest in the Property and this Agreement or any portion thereof to the restrictions contained in this Section 14.1;

whereupon the Optionee will be released from any further liability hereunder in respect of such interest.

14.2 The Optionor will not transfer, convey, assign, mortgage, charge or grant any option in respect of or grant a right to purchase or in any manner transfer or alienate any or all of its interest in the Property during the term of the Option except with the written consent of the Optionee and only after any proposed transferee has entered into an agreement satisfactory to the Optionee, agreeing to be bound by this Agreement.

15. CONFIDENTIAL NATURE OF INFORMATION

15.1 The parties agree that all information obtained from the work carried out hereunder will be the exclusive property of the parties and not used other than for the activities contemplated hereunder except as required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction, or with the written consent of both parties, such consent not to be unreasonably withheld. Notwithstanding the foregoing, it is understood and agreed that a party will not be liable to the other party for the fraudulent or negligent disclosure of information by any of its employees, servants or agents, provided that such party has taken reasonable steps to ensure the preservation of the confidential nature of such information.

16. NOTICE

16.1 A notice, demand, consent or other communication given or made under this Agreement (a “**Notice**”) must be in writing, signed by the sender and either left at the delivery address or sent to the addressee by mail, email or facsimile,, in each case addressed as follows:

(a) if to the Optionor at:

1080 Côte du Beaver Hall, Suite 210
Montréal, Québec
H2Z 1S8
Email: nchampigny@qpmcorp.ca
Fax : (514) 904-1597
Attention: Normand Champigny

(b) if to the Optionee at:

438 McGill, Suite 400
Montréal, Québec
H2Y 2G1
Email: pnaccache@delegatus.ca and coopercorporate@gmail.com
Fax : (514) 316-1356
Attention: Patrick Naccache and Benjamin Cooper

16.2 Notice given or made under this Agreement will be deemed to be duly given or made:

- (a) in the case of delivery in person, when delivered;
- (b) in the case of delivery by mail, three (3) Business Days after the date of posting;
- (c) in the case of delivery by facsimile, on receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax machine number and indicating that the transmission has been made without error;

- (d) in the case of delivery by email, only when receipt is acknowledged by the addressee,

but if the result is that a Notice would be taken to be given or made on a day which is not a Business Day in the place to which the Notice is sent or is later than 4:30 pm (local time) it will be taken to have been duly given or made at the commencement of business on the next Business Day in that place.

16.3 Any party may at any time give to the other, notice in writing of any change of address of the party giving such notice and from and after the giving of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

17. FORCE MAJEURE

17.1 No party will be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its control (except those caused by its own lack of funds) (each an “**Intervening Event**”) including, but not limited to, acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances, laws, rules and regulations or orders of any duly constituted governmental authority or non-availability of materials or transportation.

17.2 All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event.

17.3 A party relying on the provisions of this Section 17 will take all reasonable steps to eliminate an Intervening Event and, if possible, will perform its obligations under this Agreement as far as practical, but nothing herein will require such party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

18. SURRENDER OF PROPERTY

18.1 The Optionee will have the unfettered right after the exercise of the Option, to surrender all or any part of the mining claims comprised in the Property (the “**Surrendered Property**”) by delivering a notice in writing of its intention to do so to the Optionor at least 45 days prior to the proposed surrender, such notice to list the proposed Surrendered Property. If, within 30 days of receipt of such notice, the Optionor delivers to the Optionee a notice (the “**Reacquisition Notice**”) stating its desire to reacquire one or more of the Surrendered Property, the Optionee will deliver to the Optionor duly executed recordable transfers of such of the Surrendered Property as the Optionor has set forth in the Reacquisition Notice. Upon delivery of such transfers, and upon surrender of any of the Surrendered Property not retransferred to the Optionor, the Optionee will have no further obligations in respect of the Surrendered Property, save and except as set forth in Section 13.1 with respect to the Surrendered Property.

19. GENERAL

19.1 This Agreement constitutes the entire agreement between the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether verbal or written, express or implied, statutory or otherwise between the parties with respect to the subject matter herein.

19.2 This is an option only and except as specifically provided otherwise, nothing herein contained will be construed as obligating the Optionee to do any acts or make any payments hereunder except as otherwise set forth, and any act or acts or payment or payments as may be made hereunder will not be construed as obligating the Optionee to do any further act or make any further payment or payments.

19.3 Except as contemplated herein, this Agreement is private to the Parties and may not be assigned without to other Party's consent, which shall not be unreasonably withheld.

19.4 The parties hereto agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.

19.5 All references to moneys hereunder will be in Canadian funds. The Exchange Rate will be used for the purposes of calculating the Canadian Dollar equivalent of Australian Dollars as required by this Agreement. All payments to be made to any party hereunder will be made by cash, certified cheque or bank draft mailed or delivered to such party at its address for notice purposes as provided herein, or for the account of such party at such bank or banks in Canada as such party may designate from time to time by written notice. Said bank or banks will be deemed the agent of the designating party for the purpose of receiving, collecting and receipting such payment. The Optionee will make any required shares tax payments arising from amounts paid to the Optionor hereunder.

19.6 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

19.7 This Agreement is subject to:

- (a) the acceptance by the ASX of the listing of the Optionee and of its Shares on such stock exchange; and
- (b) the Optionor having obtained the required Consents.

19.8 The parties agree that this Agreement shall be interpreted and governed according to the laws of the Province of Quebec.

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

QUEBEC PRECIOUS METALS CORPORATION

(signed) "*Normand Champigny*"

Per: Authorized Signatory _____

VANICOM RESOURCES LIMITED

(signed) "*Benjamin Cooper*"

Per: Authorized Signatory _____

SCHEDULE "A"

PROPERTY

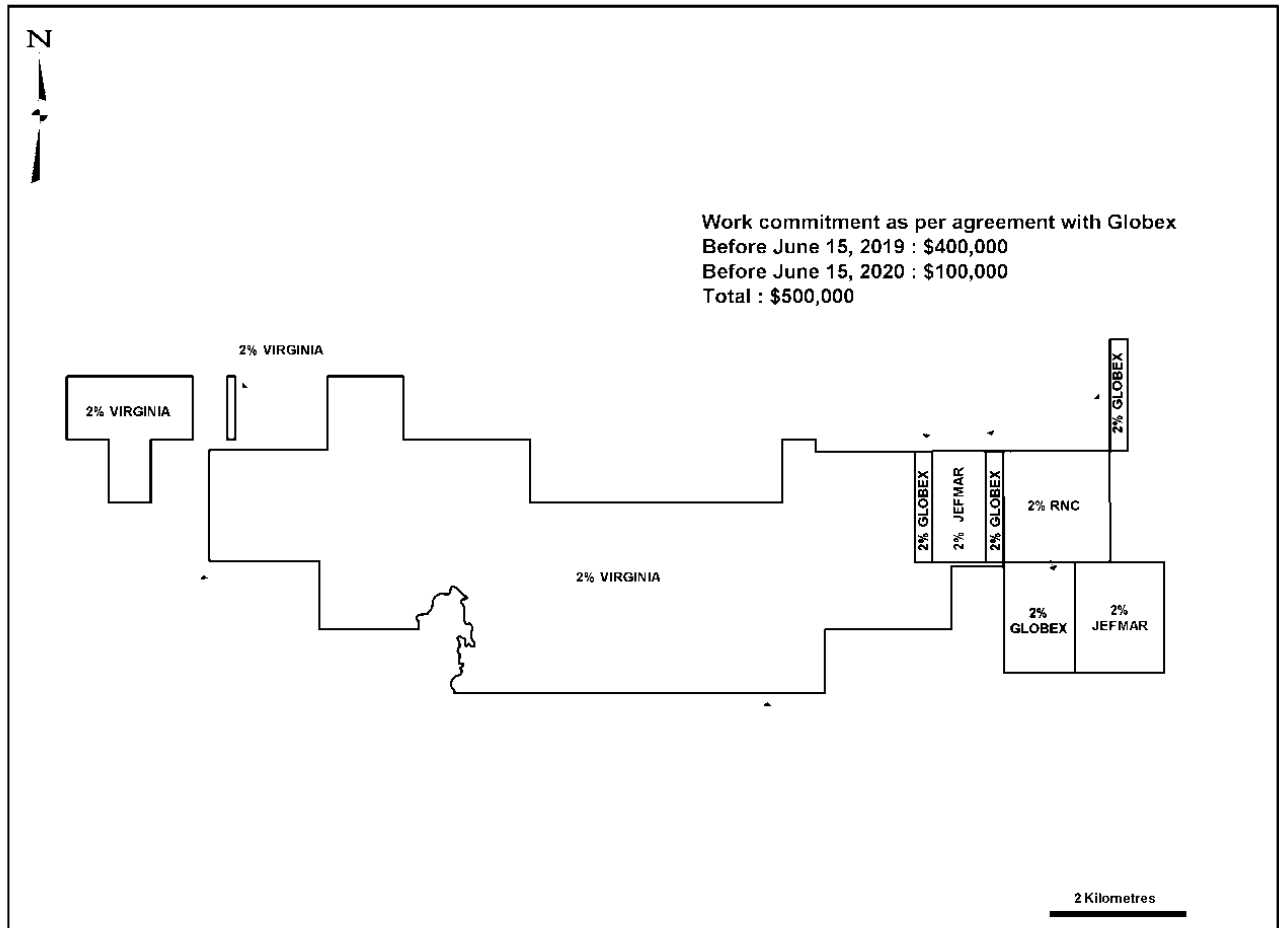
One Hundred Eleven (111) mineral titles located on NTS Sheet 31D08 in the Abitibi area of the Province of Québec and recorded to *Métaux Stratégiques du Canada* (No. 92449) 100%.

Type	No	Status	Expiry	Area Ha	Excess Work	Required Work	Required Fees
CDC	2466845	Active	20-Oct-18	40.09	\$1,819.50	\$780.00	\$64.09
CDC	2466846	Active	20-Oct-18	53.45	\$1,819.50	\$780.00	\$64.09
CDC	2466847	Active	20-Oct-18	41.91	\$1,819.50	\$780.00	\$64.09
CDC	2466848	Active	20-Oct-18	35.22	\$1,819.50	\$780.00	\$64.09
CDC	2466849	Active	20-Oct-18	46.76	\$1,819.50	\$780.00	\$64.09
CDC	2466850	Active	20-Oct-18	36.54	\$1,819.50	\$780.00	\$64.09
CDC	2417216	Active	25-Nov-18	57.26	\$6,355.06	\$780.00	\$64.09
CDC	2417217	Active	25-Nov-18	14.57	\$84,207.37	\$325.00	\$32.77
CDC	2422305	Active	3-Feb-19	57.27	\$809.20	\$780.00	\$64.09
CDC	2422306	Active	3-Feb-19	28.34	\$3,010.17	\$780.00	\$64.09
CDC	2422521	Active	4-Feb-19	57.24	\$809.20	\$780.00	\$64.09
CDC	2422522	Active	4-Feb-19	57.23	\$809.20	\$780.00	\$64.09
CDC	2422523	Active	4-Feb-19	57.23	\$809.20	\$780.00	\$64.09
CDC	2422524	Active	4-Feb-19	57.23	\$809.20	\$780.00	\$64.09
CDC	2422525	Active	4-Feb-19	57.23	\$809.20	\$780.00	\$64.09
CDC	2422526	Active	4-Feb-19	45.03	\$679.20	\$780.00	\$64.09
CDC	2427451	Active	7-May-19	57.25	\$0.00	\$780.00	\$64.09
CDC	2427452	Active	7-May-19	57.25	\$0.00	\$780.00	\$64.09
CDC	2427453	Active	7-May-19	57.24	\$0.00	\$780.00	\$64.09
CDC	2100717	Active	8-Jul-19	42.28	\$741.76	\$1,170.00	\$64.09
CDC	2116141	Active	7-Aug-19	42.28	\$0.00	\$1,170.00	\$64.09
CDC	2116142	Active	7-Aug-19	42.29	\$0.00	\$1,170.00	\$64.09
CDC	2116143	Active	7-Aug-19	42.32	\$0.00	\$1,170.00	\$64.09
CDC	2116144	Active	7-Aug-19	42.36	\$0.00	\$1,170.00	\$64.09
CDC	2116145	Active	7-Aug-19	42.34	\$0.00	\$1,170.00	\$64.09
CDC	2116150	Active	7-Aug-19	42.41	\$0.00	\$1,170.00	\$64.09
CDC	2116151	Active	7-Aug-19	42.33	\$0.00	\$1,170.00	\$64.09
CDC	2116152	Active	7-Aug-19	42.23	\$0.00	\$1,170.00	\$64.09
CDC	2116153	Active	7-Aug-19	42.37	\$0.00	\$1,170.00	\$64.09
CDC	2118907	Active	22-Aug-19	42.28	\$2,541.76	\$1,170.00	\$64.09
CDC	2118908	Active	22-Aug-19	42.29	\$0.00	\$1,170.00	\$64.09
CDC	2118909	Active	22-Aug-19	42.30	\$2,895.52	\$1,170.00	\$64.09
CDC	2317915	Active	13-Oct-19	42.30	\$533.52	\$1,170.00	\$64.09
CDC	2504123	Active	19-Oct-19	32.35	\$0.00	\$780.00	\$64.09
CDC	2504124	Active	19-Oct-19	52.73	\$0.00	\$780.00	\$64.09
CDC	2504125	Active	19-Oct-19	52.82	\$0.00	\$780.00	\$64.09
CDC	2504126	Active	19-Oct-19	9.63	\$0.00	\$325.00	\$32.77
CDC	2504127	Active	19-Oct-19	29.36	\$0.00	\$780.00	\$64.09
CDC	2504128	Active	19-Oct-19	47.83	\$0.00	\$780.00	\$64.09
CDC	2504129	Active	19-Oct-19	47.84	\$0.00	\$780.00	\$64.09
CDC	2504130	Active	19-Oct-19	55.51	\$0.00	\$325.00	\$64.09
CDC	2192999	Active	29-Oct-19	42.74	\$0.00	\$1,170.00	\$64.09
CDC	2506189	Active	22-Nov-19	57.23	\$0.00	\$780.00	\$64.09
CDC	2506190	Active	22-Nov-19	57.23	\$0.00	\$780.00	\$64.09

CDC	2506191	Active	22-Nov-19	57.23	\$0.00	\$780.00	\$64.09
CDC	2506192	Active	22-Nov-19	10.59	\$0.00	\$325.00	\$32.77
CDC	2507860	Active	14-Dec-19	57.26	\$0.00	\$780.00	\$64.09
CDC	2435922	Active	17-Jan-20	42.40	\$0.00	\$780.00	\$64.09
CDC	2435923	Active	17-Jan-20	42.35	\$4,674.70	\$780.00	\$64.09
CDC	2435924	Active	17-Jan-20	42.36	\$0.00	\$780.00	\$64.09
CDC	2435925	Active	17-Jan-20	42.36	\$0.00	\$780.00	\$64.09
CDC	2435926	Active	17-Jan-20	42.37	\$0.00	\$780.00	\$64.09
CDC	2512618	Active	11-Feb-20	3.99	\$0.00	\$325.00	\$32.77
CDC	2512619	Active	11-Feb-20	24.24	\$0.00	\$325.00	\$32.77
CDC	2512620	Active	11-Feb-20	14.06	\$0.00	\$325.00	\$32.77
CDC	2401101	Active	6-Mar-20	57.26	\$1,693.41	\$780.00	\$64.09
CDC	2401102	Active	6-Mar-20	57.26	\$1,760.21	\$780.00	\$64.09
CDC	2401103	Active	6-Mar-20	57.26	\$28.21	\$780.00	\$64.09
CDC	2401104	Active	6-Mar-20	57.26	\$461.21	\$780.00	\$64.09
CDC	2401105	Active	6-Mar-20	57.26	\$1,327.21	\$780.00	\$64.09
CDC	2401106	Active	6-Mar-20	57.26	\$1,414.21	\$780.00	\$64.09
CDC	2401107	Active	6-Mar-20	57.26	\$1,414.21	\$780.00	\$64.09
CDC	2401108	Active	6-Mar-20	57.26	\$6,094.07	\$780.00	\$64.09
CDC	2401109	Active	6-Mar-20	57.26	\$6,094.07	\$780.00	\$64.09
CDC	2401110	Active	6-Mar-20	57.26	\$5,575.07	\$780.00	\$64.09
CDC	2401111	Active	6-Mar-20	57.25	\$28.21	\$780.00	\$64.09
CDC	2401112	Active	6-Mar-20	57.25	\$28.21	\$780.00	\$64.09
CDC	2401113	Active	6-Mar-20	57.25	\$28.21	\$780.00	\$64.09
CDC	2401114	Active	6-Mar-20	57.25	\$548.21	\$780.00	\$64.09
CDC	2401115	Active	6-Mar-20	57.25	\$2,143.61	\$780.00	\$64.09
CDC	2401116	Active	6-Mar-20	57.25	\$548.21	\$780.00	\$64.09
CDC	2401117	Active	6-Mar-20	57.25	\$1,067.21	\$780.00	\$64.09
CDC	2401118	Active	6-Mar-20	57.25	\$1,067.21	\$780.00	\$64.09
CDC	2401119	Active	6-Mar-20	57.25	\$721.21	\$780.00	\$64.09
CDC	2401120	Active	6-Mar-20	57.25	\$894.21	\$780.00	\$64.09
CDC	2401121	Active	6-Mar-20	57.25	\$87,824.73	\$780.00	\$64.09
CDC	2401122	Active	6-Mar-20	57.25	\$36,966.87	\$780.00	\$64.09
CDC	2401123	Active	6-Mar-20	14.14	\$2,185.56	\$325.00	\$32.77
CDC	2401124	Active	6-Mar-20	3.61	\$1,243.13	\$325.00	\$32.77
CDC	2401125	Active	6-Mar-20	57.24	\$28.21	\$780.00	\$64.09
CDC	2401126	Active	6-Mar-20	57.24	\$28.21	\$780.00	\$64.09
CDC	2401127	Active	6-Mar-20	57.24	\$28.21	\$780.00	\$64.09
CDC	2401128	Active	6-Mar-20	57.24	\$548.21	\$780.00	\$64.09
CDC	2401129	Active	6-Mar-20	54.90	\$5,170.88	\$780.00	\$64.09
CDC	2401130	Active	6-Mar-20	46.31	\$4,331.76	\$780.00	\$64.09
CDC	2401131	Active	6-Mar-20	9.23	\$161.50	\$325.00	\$32.77
CDC	2401132	Active	6-Mar-20	51.61	\$4,763.04	\$780.00	\$64.09
CDC	2401134	Active	6-Mar-20	3.68	\$1,250.27	\$325.00	\$32.77
CDC	2401135	Active	6-Mar-20	0.93	\$1,157.76	\$325.00	\$32.77
CDC	2401136	Active	6-Mar-20	42.27	\$4,110.08	\$780.00	\$64.09
CDC	2401137	Active	6-Mar-20	57.27	\$894.20	\$780.00	\$64.09
CDC	2401138	Active	6-Mar-20	57.27	\$2,394.40	\$780.00	\$64.09
CDC	2401139	Active	6-Mar-20	57.27	\$28.20	\$780.00	\$64.09
CDC	2401140	Active	6-Mar-20	57.27	\$375.20	\$780.00	\$64.09
CDC	2401141	Active	6-Mar-20	57.27	\$1,241.20	\$780.00	\$64.09
CDC	2401142	Active	6-Mar-20	57.27	\$375.20	\$780.00	\$64.09
CDC	2401143	Active	6-Mar-20	57.27	\$1,760.20	\$780.00	\$64.09
CDC	2401144	Active	6-Mar-20	57.27	\$28.20	\$780.00	\$64.09
CDC	2401145	Active	6-Mar-20	57.26	\$0.00	\$780.00	\$64.09
CDC	2401146	Active	6-Mar-20	57.26	\$0.00	\$780.00	\$64.09

CDC	2401147	Active	6-Mar-20	47.62	\$0.00	\$780.00	\$64.09
CDC	2401148	Active	6-Mar-20	57.24	\$484.20	\$780.00	\$64.09
CDC	2401151	Active	6-Mar-20	46.63	\$0.00	\$780.00	\$64.09
CDC	2401152	Active	6-Mar-20	57.23	\$29.20	\$780.00	\$64.09
CDC	2407151	Active	6-Mar-20	57.25	\$0.50	\$780.00	\$64.09
CDC	2407152	Active	6-Mar-20	22.15	\$604.75	\$325.00	\$32.77
CDC	2407153	Active	6-Mar-20	57.24	\$4.35	\$780.00	\$64.09
CDC	2407154	Active	6-Mar-20	20.34	\$611.20	\$325.00	\$32.77
CDC	2401614	Active	13-Mar-20	37.74	\$181.20	\$780.00	\$64.09
CDC	2401615	Active	13-Mar-20	42.32	\$400.20	\$780.00	\$64.09
CDC	2401616	Active	13-Mar-20	41.18	\$388.20	\$780.00	\$64.09
				5146.06	\$313,946.66	\$86,060.00	\$6,706.83

Map of Claims forming part of the Sominake Property



SCHEDULE "B"
ABITIBIWinni AGREEMENT

LETTRE D'ENTENTE DE COLLABORATION

PROGRAMME D'EXPLORATION ET NÉGOCIATION D'UN PROTOCOLE D'ENTENTE ENTRE LA PREMIÈRE NATION ABITIBIWINI ET RESSOURCES SPHINX LTÉE

PROJET PREISSAC

Cette entente est conclue ce 1^{er} jour du mois de juin 2015,

PAR ET ENTRE : **RESSOURCES SPHINX LTÉE**, compagnie dûment constituée en vertu de la *Loi canadienne sur les sociétés par actions*, L.R.C. (1985) c. C-44, NEQ 1145657301, ayant son siège social au 1 Place Ville Marie, bureau 2001, Montréal (Québec) H3B 2C4, Canada

(ci-après désignée sous le nom de la « **Société** »)

ET : **LA PREMIÈRE NATION ABITIBIWINI**, une bande indienne au sens de la *Loi sur les Indiens*, L.R.C., 1985, ch. I-5, située à Pikogan, Québec

(ci-après désignée sous le nom de la « **Nation** »)

(collectivement les « **Parties** »)

ATTENDU QUE la Société veut entreprendre des travaux d'exploration conformément à ses titres et/ou baux miniers octroyés en vertu de la *Loi sur les mines* (RLRQ, c. M-13.1), et a l'intention de poursuivre des activités d'exploration et d'entreprendre plusieurs études, incluant des études sur la faisabilité et des études environnementales, sur ou relativement au Projet Preissac durant la durée de la présente entente, et subséquemment, émettra le souhait de procéder à des travaux de construction et mise en production éventuelle d'un projet minier;

ATTENDU QUE les composantes du Projet Preissac sont situées dans le territoire traditionnel de la Nation; Le Projet Preissac comprend 81 claims (41 km², incluant 3 claims présentement en demande, voir la figure à l'Annexe 1) et est présentement à l'étape de l'exploration sans aucune certitude qu'une exploitation minière puisse être réalisée.

ATTENDU QUE les activités d'exploration ont un impact sur le territoire traditionnel de la Nation, leur relation avec le territoire, les eaux et les ressources naturelles, ainsi que les valeurs sociales et culturelles, leur mode de vie et leur environnement;

ATTENDU QUE les Parties veulent collaborer afin d'établir une relation à long terme, mutuellement bénéfique, fondée sur le respect, le dialogue, le partage de l'information, la franchise, la confiance et la certitude;

ATTENDU QUE les Parties conviennent d'établir un cadre, par le biais de divers engagements, qui régira leur relation durant la durée de la présente entente, de la manière prévue aux présentes;

ATTENDU QUE cette lettre d'entente de collaboration n'oblige en rien la Nation à consentir à l'exploitation du Projet Preissac;

PAR CONSÉQUENT, les Parties aux présentes conviennent de ce qui suit :

Objectifs. Les objectifs de la présente entente de collaboration sont les suivants :

- a. développer et entretenir une relation à long terme fondée sur la confiance et le respect mutuels;
- b. assurer la participation de la Nation dans le cadre des activités d'exploration relatives au Projet Preissac;
- c. assurer la participation de la Nation selon des termes à être définis et consentis par les Parties dans le cadre des études et des processus d'évaluation environnementale concernant le Projet Preissac;
- d. prendre les mesures appropriées pour atténuer l'impact environnemental, social, culturel ou spirituel lors de la phase d'exploration du Projet Preissac;
- e. mettre en place un processus d'échange d'information en vertu duquel la Société s'engage à fournir à la Nation toute information pertinente relative aux activités d'exploration, et à répondre aux questions et à tenir compte, le cas échéant, des préoccupations soulevées par la Nation dans le cadre de ses activités;
- f. engager des négociations de bonne foi, dès que la Société prendra la décision d'exploiter le Projet Preissac, afin de conclure rapidement une Entente de principe qui encadrera la suite des événements et discussions en préparation à une éventuelle décision de procéder à l'exploitation minière du projet. Suite à cette éventuelle décision la Société s'engagera à entreprendre des négociations afin de conclure une Entente sur les répercussions et les avantages (« ERA »), laquelle procurera à la Nation des bénéfices selon des termes à être définis et consentis par la Nation et la Société découlant du Projet et prévoira des mesures de mitigation concernant les impacts que le Projet pourrait avoir sur les activités traditionnelles des membres de la Nation;
- g. assurer les échanges entre les Parties durant la durée de cette entente de collaboration avant la conclusion d'une Entente de principe afin de permettre aux membres de la Nation de bénéficier d'occasions préférentielles d'emploi et de formation liées aux activités d'exploration ainsi que des opportunités pour ses entreprises relativement aux activités d'exploration dans la mesure où les services seront offerts à un prix concurrentiel et par une main-d'œuvre ayant les compétences requises;
- h. assurer l'appui de la Nation à la phase d'exploration du Projet.

1. **Bénéfices socio-économiques.** La Société fournira aux membres de la Nation des occasions préférentielles d'emploi et de formation liées aux activités d'exploration. De plus, la Société devra offrir des opportunités d'affaires relatives aux activités d'exploration aux entreprises de la Nation, à condition que ces entreprises soient compétitives et qu'elles aient la capacité d'effectuer les travaux.
2. **Entrepreneurs.** La Société s'assurera que ses entrepreneurs respectent la présente entente et offrent aux membres et de la Nation des occasions préférentielles d'emploi et de formation liés aux activités d'exploration.
3. **Compensation.** Dès que possible après la signature de cette entente et suite à l'approbation de la bourse de croissance TSX, la Société émettra à la Nation de 142 857 actions ordinaires de la Société, comme compensation pour les services rendus par la Nation pour la recherche d'un nom algonquin afin de changer le nom du Projet Preissac.
4. **Négociation d'une Entente de Principe.** La Société convient de ne pas développer le Projet Preissac, sauf en ce qui concerne les travaux d'exploration qui sont nécessaires pour que la Société puisse évaluer l'opportunité de procéder ou ne pas procéder à une exploitation minière, sans préalablement convenir d'une Entente de Principe avec la Nation. Cette Entente jettera les bases de négociations devant mener à la conclusion d'une ERA, les Parties conviennent d'agir conformément aux principes suivants :
 - assurer une collaboration constante;
 - travailler dans un esprit de partage et de respect mutuel; et
 - maintenir en tout temps le dialogue et la communication au sujet de leurs intérêts respectifs.
5. **Contenu de l'Entente de Principe.** Sans limiter la portée des négociations, les Parties conviennent que l'Entente de Principe contiendra des dispositions relativement :
 - à la communication;
 - aux aspects financiers selon des termes à être définis et consentis par les Parties;
 - à la négociation d'une Entente sur les répercussions et avantages (ERA);
 - aux questions environnementales;
 - aux bénéfices socio-économiques selon des termes à être définis et consentis par les Parties; et
 - à sa mise en œuvre.
6. **Information, communication et confidentialité.** La présente entente vise à faciliter la transmission et la communication efficace de l'information entre les Parties. Toutefois, les éléments d'information suivants qui peuvent être communiqués ou montrés entre les Parties sont réputés constitués de l'information confidentielle sauf si exigé par la loi :

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- les secrets industriels et techniques;
- l'information financière relative au Projet;
- l'information qui peut gêner un audit exigé par la loi;
- l'information dont la communication peut modifier l'issue d'instances judiciaires en cours;
- le savoir traditionnel algonquin;
- toutes les données techniques, géologiques et scientifiques; et
- tout autre renseignement qu'une Partie identifie expressément comme un renseignement sensible.

7. Résiliation de la Convention. Cette lettre d'entente de collaboration sera résiliée si l'une des conditions suivantes est remplie:

- entente écrite entre les Parties;
- l'achèvement des travaux de restauration selon les normes de l'industrie minière et en conformité avec la réglementation en vigueur, des lieux où les activités d'exploration ont été réalisées suite à la conclusion de la présente entente;
- la conclusion d'une Entente de Principe.

8. Avis. Les avis et communications qui doivent ou peuvent être transmis en vertu de la présente entente doivent être écrits et être remis à la Partie destinataire ou transmis par télécopieur ou par courriel à cette Partie aux adresses et numéros suivants :

- s'ils sont destinés à la Nation :

Chef Bruno Kistabish
45, rue Migwan
Pikogan, Québec J9T 3A3

- s'ils sont destinés à la Société :

Normand Champigny
Président et Chef de la direction
1 Place Ville Marie, bureau 2001
Montréal, Québec H3B 2C4

9. Modification de la présente entente. Les Parties peuvent modifier en tout temps la présente entente. Toute modification doit être confirmée par écrit par les deux Parties.

EN FOI DE QUOI, les Parties apposent leurs signatures à la présente entente aux dates indiquées ci-après. La présente lettre d'entente de collaboration peut être signée en deux exemplaires, chaque exemplaire signé et délivré constituant un original.

LA NATION :
LA PREMIÈRE NATION ABITIBIWINNI

SOCIÉTÉ :
RESSOURCES SPHINX LTÉE

(signed) "*Bruno Kistabish*"

Bruno Kistabish
Chef

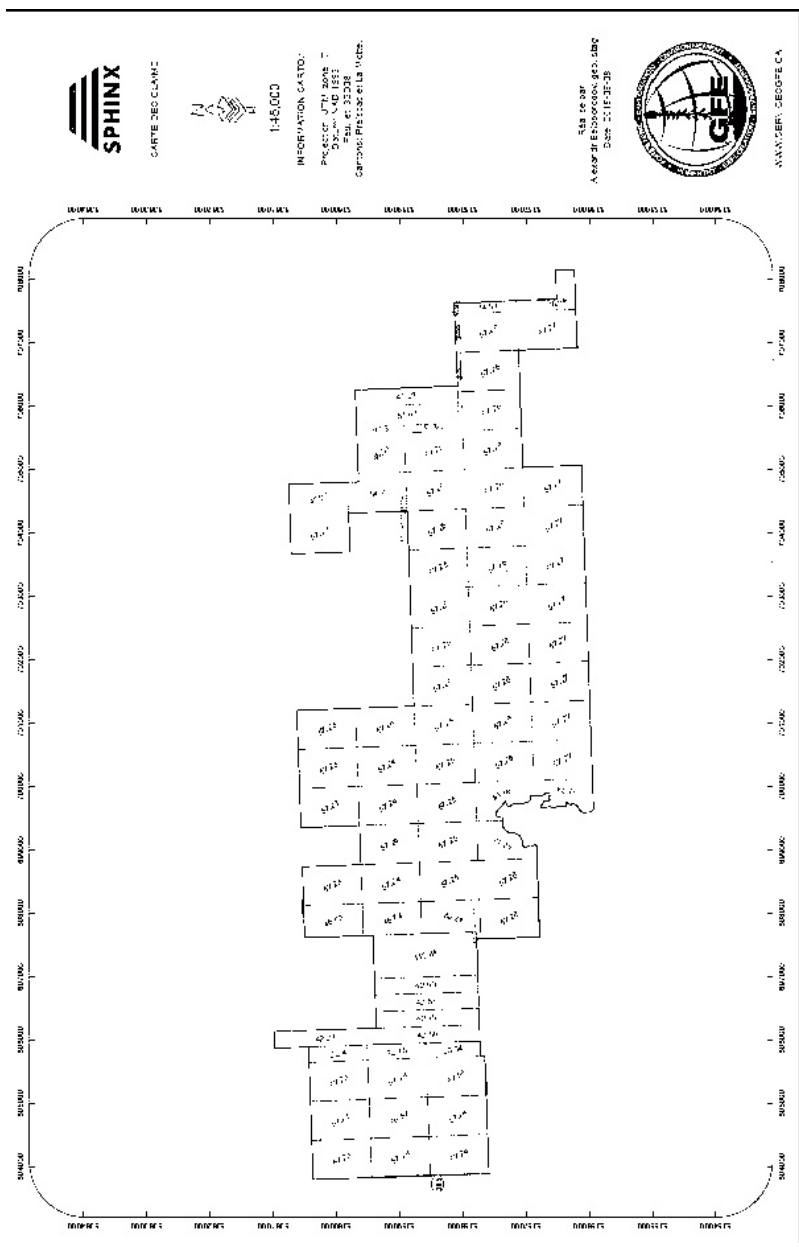
(signed) "*Normand Champigny*"

Normand Champigny
Président et Chef de la direction

Date : 1^{er} juin 2015

Date : 1^{er} juin 2015

ANNEXE 1 PROJET PREISSAC – CARTE DE LOCALISATION



SCHEDULE "C"
GLOBEX AGREEMENT

PROJECT ACQUISITION AGREEMENT made as of June 15, 2015

BETWEEN: **GLOBEX MINING ENTERPRISES INC.**, a corporation duly incorporated under the *Canada Business Corporations Act*, having its head office at 89 Belsize Drive, Toronto, Ontario M4S 1L3, represented for the purposes hereof by Jack Stoch, President and Chief Executive Officer, duly authorized as he so declares;

(hereinafter, the "Vendor")

AND: **SPHINX RESOURCES LTD.**, a corporation duly incorporated under the *Canada Business Corporations Act*, having its head office at 1 Place Ville Marie, Suite 2001, Montréal, Québec, H3B 2C4, represented for the purposes hereof by Normand Champigny, President and Chief Executive Officer, duly authorized as he so declares;

(hereinafter, the "Purchaser")

(collectively, the "Parties" and each of them, a "Party")

RECITALS:

- A. The Vendor owns a 100% undivided interest in seven (7) mining claims, which are located in the Province of Québec and can be found on National Topographic System (N.T.S.) sheet number 32D/08, and are more particularly described and located in Schedule "A" hereto (the "Project"); and
- B. The Parties have agreed to complete the following transaction relating to the Project on the terms and subject to the conditions set forth in this Agreement (collectively, the "Transaction").

THEREFORE, the Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

"Aggregate Share Value" means the amount equal to the Price per Share multiplied by the number of Purchaser Shares issued;

"Agreement" means this Project Acquisition Agreement, including without limitation Schedule "A" "Description of Project and Mining Claims" and Schedule "B" "Gross Metal Royalty", and all

written instruments supplementing or amending or confirming this Agreement and references to "Article" or "Section" mean and refer to the specified Article or Section of this Agreement;

"Business Day" means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the province of Québec are open for business during normal banking hours;

"Closing Date" shall have the meaning ascribed thereto in Section 2.2;

"Common Shares" means common shares in the capital of the Purchaser as presently constituted;

"Encumbrance" means, whether registered or registrable or recorded or recordable, and regardless of how created or arising, any hypothec, mortgage, deed of trust, pledge, lien, security interest, adverse interest, net profits interest, royalty, overriding royalty interest, other payment out of production, claim, option to acquire or sell, off-take agreement, third party right of first refusal or pre-emptive right, other third person interest or other encumbrance or burden of any nature, whether contingent or absolute, and any agreement to grant, or right capable of becoming, any of the foregoing;

"Environmental Laws" means any Law in effect on the date hereof in Canada (whether federal, provincial, local or municipal) with respect of the Project and relating to the environment, Hazardous Substance, natural resources or the protection and preservation thereof including, but not limited to any applicable provisions of the *Mining Act* (Québec), *Forest Act* (Québec), the *Environment Quality Act* (Québec), an *Act respecting Petroleum Products and Equipment* (Québec), the *Highway Safety Code* (Québec) with respect to transportation of dangerous substances, the *Canadian Environmental Protection Act*, the *Fisheries Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Navigable Waters Protection Act* (Canada), the *Hazardous Materials Information Review Act* (Canada), the *Hazardous Products Act* (Canada), and the *Nuclear Safety and Control Act* (Canada) and regulations promulgated pursuant thereto. For the purposes of this definition, the word "environment" is meant to include the air, surface water, underground water, any land, soil or underground space even if submerged under water or covered by a structure, and the environment or natural environment as defined in any Environmental Law and "environmental" shall have a similar extended meaning;

"Expenditures" means a total of \$500,000 with a minimum of \$100,000 per annum on the Project within five (5) years after the Closing Date of the Agreement of all expenses, obligations, costs and liabilities of whatever kind or nature spent or incurred directly or indirectly by the Purchaser in connection with the exploration and development of the Project, including, without limiting the generality of the foregoing, moneys expended for claim staking, moneys expended in maintaining the Project in good standing, moneys expended in doing and filing assessment work, expenses paid for or incurred in connection with any program of prospecting, exploring, geophysical, geochemical and geological surveying, diamond drilling and trenching, drifting, raising and other underground work, assaying and metallurgical testing and engineering, environmental studies, data preparation and analysis, submissions to government

agencies with respect to production permits, in acquiring facilities, in making contributions to a contingency fund required by the Purchaser in paying the fees, wages, salaries, travelling expenses, and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Project, in paying for the food, lodging and other reasonable needs of such persons. Expenditures shall be deemed to be incurred upon the earlier of (a) the date of payment of same; or (b) the date upon which such Expenditures become due and payable pursuant to the applicable contractual obligation.

"Governmental Authority" means any governmental regulatory or administrative body agency or authority, any court or judicial authority or any public regulatory authority, whether international, federal, provincial or local;

"Hazardous Substances" means any material, substance or waste that is characterized under any applicable Environmental Laws as being dangerous, hazardous or toxic, or any pollutant or contaminant, including without limitation petroleum, products or any derivative thereof, any polychlorinated biphenyls or radioactive materials;

"MENR" means the Quebec Ministry of Energy and Natural Resources;

"Parties" and **"Party"** shall have the meanings ascribed thereto in the preamble;

"Price per Share" shall have the meaning ascribed thereto in Section 2.1;

"Project" has the meaning ascribed thereto in the Recitals;

"Purchaser Shares" means 1,200,000 Common Shares;

"Time of Closing" shall have the meaning ascribed thereto in Section 2.2;

"Transaction" shall have the meaning ascribed thereto in the Recitals; and

"TSX-V" shall have the meaning ascribed thereto in Section 2.1.

1.2 Certain Rules of Interpretation

In this Agreement:

- (a) **Time** – Time is of the essence in the performance of the Parties' respective obligations.
- (b) **Business Day** – Whenever payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day.

1.3 Severability

If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement.

1.4 Entire Agreement

Upon the Parties' execution of this Agreement, this Agreement shall constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and shall supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

1.5 Applicable Law

This Agreement shall be governed in all respects by the laws in force in the Province of Québec.

ARTICLE 2 - PROJECT INTEREST AND PURCHASER SHARES

2.1 Purchase and Sale

Subject to Section 2.4, the Vendor hereby assigns, transfers and sells to the Purchaser all of its rights, titles and interests in and to the Project effective at the Time of Closing, for consideration that is comprised of:

- (a) 1,200,000 Common Shares of the Purchaser (the "Purchaser Shares") to be issued to the Vendor;
- (b) a graduated Gross Metal Royalty ("GMR") in accordance with Section 3.1.

The Parties agree that the value per share or deemed price per share of the Purchaser Shares shall be equal to the last closing price on the TSX Venture Exchange (the "TSX-V") of the Purchaser's Common Shares before the issuance of the news release of the Purchaser announcing the Transaction (the "Price per Share").

2.2 Closing Date

(a) The closing of the Transaction will be completed at the offices of the Purchaser's legal counsel at 10:00 a.m. (Eastern Time) (the "Time of Closing") on the date that is five Business Days after the later of the (i) receipt of TSX-V's final acceptance of the Transaction, and (ii) such other date or time as may be mutually agreed upon by the Parties; provided, however that such date shall occur on or prior to July 15, 2015 (the "Closing Date").

(b) At the Time of Closing, the Vendor shall receive a certificate representing the Purchaser Shares.

(c) At the Time of Closing, the Vendor shall execute and provide the Purchaser with a mining right transfer form evidencing the transfer of a 100% undivided interest in the Project from the Vendor in favour of the Purchaser, in the form provided for by the MENR of Québec as of the transfer date attesting to the transfer of the Project, together with any other deed, document or instrument necessary or useful for such transfer, the whole to Purchaser's satisfaction. The Purchaser shall be responsible to pay any statutory or administrative fee or duty in relation to such transfer of mining rights and to the registration thereof.

(d) At the Time of Closing the Vendor shall assign to the Purchaser, and the Purchaser shall assume from the Vendor, all liabilities, obligations, rights and entitlements of the Vendor.

2.3 Condition of Transaction

The Parties hereby acknowledge and agree that the completion of the Transaction is conditional upon the Purchaser obtaining any necessary approvals of the TSX-V.

2.4 Acknowledgements of the Parties

The Parties hereby acknowledge and agree that the Purchaser Shares are subject to a statutory hold period of not more than four (4) months and one (1) day from the date of issue and the certificate representing the Purchaser Shares will be endorsed with a legend setting out resale restrictions under applicable securities legislation. The Vendor acknowledges it is solely responsible for compliance with such resale restriction period, the whole in accordance with applicable securities legislation and TSX-V rules and policies.

2.5 Covenants

(a) Subject to the Closing Date occurring, the Vendor covenants and agrees to deliver to the Purchaser all data relating to the Project in its control or possession (whether in paper or digital form) in a timely manner and make and do all such further acts and things, to execute and deliver such instruments, agreements and documents prepared by or on behalf of the Purchaser as it shall consider reasonably necessary to give effect to the Transaction.

(b) During the currency of this agreement, the Vendor shall not, without the prior written consent of the Purchaser, acquire any claims within the Sphinx area polygon described by the dashed line on Schedule 2 of the Confidentiality and Standstill Agreement dated May 11, 2015 between the Purchaser and the Vendor. Consent shall be deemed given should the Purchaser not respond within a 30-day period prior to the claims' availability for staking. The Purchaser may elect to acquire such claims from the Vendor once acquired by the Vendor in accordance with the provisions of this Section 2.5. Upon the lapsing or termination of this agreement, the restriction as per section 2.5 (b) shall immediately terminate.

ARTICLE 3 - GMR

3.1 Granting of GMR

The Parties acknowledge and agree that effective at the Closing Time, the Vendor shall be granted the GMR that is more particularly described in Schedule "B". Such GMR only applies to the Project. The GMR will be registered at the Purchaser's sole cost with the *Ministère des Ressources Naturelles* of the Province of Québec or such other appropriate legal registry.

ARTICLE 4 – EXPENDITURES COMMITMENT

4.1 Expenditures Commitment

- (a) The Expenditures may be accelerated at Sphinx's option.
- (b) If the Purchaser has not funded the Expenditures in full, then all claims in the Project and all Mineral Claims as well as any future claims staked, will be transferred, at the Vendor's sole cost, back by the Purchaser to the Vendor, free of any Encumbrances.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants (which representations and warranties shall survive the Closing Date) as follows:

5.1 Incorporation

The Purchaser is a valid and subsisting corporation duly incorporated and in good standing under the laws of Canada and has all requisite corporate power and authority to carry on its business as presently conducted and as presently proposed to be conducted, and to own, lease and operate all of its assets.

5.2 No Conflict

The entering into of this Agreement by the Purchaser and the consummation of the Transaction contemplated hereby does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of the constating documents or by-laws of the Purchaser or any statute, law or regulation applicable to the Purchaser or any agreement or instrument to which the Purchaser is a party.

5.3 Due Authorization

This Agreement and the Transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of the Purchaser and constitute valid obligations of the Purchaser legally binding upon it and enforceable against it in accordance with its terms, subject however to the usual limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and the availability of equitable remedies. The Purchaser has all corporate power and authority necessary to complete the Transaction.

5.4 Reporting Issuer Status

The Purchaser is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Québec, is current and up-to-date in all material respects with all filings required to be made pursuant to applicable securities laws and is not included on the list of defaulting reporting issuers maintained by the respective securities commissions in such jurisdictions. All such filings are in compliance in all material respects with laws and do not contain any untrue statements of a material fact or omit to state a material fact.

5.5 Public Listing

The issued and outstanding Common Shares are listed for trading on the TSX-V.

5.6 No Cease Trade Order

No order ceasing or suspending trading in the Common Shares nor prohibiting the sale of such securities has been issued by any securities commission of any Province or Territory of Canada to the Purchaser or its directors or officers which is currently in effect, and to the best of the Purchaser's knowledge, no such investigations or proceedings for such purposes are pending or threatened.

ARTICLE 6 - REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor hereby represents and warrants (which representations and warranties shall survive the Closing Date) as follows:

6.1 Incorporation

The Vendor is a valid and subsisting corporation duly incorporated and in good standing under the laws of Canada and has all requisite corporate power and authority to carry on its business as presently conducted and as presently proposed to be conducted, and to own, lease and operate all of its assets. The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Québec).

6.2 No Conflict

The entering into of this Agreement by the Vendor and the consummation of the Transaction contemplated hereby does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of the constating documents or by-laws of the Vendor or any statute, law or regulation applicable to the Vendor or any agreement or instrument to which the Vendor is a party.

6.3 Due Authorization

This Agreement and the Transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of the Vendor and constitute valid obligations of the Vendor legally binding upon it and enforceable against it in accordance with its terms, subject

however to the usual limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and the availability of equitable remedies. The Vendor has all corporate power and authority necessary to complete the Transaction.

6.4 Project Representations

- (a) The Vendor is the sole beneficial owner of a 100% undivided interest in the Project and is the sole registered holder of a 100% undivided interest in the Project, with good and marketable title thereto, and the Project is duly recorded in the name of the Vendor, in each case, free and clear of all Encumbrances;
- (b) The Vendor has not made, committed, executed or suffered any act, deed, matter or thing whereby its interest in the Project may be subject to an Encumbrance in title or otherwise;
- (c) The mining claims forming part of the Project are in good standing and no event, condition or occurrence exist that, after notice or lapse of time or both, would constitute a default under such mining claims;
- (d) All taxes, duties or other payments and charges due prior to the Closing Date with respect to the Project have been paid in full as of the Closing Date; and
- (e) There are no actions, suits or proceedings pending or, to the knowledge of the Vendor, threatened against or affecting the Project.

6.5 Environmental

- (a) Except as would not have a material adverse effect on the Project:
 - (i) The Vendor, the Project and all operations thereon have been and are in compliance with Environmental Laws;
 - (ii) The Vendor has not used or permitted to be used, except in compliance with all Environmental Laws, any of the Project to release, dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance;
 - (iii) To the knowledge of the Vendor, there is no presence of any Hazardous Substance on, in or under any of the immovables on which the Project is located or any formerly owned, leased, managed or otherwise controlled immovable property or rights; and
 - (iv) Neither the Vendor, the Project, nor the immovables on which the Project is located is subject to any current, or, to the knowledge of the Vendor, any pending or threatened claims, suits, proceedings, orders, notices, directions or demands with respect to any Environmental Laws applicable thereto or Hazardous Substances.

(b) The Vendor has provided to the Purchaser a true and complete copy of each environmental audit, assessment, study or test of which it is aware relating to the Project or the immovables on which the Project is located, including any environmental and social impact assessment study reports.

ARTICLE 7 - INDEMNIFICATION

7.1 Indemnification

(a) The representations and warranties given in Article 5 and Article 6 constitute conditions on which the Parties have relied in entering into this Agreement.

(b) Subject to Section 7.1(c), each Party shall indemnify and save the other Party harmless from any loss, damage or cost (including without limitation reasonable legal fees and disbursements) that arises as a result of or in connection with any claim whatsoever including any demand, action, motion, application, cause of action, dispute, trial, suit, administrative proceeding, quotation or re-quotation, order, judgement, decree or arbitral award, resulting from a breach, inaccuracy or untruth in respect of any representation or warranty that the Party has given in Article 4 or 5 of this Agreement (a "Claim").

(c) The obligation of a Party to indemnify and save the other Party harmless pursuant to Section 7.1(b) is conditional upon the following:

(i) the Party that is subject to a Claim (the "Indemnified Party") must promptly give notice thereof to the Party having the obligation to indemnify the Indemnified Party (the "Indemnifying Party") and must thereafter cooperate fully in the defence of the Claim; and

(ii) the Indemnifying Party shall have exclusive control of the defence and of any negotiation leading to the settlement of the Claim, provided that the written consent of the Indemnified Party shall be obtained (unless, in the event of a Claim made by the Purchaser, the settlement does not create any liability to the Purchaser or in respect of the Project, in which case the prior consent of the Purchaser shall not be required) before any settlement is made final and conclusive and has confirmed in writing to the Indemnified Party its obligation to indemnify the Indemnified Party in respect of the Claim in accordance with this Article 6 except if the Indemnifying Party does not timely initiate the defence of the Claim after receiving notice of the Indemnified Party. The Indemnified Party may, at its own cost, retain separate counsel in respect of a Claim.

ARTICLE 8 - CONFIDENTIALITY

8.1 Confidentiality

This Agreement and the contents hereof, and any instruments or agreements in implementation of this Agreement, shall be maintained in confidence by the parties and not disclosed to any other person except as required by law or the rules of a stock exchange (and

where so required, any related press release or other public communication shall not be made unless the other Party has consented thereto, such consent not to be unreasonably withheld). Notwithstanding the foregoing the Parties are entitled to disclose confidential information to prospective investors or lenders, who shall be required to keep all such confidential information confidential.

ARTICLE 9 - MAINTENANCE OF THE PROJECT, RIGHT TO RELINQUISH CLAIMS

9.1 Maintenance of Project

Subsequent to the Closing Date, the Purchaser shall pay all governmental taxes, duties or other payments, make any minimum investments required by law, perform all acts and comply with all obligations under applicable law required to maintain the Project in good standing.

9.2 Right to Relinquish

Within five (5) years from the Closing Date, should the Purchaser at any time wish to relinquish the Project, it shall be returned to the Vendor, at the Purchaser's sole cost, in good standing with as a minimum sufficient credit and taxes paid to meet requirements for the next renewal period of each claim within the Project. All work performed on the Project will, at the Purchaser's sole cost, have been submitted on a timely basis for assessment credits prior to returning the claims.

ARTICLE 10 - TRANSFERS

10.1 Transfers by the Purchaser

The Purchaser shall not transfer any of its rights, titles and interests in and to the Project unless it first obtains from the transferee and provides to the Vendor an agreement in writing in which the transferee agrees to assume and be responsible for all covenants, obligations and liabilities of the Purchaser under the GMR and the Agreement. Furthermore, until the Purchaser has fully spent the Expenditures, the Purchaser shall not transfer any of its rights, titles and interests in and to the Project without the prior written consent of the Vendor, such consent not to be unreasonably withheld.

10.2 Transfers by the Vendor

The Vendor shall have the unrestricted right to transfer all or any of its rights, interests, and obligations under this Agreement, including without limitation the GMR, effective upon written notice thereof to the Purchaser.

ARTICLE 1.1 DECLARATION OF THE PARTIES CONCERNING THE GOODS AND SERVICES TAX (GST) AND THE QUEBEC SALES TAX (QST)

The Parties hereby each declare that they are duly registered under Part XI of the *Excise Tax Act* (Canada) ("ETA") and *An Act respecting the Québec Sales Tax* (Québec) ("QSTA") and that their respective registration numbers are as follows:

11.1

(a) Vendor: QST: 1000481528TQ0001
GST: 102121860RT0001

(b) Purchaser: GST: 83432 9740 RT0001
QST: 1212345047 TQ0001

11.2 The Parties declare that the Project is constituted of immovables and that the Project is not a "residential complex" within the meaning of the ETA and the QSTA acquired by an individual.

11.3 The Purchaser declares to the Vendor that the Project will be used primarily in the course of its commercial activities.

11.4 The Parties declare that the sale of the Project is a taxable supply for the purposes of the ETA and the QSTA and the amount of the GST and QST applicable thereto is :

(a) GST: an amount equal to 5% of the Aggregate Share Value; and

(b) QST: an amount equal to 9.975% of the Aggregate Share Value.

11.5 The Parties declare that the sale of the Project is subject to the provisions of subsections 221(2) and 228(4) of the ETA as well as sections 423 and 438 of the QSTA, thereby the Purchaser is not required to remit the GST and QST to the Vendor and the Vendor is not required to collect the GST and QST from the Purchaser with respect to the sale of the Project.

ARTICLE 1.2 INFORMATION REQUIRED BY ARTICLE 9 OF THE ACT RESPECTING DUTIES ON TRANSFER OF IMMOVABLES (QUEBEC)

12.1 The Parties hereby declare as follows:

(a) their respective names and addresses are indicated above;

(b) the Project is located in the municipality of La Motte, Québec;

(c) the assets subject to the transfer do not include movables contemplated by the *Act respecting duties on transfer of immovables* (Québec);

(d) the amount of the consideration for the transfer of the immovable, according to the Parties, is an amount equal to the Aggregate Share Value;

(e) the amount constituting the basis of imposition for the transfer duties, according to the Parties, is an amount equal to the Aggregate Share Value;

(f) the amount of the transfer duty is the amount equal to (i) 0.5% of the first \$50,000 of the Aggregate Share Value, plus (ii) 1% of the amount of the Aggregate Share Value in excess of \$50,000 (if any); provided, however, that such amount shall in no event be greater than the prescribed maximum of \$250,000; and

(g) pursuant to Section 17(e) of the *Act respecting duties on transfer of immovables* (Québec), the transfer of the rights, title and interest of the Vendor in and to the Project is exempt from the payment of transfer duties since the Project is constituted of immovables referred to in Section 8 of the *Mining Act* (Québec).

ARTICLE 13 – OPERATORSHIP, TECHNICAL COMMITTEE AND PROGRAMS AND BUDGETS

13.1 Operatorship

The Purchaser shall be the operator (the "Operator") of the Project.

13.2 Technical Committee

The Expenditures will be managed by the Operator in accordance with programs and budgets that will be approved by a technical committee comprised of two (2) members (the "Technical Committee"). The Technical Committee is responsible for revising, as deemed appropriate, programs submitted by the Operator, for approving all programs and for evaluating the results of all programs. Each of Vendor and Purchaser is entitled to appoint one (1) member on the Technical Committee. The member appointed by the Operator will act as chairman of the Technical Committee. In case of a tie, the chairman shall have the casting vote.

13.3 Budgets

Within thirty (30) days of the Closing Date, and every twelve (12) months thereafter, the Operator will prepare and submit to the Technical Committee an annual program and budget for approval, failing which the Vendor may submit its own program and budget. The Technical Committee will review and approve the proposed program and budget with such modifications as it deems necessary or desirable within thirty (30) days of receipt.

13.4 Report on Expenditures

After the completion of every 12 month program, the Operator will submit to the Technical Committee a report on the Expenditures incurred and the work completed.

ARTICLE 14 - GENERAL

14.1 Notices

Any notice or other writing required or permitted to be given under this Agreement or for the purposes of this Agreement (in this Section referred to as a "Notice") shall be in writing and shall be sufficiently given if delivered, or if sent by prepaid registered mail or if transmitted by facsimile or other form of recorded communication tested prior to transmission to such Party:

- (a) in the case of a Notice to the Purchaser at:

Sphinx Resources Ltd.
1 Place Ville Marie
Suite 2001
Montréal, Québec, Canada
H3B 2C4

Attention: Normand Champigny, President and Chief Executive Officer
email: nchampigny@sphinxresources.ca

- (b) in the case of a Notice to the Vendor at:

Globex Mining Enterprises Inc.
89 Belsize Drive,
Toronto, Ontario, Canada, M4S 1L3

And

86, 14th Street
Rouyn-Noranda, Québec, Canada, J9X 2J1

Attention: Jack Stoch, President & Chief Executive Officer
email: jstoch@globexmining.com

or at such other address as the Party to whom such Notice is to be given shall have last notified the Party giving the same in the manner provided in this Section 14.1. Any Notice delivered to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day. Any Notice sent by prepaid registered mail shall be deemed to have been given and received on the fifth Business Day following the date of its mailing. Any Notice transmitted by facsimile or other form of recorded communication shall be deemed given and received on the first Business Day after its transmission.

14.2 Further Assurances

The Parties shall with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the Transaction contemplated by this Agreement, and each Party shall provide such further deeds, documents or instruments (notarial, by private writing or otherwise) required by the other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

14.3 Expenses

Each of the Parties shall be responsible for their own expenses in connection with the Transaction.

14.4 Amendment

This Agreement may not be amended or modified except by a written document executed by each of the Parties.

14.5 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

14.6 Language

The Parties have agreed that this Agreement and all contracts, documents and notices relating to this Agreement be drawn up in the English language; *les parties aux présentes ont convenu que le présent contrat et tous les autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.*

IN WITNESS OF WHICH the Parties have duly executed this Agreement as of the date first written above.

SPHINX RESOURCES LTD.

GLOBEX MINING ENTERPRISES INC.

(signed) "Normand Champigny"

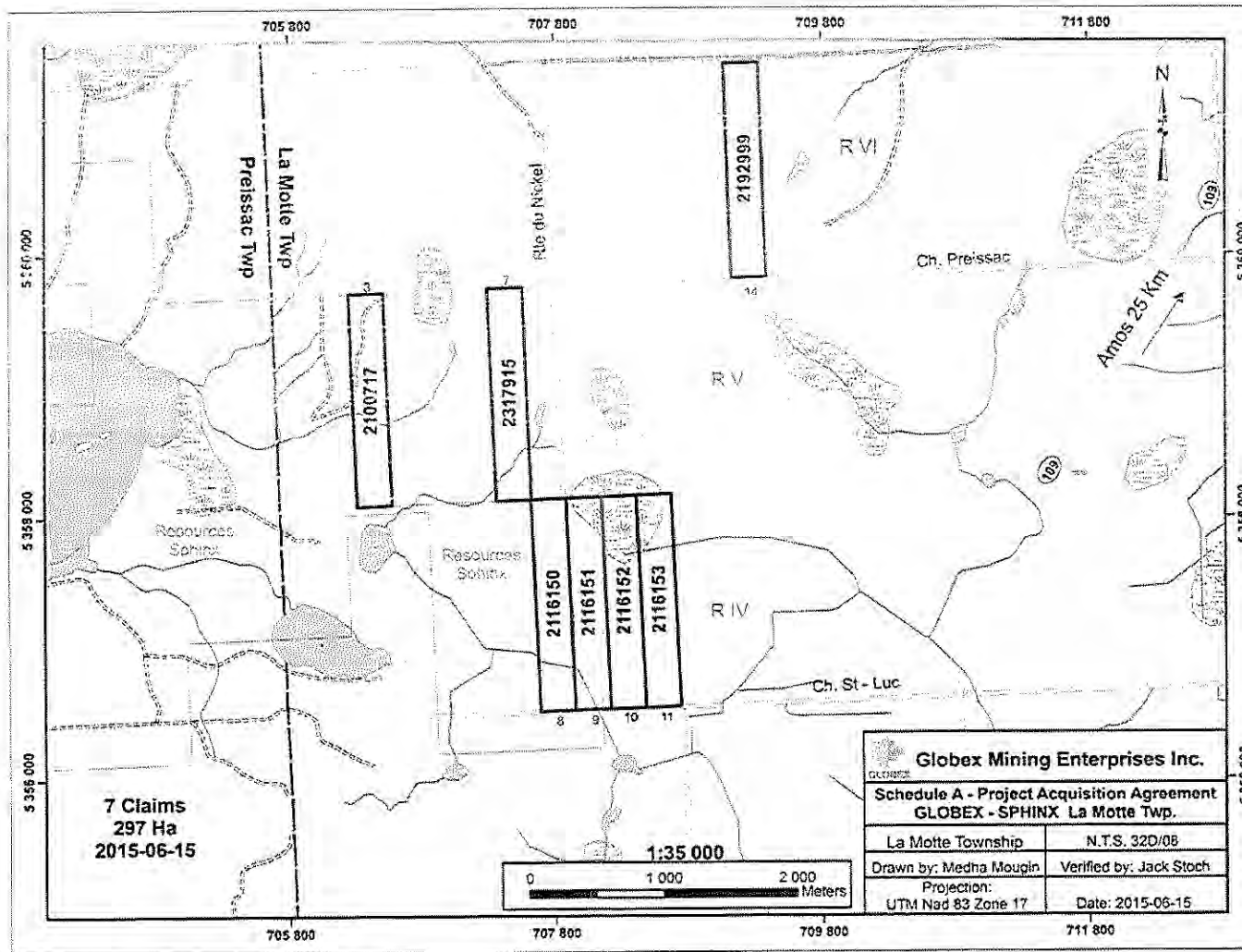
(signed) "Jack Stoch"

Per: _____
Normand Champigny
President and Chief Executive Officer


By: _____
Jack Stoch
President and Chief Executive Officer

SCHEDULE "A"

DESCRIPTION OF PROJECT AND MINING CLAIMS



7 Claims
297 Ha
2015-06-15

 Globex Mining Enterprises Inc.	
Schedule A - Project Acquisition Agreement GLOBEX - SPHINX La Motte Twp.	
La Motte Township	N.T.S. 32D/08
Drawn by: Medha Mouglin	Verified by: Jack Stoch
Projection: UTM Nad 83 Zone 17	Date: 2015-06-15

AS
1/3

SCHEDULE "A" (CONTINUED)

MAP OF PROJECT AND MINING CLAIMS

Project Acquisition Agreement GLOBEX-SPHINX La Motte Township

Claim Nos.		Expiration Date	Range	Lot	Hectares
CDC	2100717	2015-07-08	5	3	42,28
CDC	2116150	2017-08-07	4	8	42,41
CDC	2116151	2017-08-07	4	9	42,33
CDC	2116152	2017-08-07	4	10	42,23
CDC	2116153	2017-08-07	4	11	42,37
CDC	2192999	2015-10-29	6	14	42,74
CDC	2317915	2015-10-13	5	7	42,30

SCHEDULE "B"

GROSS METAL ROYALTY

Sphinx/Globex Project Acquisition Agreement, La Motte Township, Quebec

The following shall be the definition of the Gross Metal Royalty (GMR) payable to the Vendor (Globex Mining Enterprises Inc.) by the Purchaser Sphinx Resources Ltd. as per the Project Acquisition Agreement dated June 15, 2015 regarding seven (7) claims in LaMotte Township, Quebec ("the Property").

"Gross Metal Royalty" (GMR) shall be defined as one percent (1 %) GMR of all metals including but not limited to nickel, platinum, palladium, gold, silver, copper, and zinc, produced from "the Property" as processed by a Purchaser owned processing facility or arms length refinery or smelter when the first London morning Nickel (Ni) price quote is \$6.00 US per pound Ni or less, one and one-half percent (1.5%) GMR when it is greater than \$6.00 US per pound Ni but less than \$8.00 US per pound Ni and two percent (2%) GMR when it is \$8.00 US per pound Ni or greater. No fees, taxes, production costs, processing costs, deductions or other cost whether direct or indirect of any kind whatsoever shall be included in determining the Vendor's GMR. The GMR shall be paid, in cash based upon the first London Morning Price Fix (for nickel, platinum, palladium, gold, silver and base metals, etc.) or any other mutually agreed internationally accepted price fix for all other minerals or elements produced, upon the date of delivery of said metals by or to the Purchaser or in kind at the Vendor's exclusive option. The Vendor shall be paid in cash or in kind upon seven (7) days prior notice at and by the processing facility, refinery or smelter immediately upon production and delivery of the metal. Further, the processing facility, refinery or smelter which produces the metals that are derived from the Property shall without any instruction, other than the initial instruction, deposit the Vendor's GMR in a separate account in the name of Globex Mining Enterprises Inc. over which the Purchaser shall have no control and in which the Purchaser shall have no interest.

It is agreed, by the Vendor and the Purchaser, that prior to the smelting or refining of minerals from the Property, should any outstanding issues arise regarding the GMR, that the parties will resolve said issues in a spirit of mutual cooperation and in conformity with the written intention herein.

The GMR shall be separate as to ownership; this is to say that the Vendor's GMR shall be, immediately upon production, the exclusive property of the Vendor and not subject to any charges, costs, liens, actions, etc.

The Project Acquisition Agreement and GMR shall be registered against title in all appropriate legal registries at the Purchaser's expense.

The Vendor shall be provided by the Purchaser, on a quarterly basis within 30 days of the end of each quarter with an accurate accounting of all metal or other production from the property.

At the Purchaser's financial year-end, an audit of metal or other production and the payable Gross Metal Royalty shall be provided to the Vendor within 90 days of the financial year-end.

The Vendor shall have free and complete authority to request data and receive written responses to questions from any refinery, smelter or other processing facility which processes metals or concentrates derived from the property and to all records generated or commissioned by the Purchaser related in any way to the Property.

Should the Purchaser come to believe that the Purchaser may eventually go into bankruptcy or insolvency, the Purchaser will immediately inform the Vendor of the possibility and will upon the Vendor's request, immediately and at no cost and with no liability to the Vendor, transfer the Property to the Vendor.

Any and all agreements, contracts, etc., which could result in the loss of ownership of the Property through bankruptcy of the Purchaser shall include the provision that the Project Acquisition Agreement and GMR shall result in the Vendor being a secured creditor on par with the Federal Government.

Upon earning their interest as per the Property, the Purchaser may sell or transfer their ownership interest in the Property or agreement subject to the written approval of the Vendor, to a financially capable third party if the third party agrees in writing to abide by all the terms of the Project Acquisition Agreement and Gross Metal Royalty.

The Project Acquisition Agreement and Gross Metal Royalty shall be subject to the laws of the Province of Quebec and Canada.

IN WITNESS OF WHICH the Parties have duly executed this Agreement as the date first written above.

(signed) "*Jack Stoch*"

Jack Stoch
President, Globex Mining Enterprises Inc.

(signed) "*Normand Champigny*"

Normand Champigny
President and Chief Executive Officer

AMENDMENT TO PROJECT ACQUISITION AGREEMENT dated June 15, 2015

ON June 7th, 2016

BETWEEN: GLOBEX MINING ENTERPRISES INC., a corporation duly incorporated under the Canada Business Corporations Act, having its head office at 89 Belsize Drive, Toronto, Ontario M4S 1L3, represented for the purposes hereof by Jack Stoch, President and Chief Executive Officer, duly authorized as he so declares;

(the "Vendor")

AND: SPHINX RESOURCES LTD., a corporation duly incorporated under the Canada Business Corporations Act, having its head office at Suite 2100, 1000 De La Gauchetière, Montréal, Quebec, H3B 4W5, represented for the purposes hereof by Normand Champigny, President and Chief Executive Officer, duly authorized as he so declares;

(the "Purchaser")

The Parties hereby agree to amend the Project Acquisition Agreement relating to seven (7) mining claims, which are located in the Province of Quebec and can be found on National Topographic System (N.T.S.) sheet number 32D/08 by amending the following definition of project expenditures;

"Expenditures" means a total of \$500,000 with a minimum of \$100,000 per annum on the Project within five (5) years after the Closing Date of the Agreement of all expenses, obligations, costs and liabilities of whatever kind or nature spent or incurred directly or indirectly by the Purchaser in connection with the exploration and development of the Project, including, without limiting the generality of the foregoing, moneys expended for claim staking, moneys expended in maintaining the Project in good standing, moneys expended in doing and filing assessment work, expenses paid for or incurred in connection with any program of prospecting, exploring, geophysical, geochemical and geological surveying, diamond drilling and trenching, drifting, raising and other underground work, assaying and metallurgical testing and engineering, environmental studies, data preparation and analysis, submissions to government agencies with respect to production permits, in acquiring facilities, in making contributions to a contingency fund required by the Purchaser in paying the fees, wages, salaries, travelling expenses, and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Project, in paying for the food, lodging and other reasonable needs of such persons. Expenditures shall be deemed to be incurred upon the earlier of (a) the date of payment of same; or (b) the date upon which such Expenditures become due and payable pursuant to the applicable contractual obligation.

By substituting the following;

"Expenditures" means a total of \$500,000, being a minimum of \$300,000 on the Project within three (3) years after the Closing Date of the Agreement and \$100,000 per annum in each of the 4th year and 5th year after the Closing Date of the Agreement of all expenses, obligations, costs and liabilities of whatever kind or nature spent or incurred directly or indirectly by the Purchaser in connection with the

exploration and development of the Project, including, without limiting the generality of the foregoing, moneys expended for claim staking, moneys expended in maintaining the Project in good standing, moneys expended in doing and filing assessment work, expenses paid for or incurred in connection with any program of prospecting, exploring, geophysical, geochemical and geological surveying, diamond drilling and trenching, drifting, raising and other underground work, assaying and metallurgical testing and engineering, environmental studies, data preparation and analysis, submissions to government agencies with respect to production permits, in acquiring facilities, in making contributions to a contingency fund required by the Purchaser in paying the fees, wages, salaries, travelling expenses, and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Project, in paying for the food, lodging and other reasonable needs of such persons. Expenditures shall be deemed to be incurred upon the earlier of (a) the date of payment of same; or (b) the date upon which such Expenditures become due and payable pursuant to the applicable contractual obligation.

IN WITNESS OF WHICH the Parties have duly executed this Amendment Agreement as of June 7th, 2016

SPHINX RESOURCES LTD.

GLOBEX MINING ENTERPRISES INC.

(signed) "*Normand Champigny*"

(signed) "*Jack Stoch*"

Normand Champigny
President and Chief Executive Officer

Jack Stoch
President Chief Executive Officer

William McQuinn

SCHEDULE "D"
RNC AGREEMENT

PROJECT ACQUISITION AGREEMENT made as of June 1, 2015

BETWEEN: **ROYAL NICKEL CORPORATION**, a corporation duly incorporated under the *Canada Business Corporations Act*, having its head office at 220 Bay Street, Suite 1200, Ontario, M5J 2W4, represented for the purposes hereof by Mark Selby, President and Chief Executive Officer, duly authorized as he so declares;

(hereinafter, the “**Vendor**”)

AND: **SPHINX RESOURCES LTD.**, a corporation duly incorporated under the *Canada Business Corporations Act*, having its head office at 1 Place Ville Marie, Suite 2001, Montréal, Québec, H3B 2C4, represented for the purposes hereof by Normand Champigny, President and Chief Executive Officer, duly authorized as he so declares;

(hereinafter, the “**Purchaser**”)

(collectively, the “**Parties**” and each of them, a “**Party**”)

RECITALS:

- A. The Vendor owns a 100% undivided interest in two (2) mining concessions commonly known as the Marbridge property as well as eight (8) mining claims, which are located in the Province of Québec and can be found on National Topographic System (N.T.S.) sheet number 32D/08, referred to as the “Marbridge mine Project”, and are more particularly described and located in Schedule “A” hereto (the “**Project**”); and
- B. The Parties have agreed to complete the following transaction relating to the Project on the terms and subject to the conditions set forth in this Agreement (collectively, the “**Transaction**”).

THEREFORE, the Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

“**Aggregate Share Value**” means the amount equal to the Price per Share multiplied by the number of Purchaser Shares issued at Closing;

“**Agreement**” means this Project Acquisition Agreement, including without limitation Schedule “A” “Description of Project, Mining Concessions and Mining Claims”, Schedule “B” “Net Smelter Return Royalty”, Schedule “C” “Acquisition Agreement between Xtrata Canada Corporation and Royal Nickel Corporation” and Schedule “D” “Property Acquisition Agreement between Royal Nickel Corporation and Jefmar Inc.”, and all written instruments supplementing or amending or

confirming this Agreement and references to “Article” or “Section” mean and refer to the specified Article or Section of this Agreement;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the province of Québec are open for business during normal banking hours;

“**Closing Date**” shall have the meaning ascribed thereto in Section 2.2;

“**Common Shares**” means common shares in the capital of the Purchaser as presently constituted;

“**Definitive Agreement**” means that certain definitive agreement dated July 31st 2009 between the Vendor and Xstrata Canada Corporation (now Glencore Canada Corporation), as amended as of May 22, 2015, a copy of which is attached to Schedule “C”;

“**Encumbrance**” means, whether registered or registrable or recorded or recordable, and regardless of how created or arising, any hypothec, mortgage, deed of trust, pledge, lien, security interest, adverse interest, net profits interest, royalty, overriding royalty interest, other payment out of production, claim, option to acquire or sell, off-take agreement, third party right of first refusal or pre-emptive right, other third person interest or other encumbrance or burden of any nature, whether contingent or absolute, and any agreement to grant, or right capable of becoming, any of the foregoing;

“**Environmental Laws**” means any Law in effect on the date hereof in Canada (whether federal, provincial, local or municipal) with respect of the Project and relating to the environment, Hazardous Substance, natural resources or the protection and preservation thereof including, but not limited to any applicable provisions of the *Mining Act* (Québec), *Forest Act* (Québec), the *Environment Quality Act* (Québec), an *Act respecting Petroleum Products and Equipment* (Québec), the *Highway Safety Code* (Québec) with respect to transportation of dangerous substances, the *Canadian Environmental Protection Act*, the *Fisheries Act* (Canada), the *Transportation of Dangerous Goods Act* (Canada), the *Navigable Waters Protection Act* (Canada), the *Hazardous Materials Information Review Act* (Canada), the *Hazardous Products Act* (Canada), and the *Nuclear Safety and Control Act* (Canada) and regulations promulgated pursuant thereto. For the purposes of this definition, the word “environment” is meant to include the air, surface water, underground water, any land, soil or underground space even if submerged under water or covered by a structure, and the environment or natural environment as defined in any Environmental Law and “environmental” shall have a similar extended meaning;

“**Governmental Authority**” means any governmental regulatory or administrative body agency or authority, any court or judicial authority or any public regulatory authority, whether international, federal, provincial or local;

“**Hazardous Substances**” means any material, substance or waste that is characterized under any applicable Environmental Laws as being dangerous, hazardous or toxic, or any pollutant or contaminant, including without limitation petroleum, products or any derivative thereof, any polychlorinated biphenyls or radioactive materials;

“**Jefmar Royalty**” shall have the meaning ascribed thereto in Section 3.2;

“**MENR**” means the Quebec Ministry of Energy and Natural Resources;

“**NSR**” shall have the meaning ascribed thereto in Section 3.1;

“**Parties**” and “**Party**” shall have the meanings ascribed thereto in the preamble;

“**Price per Share**” shall have the meaning ascribed thereto in Section 2.1;

“**Project**” shall have the meaning ascribed thereto in the Recitals;

“**Purchaser Shares**” means 2,000,000 Common Shares;

“**Time of Closing**” shall have the meaning ascribed thereto in Section 2.2;

“**Transaction**” shall have the meaning ascribed thereto in the Recitals; and

“**TSX-V**” shall have the meaning ascribed thereto in Section 2.3.

1.2 Certain Rules of Interpretation

In this Agreement:

(a) **Time** – Time is of the essence in the performance of the Parties’ respective obligations.

(b) **Business Day** – Whenever payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day.

1.3 Severability

If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement.

1.4 Entire Agreement

Upon the Parties’ execution of this Agreement, this Agreement shall constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and shall supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

1.5 Applicable Law

This Agreement shall be governed in all respects by the laws in force in the Province of Québec.

ARTICLE 2 - PROJECT INTEREST AND PURCHASER SHARES

2.1 Purchase and Sale

Subject to Section 2.4, the Vendor hereby assigns, transfers and sells to the Purchaser all of its rights, titles and interests in and to the Project effective at the Time of Closing, for consideration that comprises the Purchaser Shares to be issued to the Vendor in accordance herewith and a 2% NSR in accordance with Section 3.1. The Parties agree that the value per share or deemed price per share of the Purchaser Shares shall be equal to the last closing price on the TSX-V of the Purchaser's Common Shares before the issuance of the news release of the Purchaser announcing the Transaction (the "**Price per Share**").

2.2 Closing Date

(a) Closing of the Transaction will be completed at the offices of the Purchaser's legal counsel at 10:00 a.m. (Eastern Time) (the "**Time of Closing**") on the date that is three Business Days after the later of the (i) receipt of TSX-V's final acceptance of the Transaction, (ii) the receipt of the consents described in Section 2.2(d), and (iii) such other date or time as may be mutually agreed upon by the Parties; provided, however that such date shall occur on or prior to June 30, 2015 (the "**Closing Date**").

(b) At the Time of Closing, the Vendor shall receive a certificate representing the Purchaser Shares.

(c) At the Time of Closing, the Vendor shall execute and provide the Purchaser with a mining right transfer form evidencing the transfer of a 100% undivided interest in the Project from the Vendor in favour of the Purchaser, in the form provided for by the MENR of Québec as of the transfer date, as well as a deed of transfer for filing on the *Registre foncier du Québec* attesting to the transfer of the Project, together with any other deed, document or instrument necessary or useful for such transfer, the whole to Purchaser's satisfaction. The Purchaser shall be responsible to pay any statutory or administrative fee or duty in relation to such transfer of mining rights and to the registration thereof.

(d) At the Time of Closing:

(i) the Vendor shall assign to the Purchaser, and the Purchaser shall assume from the Vendor, all liabilities, obligations, rights and entitlements of the Vendor arising under and in respect of (A) Sections 8.1, 8.2 and 8.3 of the Definitive Agreement, and (B) Jefmar Royalty, including without limitation the right and option of the Vendor to purchase 1% of the Jefmar Royalty (such that the remaining royalty shall be reduced to 1% of net returns) for a price equal to \$1,000,000; and

(ii) the Vendor shall provide the Purchaser with (i) a written consent from Xstrata Canada Corporation (now Glencore Canada Corporation) to the assumption by the Purchaser of the Vendor's obligations under Section 8.1, and (ii) a written consent from Jefmar Inc. to the assignment and assumption of the rights and obligations of the Vendor under the Jefmar Royalty to the Purchaser, including without limitation the right and option of the Vendor to purchase 1% of the Jefmar Royalty (such that the remaining royalty shall be reduced to 1% of net returns) for a price equal to \$1,000,000.

2.3 Condition of Transaction

The Parties hereby acknowledge and agree that the completion of the Transaction is conditional upon the Purchaser obtaining any necessary approvals of the TSX Venture Exchange (the “**TSX-V**”).

2.4 Acknowledgements of the Parties

The Parties hereby acknowledge and agree that the Purchaser Shares are subject to a statutory hold period of not more than four (4) months and one (1) day from the date of issue and the certificate representing the Purchaser Shares will be endorsed with a legend setting out resale restrictions under applicable securities legislation. The Vendor acknowledges it is solely responsible for compliance with such resale restriction period, the whole in accordance with applicable securities legislation and TSX-V rules and policies.

2.5 Covenants

Subject to the Closing Date occurring, the Vendor covenants and agrees to deliver to the Purchaser all data relating to the Project in its control or possession (whether in paper or digital form) in a timely manner and make and do all such further acts and things, to execute and deliver such instruments, agreements and documents prepared by or on behalf of the Purchaser as it shall consider reasonably necessary to give effect to the Transaction.

ARTICLE 3 - NSR

3.1 Granting of NSR

The Parties acknowledge and agree that effective at the Closing Time, the Vendor shall be granted the 2% Net Smelter Return royalty (the “**NSR**”) that is more particularly described in Schedule “B”. Such NSR only applies to the two (2) mining concessions bearing numbers CM477 and CM519 of the Project. The NSR shall be subject to a buyback right (as to the full 2%) in favour of the Purchaser. The Purchaser shall have, at its sole discretion, the right and option to purchase the full 2% of the NSR for a price equal to \$2,000,000 in cash.

3.2 Jefmar Royalty

For greater certainty, the granting of NSR aforementioned in Section 3.1 shall not apply to the eight (8) mining claims described in Schedule “A”. Such mining claims remain subject to a 2% royalty in favour of Jefmar Inc. (the “**Jefmar Royalty**”) pursuant to the property acquisition agreement between the Vendor and Jefmar Inc. dated March 26th 2008 and the royalty agreement between the Vendor and Jefmar Inc. dated March 26th, 2008, copies of which are attached to Schedule “D”.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants (which representations and warranties shall survive the Closing Date) as follows:

4.1 Incorporation

The Purchaser is a valid and subsisting corporation duly incorporated and in good standing under the laws of Canada and has all requisite corporate power and authority to carry on its business as presently conducted and as presently proposed to be conducted, and to own, lease and operate all of its assets.

4.2 Capitalization

The authorized capital of the Purchaser consists of an unlimited number of Common Shares of which 40,294,859 Common Shares are issued and outstanding on the date hereof prior to giving effect to the Transaction. As of the date hereof, (i) stock options to acquire an additional 1,525,000 Common Shares are issued and outstanding, (ii) warrants to acquire an additional 23,566,189 Common Shares are issued and outstanding, (iii) agent's options to acquire (a) an additional 831,978 Common Shares and (b) warrants to acquire an additional 23,566,189 Common Shares, are issued and outstanding, and (iv) unsecured convertible debentures in the aggregate principal amount of \$375,000, bearing interest at the rate of 12% per annum, compounded semi-annually, payable in cash or Common Shares every six month based on the 20-day volume weighted average price, maturing on December 19, 2016 and convertible into Common Shares at a price of \$0.13 per share. Except for such options, warrants and debentures, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments obligating the Purchaser to issue or sell any shares of the purchaser or securities or obligations of any kind convertible into or exchangeable for any shares of the Purchaser. When issued in accordance with the terms of this Agreement, the Purchaser Shares purchased hereunder will be duly issued and outstanding as fully paid and non-assessable shares of the Purchaser, and will at the Time of Closing represent approximately 4.97% of the issued and outstanding Common Shares, on a non-diluted basis, or approximately 2.85% on a fully-diluted basis.

4.3 No Conflict

The entering into of this Agreement by the Purchaser and the consummation of the Transaction contemplated hereby does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of the constating documents or by-laws of the Purchaser or any statute, law or regulation applicable to the Purchaser or any agreement or instrument to which the Purchaser is a party.

4.4 Due Authorization

This Agreement and the Transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of the Purchaser and constitute valid obligations of the Purchaser legally binding upon it and enforceable against it in accordance with its terms, subject however to the usual limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and the availability of equitable remedies. The Purchaser has all corporate power and authority necessary to complete the Transaction.

4.5 Reporting Issuer Status

The Purchaser is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Québec, is current and up-to-date in all material respects with all filings required to be made pursuant to applicable securities laws and is not included on the list of defaulting reporting issuers maintained by the respective securities commissions in such jurisdictions. All such

filings are in compliance in all material respects with laws and do not contain any untrue statements of a material fact or omit to state a material fact.

4.6 Public Listing

The issued and outstanding Common Shares are listed for trading on the TSX-V.

4.7 No Cease Trade Order

No order ceasing or suspending trading in the Common Shares nor prohibiting the sale of such securities has been issued by any securities commission of any Province or Territory of Canada to the Purchaser or its directors or officers which is currently in effect, and to the best of the Purchaser's knowledge, no such investigations or proceedings for such purposes are pending or threatened.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF THE VENDOR

The Vendor hereby represents and warrants (which representations and warranties shall survive the Closing Date) as follows:

5.1 Incorporation

The Vendor is a valid and subsisting corporation duly incorporated and in good standing under the laws of Canada and has all requisite corporate power and authority to carry on its business as presently conducted and as presently proposed to be conducted, and to own, lease and operate all of its assets. The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Québec).

5.2 No Conflict

The entering into of this Agreement by the Vendor and the consummation of the Transaction contemplated hereby does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of the constating documents or by-laws of the Vendor or any statute, law or regulation applicable to the Vendor or any agreement or instrument to which the Vendor is a party.

5.3 Due Authorization

This Agreement and the Transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of the Vendor and constitute valid obligations of the Vendor legally binding upon it and enforceable against it in accordance with its terms, subject however to the usual limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and the availability of equitable remedies. The Vendor has all corporate power and authority necessary to complete the Transaction.

5.4 Project Representations

(a) The Vendor is the sole beneficial owner of a 100% undivided interest in the Project and is the sole registered holder of a 100% undivided interest in the Project, with

good and marketable title thereto, and the Project is duly recorded in the name of the Vendor, in each case, free and clear of all Encumbrances except for the NSR, the Jefmar Royalty and Article 8 of the Definitive Agreement;

(b) The Vendor has not made, committed, executed or suffered any act, deed, matter or thing whereby its interest in the Project may be subject to an Encumbrance in title or otherwise except for the NSR, the Jefmar Royalty and Article 8 of the Definitive Agreement;

(c) The mining concessions and mining claims forming part of the Project are in good standing and no event, condition or occurrence exist that, after notice or lapse of time or both, would constitute a default under such mining concessions and mining claims;

(d) All taxes, duties or other payments and charges due prior to the Closing Date with respect to the Project have been paid in full as of the Closing Date; and

(e) There are no actions, suits or proceedings pending or, to the knowledge of the Vendor, threatened against or affecting the Project.

5.5 **Environmental**

(a) Except as would not have a material adverse effect on the Project:

(i) The Vendor, the Project and all operations thereon have been and are in compliance with Environmental Laws;

(ii) The Vendor has not used or permitted to be used, except in compliance with all Environmental Laws, any of the Project to release, dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance;.

(iii) To the knowledge of the Vendor, there is no presence of any Hazardous Substance on, in or under any of the immovables on which the Project is located or any formerly owned, leased, managed or otherwise controlled immovable property or rights; and

(iv) Neither the Vendor, the Project, nor the immovables on which the Project is located is subject to any current, or, to the knowledge of the Vendor, any pending or threatened claims, suits, proceedings, orders, notices, directions or demands with respect to any Environmental Laws applicable thereto or Hazardous Substances.

(b) The Vendor has provided to the Purchaser a true and complete copy of each environmental audit, assessment, study or test of which it is aware relating to the Project or the immovables on which the Project is located, including any environmental and social impact assessment study reports.

ARTICLE 6 - INDEMNIFICATION

6.1 Indemnification

(a) The representations and warranties given in Article 4 and Article 5 constitute conditions on which the Parties have relied in entering into this Agreement.

(b) Subject to Section 6.1(c), each Party shall indemnify and save the other Party harmless from any loss, damage or cost (including without limitation reasonable legal fees and disbursements) that arises as a result of or in connection with any claim whatsoever including any demand, action, motion, application, cause of action, dispute, trial, suit, administrative proceeding, quotation or re-quotation, order, judgement, decree or arbitral award, resulting from a breach, inaccuracy or untruth in respect of any representation or warranty that the Party has given in Article 4 or 5 of this Agreement (a "**Claim**"); provided, however, that:

(i) except in case of fraud, bad faith, wilful misconduct or intentional misrepresentation, the total liability of each Party in respect of all Claims made under this Section 6.1 shall be capped at the sum of (A) in respect of any Claim relating to a representation or warranty set forth in Sections 4.1 to 4.4 or 5.1 to 5.4(c), 100% of the Aggregate Share Value and (B) in respect of any Claim relating to a representation or warranty set forth in Sections 4.5 to 4.7, 5.4(e), 5.4(e) or 5.5, 50% of the Aggregate Share Value;

(ii) in no event shall a Claim include any indirect, incidental or consequential losses, damages or costs (including loss of profit); and

(iii) subject to specific performance, injunctive relief and other equitable reliefs, the rights of indemnity set forth in this Section 6.1 are the sole and exclusive remedy of each Party for any breach, inaccuracy or untruth in respect of any representation or warranty that the Party has given in this Agreement .

(c) The obligation of a Party to indemnify and save the other Party harmless pursuant to Section 6.1(b) is conditional upon the following:

(i) the Party that is subject to a Claim (the "**Indemnified Party**") must promptly give notice thereof no later than (A) 18 months following the Closing Date if the Claim relates to a representation or warranty under Article 4 or Article 5 (other than Section 5.4(a) to 5.4(c)) and (B) the fifth anniversary following the Closing Date if the Claim relates to a representation or warranty in Section 5.4(a) to 5.4(c), in each case, to the Party having the obligation to indemnify the Indemnified Party (the "**Indemnifying Party**") and must thereafter cooperate fully in the defence of the Claim; and

(ii) the Indemnifying Party shall have exclusive control of the defence and of any negotiation leading to the settlement of the Claim, provided that the written consent of the Indemnified Party shall be obtained (unless, in the event of a Claim made by the Purchaser, the settlement does not create any liability to the Purchaser or in respect of the Project, in which case the prior consent of the Purchaser shall not be required) before any settlement is made final and conclusive and has confirmed in writing to the Indemnified Party its obligation to

indemnify the Indemnified Party in respect of the Claim in accordance with this Article 6 except if the Indemnifying Party does not timely initiate the defence of the Claim after receiving notice of the Indemnified Party. The Indemnified Party may, at its own cost, retain separate counsel in respect of a Claim.

ARTICLE 7 - CONFIDENTIALITY

7.1 Confidentiality

This Agreement and the contents hereof, and any instruments or agreements in implementation of this Agreement, shall be maintained in confidence by the parties and not disclosed to any other person except as required by law or the rules of a stock exchange (and where so required, any related press release or other public communication shall not be made unless the other Party has consented thereto, such consent not to be unreasonably withheld). Notwithstanding the foregoing the Parties are entitled to disclose confidential information to prospective investors or lenders, who shall be required to keep all such confidential information confidential.

ARTICLE 8 - MAINTENANCE OF THE PROJECT, RIGHT TO RELINQUISH CONCESSIONS AND CLAIMS

8.1 Maintenance of Project

Subsequent to the Closing Date, the Purchaser shall pay all governmental taxes, duties or other payments, make any minimum investments required by law, perform all acts and comply with all obligations under applicable law required to maintain the Project in good standing.

8.2 Right to Relinquish

The Purchaser may at any time and from time to time abandon, surrender or allow to lapse the Project or mining concessions or mining claims as it may determine.

ARTICLE 9 - TRANSFERS

9.1 Transfers by the Purchaser

The Purchaser shall not transfer any of its rights, titles and interests in and to the Project unless it first obtains from the transferee an agreement in writing in which the transferee agrees to assume and be responsible for all covenants, obligations and liabilities of the Purchaser under the NSR, the Jefmar Royalty and Section 8.1 of the Definitive Agreement.

9.2 Transfers by the Vendor

The Vendor shall have the unrestricted right to transfer all or any of its rights, interests, and obligations under this Agreement, including without limitation the NSR, effective upon written notice thereof to the Purchaser.

ARTICLE 10 DECLARATION OF THE PARTIES CONCERNING THE GOODS AND SERVICES TAX (GST) AND THE QUEBEC SALES TAX (QST)

The Parties hereby each declare that they are duly registered under Part XI of the *Excise Tax Act* (Canada) (“ETA”) and *An Act respecting the Québec Sales Tax* (Québec) (“QSTA”) and that their respective registration numbers are as follows:

10.1

- (a) Vendor: QST: 1212938668TQ0001
GST: 831173323RT0001

- (b) Purchaser: QST: 83432 9740 RT0001
GST: 1212345047 TQ0001

10.2 The Parties declare that the Project is constituted of immovables and that the Project is not a “residential complex” within the meaning of the ETA and the QSTA acquired by an individual.

10.3 The Purchaser declares to the Vendor that the Project will be used primarily in the course of its commercial activities.

10.4 The Parties declare that the sale of the Project is a taxable supply for the purposes of the ETA and the QSTA and the amount of the GST and QST applicable thereto is :

- (a) GST: an amount equal to 5% of the Aggregate Share Value; and

- (b) QST: an amount equal to 9.975% of the Aggregate Share Value.

10.5 The Parties declare that the sale of the Project is subject to the provisions of subsections 221(2) and 228(4) of the ETA as well as sections 423 and 438 of the QSTA, thereby the Purchaser is not required to remit the GST and QST to the Vendor and the Vendor is not required to collect the GST and QST from the Purchaser with respect to the sale of the Project; provided, however, that in the event it is determined that GST and/or QST is payable with respect to the sale of the Project, the Purchaser shall be responsible for such GST and/or QST and shall indemnify the Vendor in respect of any liabilities, costs or expenses incurred by the Vendor, its affiliates or directors in respect of such GST and/or QST and obligation of the Purchaser.

ARTICLE 11 INFORMATION REQUIRED BY ARTICLE 9 OF THE ACT RESPECTING DUTIES ON TRANSFER OF IMMOVEABLES (QUEBEC)

11.1 **The Parties hereby declare as follows:**

- (a) their respective names and addresses are indicated above;

- (b) the Project is located in the municipality of La Motte, Québec;

- (c) the assets subject to the transfer do not include movables contemplated by the *Act respecting duties on transfer of immoveables* (Québec);
- (d) the amount of the consideration for the transfer of the immoveable, according to the Parties, is an amount equal to the Aggregate Share Value;
- (e) the amount constituting the basis of imposition for the transfer duties, according to the Parties, is an amount equal to the Aggregate Share Value;
- (f) the amount of the transfer duty is the amount equal to (i) 0.5% of the first \$50,000 of the Aggregate Share Value, plus (ii) 1% of the amount of the Aggregate Share Value in excess of \$50,000 (if any); provided, however, that such amount shall in no event be greater than the prescribed maximum of \$250,000 (the transfer duty shall be payable by the Purchaser to the extent the exemption set forth in Section 11.1(g) would not be available and the Purchaser shall indemnify the Vendor in respect of any liabilities, costs or expenses incurred by the Vendor, its affiliates or directors in respect of such transfer duty); and
- (g) pursuant to Section 17(e) of the *Act respecting duties on transfer of immoveables* (Québec), the transfer of the rights, title and interest of the Vendor in and to the Project is exempt from the payment of transfer duties since the Project is constituted of immovables referred to in Section 8 of the *Mining Act* (Québec) (any such duties are otherwise payable by the Purchaser and the Purchaser shall indemnify the Vendor in respect of any liabilities, costs or expenses incurred by the Vendor, its affiliates or directors in respect of such duties).

ARTICLE 12 - GENERAL

12.1 Notices

Any notice or other writing required or permitted to be given under this Agreement or for the purposes of this Agreement (in this Section referred to as a “**Notice**”) shall be in writing and shall be sufficiently given if delivered, or if sent by prepaid registered mail or if transmitted by facsimile or other form of recorded communication tested prior to transmission to such Party:

- (a) in the case of a Notice to the Purchaser at:

Sphinx Resources Ltd.
1 Place Ville Marie
Suite 2001
Montréal, Québec
H3B 2C4

Attention: Normand Champigny, President and Chief Executive Officer
email: nchampigny@sphinxresources.ca

(b) in the case of a Notice to the Vendor at:

Royal Nickel Corporation
220 Bay Street, Suite 1200
Ontario, Canada
M5J 2W4

Attention: Mark Selby, President & Chief Executive Officer
email: mselby@royalnickel.com

or at such other address as the Party to whom such Notice is to be given shall have last notified the Party giving the same in the manner provided in this Section 10.1. Any Notice delivered to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day. Any Notice sent by prepaid registered mail shall be deemed to have been given and received on the fifth Business Day following the date of its mailing. Any Notice transmitted by facsimile or other form of recorded communication shall be deemed given and received on the first Business Day after its transmission.

12.2 Further Assurances

The Parties shall with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the Transaction contemplated by this Agreement, and each Party shall provide such further deeds, documents or instruments (notarial, by private writing or otherwise) required by the other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

12.3 Expenses

Each of the Parties shall be responsible for their own expenses in connection with the Transaction.

12.4 Amendment

This Agreement may not be amended or modified except by a written document executed by each of the Parties.

12.5 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

12.6 Language

The Parties have agreed that this Agreement and all contracts, documents and notices relating to this Agreement be drawn up in the English language; *les parties aux présentes ont convenu que le présent contrat et tous les autres contrats, documents ou avis afférents aux présentes soient rédigés en langue anglaise.*

IN WITNESS OF WHICH the Parties have duly executed this Agreement as of the date first written above.

SPHINX RESOURCES LTD.

ROYAL NICKEL CORPORATION

(signed) "*Normand Champigny*"

(signed) "*Mark Selby*"

Per:
Normand Champigny
President and Chief Executive Officer

Per: _____
Mark Selby
President and Chief Executive Officer

SCHEDULE "A"

DESCRIPTION OF PROJECT, MINING CONCESSIONS AND MINING CLAIMS

Canton	Rang	Lot	Type de titre	No. Titre	Date d'expiration	Superficie (Ha)	Détenteur (s) (Nom, Numéro et pourcentage)
La Motte	4	12	CDC	2116141	7 août 2015	42,28	Royal Nickel Corporation (982200) 100% responsable
La Motte	4	13	CDC	2116142	7 août 2015	42,29	Royal Nickel Corporation (982200) 100% responsable
La Motte	4	14	CDC	2116143	7 août 2015	42,32	Royal Nickel Corporation (982200) 100% responsable
La Motte	4	15	CDC	2116144	7 août 2015	42,36	Royal Nickel Corporation (982200) 100% responsable
La Motte	4	16	CDC	2116145	7 août 2015	42,34	Royal Nickel Corporation (982200) 100% responsable
La Motte	5	4	CDC	2118907	22 août 2015	42,28	Royal Nickel Corporation (982200) 100% responsable
La Motte	5	5	CDC	2118908	22 août 2015	42,29	Royal Nickel Corporation (982200) 100% responsable
La Motte	5	6	CDC	2118909	22 août 2015	42,30	Royal Nickel Corporation (982200) 100% responsable
La Motte	5	10	CM	477		163,49	Royal Nickel Corporation (982200) 100%
La Motte	5	12	CM	519		81,75	Royal Nickel Corporation (982200) 100%

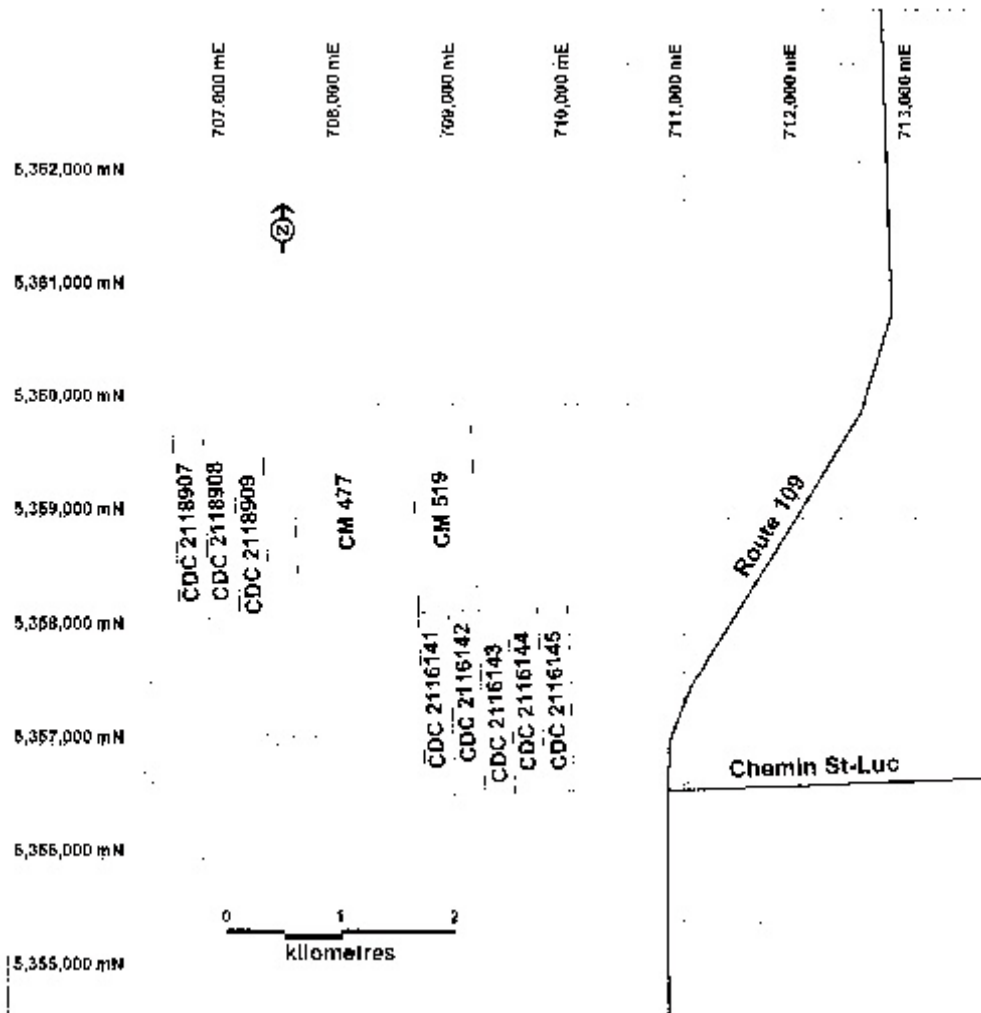
Mining Concession Number CM477 – mining concession number CM477 corresponding to a land file, bearing serial number 84-A-70 at the register of real rights of state resources development of the Registration Division of Abitibi, province of Quebec.

Mining Concession Number CM519 – mining concession number CM519 corresponding to a land file, bearing serial number 84-A-71 at the register of real rights of state resources development of the Registration Division of Abitibi, province of Quebec.

The aforementioned land files and mining concessions correspond to parcels of land known and designated as being lots 8, 9, 10, 11, 12 and 13 of Range 5 of the township of La Motte, Registration Division of Abitibi.

SCHEDULE "A" (CONTINUED)

MAP OF PROJECT, MINING CONCESSIONS AND MINING CLAIMS



SCHEDULE "B"

NET SMELTER RETURN ROYALTY

1. NET SMELTER RETURNS ROYALTY

- 1.1 The Owner shall pay to the Vendor (including all its successors-in-interest and assignees) (the "**Holder**") a perpetual two per cent (2%) net smelter return royalty from the sale or other disposition of all Minerals (as defined herein) produced from the Project (the "**Net Smelter Returns**", "**Production Royalty**" or "**Royalty**"). For the purposes hereof, the term "**Minerals**" shall mean any and all metals, minerals or products of whatever kind and nature in, under or upon the surface or subsurface of the Project (including, without limitation, ore, metals, precious metals, base metals, uranium, industrial minerals, concentrates, gems, diamonds, commercially valuable rock, aggregate, clays and other minerals which are mined, excavated, extracted, recovered or otherwise sold from the Project). This Production Royalty shall apply to 100% of the Project.
- 1.2 **For all Minerals other than Precious Metals** and the beneficiated products thereof (the "**Other Minerals**"), the Production Royalty shall be determined by multiplying **(a)** the gross amount of the particular Other Mineral contained in the production from the Project during the precedent calendar month (the "**Monthly Production**") delivered to the smelter, refiner, processor, purchaser or other recipient of such production or an insurer as a result of a casualty to such production (collectively the "**Payor**") during the preceding calendar month by **(b)** the average of the New York Commodities Exchange final daily spot prices reported for the preceding calendar month (as quoted in *Metals Week* when applicable) of the appropriate Other Mineral, and subtracting from the product of sections 1.2(a) and 1.2(b) only the following if actually incurred: **(i)** charges imposed by the Payor for smelting, refining or processing Other Minerals contained in such production, but excluding any and all charges and costs related to the Owner's or any of its Affiliated Parties' mills or other processing plants constructed for the purpose of milling or processing Other Minerals, in whole or in part; **(ii)** penalty, including but not limited to metal losses, assaying, and sampling charges imposed by the Payor for smelting, refining, or processing Other Minerals, contained in such production, but excluding any and all charges and costs related to the Owner's or any of its Affiliated Parties' mills or other processing plants constructed for the purpose of milling or processing Other Minerals, in whole or in part; **(iii)** charges and costs, if any, for transportation, including handling and securing, and insurance of Other Minerals and the beneficiated products thereof from the Owner's or any of its Affiliated Parties final mill or other final processing plant to places where such Other Minerals are smelted, refined and/or sold or otherwise disposed of; **(iv)** any production taxes, severance taxes, excise, import or other taxes and levies based directly on or assessed against the production or the value of production of Other Minerals and which are paid by the Owner, but excluding any and all taxes (including mining taxes) that are classified as income taxes under IFRS (as defined herein) (whether based upon the net or gross income or outstanding capital of the Owner or other operator of the Project), taxes based on the value of the Project or the privilege of doing business, and other taxes assessed on a similar basis; and **(v)** marketing costs, including sales commission, when applicable, incurred in selling Minerals or any other products derived from Minerals mined from the Project. If for any reason the New York Commodities Exchange does not report spot pricing for a particular Other Mineral, then the Parties shall mutually agree upon an appropriate pricing mechanism

that accurately reflects the market value of any such Other Mineral. In the event that the Owner sells raw ores or concentrates produced from the Project, then the gross amount of the particular Mineral shall be equal to the amount of the proceeds actually received by the Owner during the calendar month from the sale of such raw ores or concentrates or refined metal.

- 1.3 In the event smelting, refining, or processing of Other Minerals are carried out in custom toll facilities owned or controlled, in whole or in part, by the Owner or any of its Affiliated Parties, which facilities were not constructed solely for the purpose of milling or processing Other Minerals from the Project, then charges, costs and penalties for such smelting, refining or processing shall mean the amount the Owner would have incurred if such smelting, refining or processing were carried out at facilities not owned or controlled by the Owner or any of its Affiliated Parties then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by the Owner with respect to such smelting and refining. In the event the Owner or any of its Affiliated Parties receives insurance proceeds for loss of production of Other Minerals from the Project, the Owner shall pay to the Holder the Royalty percentage of any such insurance proceeds, which are received by the Owner or any of its Affiliated Parties for such loss of production.
- 1.4 **For Precious Metals. "Net Smelter Returns"**, in the case of gold, silver and platinum group metals ("**Precious Metals**"), the Production Royalty shall be determined by multiplying **(a)** the gross number of troy ounces of Precious Metals recovered from the Monthly Production delivered to the Payor, by **(b)** for gold, the Applicable Spot Price for the preceding calendar month, for silver, the monthly average silver price (average Comex First Position Price for refined silver as quoted in *Metals Week*) and for all other Precious Metals, the average of the New York Commodities Exchange final spot prices reported for the preceding calendar month for the particular Mineral for which the price is being determined, and subtracting from the product of Sections 1.4(a) and 1.4(b) only the following if actually incurred: **(i)** charges imposed by the Payor for refining bullion from doré or concentrates of Precious Metals (the "**Beneficiated Precious Metals**") produced by the Owner's or any of its Affiliated Parties' final mill or other final processing plant; however, charges imposed by the Payor for smelting or refining of raw or crushed ore containing Precious Metals or other preliminarily processed Precious Metals shall not be subtracted in determining Net Smelter Returns; **(ii)** penalty, including but not limited to metal losses, assaying, and sampling charges imposed by the Payor; **(iii)** charges and costs, if any, for transportation, including handling and securing, and insurance of Beneficiated Precious Metals from the Owner's or any of its Affiliated Parties' final mill or other final processing plant to places where such Beneficiated Precious Metals are smelted, refined and/or sold or otherwise disposed of; **(iv)** any production taxes, severance taxes, excise, import or other taxes and levies based directly on or assessed against the production or the value of production of Precious Metals and which are paid by the Owner, but excluding any and all taxes (including mining taxes) that are classified as income taxes under IFRS (whether based upon the net or gross income or outstanding capital of the Owner or other operator of the Project), taxes based on the value of the Project or the privilege of doing business, and other taxes assessed on a similar basis; and **(v)** marketing costs including sales commission when applicable.
- 1.5 In the event the refining of bullion from the Beneficiated Precious Metals contained in such production is carried out in custom toll facilities owned or controlled, in whole or in part, by the Owner or any of its Affiliated Parties, which facilities were not constructed solely for the purpose of refining Beneficiated Precious Metals or Other

from the Project, then the charges, costs and penalties for such refining shall mean the amount that the Owner would have incurred if such refining were carried out at facilities not owned or controlled by the Owner or any of its Affiliated Parties then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by the Owner with respect to such refining. In the event the Owner or any of its Affiliated Parties receives insurance proceeds for loss of production of Precious Metals from the Project, the Owner shall pay to the Holder the Production Royalty percentage of any such insurance proceeds, which are received by the Owner or any of its Affiliated Parties for such loss of production.

1.6 Payments of Royalty in Cash or in Kind. Production Royalty payments shall be made to the Holder as follows:

- (a) **Royalty in Kind.** Notice of election to receive the Royalty for Precious Metals and/or Other Minerals “in kind” shall be made in writing by the Holder and delivered to the Owner on or before January 1st of each year. In the event no written election is made, the Royalty for Precious Metals and/or Other Minerals will continue to be paid to the Holder as it is then being paid. **(i)** If the Holder elects to receive its Royalty for Precious Metals “in kind”, the Holder shall open a bullion storage account at each refinery or mint designated by the Owner as a possible recipient of refined bullion for which the Holder will be credited. The Holder shall be solely responsible for all costs and liabilities associated with maintenance of such account or accounts and the Owner shall not be required to bear any additional expense with respect to such “in-kind” payments. **(ii)** Royalties will be paid by the deposit of refined bullion into the Holder’s account at the refinery or mint at which the refined bullion is refined. On or before the 30th day of each calendar month following a calendar month during which production and sale or other disposition occurred, the Owner shall deliver written instructions to the mint or refinery, with a copy to the Holder directing the mint or refinery to deliver refined bullion due to the Holder in respect of the Royalty, by crediting to the Holder’s account the number of ounces of refined bullion for which Royalty is due; provided, however, that the words “other disposition” as used herein shall not include processing, milling, beneficiation or refining losses of Precious Metals. The number of ounces of refined bullion to be credited will be based upon the Holder’s share of the previous month’s production and sale or other disposition as calculated pursuant to the commingling provisions of section 1.8. **(iii)** Title to refined bullion delivered to the Holder hereunder shall pass to the Holder at the time such bullion is credited to the Holder at the mint or refinery. **(iv)** The Holder agrees to hold harmless the Owner from any liability imposed as a result of the election of the Holder to receive Royalty “in kind” and from any losses incurred as a result of the Holder’s trading and hedging activities. The Holder assumes all responsibility for any shortages, which occur as a result of the Holder’s anticipation of credits to its account in advance of an actual deposit or credit to its account by a refiner or mint. **(v)** When royalties are paid “in kind”, the amounts or quantities of Minerals to the account of the Holder will not reflect the costs deductible in calculating Net Smelter Returns hereunder. Within thirty (30) days of the receipt of a statement showing charges incurred by the Owner for transportation, smelting or other deductible costs, the Holder shall remit to the Owner full payment for such charges. If the Holder does not pay such charges when due, the Owner shall have the right, at its election, provided the Holder does not dispute such charges, to deduct such Minerals equivalent of such charges from the Minerals to be credited to the Holder in the following month.

- (b) **In Cash.** If the Holder elects to receive payment of the Royalty for Minerals “in cash”, unless mutually agreed, payments shall be paid on or before the thirtieth (30th) day of the month following the calendar month in which Minerals subject to the Royalty were shipped to the Payor by the Owner. For purposes of calculating the cash amount due to the Holder, Precious Metals and Other Minerals will be deemed to have been sold or otherwise disposed of at the time refined production from the Project is delivered, made available, or credited to the Owner by a mint or refiner. The price used for calculating the cash amount due for Royalty on Other Minerals or Precious Metals shall be determined in accordance with Section 1.2 or Section 1.4 as applicable. The Owner shall make each Royalty payment to be paid in cash by delivery of a cheque payable to the Holder and delivering such cheque to the Holder or by direct bank deposit to the Holder’s account as the Holder shall designate in writing. Should default be made in any cash payment when due for Royalty and such default still exists thirty (30) days following notice of non-payment, then all unpaid amounts then due shall bear interest at the rate of fifteen percent (15%) per annum commencing from and after such payment due date until paid.
 - (c) **Detailed Statement.** All Royalty payments or credits shall be accompanied by a detailed statement explaining the calculation thereof with any available settlement sheets from the Payor.
 - (d) Notwithstanding the terms of any other provisions herein, the Owner shall not be obligated to make any Royalty payment before the Owner **(i)** in the case of payment in kind, has received possession of or been credited with, or **(ii)** in the case of payment in cash, received or been credited with payment for the sale or other disposition of, the Minerals upon which such Royalty payment is calculated, including Precious Metals, unless such failure to receive or be credited for payment in kind or in cash by the Owner or any of its Affiliated Parties is due to intentional delay by the Owner or any of its Affiliated Parties.
 - (e) 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 the Owner is obligated in law to withhold or deduct and remit to such governmental authority. The Owner shall set out in the statement referred to in section 1.6(c) any amount so withheld.
 - (f) All credits or receipts and all payments or disbursements in a currency other than Canadian shall be converted into Canadian currency on the day of receipt or disbursement, as the case may be, and all other disbursements in a currency other than Canadian shall be converted into Canadian currency at the average rate of the month of disbursement determined using the Bank of Canada noon rates.
- 1.7 **Monthly Production Reports and Reconciliation.** On or before the thirtieth (30th) day of the month, the Owner shall send to the Holder a production report for the prior calendar month. On or before the thirtieth (30th) day of the month, the Owner shall make an interim settlement based on the information then available of such Royalty for the prior calendar month, either “in cash” or “in kind”, whichever is applicable, by paying **(i)** not less than one hundred percent (100%) of the anticipated final settlement of Precious Metals or Other Minerals “in kind” Royalty payments and **(ii)** not less than

ninety-five percent (95%), unless mutually agreed, of the anticipated final settlement of "cash" Royalty payments. The Parties recognize that a period of time exists between the production of ore, the production of doré or concentrates from ore, the production of refined or finished product from doré or concentrates, and the receipt of Payor's statements for refined or finished product. As a result, the payment of Royalty will not coincide exactly with the actual amount of refined or finished product produced from the Project for the previous month. The Owner will provide final reconciliation within twenty five (25) days after settlement is reached with the Payor for all lots sold or subject to other disposition in any particular month. In the event that the Holder has been underpaid for any provisional payment (whether "in cash" or "in kind"), the Owner shall pay the difference "in cash" by cheque or direct bank deposit and not "in kind" with such payment being made at the time of the final reconciliation. If the Holder has been overpaid in the previous calendar month, the Holder shall forthwith make a payment to the Owner of the difference by cheque or direct bank deposit. Reconciliation payments shall be made on the same basis as used for the payment in cash pursuant to section 1.6(b) hereof; provided that the Owner shall be entitled to set off any amount owing to it by the Holder against the following month's Royalty payment when due.

- 1.8 **Commingling.** With the approval of all Parties, the Owner shall have the right to commingle Precious Metals and Other Minerals from the Project with minerals from other properties. Before any Precious Metals or Other Minerals produced from the Project are commingled with minerals from other properties, the Owner shall ensure that Precious Metals or Other Minerals produced from the Project shall be measured and sampled in accordance with sound mining and metallurgical practices for assaying, weighing and for moisture, metal, commercial minerals and other appropriate content, applied on a consistent basis. Representative samples of the Precious Metals or Other Minerals shall be retained by the Owner and assays (including moisture and penalty substances) and other appropriate analyses of these samples shall be made before commingling to determine gross metal content of Precious Metals or gross metal or mineral content of Other Minerals. The Owner shall retain such analyses for a reasonable amount of time, but not less than twenty-four (24) months, after receipt by the Holder of the Royalty paid with respect to such commingled Minerals from the Project, and shall retain such samples taken from the Project for not less than thirty (30) days after collection.

2. STOCKPILINGS AND TAILINGS

- 2.1 The Owner shall be entitled to temporarily stockpile, store or place ores or mined rock containing Minerals produced from the Project in any locations owned, leased or otherwise controlled by the Owner or its Affiliated Parties or any processor of such Minerals on or off the Project, provided the same are appropriately secured from loss, theft, tampering and contamination.
- 2.2 All tailings, residues, waste rock, spoiled leach materials, bulk samples, and other materials (collectively the "**Materials**") resulting from the Owner's operations and activities on the Project shall be the sole Project of the Owner, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Precious Metals or Other Minerals. Notwithstanding the foregoing, the Owner shall have the right to dispose of Materials from the Project on or off of the Project and to commingle the same (as provided herein) with materials from other properties. In the event Materials from the Project are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be

determined on a pro rata basis as determined by using the best engineering and technical practices then available.

3. PERPETUITY

The Royalty shall be perpetual, it being the intent of the Parties hereto that, to the extent allowed by law, the Royalty shall constitute a vested interest in and a covenant running with the land affecting the Project and all successions thereof whether created privately or through government actions and, shall inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors and assigns so long as the Owner or any successor or assignee of the Owner holds any rights or interests in the Project. In the event a court of competent jurisdiction determines that any right, power or interest of any Party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the Time of Closing. This Agreement shall not be terminated solely as a result of a violation of the rule against perpetuities.

4. RE-ACQUIRED INTERESTS

2 In the event the Owner or any Affiliated Party or any successor or assignee of it surrenders, allows to lapse or otherwise terminates its interest in any portion or all of the Project and within a period of five (5) years from the date of such surrender, lapse or other termination, reacquires a direct or indirect interest in respect of the land covered by the former Project, then the Royalty shall apply to such interest so reacquired. The Owner shall give written notice to the Holder within ten (10) days of any acquisition or reacquisition of the Project.

5. INDEMNIFICATION BY OWNER

3 The Owner shall be responsible for all costs, fines, damages, judgments, penalties or responsibilities (environmental and otherwise) in connection with the Project, its ownership and use of the Project and for any and all work performed in and on the Project. The Owner will indemnify and saves harmless the Holder from any loss, cost or liability (including any legal fees) arising from a claim against the Holder in respect of: **(a)** any failure by the Owner to timely and fully perform all reclamation, restoration, waste disposal or other closure obligations required by law or regulation, the terms and conditions of applicable licenses or by governmental authorities or otherwise to prevent liability in respect of all activities on the Project; **(b)** any failure or omission by the Owner which results in a violation of or liability under any present or future applicable federal, provincial, territorial or local environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licenses and other regulatory requirements, policies or guidelines in respect of all activities on the Project; and **(c)** any claims by third parties against the Holder in respect of Project damage or injury or death to persons arising out of the activities on or with respect to the Project.

6. REGISTRATION ON TITLE

The Parties agree that the Holder may register or record against title to the Project such form of notice, caution or other document(s) including, without limitation, such hypothec, collateral charge or mortgage as it considers appropriate to secure payment from time to time of the sums due under the Royalty and to give notice of the Holder's interests.

7. REPORTING, RECORDS AND AUDITS, INSPECTIONS, NEW RESOURCES OR RESERVES, CONFIDENTIALITY AND PRESS RELEASES

7.1 Reporting

No later than March 1 of each year, the Owner shall provide the Holder with an annual report of mining activities and operations conducted with respect to the Project during the preceding calendar year. Such annual report shall include details of: **(a)** the preceding year's mining activities with respect to the Project; **(b)** ore reserve data for the calendar year just ended; and **(c)** estimates of anticipated production and estimated remaining ore reserves with respect to proposed activities for the Project for the current calendar year.

7.2 Records and Audits

The Holder shall have the right, twice per calendar year, upon reasonable advance notice to the Owner, to inspect and perform audits of all books, records, technical data, information and materials relevant to the production and stockpiling of Minerals and the calculation and payment of the Royalty (the "**Data**"); provided that such inspections shall not unreasonably interfere with the Owner's activities with respect to the Project. The Owner makes no representations or warranties to the Holder concerning any of the Data or any information contained in the annual reports, and the Holder agrees that if it elects to rely on any such Data or information, it does so at its sole risk. All books and records used by the Owner to calculate royalties due hereunder shall be kept in accordance with International Financial Reporting Standards ("**IFRS**"). If any such audit or inspection reveals the Royalty payments for any calendar year are underpaid by more than five percent (5%), the Owner shall reimburse the Holder for its reasonable and documented costs incurred in such audit or inspection. If any such audit or inspection reveals the Royalty payments for any calendar year are overpaid by more than five percent (5%), the Holder shall reimburse the Owner for its reasonable and documented costs incurred in such audit or inspection. Subject at all times to applicable work place rules and the supervision of the Owner, the Holder shall be entitled to enter the mine workings and structures on the Project at reasonable times upon reasonable advance notice for inspection thereof, but the Holder shall so enter at its own risk and shall indemnify and hold the Owner and its Affiliated Parties harmless against and from any and all loss, costs, damage, liability and expense (including but not limited to reasonable and documented attorneys' fees and costs) by reason of injury to the Holder or its agents or representatives or damage to or destruction of any Project of the Holder or its agents or representatives while on the Project on or in such mine workings and structures, unless such injury, damage, or destruction is a result, in whole or in part, of the negligence of the Owner.

7.3 Conduct of Operations

- (a) Notwithstanding any other term herein, all decisions concerning methods, the extent, times, procedures and techniques of any (i) exploration, development and mining related to the Project; (ii) leaching, milling, processing or extraction treatment; (iii) materials to be introduced on or to the Project or produced therefrom; and (iv) all decisions with regards to temporary or long-term cessation of Commercial Production, shall be made by the Owner in its sole and absolute discretion and all decisions concerning the sale, refinement or other disposition of Minerals from the Project shall be made by the Owner acting with commercial reasonableness.
- (b) The Owner 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 conducted in accordance with accepted mining practices. The Owner shall not at any time be required to mine Minerals but shall process any Minerals that it mines from the Project as reasonably expeditiously as possible.

- (c) Each time the Owner establishes a mineral resource or a mineral reserve estimate on the Project or establishes a new mineral resource or a new material change estimate which is material change to the prior mineral resource or mineral reserve estimate, the Owner shall provide the Holder with such estimate as soon as practicable.

7.4 Confidentiality

The Holder shall not, without the prior written consent of the Owner, which shall not be unreasonably delayed or withheld, knowingly disclose to any third party Data or information which is not generally available to the public; provided, however, that the Holder may disclose Data or information so obtained without the consent of the Owner: **(a)** if required for compliance with laws, rules, regulations or orders of a governmental agency or stock exchange; **(b)** to any of the Holder's consultants or advisors; **(c)** to any third party to whom the Holder, in good faith, anticipates selling or assigning the Holder's interest in the Royalty; and **(d)** to a prospective lender; or **(e)** 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, provided however, that any such third party to whom disclosure is made has a legitimate business need to know the disclosed information.

7.5 Definitions

"Affiliated Party" means a corporation that de facto controls or is controlled by or is under common control with the relevant Party hereto. An affiliate of a Party is an Affiliated Party.

"Applicable Spot Price" means the average London Bullion Market Association P.M. Gold Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported.

"Commercial Production" means the first day of the month following the first fifteen (15) consecutive days (excluding any statutory holiday during which the activities have been suspended) during which products have been extracted from the Project on a commercial basis and on a sustained and continuous rate of not less than sixty percent (60%) of the initial rated process plant capacity as specified in the Feasibility Study. This definition shall not include Operations related to a bulk sample or any milling for the purpose of testing or milling by a pilot plant.

"Feasibility Study" means a comprehensive study prepared in accordance with National Instrument 43-101 of a mineral deposit in which all geological, engineering, legal, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production. For more clarity, without restricting the generality of the foregoing, the Feasibility Study may include: (a) the territory covered by the Feasibility Study; (b) an evaluation of exploitable reserves of Minerals, their composition and their content; (c) the mining and milling methods for the ore from such reserves; (d) the results of metallurgic tests; (e) the nature and quantity of machinery, equipment and other tools required for operating the Mine and the marketing of the ore if, in the opinion of the owner, the quantity of ore to be transformed justifies it, in which case the Feasibility Study may include the blueprints of such a plant; (f) the capital required for the acquisition, the construction and the installation of the machinery and the equipment, including a schedule forecasting periods for the repayment of the capital required for such purchases; (g) an estimate of current expenses and capital investments to be met during the first five (5) years of exploitation; (h) an estimate of the

anticipated annual return on such exploitation; and (i) a comprehensive budget of current and operating expenses for the first year of mining.

“Owner” means the owner of a 100% undivided interest into the Project, being the Purchaser at the Time of Closing.

“Parties” means the Holder and the Owner collectively.

“Party” means either of the Parties individually.

“Project” means the two (2) mining concessions bearing numbers CM477 and CM519 described in Schedule “B” to the Agreement.

SCHEDULE "C"

**ACQUISITION AGREEMENT BETWEEN XSTRATA CANADA CORPORATION
AND ROYAL NICKEL CORPORATION**

Please see attached.

DEFINITIVE AGREEMENT entered into on July 31st, 2009

BETWEEN: **ROYAL NICKEL CORPORATION**, a corporation incorporated under the *Canada Business Corporations Act*, herein represented by its representative, Roland Horst, President and CEO, duly authorized for the purposes hereof;

(hereinafter called the "**Purchaser**")

AND: **XSTRATA CANADA CORPORATION**, a corporation incorporated under the laws of Ontario, herein represented by its representative, Doug McLarty, Vice President, Legal, duly authorized for the purposes hereof;

(hereinafter called the "**Vendor**")

RECITALS

WHEREAS the Vendor holds all rights, title and interests in and to the two (2) mmmg concessions commonly known as the Marbridge Property and more fully described in subsection 2.1;

WHEREAS by a letter of intent from the Vendor to the Purchaser dated April 22, 2009 (the "**Letter of Intent**"), the Parties have agreed upon the principal terms and conditions whereby the Vendor agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Vendor, all of the Vendor's rights, title and interest in and to the Property (the "**Transaction**");

WHEREAS by this Agreement, the Vendor and the Purchaser consign in writing their entire Agreement with respect to such purchase and sale.

NOW THEREFORE this Agreement witnesses that in consideration of the premises and mutual covenant expressed herein the Parties hereby agree as follows:

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - The following words and expressions, when used in this Agreement, the schedules hereto and any other document relating or making reference hereto, shall have the meanings ascribed to them hereinafter, unless otherwise indicated by the context:

1.1.1 "Agreement" - means this definitive agreement as well as the recitals and schedules hereto, as amended from time to time, if the case arises, and the expressions "hereof", "herein", "pursuant hereto" and "hereby", as well as all

similar expressions, refer to this definitive agreement as a whole and not to any particular section, subsection or paragraph;

- 1.1.2 "Claims" - means any claim, lawsuit, demand, suit, litigation, proceeding, arbitration or other dispute, whether civil, criminal, administrative or otherwise or any hearing, investigation or notice by a Governmental Authority of a violation of applicable laws;
- 1.1.3 "Closing" - means the event of completing the Transaction at the place and time provided for in Section 9 of this Agreement;
- 1.1.4 "Closing Date" - means August 20, 2009 or any other date agreed upon between the Parties;
- 1.1.5 "Environmental Laws" - means any Law in effect on the date hereof (i) in Canada (whether federal, provincial, local or municipal) with respect of the Property and relating to the environment, Hazardous Substances, natural resources or the protection and preservation thereof including, but not limited to any applicable provisions of the *Forest Act*, the *Environment Quality Act*, an Act respecting *Petroleum Products and Equipment*, the *Highway Safety Code*, with respect to transportation of dangerous substances, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *Transportation of Dangerous Goods Act*, the *Navigable Waters Protection Act*, the *Hazardous Materials Information Review Act*, the *Hazardous Products Act*, and the *Nuclear Safety and Control Act* and regulations promulgated pursuant thereto. For the purposes of this definition, the word "environment" is meant to include the air, surface water, underground water, any land, soil or underground space even if submerged under water or covered by a structure, and the environment or natural environment as defined in any Environmental Law and "environmental" shall have a similar extended meaning;
- 1.1.6 "Escrow Agent" - means the law firm of Fasken Martineau DuMoulin LLP, having a place of business at 140, Grande Allee Est, Suite 800, Quebec, Quebec, in its capacity only as escrow agent as provided in the Escrow Agreement;
- 1.1.7 "Escrow Agreement" - means that certain escrow agreement dated May 7, 2009 entered into between the Purchaser, the Vendor and the Escrow Agent, as amended, and attached hereto as Schedule 1.1.7;
- 1.1.8 "ETA" - has the meaning ascribed thereto in subsection 12.1;
- 1.1.9 "Governmental Authority" - means any governmental regulatory or administrative body agency or authority, any court or judicial authority or any public regulatory authority, whether international, federal, provincial or local;
- 1.1.10 "Hazardous Substances" - means any material, substance or waste that is characterized under any applicable Environmental Laws as being dangerous, hazardous or toxic, or any pollutant or contaminant, including without limitation

petroleum products or any derivative thereof, any polychlorinated biphenyls or radioactive materials, provided materials shall be limited to those that are such in any particular jurisdiction;

- 1.1.11 "Law" - means any rule, law, by-law, statute, regulation ordinance, requirement, order, decree, judgement, injunction, consent or any other binding action of or by a Governmental Authority;
- 1.1.12 "Letter of Intent" - has the meaning ascribed thereto in the recitals to this Agreement;
- 1.1.13 "Mining Rights Register" - means the register regarding the mining rights that is kept at the MNRW;
- 1.1.14 "Mining Rights Transfer Form" - means the Mining Rights Transfer Form to be executed by the Parties and filed with the Mining Rights Register in connection with the transfer of the Property in favour of the Purchaser;
- 1.1.15 "MNRW"- means the Quebec Minister of Natural Resources and Wildlife;
- 1.1.16 "Deleted";
- 1.1.17 "Parties" - means the Vendor and the Purchaser, collectively, and "Party" in the singular means one of the Vendor or the Purchaser, as the case may be;
- 1.1.18 "Person" - means a natural person, a company (incorporated or to be incorporated), a partnership, as well as any other legal entity of any nature and any group of persons;
- 1.1.19 "Property" - has the meaning ascribed thereto in subsection 2.1;
- 1.1.20 "Purchaser" - means Royal Nickel Corporation, as designated above;
- 1.1.21 "QSTA" - has the meaning ascribed thereto in subsection 12.1;
- 1.1.22 "Related Person" - means any successor and assignee of a party or any of its respective partners, co-ventures, companies, affiliated Persons, directors, officers, shareholders, employees, servants, consultants, other mandataries agencies or representatives or purchasers or assignees or any other persons, if any of the foregoing acts directly or indirectly under the control or supervision of, acting for or to the benefit of, respectively or jointly, any of the above for the purposes of this Agreement;
- 1.1.23 "Sale Price" - has the meaning ascribed thereto in subsection 3.1;
- 1.1.24 "Transaction" - has the meaning ascribed thereto in the recitals to this Agreement;

1.1.25 "Vendor" - means Xstrata Canada Corporation as designated above.

1.2 Interpretation - The following provisions govern this contract with respect to rules of interpretation:

1.2.1 Applicable Law - this Agreement is governed by the Laws in force and applicable in the Province of Quebec and shall be interpreted in accordance with such Laws;

1.2.2 Copies - each copy of this Agreement, when signed by the Parties, will be deemed to be an original; however, such copies together will constitute one and the same document;

1.2.3 Currency - unless otherwise indicated, all the dollar amounts mentioned in this Agreement are in Canadian dollars;

1.2.4 Entire Agreement and Amendments - the Parties acknowledge that this Agreement constitutes a full, faithful and entire reproduction of the agreement entered into between them and supersedes any previous agreement to the same effect including the Letter of Intent, formally waiving recourse to all discussions and negotiations which preceded the signature hereof; the Parties acknowledge that no amendments may be made to this Agreement unless agreed to between the Parties and confirmed by a writing to such effect;

1.2.5 Gender and Number - to the extent that the context so requires, the masculine gender herein employed includes the feminine and vice versa and the singular includes the plural and vice versa and, in such cases, the remainder of the sentence or sentences concerned shall be interpreted as if the required grammatical and terminological changes had accordingly been made thereto;

1.2.6 Implicit Waiver- the fact that a Party hereto has not insisted on the full execution of any undertaking contained herein or has not always exercised any of its rights conferred thereon shall not be construed as a waiver of such rights or the execution of such undertakings in the future; save for express provisions to the contrary, any waiver of a right by one of the Parties hereto shall be effective only where set out in writing and any such waiver shall apply only to the rights and circumstances expressly indicated therein;

1.2.7 Recitals, Interventions and Schedules - the recitals as well as the interventions and the schedules to this Agreement form an integral part hereof as if cited at length herein;

1.2.8 Severability - each provision hereof forms a distinct whole such that any court decision rendering any such provision null or unenforceable shall not in any manner affect the validity of the other provisions or the enforceability thereof;

1.2.9 Time Limits - time is of the essence of this Agreement and all documents ancillary hereto;

1.2.10 Titles and Subtitles - the titles and subtitles of the sections, subsections and paragraphs of this Agreement have been included solely to facilitate the reading hereof; they do not form a part of this Agreement and shall not be used for the interpretation hereof.

1.3 Schedules - The following is the schedule attached and incorporated in this Agreement by reference and is deemed to be part hereof:

Schedule 3.4 - Escrow Agreement.

SECTION 2 PURCHASE AND SALE

2.1 Property - The Vendor hereby sells, assigns, conveys and transfers to the Purchaser and the Purchaser hereby purchases from the Vendor all of its rights, title and interests in and to the Property under the terms and conditions of this Agreement such that as of and from the Closing Date, the Vendor, unless provided herein, shall no longer have any rights, title and interests to said property and the Purchaser shall become sole owner of all rights, title and interests in and to the Property hereinafter described, as well as all the assets of any nature whatsoever related thereto:

2.1.1 Mining Concession Number CM477 - mmmg concession number CM477 corresponding to a land file, bearing serial number 84-A-70 at the register of real rights of state resource development of the Registration Division of Abitibi, province of Quebec;

2.1.2 Mining Concession Number CM519 - mmmg concession number CM519 corresponding to a land file, bearing serial number 84-A-71, at the register of real rights of state resource development of the Registration Division of Abitibi, province of Quebec.

The aforementioned land files and mining concessions correspond to parcels of land known and designated as being lots 8, 9, 10, 11, 12 and 13 of Range 5 of the township of La Motte, Registration Division of Abitibi.

(collectively the "**Property**").

SECTION 3 CONSIDERATION

3.1 Total Consideration- The purchase and sale contemplated hereunder is made for and in consideration of the payment by Purchaser to the Vendor of an amount of one million dollars (\$1,000,000.00) (the "**Sale Price**") subject to the terms and conditions of this Agreement, payable as follows:

3.1.1 A non-refundable amount of \$50,000.00 that the Vendor acknowledges having already received from the Purchaser before the Closing Date. It is understood

between the Parties that in the event the Transaction is completed, such amount shall be applied against the Sale Price;

3.1.2 An amount of \$950,000.00 payable on the Closing Date by the remittance by the Escrow Agent to the Vendor as provided for in the Escrow Agreement, subject to the adjustments set forth in subsection 3.2.

3.2 Adjustments - The Sale Price shall be adjusted, as applicable, within 7 days after the Closing Date, between the Parties as of the Closing Date by any applicable standard usual adjustments for this type of transaction which will include, without limitation :

3.2.1 Applicable Taxes – All outstanding federal, provincial and local real and personal property taxes, duties assessments, rents, arrears and other charges applicable to the Property for the current year, on a *prorata basis*, using the taxes or charge rate applicable at the Closing Date.

3.2.2 Other Sums – All other outstanding federal, provincial and local real and personal property taxes, duties, assessments, rents, arrears and other charges applicable to the Property for periods prior to the current year.

SECTION 4 REPRESENTATIONS AND WARRANTIES OF VENDOR

4.1 Representations and Warranties of Vendor - The Vendor expressly declares, represents and warrants to the Purchaser as follows and acknowledges that each such declaration, representation and warranty constitutes for the Purchaser a condition precedent to the purchase of the Property:

4.1.1 Corporate Status of Vendor - the Vendor is a legal person duly constituted and validly existing under the Law; the Vendor has been duly organized and is in compliance with the Law under which it is governed; the Vendor is not in default of filing any corporate declaration or corporate or financial report required by law;

4.1.2 Powers, Capacity and Authority of Vendor - the Vendor possesses all of the requisite corporate powers, capacity and authority to freely accept, conclude and execute this Agreement and the documents relating hereto in all respects and to fulfil its obligations pursuant thereto; all of the corporate procedures required of the officers and directors of the Vendor, have been duly adopted and authorized for the purposes of permitting the conclusion and execution of this Agreement and the documents related thereto, the performance by the Vendor of its obligations thereunder and the transactions contemplated therein; this Agreement and the documents related thereto have been executed by duly authorized representatives of the Vendor, and constitute valid undertakings binding upon and enforceable against Vendor in accordance with the terms and conditions hereof;

- 4.1.3 Property Duly Recorded and Free of Charges - the Property is duly recorded in the name of Xstrata Canada Corporation with the MNRW and held free and clear of all hypothecs, prior claims, encumbrances or other charges and no Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, for the purchase from the Vendor of the Property and the Property is in good standing with the MNRW subject to the abandonment process that has been initiated and to the outstanding taxes and charges due to the Governmental Authorities in connection with the Property;
- 4.1.4 Claims – To the best knowledge of the Vendor, there are no actions, suits or proceedings pending or threatened against or affecting the Property at law or before or by any domestic federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality;
- 4.1.5 Residence of Vendor - the Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec);
- 4.1.6 No Representations and Warranties - except for the declarations, representations and warranties referred to in paragraphs 4.1.1 to 4.1.5 above, neither the Vendor nor any other person on Vendor's behalf is making any declarations, representations or warranties of any nature or kind whatsoever, oral, written, expressed or implied, statutory or otherwise, in relation to the Property, it being understood that except for such declarations and warranties, this Agreement will be completed with no legal warranty or other declarations, representations and warranties and on an "as is, where is" and at its own risk basis.
- 4.1.7 Acknowledgment from Purchaser- the Purchaser acknowledges that the Vendor has provided or made available to the Purchaser, all existing technical information and data in its possession relating to the Property including but not limited to, copies of all communications with the MNRW in connection with the release referred to in paragraph 7.2.1 and declares itself satisfied thereof.

SECTION 5 REPRESENTATIONS AND WARRANTIES OF PURCHASER

- 5.1 Representations and Warranties of Purchaser - The Purchaser expressly declares, represents and warrants to the Vendor as follows and acknowledges that each such declaration, representation and warranty constitutes for the Vendor a condition precedent to the sale of the Property:
- 5.1.1 Corporate Status of Purchaser - the Purchaser is a corporation duly incorporated and validly existing pursuant to the *Canada Business Corporations Act*; the Purchaser is duly registered in accordance with the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* (Quebec);
- 5.1.2 Powers, Capacity and Authority of Purchaser - the Purchaser possesses all of the requisite corporate powers, capacity and authority to freely accept, conclude and

execute this Agreement and the documents relating hereto in all respects and to fulfil its obligations pursuant thereto; all of the corporate procedures required of the officers and directors of the Purchaser, including the appropriate resolutions of the Board of Directors, have been duly adopted and authorized for the purposes of permitting the conclusion and execution of this Agreement and the documents related thereto, the performance by the Purchaser of its obligations thereunder and the transactions contemplated therein; this Agreement and the documents related thereto have been executed by duly authorized representatives of the Purchaser and constitute valid undertakings binding upon and enforceable against the Purchaser in accordance with the terms and conditions thereof;

- 5.1.3 Residence of Purchaser- the Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec).

SECTION 6 PURCHASER LIABILITY AND INDEMNIFICATION

- 6.1 Liability - Except as expressly set forth in this Agreement, the Purchaser agrees to assume, to the entire exoneration and discharge of the Vendor, all liabilities and obligations relating to the Property, including, without limitation, all obligations under the Laws governing the mining concessions described in paragraphs 2.1.1 and 2.1.2 that are comprised in the Property as well as environmental and title matters related thereto. Except for Claims for which indemnification by the Vendor is expressly provided for at subsection 12.1, the Purchaser hereby renounces and waives any Claims arising out of or relating to this Transaction, the Property or any event that has occurred before the Closing Date or shall occur after the Closing Date with regard to the Property.
- 6.2 Acknowledgment - Without limiting the generality of the foregoing, the Purchaser acknowledges that the Property is not being operated and that the operations with regard to the Property have been ceased and agrees to acquire the Property on an "as is, where is" and at its own risk basis.
- 6.3 Indemnification- Notwithstanding and in addition to the indemnification obligations set forth in subsection 10.1, the Purchaser shall fully indemnify, defend and hold harmless the Vendor, its employees, directors, officers, mandataries, agents, successors, assigns and assignees from and against, and pay or reimburse the Vendor for any past, present and future losses, including, without limitation, damages, costs and expenses, fines and penalties, but net of insurance proceeds, recoveries and after tax, suffered or incurred, directly or indirectly, by the Vendor (the "**Losses**") arising out of or relating to any Claims to the extent such Claims either:
- 6.3.1 result from any violation of or default under Environmental Laws relating to the Property or its operations conducted before or after the Closing Date;
- 6.3.2 result from any release of Hazardous Substances at, on, under or from the Property before or after the Closing Date;

- 6.3.3 initiated or instigated by or result from the fault, negligence, action or omission of the Purchaser; or
- 6.3.4 pending or threatened Claims resulting from the Vendor not having complied with Environmental Laws in connection with the Property.
- 6.4 Indemnification Procedure - For the purpose of the indemnification provision at subsection 6.3, the provision set forth in subsections 10.2 to 10.5 shall apply *mutatis mutandis*.
- 6.5 Survival. Notwithstanding any provision to the contrary, the indemnification provision herein shall survive the Closing, the expiration or termination of this Agreement.

SECTION 7 CLOSING CONDITIONS

- 7.1 Conditions for Purchaser's Benefit- The purchase of the Property in accordance with the terms and conditions of this Agreement is also subject to the fulfilment of the following additional conditions prior to or on the Closing Date, each of such conditions being hereby declared to be for the exclusive benefit of the Purchaser and must be fulfilled to Purchaser's entire satisfaction:
 - 7.1.1 No material Adverse Changes – Since the date of the Letter of Intent, there shall have been no material adverse changes to the Property;
 - 7.1.2 Acceptable documentation - As of the Closing Date, the Purchaser shall have found acceptable the content of this Agreement and all documents necessary for the Closing;
 - 7.1.3 Necessary approvals - The Purchaser shall have obtained all necessary approval required in order to proceed with the Transaction;
 - 7.1.4 Legal Opinion – The Vendor's legal counsel shall provide to the Purchaser all reasonably required legal opinions that are customarily delivered in the context of a transaction of a similar nature to the Transaction including, but not limited to, legal opinions confirming that the Vendor is the legal owner of the Property and that all necessary action has been taken to effectively transfer ownership of the Property to the Purchaser;
 - 7.1.5 Confidentiality - The Vendor shall have kept, until the Closing Date and unless otherwise expressly provided in this Agreement or applicable laws, the terms and conditions of this Agreement and all of the documents and ancillary hereto completely confidential;
 - 7.1.6 Representations and Warranties- All of the representations and warranties of the Vendor made in this Agreement shall be true and correct as of the Closing Date

and the Purchaser shall have received a certificate from a senior officer of the Vendor confirming the correctness of such representations and warranties.

- 7.2 Conditions for Vendor's Benefit - The purchase and sale of the Property sold in accordance with the terms and conditions of this Agreement are subject to the fulfilment of each and every one of the following terms and conditions prior to or at Closing, each of such terms and conditions being declared to be for the exclusive benefit of the Vendor and must be fulfilled to Vendor's entire satisfaction:
- 7.2.1 Release from the relevant Governmental Authority - the Vendor shall have obtained for the benefit of the Vendor a full, complete and final release from the relevant Governmental Authority, including without limitation, from the MNRW, with respect to any and all environmental matters which may arise or have arisen from the mining operations and other activities conducted on the Property and its surrounding area;
 - 7.2.2 Acceptable documentation- As of the Closing Date, the Vendor shall have found acceptable the content of this Agreement and all documents necessary for the Closing;
 - 7.2.3 Necessary approvals - The Vendor shall have obtained all necessary approval required in order to proceed with the Transaction;
 - 7.2.4 Legal Opinion - The Purchaser's legal counsel shall provide to the Vendor all reasonably required legal opinions that are customarily delivered in the context of a transaction of a similar nature to the transaction;
 - 7.2.5 Confidentiality- The Purchaser shall have kept, until the Closing Date and unless otherwise expressly provided in this Agreement or applicable laws, the terms and conditions of this Agreement and all of the documents and ancillary hereto completely confidential;
 - 7.2.6 Representations and Warranties- All of the representations and warranties of the Purchaser made in this Agreement shall be true and correct as of the Closing Date and the Vendor shall have received a certificate from a senior officer of the Purchaser confirming the correctness of such representations and warranties.
- 7.3 Condition precedent not met- Unless a Party waives a condition precedent, in the event a Party is not entirely satisfied, at its discretion, that a condition precedent in its favour has been met, the Transaction shall not occur, the Parties then waving for all intents and purposes, and subject to the obligations, covenants, undertakings and responsibilities under other agreements and those that survive as provided herein, all rights, recourses, claims, actions or causes of actions either party could have against the other and the amount of \$950,000.00 currently held by the Escrow Agent, together with all interest which has accrued thereon, shall be treated in accordance with the terms and conditions set forth in the Escrow Agreement.

- 7.4 Condition precedent deemed met - In the event the Parties proceed to complete the Transaction, all conditions precedent to their respective benefit shall be deemed, for all intents and purposes, either satisfactorily fulfilled or waived. Rights, recourses, claims, actions or causes of action in connection with all conditions precedent to each Party's benefit shall also be deemed for all intents and purposes to be waived.
- 7.5 Due diligence – By its execution of this Agreement, the Purchaser acknowledges that it has completed its due diligence with respect to the Property and all issues resulting therefrom have been discussed and/or resolved to its satisfaction and it renounces to any Claims against the Vendor and resulting therefrom. The Vendor gives no representation and provides no warranty as to the accuracy, pertinence or completeness of the information and data that were provided to the Purchaser in connection with the Transaction.
- 7.6 Mining Rights Transfer Form Refused – If subsequent to Closing of the Transaction, the Government Authority refuses to accept filing of the Mining Rights Transfer or otherwise does not stop the abandonment process, the Agreement shall terminate without further liability of either party including, without limitation, liability pursuant to the indemnification obligations in subsections 6.3, 10.1 and 12.1 except that the Purchaser shall fully indemnify, defend and hold harmless the Vendor, its employees, directors, officers, mandataries, agents, successors, assigns and assignees from and against, and pay or reimburse the Vendor for any past, present and future losses, including, without limitation, damages, costs and expenses, fines and penalties, but net of insurance proceeds, recoveries and after tax, suffered or incurred, directly or indirectly, by the Vendor arising out of or relating to any Claims resulting from any event on or involving the Property occurring between the Date of Closing and the date of termination referred to above. For the purpose of this indemnification provision, the provisions set forth in subsections 10.2 to 10.5 shall apply *mutatis mutandis*. In these circumstances, the Vendor will be entitled to the non-refundable amount of \$50,000 and the Purchaser will be entitled to a refund of \$950,000 unless the refusal or non-stoppage of the abandonment process is attributable to the Purchaser, in which case Purchaser shall not be entitled to such a refund.

SECTION 8 PURCHASE OR TREATMENT OF ORE OR CONCENTRATE

- 8.1 Right of Vendor - Purchaser acknowledges and agrees that Vendor shall have a right to purchase or treat all but not less than all of Purchaser's ore or concentrate produced from the Property. The purchase price and other terms and conditions for the ore or concentrate for such purchase or treatment shall be determined by good faith negotiation between the Parties with due regard to the competitive purchase terms then representative for any such transaction between arms-length parties. In the event the Parties fail to agree on mutually acceptable terms after a period of negotiation of at least 60 days (first right triggered by decision to proceed to commercial production):
- 8.1.1 Purchaser shall within 14 days after the expiry of such 60 day negotiation period, either agree to accept the terms and conditions offered by Vendor during such

negotiation or advise Vendor that it wishes to obtain other offers to purchase or treat the ore or concentrate. If during a subsequent period of 60 days Purchaser obtains any *bona fide* offer to purchase or treat all but not less than all of Purchaser's ore or concentrate that Purchaser is willing to accept ("**Third Party Offer**"), Purchaser shall forthwith notify Vendor of all the terms and details of the Third Party Offer ("**Third Party Notice**").

8.1.2 Upon receipt of the Third Party Notice, Vendor shall have the right to purchase or treat the ore or concentrate on essentially the same terms as set forth in the Third Party Notice by giving notice to the Purchaser within 14 days of having been given the Third Party Notice.

8.1.3 If Vendor does not give notice in accordance with paragraph 8.1.2 that it is willing to purchase or treat the ore or concentrate, the rights of Vendor under this section shall be suspended and Purchaser may agree to sell or have the concentrate treated pursuant to the Third Party Offer within 14 days after the expiry of the 14 days specified in paragraph 8.1.2. If the purchase or treatment agreement with the third party is not concluded with such 14 day period, or if such agreement is concluded, on the expiration of such agreement, the rights of the Vendor pursuant to this section shall again take effect and so on, from time to time.

8.2 Hypothec - In order to secure the obligations of the Purchaser under subsection 8.1 and any agreement resulting therefrom, the Purchaser shall grant to the Vendor first-ranking hypothecs against the Property, all movables and immovables now or in the future located on or under the Property and any ore, concentrate and products extracted or produced from the Property for sufficient amounts to properly secure said obligations and containing provisions that are customarily incorporated in agreements or deeds of hypothecs in the context of hypothecs of a similar nature to those herein contemplated, in such form as the Parties and their respective legal counsel shall agree, acting reasonably.

SECTION 9 CLOSING OF THE TRANSACTION

9.1 Closing of the Transaction- Closing will take place at 10:00 a.m. on August 20, 2009 at the office of Fasken Martineau DuMoulin LLP, 140 Grande Allee Est, Suite 800, Quebec, Province of Quebec, or at any other time, date or place to which the Parties may mutually agree.

9.2 Proceedings at Closing - At Closing the Parties will appear and proceed with the signature and exchange of all documents intended to give effect to the purchase and sale of the Property set out herein in favour of the Purchaser and the Vendor will assign the ownership of all its rights, title and interests in and to the Property to the Purchaser. Notwithstanding the generality of the foregoing, the Vendor will sign, execute and deliver all such titles, certificates, records, documents, deeds or writings and will do and take or cause to be done and taken all such other actions, things or measures as may be necessary or useful in order to transfer the ownership of such rights, title and interests in and to the Property to the Purchaser.

- 9.3 Delivery by Vendor- Without limiting the generality of the foregoing, the Vendor will do the following things and remit the following documents to the Purchaser at Closing:
- 9.3.1 any transfer form to properly transfer the Property including, without limitation, the Mining Rights Transfer Form or any public register attesting the transfer under this Agreement;
 - 9.3.2 legal opinion referred to in paragraph 7.1.6;
 - 9.3.3 any other document provided for in this Agreement or deemed to be reasonably necessary by the Purchaser's legal counsel to complete the transaction provided for herein;
 - 9.3.4 A copy of the letter to be sent by the Vendor to the MNRW requesting that the abandonment process regarding the Property be terminated.
- 9.4 Delivery by Purchaser - Without limiting the generality of the foregoing, the Purchaser will do the following things and remit the following documents to the Vendor at Closing:
- 9.4.1 legal opinion referred to in paragraph 7.2.4;
 - 9.4.2 any other document provided for in this Agreement or deemed to be reasonably necessary by the Vendor's legal counsel in order to complete the transaction set out herein.

SECTION 10 INDEMNIFICATION BY THE PURCHASER

- 10.1 Indemnification - The Purchaser shall fully indemnify, defend and hold harmless the Vendor, its employees, directors, officers, mandataries, agents, successors, assigns and assignees from and against, and pay or reimburse the Vendor for any Losses arising out of or relating to any Claims in connection with the Property.
- 10.2 Notice of Indemnification Claim - If any judicial, administrative or arbitral actions, suits or proceedings shall be instituted or threatened or any Claim or demand shall be asserted by any Person in respect of which payment may be sought from the Purchaser under any indemnification provided for in this Agreement ("**Indemnification Claim**"), the Vendor informed of any such Indemnification Claim shall reasonably and promptly cause written notice to be served to the Purchaser of the assertion of any Indemnification Claim which is covered by the indemnity. The Purchaser informed of any such Indemnification Claim shall reasonably and promptly cause written notice be served to the Vendor of the assertion of any Indemnification Claim which is covered by this indemnity. The Purchaser shall have the right, at its sole expense, to be represented by counsel of its choice, and to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder. If the Purchaser elects to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, it shall, within five (5) days

(or sooner, if the nature of the Indemnification Claim so requires), notify the Vendor of its intent to do so. If the Purchaser elects not to defend against, negotiate, settle or otherwise deal with any Indemnification Claim which relates to any Losses indemnified against hereunder, fails to notify the Vendor of its election as herein provided or contests its obligation to indemnify the Vendor for such Losses under this Agreement, the Vendor may defend against, negotiate, settle or otherwise deal with such Indemnification Claim. If the Vendor defends any Indemnification Claim, then the Purchaser shall reimburse the Vendor for all reasonable and documented out-of-pocket expenses incurred defending such Indemnification Claim upon submission of periodic invoices. If the Purchaser shall assume the defence of any Indemnification Claim, the Vendor may participate, at its own expense, in the defence of such Indemnification Claim; provided, however, that such Vendor shall be entitled to participate in any such defence with separate counsel at its expense if (i) so requested by the Purchaser to participate or (ii) in the reasonable opinion of counsel to the Vendor a conflict or potential conflict exists between the Vendor and the Purchaser that would make such separate representation advisable. The Parties hereto agree to cooperate fully with each other in connection with the defence, negotiation or settlement of any such Indemnification Claim.

- 10.3 Settlement - Notwithstanding anything in this Agreement to the contrary, neither the Purchaser nor the Vendor shall, without the written consent of the other party, settle or compromise any Indemnification Claim or permit a default or consent to entry of any judgment unless the claimant and such party provide to such other party an unqualified release from all liability in respect of the Indemnification Claim. If the Purchaser makes any payment on any Indemnification Claim, the Purchaser shall be subrogated, to the extent of such payment, to all rights and remedies of the Vendor to any insurance benefits or other Claims of the Vendor with respect to such Indemnification Claim.
- 10.4 Payment of any sums due. After any final judgment or award shall have been rendered by a Governmental Authority of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the Vendor and the Purchaser shall have arrived at a mutually binding agreement with respect to an Indemnification Claim hereunder, the Vendor shall forward to the Purchaser notice of any sums due and owing by the Purchaser pursuant to this Agreement with respect to such matter and the Purchaser shall be required to pay all of the sums so due and owing to the Vendor by wire transfer of immediately available funds within ten (10) business days after the date of such notice.
- 10.5 Failure to give notice. The failure of the Vendor to give reasonably prompt notice of any Indemnification Claim shall not release, waive or otherwise affect the Purchaser's obligations with respect thereto except to the extent that the Purchaser can demonstrate prejudice as a result of such failure.
- 10.6 Survival - Notwithstanding any provision to the contrary, the indemnification provision herein shall survive the Closing, the expiration or termination of this Agreement.

SECTION II
INDEMNIFICATION BY THE VENDOR

- 11.1 Indemnification – Vendor shall fully indemnify, defend and hold harmless the Purchaser, its employees, directors, officers, mandataries, agents, successors, assigns and assignees from and against, and pay or reimburse the Purchaser for any Losses arising out of or relating to any Claims in connection with any breach of the declaration, representation and warranty at paragraph 4.1.3 of this Agreement. The aggregate amount of all indemnities payable under this provision shall not exceed the amount of the Sale Price.
- 11.2 Indemnification procedure – For **he** purpose of the indemnification provision at subsection 11.1, the provisions set forth in subsections 10.2 to 10.5 shall apply *mutatis mutandis*.
- 11.3 Survival - Notwithstanding any provision to the contrary, the indemnification provision herein shall survive the Closing, the expiration or termination of this Agreement

SECTION 12
DECLARATION OF THE PARTIES CONCERNING THE GOODS AND SERVICES
TAX (GST) AND THE QUEBEC SALES TAX (QST)

- 12.1 The Vendor and the Purchaser hereby each declare that they are duly registered w;Kier Part XI of the *Excise Tax Act* ("ETA") and the *Quebec Sales Tax Act* ("QSTA") and that their respective registration numbers are as follows:
- Vendor: OST: 89776 7646 RT 0001
 QST: ID 1018784005 TQ 0001
- Purchaser: GST: 83117 3323 RT 0001
 QST: 1164298995 ID 1212938668
- 12.2 The Parties declare that the Property is not a "residential complex" within the meaning of the ETA & the QSTA acquired by an individual.
- 12.3 The Purchaser declares to the Vendor that the Property shall be used primarily in the course of its commercial activities.
- 12.4 The Parties declare that the sale of the Property is taxable and subject to the provisions of subsections 221(2) and 228(4) of the ETA as well as sections 423 and 438 of the QSTA, thereby relieving the Vendor of its duty to collect the GST and the QST with respect to the sale of the Property.

SECTION 13
INFORMATION REQUIRED BY ARTICLE 9 OF THE ACT RESPECTING
DUTIES ON TRANSFER OF IMMOVEABLES (QUEBEC)
(THE "TRANSFER DUTIES ACT")

- 13.1 The Vendor and the Purchaser hereby declare as follows:
- 13.1.1 Their respective names and addresses are indicated above;
 - 13.1.2 The Property is located in the municipality of La Motte, Quebec;
 - 13.1.3 The assets subject of the transfer do not include moveables contemplated by Section 1.0.1 of the Transfer Duties Act;
 - 13.1.4 The total consideration for the transfer is one million dollars (\$1,000,000);
 - 13.1.5 The amount constituting the basis of imposition of the transfer duties, according to the Purchaser and the Vendor, is one million dollars (\$1,000,000);
 - 13.1.6 The amount of transfer duty is thirteen thousand and five hundred dollars (\$13,500);
 - 13.1.7 Pursuant to Section 17 (e) of the Transfer Duties Act, the transfer of the rights, title and interests of the Vendor in and to the Property is exempt from payment of transfer duties since the Property is constituted of immovables referred to in Section 8 of the *Mining Act* (Quebec).

SECTION 14
FINAL PROVISIONS

- 14.1 Additional Execution - The Parties agree to make, sign and execute from time to time and as often as necessary any other writings, deeds or documents (notarial or by private writing or others) and to ensure that same are made, signed and executed, or to take all measures or carry out all formalities which either of the Parties could reasonably request in order to give effect to the provisions of this Agreement.
- 14.2 Legal Counsel - The Purchaser acknowledges that the Vendor advised the Purchaser to seek independent legal advice in respect of this Agreement. The Purchaser has either obtained such advice or waived its right to obtain such advice. The Purchaser acknowledges that it has received no legal advice from the Vendor's legal counsel.
- 14.3 No Assignment and Benefit- Except as already provided for herein, the rights conferred by this Agreement are not assignable, in whole or in part, without the written consent of all of the Parties hereto. Moreover, this Agreement as well as the acts and contracts arising therefrom are binding upon the Parties hereto and upon their successors, mandataries, legal representatives and assigns and are to the benefit thereof.

- 14.4 Press Releases and Advertising - The Parties agree that any press release and any advertising regarding the transactions provided for in this Agreement shall be drafted and circulated jointly with the unanimous agreement of the Parties.
- 14.5 No Broker - Each Party represents and warrants to the other that the negotiations relating to this Agreement and the transactions intended to give effect hereto were initiated and pursued directly and without the intervention of any Person, whether a broker or otherwise.
- 14.6 Notice - Any notice given pursuant to this Agreement shall be in writing and refer expressly to this Agreement. Except as otherwise expressly provided for herein, any document to be transmitted, any notice to be given and any payment to be made hereunder may be so transmitted, given or made, if the postal service is operating normally, by prepaid registered mail, deposited in a mail box or at a post office, sent to its addressee at the address indicated below or at any other address given by the addressee to the other Parties up to Closing and thereafter, by the delivery of such document, notice or payment to such address or by facsimile at the indicated below. Any document transmitted, notice given or payment made hereunder shall be deemed to have been delivered and received (i) upon delivery thereof, (ii) on the third (3rd) business day following the day of mailing thereof, if the postal service is operating normally, as the case may be or (iii) on the day of transmittal if given by facsimile prior to 5:00p.m. on a business day and on the next following business day if given by facsimile after 5:00p.m. on a business day. A copy of any such notice transmitted by or as directed by one of the Parties to another Party shall also be transmitted in the same manner to the legal counsel of the Party concerned at the address indicated in respect of each:

14.6.1 Vendor

Xstrata Canada Corporation

100 King Street West

Suite 6900

P.O. Box 403

Toronto, ON, M5X 1E3

Canada

Attention: Doug McLarty, Vice President, Legal

Telecopier: (416) 775-1740

With a copy to:

Fasken Martineau DuMoulin LLP

140 Grande Allee East

Suite 800

Quebec, Quebec, Canada G1R 5M8

Attention: Jean M. Gagne

Telephone: (418) 640-2010

Telecopier: (418) 647-2455

14.6.2 Purchaser

Royal Nickel Corporation

357 Bay Street,

Suite 901

Toronto, ON, M5H 2T7

Canada

Attention: Roland Horst, President wtd CEO

Telecopier: (416) 363-7826

With copy to:

Minden Gross LLP

145 King Street West

Suite 2200

Toronto, ON, M5H 4G2

Attention: Dwtiel A. Rothberg

Telecopier: (416) 864-9223

- 14.7 Fees and Disbursement,- Unless otherwise expressly provided for in this Agreement, each Party shall assume its own expenses and costs relating to this transaction and to the execution of what is contained herein and, without limiting the generality of the foregoing, the fees and disbursements of its own legal counsel, accountants, financiers, and consultants. It being understood, no finder's fees are payable as a consequence of the Transaction.
- 14.8 Language- This Agreement has been drawn up in the English language at the mutual request of the Parties. *Cette entente a été redigée dans la langue anglaise à la demande mutuel/e des Parties aux présentes.*

IN WITNESS WHEREOF, the Purchaser and the Vendor have signed this Agreement:

, this July 2009

ROYAL NICKEL CORPORATION

Per: (signed) "Roland Horst"


Roland Horst, President and CEO

 this July & 2009

XSTRATA CANADA CORPORATION

Per: (signed) "Doug McLarty"

Doug McLarty, Vice President, Legal

Schedule 1.1.7
Escrow Agreement
(see attached document)

AMENDMENT TO THE ESCROW AGREEMENT

BETWEEN

XSTRATA CANADA CORPORATION

AND

ROYAL NICKEL CORPORATION

AND

FASKEN MARTINEAU DuMOULIN, LLP

Dated as of JULY 15, 2009

THIS AMENDING AGREEMENT dated as of July 15,2009.

BETWEEN:

XSTRATA CANADA CORPORATION, a corporation incorporated under the laws of Ontario, herein represented by its representative, Doug McLarty, Vice President, Legal, duly authorized for the purposes hereof;

(hereinafter referred to as "**Xstrata**")

AND:

ROYAL NICKEL CORPORATION, a corporation incorporated under the *Canada Business Corporations Act*, herein represented by its representative, Roland Horst, President and CEO, duly authorized for the purposes hereof;

(hereinafter referred to as "**RNC**")

AND:

FASKEN MARTINEAU DuMOULIN LLP, Barristers and Solicitors, herein represented by Jean M. Gagne, Partner, duly authorized for the purposes hereof;

(hereinafter referred to as the "**Escrow Agent**")

(collectively referred to as the "**Parties**")

WHEREAS the Parties entered into a certain escrow agreement dated May 7, 2009, as since amended by Amending Agreement dated June 24, 2009 (the "**Escrow Agreement**");

WHEREAS the Parties wish to amend the Escrow Agreement.

NOW, THEREFORE, THIS AMENDING AGREEMENT WITNESSES THAT in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

For the purposes of this Amending Agreement, all defined terms and expressions when used in this Amending Agreement and unless a contrary intention is expressed herein have the same meaning as those given to them in the Escrow Agreement,

**ARTICLE 2
AMENDMENT**

2.1 Amendment

Section 3.2 of the Escrow Agreement is amended by replacing therein the reference to the date of July 15, 2009 by the date of July 31, 2009.

2.2 Escrow Agreement

Except to the extent amended by this Amending Agreement, the Parties hereby confirm the terms and provisions of the Escrow Agreement which shall continue in full force and effect in accordance with the terms thereof and from its respective date of execution.

**ARTICLE 3
GENERAL**

3.1 Confidentiality

Except to the extent required by Law, the Parties hereto agree that no disclosure or public announcement with respect to this Amending Agreement or the transactions herein contemplated shall be made by any party hereto without the prior written consent of the other Parties.

3.2 Law and Jurisdiction

This Amending Agreement and all rights and obligations thereunder will in all respects be given by and construed according to the laws of the Province of Quebec and the laws of Canada applicable therein, excluding choice of law rules. Each party hereto will irrevocably submit to the exclusive jurisdiction of the courts of the Province of Quebec, district of Montreal, with respect to any matter arising hereunder or in relation to this Amending Agreement.

3.3 Counterparts

For the convenience of the Parties, this Amending Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of

this Amending Agreement). A signed facsimile or telecopied copy of this Amending Agreement shall be effective and valid proof of execution and delivery.

3.4 Time of the Essence

Time shall be of the essence hereof.

3.5 Mutual Drafting

This Amending Agreement is the joint product of RNC and Xstrata, has been subject to mutual consultation, negotiation and agreement of RNC and Xstrata and shall not be construed for or against any Party.

3.6 Effective Date

This Agreement shall be effective as of the date first above indicated.

3.7 Language

The Parties hereto acknowledge that they have expressly required that the present Amending Agreement and all documents or notices relating thereto be drafted in the English language. *Les Parties aux presentes declarent expressement qu'elles ont exige que la presente convention d'amendement et tous les documents ou avis qui y sont afferents soient rediges en langue anglaise.*

IN WITNESS WHEREOF, the Parties hereto have executed this Amending Agreement by their duly authorized representatives as of the first date above written.

XSTRATA CANADA CORPORATION

Per: (signed) "Doug McLarty"

Title: Vice President, Legal

ROYAL NICKEL CORPORATION

Per: (signed) "Roland Horst"

Name: Roland Horst
Title: President and CEO

FASKEN MARTINEAU DuMOIULIN LLP

Per: (signed) "Jean Gagné"

Jean M. Gagne
Partner

AMENDMENT TO THE ESCROW AGREEMENT

BETWEEN

XSTRATA CANADA CORPORATION

AND

ROYAL NICKEL CORPORATION

AND

FASKEN MARTINEAU DuMOULIN, LLP

Dated as of JUNE 24, 2009

THIS AMENDING AGREEMENT dated as of June 24 2009.

BETWEEN:

XSTRATA CANADA CORPORATION, a corporation incorporated under the laws of Ontario, herein represented by its representative, Doug McLarty, Vice President, Legal, duly authorized for the purposes hereof;

(hereinafter referred to as "**Xstrata**")

AND:

ROYAL NICKEL CORPORATION, a corporation incorporated under the *Canada Business Corporations Act*, herein represented by its representative, Roland Horst, President and CEO, duly authorized for the purposes hereof;

(hereinafter referred to as "**RNC**")

AND:

FASKEN MARTINEAU DuMOULIN LLP, Barristers and Solicitors, herein represented by Jean M. Gagne, Partner, duly authorized for the purposes hereof;

(hereinafter referred to as the "**Escrow Agent**")

(collectively referred to as the "**Parties**")

WHEREAS the Parties entered into a certain escrow agreement dated May 7, 2009 (the "**Escrow Agreement**");

WHEREAS the Parties wish to amend Section 3.2 of the Escrow Agreement.

NOW, THEREFORE, THIS AMENDING AGREEMENT WITNESSES THAT in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

For the purposes of this Amending Agreement, all defined terms and expressions when used in this Amending Agreement and unless a contrary intention is expressed herein have the same meaning as those given to them in the Escrow Agreement,

**ARTICLE 2
AMENDMENT**

2.1 Amendment

Section 3.2 of the Escrow Agreement is amended and replaced as follows: "**3.2 Holding and Release Conditions prior to Definitive Agreement** Notwithstanding the provisions of Section 3.1, the Parties agree that if the Definitive Agreement is not agreed to, for any reason, before July 15, 2009, the Balance will be returned to RNC, with accrued interest, if applicable, the Parties renouncing to Claims one against the other in such circumstances."

2.2 Escrow Agreement

Except to the extent amended by this Amending Agreement, the Parties hereby confirm the terms and provisions of the Escrow Agreement which shall continue in full force and effect in accordance with the terms thereof and from its respective date of execution.

**ARTICLE 3
GENERAL**

3.1 Confidentiality

Except to the extent required by Law, the Parties hereto agree that no disclosure or public announcement with respect to this Amending Agreement or the transactions herein contemplated shall be made by any party hereto without the prior written consent of the other Parties.

3.2 Law and Jurisdiction

This Amending Agreement and all rights and obligations thereunder will in all respects be given by and construed according to the laws of the Province of Quebec and the laws of Canada applicable therein, excluding choice of law rules. Each party hereto will irrevocably submit to the exclusive jurisdiction of the courts of the Province of Quebec, district of Montreal, with respect to any matter arising hereunder or in relation to this Amending Agreement.

3.3 Counterparts

For the convenience of the Parties, this Amending Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Amending Agreement). A signed facsimile or telecopied copy of this Amending Agreement shall be effective and valid proof of execution and delivery.

3.4 Time of the Essence

Time shall be of the essence hereof.

3.5 Mutual Drafting

This Amending Agreement is the joint product of RNC and Xstrata, has been subject to mutual consultation, negotiation and agreement of RNC and Xstrata and shall not be construed for or against any Party.

3.6 Effective Date

This Agreement shall be effective as of the date first above indicated.

3.7 Language

The Parties hereto acknowledge that they have expressly required that the present Amending Agreement and all documents or notices relating thereto be drafted in the English language. *Les Parties aux presentes declarent expressement qu'elles ont exige que la presente convention d'amendement et tous les documents ou avis qui y sont afferents soient rediges en langue anglaise.*

IN WITNESS WHEREOF, the Parties hereto have executed this Amending Agreement by their duly authorized representatives as of the first date above written.

XSTRATA CANADA CORPORATION

(signed) "Doug McLarty"
Per: _____
Name: Doug McLarty
Title: Vice President, Legal

ROYAL NICKEL CORPORATION

(signed) "Roland Hurst"
er: _____
Name: Roland Hurst
Title: President and CEO

FASKEN MARTINEAU D. MOULIN LLP

(signed) "Jean Gagné"
Per: _____
Jean M. Gagné
Partner

ESCROW AGREEMENT

BETWEEN

XSTRATA CANADA CORPORATION

AND

ROYAL NICKEL CORPORATION

AND

FASKEN MARTINEAU DuMOULIN, LLP

Dated as of MAY 7, 2009

THIS AGREEMENT dated as of May 7, 2009.

BETWEEN:

XSTRATA CANADA CORPORATION, a corporation incorporated under the laws of Ontario, herein represented by its representative, Doug McLarty, Vice President, Legal, duly authorized for the purposes hereof;

(hereinafter referred to as "**Xstrata**")

AND:

ROYAL NICKEL CORPORATION, a corporation incorporated under the *Canada Business Corporations Act*, herein represented by its representative, Roland Horst, President and CEO, duly authorized for the purposes hereof;

(hereinafter referred to as "**RNC**")

AND:

FASKEN MARTINEAU DuMOULIN LLP, Barristers and Solicitors, herein represented by Jean M. Gagne, Partner, duly authorized for the purposes hereof;

(hereinafter referred to as the "**Escrow Agent**")

WHEREAS in accordance with the terms of a letter of intent executed on April 22, 2009, between Xstrata and RNC (the "**Letter of Intent**"), RNC shall remit an amount of \$950,000 (which amount, together with all interest accrues thereon, is hereinafter referred to as the "**Balance**") in the trust account of the Escrow Agent as the balance of the Sale Price (as defined in the Letter of Intent);

WHEREAS in accordance with the terms of the Letter of Intent, RNC proposes to acquire a 100% ownership interest in the mining concessions commonly known as the Marbridge Property (the "**Transaction**") under the terms and conditions of an agreement to be entered into by the Parties (the "**Definitive Agreement**");

WHEREAS the Balance shall, subject to the terms and conditions hereinafter set forth, be deposited with the Escrow Agent in escrow pending satisfaction of certain conditions described herein.

NOW, THEREFORE, THIS AGREEMENT WITNESSES THAT in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, the following words and expressions have the meanings indicated below:

- 1.1.1 "**Agreement**" means this escrow agreement, its recitals and any amendments made to the foregoing;
- 1.1.2 "**Authority**" means any governmental, regulatory or administrative body, agency or authority, any court or judicial authority or any public regulatory authority, whether international, federal, provincial or local;
- 1.1.3 "**Balance**" has the meaning ascribed thereto in the recitals hereof;
- 1.1.4 "**Business Day**" means a day other than a Saturday or Sunday on which the principal commercial banks located in Montreal, Quebec are open for business during normal banking hours;
- 1.1.5 "**Claims**" means any claim, lawsuit, demand, suit, litigation, proceeding, arbitration, or other dispute, whether civil, criminal, administrative or otherwise or any hearing, investigation or notice by an Authority of a violation of any Law;
- 1.1.6 "**Definitive Agreement**" has the meaning ascribed thereto in the recitals hereof;
- 1.1.7 "**Law**" means any rule, law, statute, regulation, ordinance, requirement, order, decree, judgment, injunction, consent or any other binding action of or by an Authority;
- 1.1.8 "**Closing Date**" has the meaning ascribed in the Letter of Intent;
- 1.1.9 "**Parties**" means Xstrata, RNC and the Escrow Agent;
- 1.1.10 "**Sale Price**" has the meaning ascribed in the Letter of Intent;
- 1.1.11 "**Transaction**" has the meaning ascribed thereto in the recitals hereof.

1.2 Headings and References

Article, Section and Subsection headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.

1.3 Extended Meanings

Unless there be something in the subject or the context inconsistent therewith, in this Agreement, words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

1.4 Currency

Unless otherwise indicated, all references to currency herein are to lawful money of Canada.

1.5 Tender

Any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money shall be tendered by certified cheque, electronic wire transfer of immediately available funds or any other means agreed by the Parties.

1.6 Performance on Holidays

If any action is required to be taken pursuant to this Agreement on or by a specified date which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.

1.7 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 6:00p.m. (Quebec time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 6:00p.m. (Quebec time) on the next Business Day.

ARTICLE 2 APPOINTMENT OF ESCROW AGENT

2.1 Appointment of Escrow Agent

Xstrata and RNC hereby appoint the Escrow Agent as escrow agent hereunder to receive hold and deal with the Balance as herein provided. Xstrata and RNC declare themselves satisfied and approve the foregoing appointment. The Escrow Agent hereby accepts the appointment as escrow agent hereunder and agrees to receive, hold and deal with the Balance in accordance with the terms and conditions hereof.

2.2 Delivery of Funds

RNC hereby delivers and remits the Balance with the Escrow Agent and the Escrow Agent shall acknowledge receipt by executing the attached acknowledgment certificate.

ARTICLE3 HOLDING AND RELEASE OF FUNDS

3.1 Holding and Release Conditions

The Balance will be held in a segregated, interest bearing trust account maintained by the Escrow Agent in a Canadian Chartered Bank as a deposit on account of the Sale Price. The Balance will be held in escrow up to the Closing Date, at which time, the Escrow Agent will (i) if RNC and Xstrata have completed the Transaction substantially upon the terms set forth in the Definitive Agreement by the Closing Date, release the Balance to Xstrata on further account of the Sale Price and pay all interest which has accrued on the Balance, to RNC or (ii) if Xstrata and RNC have failed to complete the Transaction substantially upon the terms set forth in the Definitive Agreement by the Closing Date for any reason, return the Balance together with all accrued interest thereon, to RNC, Xstrata and RNC renouncing to Claims one against to other in such circumstances.

3.2 Holding and Release Conditions prior to Definitive Agreement

Notwithstanding the provisions of Section 3.1, the Parties agree that if the Definitive Agreement is not agreed to, for any reason, before June 30, 2009, the Balance will be returned to RNC, with accrued interest, if applicable, the Parties renouncing to Claims one against the other in such circumstances.

3.3 Release by the Escrow Agent

The Escrow Agent will release the Balance not later than two (2) Business Days from the date of receipt of a request in writing duly executed by RNC and Xstrata acting together, asking the Escrow Agent to release the Balance and giving their instructions as to whom and how the Balance is to be released. In the event of a dispute with respect to release of the Balance, the Escrow Agent shall keep the Balance in escrow until the issue is determined in a final and binding manner (by binding arbitration, settlement, judgement or otherwise).

ARTICLE4 THE RIGHTS AND DUTIES OF THE ESCROW AGENT

4.1 Release of Escrow Agent

The obligations of the Escrow Agent hereunder shall be confined to dealing with the Balance in accordance with this Agreement and requests, notices or instructions received from, as applicable, RNC or Xstrata in accordance with the provisions of this Agreement. If at any time in the performance of its duties under this Agreement the Escrow Agent relies on any information, records, books, accounts, instruments, writings or other documents or it is necessary for the Escrow Agent to act upon any demand or notice in writing purportedly executed or issued by or on behalf of, as applicable, RNC or Xstrata, it shall not be necessary for the Escrow Agent to ascertain whether or not the person or persons who have executed, signed or otherwise issued or authenticated the said information, records, books, accounts, instruments, writings or other documents is

authorized to so execute, sign, issue or authenticate any such document or that they are the persons named therein or in any such document or otherwise to verify any requirements of such document that may be essential for the validity or the authenticity of such information, records, books, accounts, instruments, writings or other documents. Without limiting the generality of the foregoing, any notice, direction, consent, designation or other instrument to be given, as applicable, by a corporation pursuant to this Agreement shall be sufficient if given by an officer or director of such corporation. The Escrow Agent shall have no responsibility to inquire into the genuineness or validity of any documents delivered to it and reasonably believed by it to have been signed by the proper person or persons and shall be entitled to rely thereon and shall not be liable or responsible for any action taken or omitted in accordance with the provisions thereof.

4.2 Powers of the Escrow Agent

The Escrow Agent shall have all powers necessary to deal with the Balance necessary to give effect to the terms of this Agreement.

4.3 Resignation or termination of Escrow Agent

4.3.1 The Escrow Agent may resign by providing written notice of resignation to RNC and Xstrata;

4.3.2 RNC and Xstrata, acting together, may terminate the services of the Escrow Agent under this Agreement by providing written notice of termination to the Escrow Agent;

4.3.3 The resignation or termination of the Escrow Agent shall be effective and the Escrow Agent shall cease to be bound by this Agreement:

- i) thirty (30) days after the date of receipt by the other Parties, as applicable, of a notice referred to in subsections 4.3.1 or 4.3.2; or
- ii) upon such date as may be mutually agreed to by the Parties;

4.3.4 If the Escrow Agent resigns or is terminated, RNC and Xstrata, acting together, shall be responsible for ensuring that the Escrow Agent is replaced, to the satisfaction of both, not later than the resignation or termination date;

4.3.5 Such an appointment of a replacement escrow agent shall be binding on RNC and Xstrata.

4.4 Fees and Expenses

The costs, charges and expenses of the Escrow Agent, including any goods and services taxes thereon, shall be borne by Xstrata.

4.5 No Liability

The Escrow Agent shall not be liable for any loss arising out of any act or omission to act, or for any error in judgment, in the execution of its duties and obligations provided for in this Agreement so long as the Escrow Agent and its employees, servants, mandataries or other representatives act in good faith, and except if such loss results from the intentional or gross negligence or wilful misconduct of the Escrow Agent.

4.6 Indemnification of Escrow Agent

RNC and Xstrata shall solidarity indemnify the Escrow Agent from, and hold it harmless against, any loss, liability, damages, interests and reasonable expenses incurred or suffered by the Escrow Agent arising out of or in connection with the administration of this Agreement, including the reasonable costs and expenses of legal counsel (on a solicitor and his own client basis) so long as such loss, liability, damage, interest or expense does not result from the intentional or gross negligence or wilful misconduct of the Escrow Agent.

4.7 Current Actions

Without restricting the generality of the aforementioned indemnities, RNC and Xstrata covenant and agree that in the event that proceedings should hereafter be taken in any court respecting the matters referred to in this Agreement, the Escrow Agent shall not be obliged to defend any such proceedings or take any proceedings in court or enter any appearance to such proceedings until RNC and Xstrata shall have indemnified the Escrow Agent by good and sufficient security given against the Escrow Agent's costs and expenses for such proceedings.

4.8 Release from Duties

The Escrow Agent shall be deemed to be released and discharged from all duties and obligations hereunder upon release of the Balance in accordance with the provisions of Section 3.1 or Section 3.2 hereof.

4.9 Court Orders

If any property held by the Escrow Agent hereunder shall be seized, garnished or levied upon or under any order of a court, or the delivery thereof shall be stayed or enjoined by any order of a court, or any other order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, or any act of the Escrow Agent, the Escrow Agent is hereby expressly authorized, in its sole discretion but acting reasonably, to obey and comply with all writs, orders, judgments or decrees so entered or issued, whether with or without jurisdiction, and if the Escrow Agent obeys and complies with any such writ, order, judgment or decree, it shall not be liable to any of RNC, Xstrata and their successors and assigns or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order, judgment or decree is subsequently reversed, modified, annulled, set aside or vacated.

4.10 Use of Counsel

The Escrow Agent may employ such counsel and advisors as it may reasonably require for the purpose of discharging its duties under this Agreement. The Escrow Agent may act and shall be protected to the extent it has acted in good faith on the opinion of or information obtained from any such counsel or advisor in relation to any matter arising in the administration of this Agreement.

4.11 Conflicts

Under this Agreement, the defined term Escrow Agent refers to the Escrow Agent's capacity as an escrow agent only and not to the Escrow Agent's capacity, as counsel to Xstrata. This Agreement does not purport to waive the Escrow Agent's duties and obligations as counsel for Xstrata. RNC understands and agrees that the Escrow Agent is providing legal advice as counsel for Xstrata in connection with the Transaction and may from time to time provide legal advice and continue to act as counsel for Xstrata in addition to acting as Escrow Agent.

ARTICLES GENERAL

5.1 Notices

All required or permitted notices and other communications shall be in writing and, unless otherwise provided in this Agreement, shall be deemed effective when transmitted to the addresses set forth below by registered mail, return receipt requested, by overnight courier where the recipient is required to sign for such package, by fax where the sender's fax machine generates a confirmation of receipt by the recipient's fax machine or by manual delivery to a responsible person at the office specified:

(A) If to RNC to:

Royal Nickel Corporation
357 Bay Street,
Suite 901
Toronto, ON, M5H 2T7
Canada
Attention: Roland Horst, President and CEO
Fax: (416) 363-7826

With a copy to:

Minden Gross LLP
145 King Street West, Suite 2200
Toronto, ON, M5H 4G2
Attention: Daniel A. Rothberg
Fax: (416) 864-9223

(B) If to Xstrata to:

Xstrata Canada Corporation
100 King Street West
Suite 6900
P.O. Box 403
Toronto, ON, M5X 1E3
Canada
Attention: Doug McLarty, Vice President, Legal
Fax: (416) 775-1740

With a copy to:

Fasken Martineau DuMoulin LLP
140 Grande Allee East
Suite 800
Quebec, Quebec, Canada G1R 5M8
Attention: Jean M. Gagne
Telephone: (418) 640-2010
Telecopier: (418) 647-2455

(C) If to the Escrow Agent to:

Fasken Martineau DuMoulin LLP
140 Grande Allee East
Suite 800
Quebec, Quebec, Canada G1R 5M8
Attention: Jean M. Gagne
Telephone: (418) 640-2010
Telecopier: (418) 647-2455

or to such other address or addresses as any such party may from time to time designate for itself in writing. Notices shall be effective on the fourth (4th) day after mailing if sent by mail, on the day following delivery to the courier service if sent by overnight courier, upon receipt by the sender of a confirmation of receipt by the recipient's fax machine designated above if sent by fax, and upon delivery to a responsible person at the designated office if by manual delivery.

5.2 Confidentiality

Except to the extent required by Law, the Parties hereto agree that no disclosure or public announcement with respect to this Agreement or the transactions herein contemplated shall be made by any party hereto without the prior written consent of the other Parties.

5.3 Law and Jurisdiction

This Agreement and all rights and obligations thereunder will in all respects be given by and construed according to the laws of the Province of Quebec and the laws of Canada

applicable therein, excluding choice of law rules. Each party hereto will irrevocably submit to the exclusive jurisdiction of the courts of the Province of Quebec, district of Montreal, with respect to any matter arising hereunder or in relation to this Agreement.

5.4 Counterparts

For the convenience of the Parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile or telecopied copy of this Agreement shall be effective and valid proof of execution and delivery.

5.5 Time of the Essence

Time shall be of the essence hereof.

5.6 Further Assurances

The Parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.

5.7 Mutual Drafting

This Agreement is the joint product of RNC and Xstrata, has been subject to mutual consultation, negotiation and agreement of RNC and Xstrata and shall not be construed for or against any Party.

5.8 Amendments

This Agreement may not be modified or amended except by the written agreement of the Parties.

5.9 Severability

If any provision, phrase or other portion of this Agreement shall be deemed by any court of competent jurisdiction to be invalid, illegal, or unenforceable, in whole or in part, and such determination should become final, such provision, phrase or other portion shall be deemed to be severed or limited, but only to the extent required to render the remaining provisions hereof enforceable, provided that the severing of any such provision will not materially change the substance of this Agreement. As so amended, this Agreement shall be enforced to the fullest extent possible to give effect to the intention of the Parties expressed herein.

5.10 Language

The Parties hereto acknowledge that they have expressly required that the present Agreement and all documents or notices relating thereto be drafted in the English language. *Les Parties aux présentes déclarent expressément qu'elles ont exigé que la présente convention et tous les documents ou avis qui y sont afférents soient rédigés en langue anglaise.*

5.11 Effective Date

Notwithstanding the execution date of this Agreement, the effective date thereof shall be the date of the receipt of the Balance as confirmed by the Escrow Agent in the acknowledgment certificate attached hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized representatives as of the first date above written.

XSTRATA CANADA CORPORATION

Per: (signed) "Doug McLarty"

Name: Doug McLarty
Title: Vice President, Legal

ROYAL NICKEL CORPORATION

Per: (signed) "Roland Hurst"

Name: Roland Hurst
Title: President and CEO

FASKEN MARTINEAU DuMOULIN LLP

Per: (signed) "Jean Gagné"

Jean M. Gagné
Partner

ACKNOWLEDGMENT CERTIFICATE

The undersigned, Fasken Martineau DuMoulin LLP (the "FMD") as Escrow Agent under the escrow agreement entered into as of May 7, 2009 between Xstrata Canada Corporation ("Xstrata"), Royal Nickel Corporation ("RNC") and FMD (the "Escrow Agreement"), does hereby acknowledge receipt on the date hereof from RNC of the sum of Nine Hundred and Fifty Thousand Dollars (\$950,000), representing the Balance, such amount to be held in trust subject to the terms and conditions of the Escrow Agreement.

SIGNED in Québec on the 20th day of May, 2009.

FASKEN MARTINEAU DUMOULIN LLP

(signed) "Jean Gagné"

Per: Jean M. Gagne, Partner

AMENDING AGREEMENT

This Amending Agreement is made as of the 22nd day of May, 2015.

BETWEEN :

GLENCORE CANADA CORPORATION

a corporation amalgamated under the laws of the
Province of Ontario

(the "Vendor")

- and -

ROYAL NICKEL CORPORATION

a corporation incorporated under the Canada Business
Corporations Act

(the "Purchaser")

WHEREAS the Parties entered into an agreement dated the 31st day of July, 2009 (the "Agreement").

AND WHEREAS the Parties wish to amend the Agreement as set out herein.

NOW THEREFORE, for valuable consideration, the Parties agree as follows:

1. Amend Section 8 by adding a new subsection 8.3 that reads: "Notwithstanding subsection 8.2, should the Vendor have in place or decide to put in place hypothecs against the Property in order to secure the obligations of the Purchaser under subsection 8.1, the

Vendor agrees that any such hypothecs shall be subordinate to any secured financing facility that may be placed upon the Property related to the development or the sale thereof taking into account subsection 14.3.

2. As so amended, all of the terms of the Agreement continue in full force and effect.

IN WITNESS WHEREOF the Parties hereto have duly executed this Amending Agreement as of the date first above written.

GLENCORE CANADA CORPORATION

Per: (signed) "Stephen Young"

Stephen Young VP Legal

ROYAL NICKEL CORPORATION

Per: (signed) "Mark Selby"

Mark Selby, President and CEO

Per: 

(1/10/06) SC - Fred VP Legal

SCHEDULE "D"

**PROPERTY ACQUISITION AGREEMENT BETWEEN
ROYAL NICKEL CORPORATION AND JEFMAR INC.**

Please see attached.

THIS PROPERTY ACQUISITION AGREEMENT dated as of the 26th day of March, 2008.

BETWEEN:

ROYAL NICKEL CORPORATION, a corporation incorporated under the laws of Canada

(the "**Purchaser**")

- and -

JEFMAR INC., a corporation incorporated under the laws of Quebec

(the "**Vendor**")

WHEREAS the Vendor is the registered owner of record of 14 mining claims in the Lamotte Township, in the province of Quebec as are more particularly described in Schedule "A" to this Agreement (hereinafter referred to as the "**Property**");

AND WHEREAS the Vendor has agreed to sell, assign, and transfer to the Purchaser a 100% interest in the Property, all on and subject to the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, conditions and premises herein contained, the sum of TWO DOLLARS now paid by each of the Parties (as hereinafter defined) to the other and for other good and valuable consideration (the receipt and sufficiency whereof being hereby acknowledged), the Parties do hereby covenant and agree as follows:

1. DEFINITIONS

1.01 **Definitions.** In this Agreement:

- (a) "**this Agreement**", "**herein**", "**hereby**", "**hereof**", "**hereunder**" and similar expressions shall mean or refer to this Agreement and any and all agreements or instruments supplemental or ancillary hereto and the expression "**section**" followed by a number means and refers to the specified section of this Agreement;
- (b) "**Affiliate**" shall mean any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly Controls, is controlled by or is under common Control with a Party;
- (c) "**Closing Date**" shall mean March 26, 2008, or such other date as the Vendor and the Purchaser may agree upon;

- (d) “**Closing Time**” means 11:00 a.m. in the City of Toronto on the Closing date or such other time on the Closing Date as the Vendor and Purchaser may agree upon;
- (e) “**Common Shares**” means the common shares in the capital of the Purchaser;
- (f) “**Consideration Shares**” shall have the meaning ascribed thereto in section 4.02;
- (g) “**Control**” shall mean possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise;
- (h) “**Encumbrances**” shall mean any and all mortgages, pledges, security interests, liens, charges, encumbrances, contractual obligations and claims of others, recorded and unrecorded, registered and unregistered;
- (i) “**Laws**” means collectively, all federal, provincial, territorial, municipal or local statutes, regulations and by-laws applicable to the Parties or the Property, or to any activities thereon, including without limitation, all orders, notices, rules, decrees, decisions, codes, guidelines, policies, directions, permits, approvals, licenses and similar authorizations issued, rendered or imposed by any level of government including any ministry, department or administrative or regulatory agency or authority;
- (j) “**Minerals**” shall mean raw ores, concentrates, precipitates, leach liquor, metals, ore and mineral materials of every kind and character and all other naturally-occurring products contained within the Property which are sold by the Purchaser to third parties (excluding only sand and gravel and other common non-metallic materials);
- (k) “**Purchaser**” shall mean Royal Nickel Corporation;
- (l) “**Parties**” shall mean collectively, the Vendor and the Purchaser;
- (m) “**Party**” shall mean any one of the Vendor or the Purchaser;
- (n) “**Person**” shall mean any individual, partnership, company, corporation, unincorporated association, person, government or governmental agency, authority or entity howsoever designated or constituted;
- (o) “**Property**” shall mean the exploration and development property owned by the Vendor located in Quebec, as more particularly described in Schedule “A”;
- (p) “**Purchase Price**” shall have the meaning set forth in section 4.02;

- (q) “**Royalty**” shall have the meaning set forth in section 4.02;
- (r) “**Royalty Agreement**” shall mean the royalty agreement in the form attached hereto as Schedule “B” and forming a part hereof; and
- (s) “**Vendor**” shall mean JEFMAR Inc.

2. SCHEDULES, GENDER AND CANADIAN DOLLARS

- 2.01 **Schedules.** The following are the exhibits attached to and incorporated in this Agreement by reference and deemed to be a part hereof:
 - (a) **Schedule “A”** – Description of Property; and
 - (b) **Schedule “B”** – Royalty Agreement
- 2.02 **Gender and Extended Meanings.** In this Agreement all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and pronoun. In this Agreement words importing the singular number include the plural and vice versa.
- 2.03 **Canadian Dollars.** All dollar amounts or “\$” referred to in this Agreement are in Canadian funds.
- 2.04 **Business Days.** All references in this Agreement to business days are to days excluding Saturdays, Sundays and banking holidays in Toronto, Ontario.
- 2.05 **Period of Time.** When calculating the period of time within which or following which any act is to be done or step is to be taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-business day, the period in question shall end on the next business day.
- 2.06 **Section Headings.** The section and other headings contained in this Agreement or in the Exhibit are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

3. REPRESENTATIONS AND WARRANTIES

- 3.01 **Representation and Warranties of the Vendor.** The Vendor hereby represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in entering into this Agreement:
 - (a) **Due Incorporation.** The Vendor is a company duly incorporated under the laws of the jurisdiction of its incorporation and it is duly organized and

validly subsisting under such laws and is duly licensed and qualified as necessary to carry on its business as currently conducted or as proposed to be conducted.

- (b) **Corporate Power.** The Vendor has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder.
- (c) **Approvals.** The Vendor has duly obtained all corporate and all regulatory authorizations for the execution, delivery and performance of this Agreement and such execution, delivery and performance and the consummation of the transactions herein contemplated will not conflict with or result in a breach of any covenants or agreements contained in or constitute a default under any indenture, agreement or other instrument whatsoever to which the Vendor is a party or by which the Vendor is bound and does not contravene any applicable Laws.
- (d) **Due Execution and Delivery.** This Agreement has been duly executed and delivered by the Vendor and is valid, binding and enforceable against the Vendor in accordance with its terms.
- (e) **No Acts of Bankruptcy.** The Vendor has not committed an act of bankruptcy, is not insolvent, has not proposed a compromising arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has not taken any proceeding to have itself declared bankrupt or wound-up, has not taken any proceeding to have a receiver appointed over any part of its assets, has not had any encumbrancer take possession of the Property or had any execution or distress become enforceable or become levied upon the Property.
- (f) **Brokerage or Finder's Fee.** There is no Person acting or purporting to act at the Vendor's request who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.
- (g) **Interest.** The Property is duly recorded in the name of the Vendor as set out in Schedule "A". The Vendor is the beneficial owner of a 100% undivided interest in the Property, free and clear of any and all Encumbrances. The Vendor has the full power to hold its interest in the Property and hold recorded or registered title to the Property. The Property is in good standing under all applicable Laws.
- (h) **Property in Good Standing.** The mining claims forming part of the Property are in good standing and no event, condition or occurrence exists

that, after notice or lapse of time or both, would constitute a default under such mining claims.

- (i) **Abutting Claims.** The Vendor does not own any right, title or interest in or to any mining claims abutting the Property.
- (j) **Property Staked.** Each mining claim forming part of the Property has been properly staked, tagged, located and recorded pursuant to all applicable Laws.
- (k) **Taxes, Charges and Assessments.** All taxes and charges with respect to the Property have been paid in full as of the date hereof. All requisite minimum assessment work has been performed and reported on the Property pursuant applicable Laws. No Person has any proprietary or possessory interest in the Property. No Person is entitled to any royalty or other payment in the nature of rent or royalty on any Minerals, metals or concentrates or any other such products removed or produced from the Property.
- (l) **Adverse Claims.** There are no existing, pending or threatened adverse claims or challenges against or to the ownership of, possession, operation, control, management or title to the Property or substances thereon or therefrom nor, to the knowledge of the Vendor, is there any basis therefore.
- (m) **Compliance with Laws.** The Vendor has fully complied with all Laws with respect to the Property and the Vendor has not received notice of any breach, violation or default with respect to the Property. Conditions on and relating to the Property are in compliance with all applicable Laws.
- (n) **Litigation.** There is no legal, administrative, arbitration or other proceeding, claim or action of any nature or investigation pending or, to the knowledge of the Vendor, threatened against or involving the Property or which questions or challenges the validity of this Agreement, or any action taken or to be taken by the Vendor pursuant to this Agreement or any other agreement or instrument to be executed and delivered by the Vendor in connection with the transactions contemplated hereby and the Vendor does not know or have any reason to know of any valid basis for any such legal, administrative, arbitration or other proceeding, claim, action of any nature or investigation. The Vendor is not subject to any judgment, order or decree entered in any lawsuit or proceeding which has had or may be expected to have an adverse effect on the Property.
- (o) **Non-Resident.** The Vendor is not a non-resident of Canada for the purposes of section 116 of the *Income Tax Act* (Canada) as amended.

- (p) **All Material Information**. The Vendor has made available to the Purchaser all material information in its possession or control relating to the Property.

3.02 **Representations and Warranties of the Purchaser**. The Purchaser hereby represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on such representations and warranties in entering into this Agreement:

- (a) **Due Incorporation**. The Purchaser is a company duly incorporated under the laws of the jurisdiction of its incorporation and it is duly organized and validly subsisting under such laws and is duly licensed and qualified as necessary to carry on its business as currently conducted or as proposed to be conducted.
- (b) **Corporate Power**. The Purchaser has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder, including without limitation, the issuance of the Consideration Shares.
- (c) **Corporate Approvals**. The Purchaser shall have, on or before the Closing Time, duly obtained all corporate and all regulatory authorizations for the execution, delivery and performance of this Agreement and such execution, delivery and performance and the consummation of the transactions herein contemplated, including without limitation, the issuance of the Consideration Shares, will not conflict with or result in a breach of any covenants or agreements contained in or constitute a default under or result in the creation of any Encumbrance under the provisions of its constating documents or any shareholders' or directors' resolution or any indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound and does not contravene any applicable Laws.
- (d) **Due Execution and Delivery**. This Agreement has been duly executed and delivered by the Purchaser and is valid, binding and enforceable against the Purchaser in accordance with its terms.
- (e) **No Acts of Bankruptcy**. It has not committed an act of bankruptcy, is not insolvent, has not proposed a compromising arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has not taken any proceeding to have a receiver appointed of any part of its assets, has not had any encumbrancer take possession of any of its Property and has not had any execution or distress become enforceable or become levied upon any of its Property.

- (f) **Brokerage or Finder's Fee.** There is no Person acting or purporting to act at the Purchaser's request who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.
 - (g) **Consideration Shares.** Upon issuance, the Consideration Shares shall be fully paid and non-assessable.
 - (h) **Litigation.** There is no legal, administrative or other proceeding, claim or action of any nature or investigation pending or, to the knowledge of the Purchaser, threatened against or involving the Purchaser or which questions or challenges the validity of this Agreement, or any action taken or to be taken by the Purchaser pursuant to this Agreement or any other agreement or instrument to be executed and delivered by the Purchaser in connection with the transactions contemplated hereby and the Purchaser does not know or have any reason to know of any valid basis for any such legal, administrative, arbitration or other proceeding, claim, action of any nature or investigation.
- 3.03 **Representations and Warranties as Conditions.** Each Party acknowledges and agrees the other Party is entering into this Agreement relying upon the representations and warranties made by it herein and the correctness of each such representation and warranty is a condition upon which such other Party is relying upon entering into this Agreement, each of which conditions may be waived in whole or in part solely by such other Party in writing at the Closing Time and all such representations and warranties shall survive the execution, delivery and termination of this Agreement and the completion of the transactions contemplated hereby of a period of two years from the Closing Date.

4. **PURCHASE AND SALE OF THE PROPERTY**

- 4.01 **Purchase and Sale of the Property.** On the terms and subject to the conditions hereof, the Vendor hereby sells, assigns and transfers to the Purchaser and the Purchaser hereby purchases from the Vendor, effective upon the Closing Date, all of the Vendor's right, title, and interest in and to the Property, free and clear of all liens and Encumbrances.
- 4.02 **Purchase Price.** The total purchase price (the "**Purchase Price**") payable by the Purchaser to the Vendor for a 100% interest in and to the Property shall be satisfied as follows:
- (a) the amount of \$70,000, to be paid to the Vendor by certified cheque or bank draft at the Closing Time;
 - (b) the issuance of 150,000 Common Shares (the "**Consideration Shares**") to the Vendor at the Closing Time; and

- (c) a 2% Net Smelter Returns royalty (the "**Royalty**") (as described in the Royalty Agreement) granted in favour of the Vendor, at the Closing Time, which Royalty shall be subject to a partial buyback right (as to 1%) in favor of the Purchaser, on the terms and conditions as are more particularly described in the Royalty Agreement.

4.03 **Condition Precedent.** All obligations of the Purchaser hereunder and under the Royalty Agreement shall be conditional upon the Purchaser obtaining the prior approval of the transactions contemplated hereunder and thereunder, by its board of directors.

5. CLOSING

5.01 **Closing Arrangements.** Subject to the terms and conditions hereof, the transactions contemplated herein shall be completed at the Closing Time at the offices of Minden Gross LLP, 145 King Street West, Suite 2200, Toronto, Ontario or at such other place or places as may be mutually agreed upon by the Vendor and the Purchaser.

5.02 **Documents to be Delivered by the Purchaser.** At the Closing Time, the Purchaser shall execute or cause to be executed, and shall deliver, or cause to be delivered, to the Vendor the following:

- (a) a certified cheque or bank draft payable to the Vendor in the amount of \$70,000;
- (b) certificates representing the Consideration Shares registered in the name of the Vendor, or as it may direct; and
- (c) a duly executed copy of the Royalty Agreement.

5.03 **Documents to be Delivered by the Vendor.** At the Closing Time, the Vendor shall execute or cause to be executed, and shall deliver, or cause to be delivered, to the Purchaser the following:

- (a) photocopies of all maps, reports, results of surveys and drilling and any other reports of information the Vendor may have prepared or may have caused to be prepared or may have in their possession or under their control with respect to the Property and
- (b) a duly executed copy of a deed/transfer of mining claims in respect of the Property in registrable and recordable form and in content sufficient pursuant to applicable Laws to transfer a 100% undivided interest in the Property to the Purchaser.

6. FORCE MAJEURE – GENERAL

6.01 **Force Majeure.** Time shall be of the essence of this Agreement, provided however that notwithstanding anything to the contrary contained herein, if a Party should at any time or times during the currency of this Agreement be delayed in or prevented from complying with this Agreement (other than an obligation to pay money) by reason of wars, acts of God, strike, lockouts or other industrial disputes, inability to access its place of business, acts of the public enemy, riots, fire, storm, flood, explosion, government restriction, failure to obtain any approvals required from regulatory authorities including environmental protection agencies, unavailability of equipment or qualified personnel, delays of transportation, breakdown or machinery, interference of persons primarily concerned about environmental issues or native rights pressure groups or other causes whether of the kind enumerated above or otherwise which are not reasonably within the control of the applicable Party (excluding for greater certainty and without limitation, unavailability of funds), the period of all such delays resulting from such causes or any of them, shall be excluded in computing the time within which anything required or permitted by the applicable Party to be done, is to be done hereunder, it being understood that the time within which anything is to be done hereunder shall be extended by the total period of all such delays. Nothing contained in this Article shall require the applicable Party to settle any industrial dispute or to test the constitutionality of any enacted Law.

7. RELATIONSHIP AND OTHER OPPORTUNITIES – GENERAL

7.01 **Relationship of Parties.** The rights, privileges, duties, obligations and liabilities, as between the Parties, shall be separate and not joint or collective and nothing herein contained shall be construed as creating a partnership, an association, agency or subject as herein specifically provided, a trust of any kind or as imposing upon either of the Parties any partnership duty, obligation or liability. No Party is liable for the acts, covenants and agreements of any other Party, except as herein specifically provided.

7.02 **Other Opportunities.** Each of the Parties shall have the free and unrestricted right independently to engage in and receive the full benefits of any and all business endeavours of any sort whatsoever whether or not competitive with the endeavours contemplated herein without consulting the other Party or inviting or allowing the other Party to participate therein. No Party shall be under any fiduciary or other duty to any other Party which shall prevent it from engaging in or enjoying the benefits of competing endeavours within the general scope of endeavours contemplated by this Agreement. The legal doctrine of “**corporate opportunity**” sometimes applied to persons engaged in a joint venture of having fiduciary status shall not apply in the case of a Party.

8. CONFIDENTIALITY

- 8.01 **Confidentiality**. No disclosure or announcement, public or otherwise, in respect of this Agreement or the transaction herein contained shall be made by any Party without the prior written consent of the other Party as to timing and content, provided that the obligations herein will not prevent either Party from making, after consultation with the other Party, such disclosure as its counsel may advise is required by applicable law or the rules and policies of any securities regulatory authority or stock exchange having jurisdiction or potential jurisdiction.

9. NOTICE – GENERAL

- 9.01 **Notices**. All notices, requests, demands or other communications which by the terms hereof are permitted to be given by a Party to the other Parties shall be given in writing by personal delivery or fax, addressed to such other Parties or delivered to such other Parties as follows:

- (i) to the Purchaser at:

357 Bay Street, Suite 901
Toronto, ON M5H 2T7

Attention: Roland Horst, President & CEO
Fax No.: (416) 363-7826

- (ii) to the Vendor at:

2249 Des Ormeaux
Montreal, QC H1L 4W9
Attention: Mario Sarrazin
Fax No.: H1L 2W9

or at such other addresses and to such other Person that may be given by any of them to the others in writing from time to time on ten day's prior written notice and such notices, requests, demands or other communications shall be deemed to have been received when delivered.

10. GENERAL PROVISION

- 10.01 **Further Assurances**. The Vendor and the Purchaser hereby covenants and agrees that at any time and from time to time after the Closing Date it will, upon the request of the others, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances and assurances as may be required for the better carrying out and performance of all the terms of this Agreement.

- 10.02 **Remedies Cumulative.** The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.
- 10.03 **Counterparts.** This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument.
- 10.04 **Expenses of Parties.** Each of the Parties hereto shall bear all expenses incurred by it in connection with this Agreement including, without limitation, the charges of their respective counsel, accountants, financial advisors and finders.
- 10.05 **Brokerage and Finder's Fees.** The Vendor agrees to indemnify the Purchaser and hold it harmless in respect of any claim for brokerage or other commissions relative to this Agreement or the transactions contemplated hereby which is caused by actions of the Vendor or any of its Affiliates. The Purchaser will indemnify the Vendor and hold it harmless in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby which is caused by actions of the Purchaser or any of its Affiliates.
- 10.06 **Announcements.** No announcements with respect to this Agreement will be made by any Party hereto without the prior approval of the other Party. The foregoing will not apply to any announcement by any Party required in order to comply with laws pertaining to timely disclosure, provided that such Party consults with the other Party before making any such announcement.
- 10.07 **Assignment.** The rights of the Vendor hereunder shall not be assignable without the written consent of the Purchaser. The rights of the Purchaser hereunder shall not be assignable without the written consent of the Vendor.
- 10.08 **Successors and Assigns.** This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to confer upon any person, other than the Parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.
- 10.09 **Memorandum of this Agreement.** Contemporaneous with the registrations of the deed/transfer of mining claims in respect of the Property referred to in section 5.03(b), the Purchaser and Vendor shall cause such document, notice or instrument to be filed with the Ministry of Natural Resources and Wild Life (Quebec) as may be required by applicable legislation so as to give the public notice of the existence of this Agreement and the Royalty Agreement.

10.10 **Entire Agreement.** This Agreement and the schedules referred to herein constitute the entire agreement between the Parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. None of the Parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered on or before the Closing Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered on or before the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

10.11 **Waiver.** Any Party hereto which is entitled to the benefits to this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing Time provided, however, that such waiver shall be evidenced by written instrument duly executed on behalf of such Party.

10.12 **Amendments.** No modification or amendment to this Agreement may be made unless agreed to by the Parties hereto in writing.

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement under seal as of the day and year first written above.

ROYAL NICKEL CORPORATION

Per: 
Authorized Signatory

JEFMAR INC.

Per: 
Authorized Signatory

SCHEDULE "A"

THIS IS SCHEDULE A to a Property Acquisition Agreement dated as of the 26th day of March, 2008 between ROYAL NICKEL CORPORATION and JEFMAR INC.

CLAIM NUMBERS					
Claim #	Status	Township	Expiry Date	Owner/Prospector #	% Own
2099438	Active	Lamotte Township	2009/07/03	JEFMAR Inc.	100%
2099440	Active	Lamotte Township	2009/07/03	JEFMAR Inc.	100%
2099442	Active	Lamotte Township	2009/07/03	JEFMAR Inc.	100%
2108509	Active	Lamotte Township	2009/07/18	JEFMAR Inc.	100%
2108510	Active	Lamotte Township	2009/07/18	JEFMAR Inc.	100%
2116141	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116142	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116143	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116144	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116145	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116146	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2118907	Active	Lamotte Township	2009/08/22	JEFMAR Inc.	100%
2118908	Active	Lamotte Township	2009/08/22	JEFMAR Inc.	100%
2118909	Active	Lamotte Township	2009/08/22	JEFMAR Inc.	100%

32D-08 – map region

SCHEDULE "B"

THIS IS SCHEDULE B to a Property Acquisition Agreement dated as of the 26th day of March, 2008 between ROYAL NICKEL CORPORATION and JEFMAR INC.

ROYALTY AGREEMENT

THIS AGREEMENT made as of the 26th day of March, 2008.

BETWEEN:

ROYAL NICKEL CORPORATION

a corporation duly incorporated
pursuant to the laws of Canada

(the "Grantor")

OF THE FIRST PART

- and -

JEFMAR INC.

a corporation duly incorporated
pursuant to the laws of Quebec

(the "Grantee")

OF THE SECOND PART

WHEREAS the Grantee has transferred to the Grantor a 100% undivided interest in the Property (as hereinafter defined) pursuant to a property acquisition agreement dated as of March 26th, 2008 and as partial consideration for such transfer the Grantor has agreed to grant the Grantee a royalty (the "**Royalty**") equal to 2% of Net Returns (as hereinafter defined) all on and subject to the terms and conditions hereinafter contained;:

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for good and valuable consideration the receipt and sufficiency whereof being acknowledged by each of the parties hereto, the parties hereto do hereby covenant and agree as follows:

1. DEFINITIONS

- (a) "**Affiliate of the Grantor**" means any person, partnership, venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by, or is under common control with, the Grantor.

- (b) “**Gross Value**” shall mean the consideration actually received by the Grantor from the sale or other disposition of Minerals, provided that where the Grantor’s sale or disposition is based upon a contract for the sale of Minerals that fixes a selling price for metals on other than a market price of the product on the date of delivery of the purchaser (less deductions normally negotiated as a part of such contracts), specifically including without limitation, forward sales, futures trading or commodity options trading and any other price hedging, price protection and speculative arrangements not involving physical delivery of Minerals produced from ores mined from Property, Minerals shall be deemed to have been sold only at the time that refined metal attributable to such Minerals is physically delivered by the Grantor in satisfaction of such commitments. Gross Value of Minerals shall be based on the contained metal value of the Minerals actually delivered, calculated by dividing the sum of all such prices reported for each respective metal on each day of the calendar month by the number of days from which such prices were reported for the month in which the sale occurred, as such prices as are quoted on the London Metal Exchange (LME) p.m. fix. The Royalty payable to the Grantee shall be based upon such Gross Value, net of the deductions more fully set forth below. In the event of cessation or suspension of quotations for a period of more than five consecutive days in a given month, the parties hereto shall agree on a reputable substitute quotation mechanism for each affected metal. If the Grantor terminates or “**buys-back**” any of such price protection arrangements without actual physical delivery of Minerals, the Grantee shall not share in any profits or losses therefrom.
- (c) “**Interest**” shall have the meaning set forth in section 4.
- (d) “**Interest Transfer Acceptance Notice**” shall have the meaning set forth in section 4.
- (e) “**Interest Transfer Notice**” shall have the meaning set forth in section 4.
- (f) “**Minerals**” shall mean raw ores, concentrates, precipitates, leach liquor, metals, ore and mineral materials of every kind and character and all other naturally-occurring products contained within the Property which are sold by the Grantor to third parties (excluding only sand and gravel and other common non-metallic minerals).
- (g) “**Offer**” shall have the meaning set forth in section 4.
- (h) “**Produced**” shall mean the mining, saving, extraction from the soil or other creation of a marketable production containing Minerals from the Property.

- (i) “**Property**” shall mean the exploration and development property owned by the Vendor located in Quebec, as more particularly described in Schedule A.
- (j) “**Net Returns**” shall mean the “**Gross Value**” received by the Grantor from the sale or other disposition of Minerals, less the following expenses incurred by the Grantor with respect to such Minerals after they leave the Property: (i) actual charges for treatment in the smelting and refining process (including handling, assaying, processing, penalties, impurity charges, metal losses and other processor deductions); (ii) actual sales, marketing and brokerage costs; (iii) any sales, severance, gross production, privilege or similar taxes assessed on or in connection with the sale or other disposition of Minerals; (iv) actual costs of transportation (including freight, insurance, security charges, transaction taxes, import and export duties, levies, imposts, handling, port, demurrage, delay, stowage and forwarding expenses incurred by reason of or in the course of such transportation) of such Minerals, to the mill, smelter or other purchaser, user or customer. The Grantor shall be permitted to sell concentrates in the form usually commercially marketplace to an Affiliate of the Grantor provided that such sales shall be considered, solely for the purpose of computing Net Returns, to have been sold at prices and on terms no less favourable than those which would be extended to an unaffiliated third party in a *bona fide* arm’s length transaction under similar circumstances. Similarly, if the Grantor to an Affiliate of the Grantor incurs costs that are deductible or treats the Minerals in a smelter that the Grantor or the Affiliate of the Grantor owns or controls, the Grantor or the Affiliate of the Grantor may deduct treatment charges and costs, but only to the extent they are no more than the amount that the Grantor or the Affiliate of the Grantor would have charged an unaffiliated third party in a *bona fide* arm’s length transaction under similar circumstances.
- (k) “**Reduction Notice**” shall have the meaning set forth in section 5.
- (l) “**Reduction Price**” shall have the meaning set forth in section 5.
- (m) “**Royalty**” shall have the meaning set forth in the preambles to this Agreement.
- (n) “**Transfer**” when used as a verb, shall mean to sell, grant, assign, encumber, pledge or otherwise commit or dispose of, directly or indirectly, including through mergers, consolidations or asset purchases. When used as a noun, “**Transfer**” shall mean a sale, grant, assignment, pledge or disposal or the commitment to do any of the foregoing, directly

or indirectly, including through mergers, consolidations or asset purchases.

2. ROYALTY INTEREST

The Grantor does hereby grant the Royalty to the Grantee in perpetuity, subject to the terms and conditions of this Agreement. The Royalty shall run with the Property. The Royalty shall apply to any and all Minerals Produced from the Property. The Royalty shall be on the basis of the Net Returns received by the Grantor from the sale or other disposition of Minerals actually Produced from the Property.

3. GRANTOR'S OPERATIONS

- (a) **Further Processing.** The Grantor may, but is not obligated to, beneficiate, mill, sort, concentrate, refine, smelt or otherwise process or upgrade the Minerals Produced from ores mined from the Property prior to sale, transfer, or conveyance to a purchaser, user or consumer other than the Grantor. The Grantor shall not be liable for mineral values lost in such processing except for losses resulting from the bad faith or gross negligence of the Grantor.
- (b) **Weighing and Sampling – Commingling.** All ores, materials or products containing Minerals shall be weighed or measured, sampled and analyzed in accordance with the Grantor's standard mining and metallurgical practices. After such weights, measurements or samples are taken, at its discretion, the Grantor may mix or commingle such ores, materials or products with ores, materials or products from other properties or sources.
- (c) **Information to Grantee.** All payments of the Royalty hereunder shall be accompanied by a smelter settlement sheet or other evidence of sale indicating the weight of materials received, contained mineral values and a statement of the Grantor as to the deductions made. If no Royalty is due to the Grantee for any pay period, the Grantor shall nonetheless provide the Grantee with a statement showing in reasonable detail the quantities of Minerals produced from the Property.
- (d) **Mining Methods – No Implied Covenants.** The Grantor shall have the sole and exclusive right to determine the timing and the manner of any production from the Property and all related exploration, development, operational and mining activities. Nothing in this Agreement shall require the Grantor to explore, develop or mine or continue operations on the Property or to process ores from the Property. The Grantor shall not be responsible for nor be obliged to make any Royalty payments for Minerals values lost in any mining or processing of the Minerals conducted pursuant to customary mining practices. The Grantor shall not be required

to mine or to preserve or protect the Minerals which under customary mining practices cannot be mined or shipped at a reasonable profit at the time mined.

- (e) **Retention of Inventory.** The Grantor may, but is not obligated to, retain ore or treated ore products containing Minerals as inventory for any length of time and for any reason. At the Grantee's reasonable request, the Grantor shall deliver to the Grantee a monthly statement of such inventory, the Grantee shall have no right to any Royalty payments until the Grantor actually delivers and sells the Minerals. Raw Minerals stockpiles are not subject to the Royalty until treated and the products are delivered and sold.

4. ROYALTY TRANSFER

The Grantee shall not have the right to Transfer the Royalty and/or its rights under this Agreement other than in accordance with the provisions of this section. The Grantee shall only be permitted to: (i) Transfer all (but not less than all) of the Royalty and this Agreement (collectively, the "**Interest**"); (ii) complete the Transfer with a *bona fide* third party; and (iii) if and only if the Grantee shall have first complied with the provisions of this section 4. If the Grantee shall determine that it shall seek to Transfer the Interest, the Grantee shall provide 30 days advance notice in writing to such effect to the Grantor (the "**Interest Transfer Notice**"). The Interest Transfer Notice shall; (i) set out the purchase price paid for the Interest and the mode of payment of the consideration; (ii) set out the anticipated closing date and all other pertinent terms and conditions appertaining to the Transfer of the Interest; and (iii) shall contain an offer to the Grantor to purchase the Interest upon such foregoing terms and conditions (the "**Offer**"). If the Grantor shall seek to accept the Offer, the Grantor shall send a written notice to such effect (the "**Interest Transfer Acceptance Notice**") to the Grantee ten days after the delivery of the Interest Transfer Notice to the Grantor, failing which, the Grantor shall be deemed to have refused the Offer. If the Grantor shall have duly delivered the Interest Transfer Acceptance Notice, closing of the Transfer of the Interest shall be consummated in accordance with the terms and conditions of the Interest Transfer Notice. If the Grantor refuses or is deemed to have refused the Offer, the Grantee shall have the right to Transfer the Interest to a *bona fide* third party on the same terms and conditions set forth in the Interest Transfer Notice; if closing does not occur within 45 days of the date of the Interest Transfer Notice or if the terms and conditions of the Transfer and the Offer shall be different than those set forth in the Interest Transfer Notice, the Grantor's rights under this sections shall be revived.

5. PARTIAL PURCHASE OF ROYALTY

At any time after the date of this Agreement and with a minimum of 60 days prior written notice to the Grantee (the "**Reduction Notice**"), the Grantor shall have, at its sole discretion, the right and option to purchase 1% of the Royalty (such that the remaining Royalty shall be reduced to 1% of Net Returns) for a price equal to \$1,000,000 (the

“**Reduction Price**”). The Reduction Price shall be paid in cash. Closing shall occur within 15 days of the date of delivery of the Reduction Notice of the Grantee. In exchange for the Reduction Price, the Grantee shall deliver to the Grantor an executed quitclaim or deed of release in respect of 1% of the Royalty, in form and substance satisfactory to the Grantor, which document shall constitute an amendment of this Agreement, to specifically provide for the Royalty reduction. For greater certainty and without limitation, any theretofore made payments of the Royalty shall not be refunded by the Grantee to the Grantor and the reduction in Royalty payments shall apply only on a going forward basis.

6. PAYMENT OF ROYALTY

- (a) **Frequency of Payment of Royalty.** The Royalty shall be due and payable (net of Advance Royalty payments, without duplication) within 30 business days after the end of each calendar quarter in which the Gross Value accrues. The Grantee shall have the right to take their Royalty “**in kind**” subject to the following conditions:
- (i) The Grantee’s election to take their Royalty “**in kind**” must be made each year on a calendar basis by delivering written notice of that election by no later than October 31 of the preceding year. A failure to so deliver such notice shall be deemed to be an election not to take “**in kind**”. The Grantee’s option to take their Royalty “**in kind**” shall be applicable for all of the Royalty in the calendar year for which such option is exercised.
 - (ii) The Grantee shall be entitled to take “**in kind**” the Minerals in the form they are produced by Grantor at the Grantor’s processing facility at or near the Property or at the processing facility actually used by the Grantor.
 - (iii) As a precondition to taking the Royalty “**in kind**”, the Grantee shall pay the Grantor all costs and expenses that the Grantor would not have otherwise incurred except for the Grantee’s election to take “**in kind**”, if any, incurred by the Grantor or any Affiliate of the Grantor as a result of that taking “**in kind**”.
 - (iv) If the Grantee have elected to take the Royalty “**in kind**”, the Grantor shall advise the Grantee reasonably in advance when and where the Minerals will be available for delivery to the Grantee and of the charges payable to the Grantor with respect to such Minerals. It shall be the Grantee’s responsibility to arrange for the timely pick-up of Minerals and title and risk of loss of the same shall pass to the Grantee upon delivery to the Grantee (or their agent or nominee is so requested by the Grantee). Any storage, insurance or other handling costs of the Grantee’s share of such

Minerals after the delivery date shall be borne exclusively by the Grantee.

- (b) **Method of Making Payments.** All Royalty payments required to be made hereunder shall be mailed or delivered to the Grantee's address at 2249 Des Ormeaux, Montreal, Quebec, H1L 4W9.
- (c) **Records; Inspections.** All books and records used by the Grantor to calculate the Royalty shall be kept in accordance with generally accepted accounting principles. The Grantee may, at their sole expense, upon reasonable notice to the Grantor, inspect such books and records used to calculate the Royalty. No inspections taken hereunder shall be in derogation of the Grantee's right to make objections as described in subsection 6(d).
- (d) **Objections.** All Royalty payments shall be considered final and in full satisfaction of all obligations of the Grantor with respect thereto, unless the Grantee give the Grantor written notice describing and setting forth a specific objection to the calculation thereof within 180 days after receipt by the Grantee of the quarterly statement provided for herein. If an audit of production records is timely requested by the Grantee, then for up to a period of 90 days following receipt of the Grantee's objection, such audit shall be performed for the Grantor's records and accounts relating to the Royalty calculation by an independent certified public accountant acceptable to the Grantor at reasonable times and upon reasonable notice to the Grantor. If such audit determines that there has been a deficiency or an excess in the payment made of the Grantee such deficiency or excess shall be resolved by adjusting the next quarterly Royalty payment due hereunder. The Grantee shall pay all costs of such audit unless a deficiency in the payment made to the Grantee is greater than 5% of the Royalty determined to exist, in which event the Grantor shall pay such costs. Failure on the part of the Grantee to make claim on the Grantor for adjustment in the 180 day period referenced above shall conclusively establish the correctness of the statement and preclude the filing of exceptions thereto or the making of any claim of adjustment thereon for the calendar quarter in question.
- (e) **Application to Reprocessed and Other Materials.** If the Grantor reprocesses any mill tailings or any residues from the Property, the Royalty shall be payable only upon any Minerals recovered. The Grantee shall not be entitled to any royalties on ores or minerals produced from other properties which are otherwise processed at the Property by the Grantor.

7. NOTICE

All notices required or permitted to be given hereunder shall be given in writing and shall be sent by the parties by registered or certified mail, telex, facsimile transmission or by express delivery service to the address set forth below or to such other address as either party may later designate by like notice to the other:

(i) to the Grantor at:

357 Bay Street, Suite 901
Toronto, ON M5H 2T7
Attention: Roland Horst, President & CEO
Fax No.: (416) 363-7826

(ii) to the Grantee at:

2249 Des Ormeaux
Montreal, QC H1L 4W9
Attention: Mario Sarrazin
Fax No.: H1L 2W9

All notices required or permitted to be given hereunder shall be deemed to have been given upon the earliest of: (1) actual receipt; (2) acknowledgment in any form of receipt of telex or facsimile transmission; (3) the business day next following deposit with an express delivery service, properly addressed; or (4) 72 hours after deposit with Canada Post, properly addressed with postage prepaid. Any party may change its address from time-to-time by notice to the other party hereunder.

8. INTERPRETATION

- (a) **Governing Law.** This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (b) **Performance.** The failure of either the Grantee or the Grantor to insist on the strict performance of any provision of the this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Grantee's or the Grantor's right thereafter to enforce any provision or exercise any right hereunder. A waiver of any provision of this Agreement shall not be effective unless in writing and signed by the party against whom it is to be enforced.
- (c) **Invalidity of Provisions.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic

and legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

- (d) **Enurement**. This Agreement shall be binding on and shall enure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and permitted assigns of the Grantee and Grantor.

9. GENERAL

- (a) **Modifications in Writing**. No modification or amendment of this Agreement shall be valid unless made in writing and duly executed by the Grantee and the Grantor.
- (b) **Recording**. This Agreement may be recorded by either the Grantee or the Grantor to give record notice of this Agreement.
- (c) **No Prior Agreements**. This Agreement contains the entire understanding of the Grantee and the Grantor and supersedes all prior agreements and understandings among the Grantee and the Grantor relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Royalty Agreement as of the date and year first above written.

ROYAL NICKEL CORPORATION

Per: 
Authorized Signatory

JEFMAR INC.

Per: 
Authorized Signatory

SCHEDULE "A"

THIS IS SCHEDULE A to a Royalty Agreement dated as of the 26th day of March, 2008 between ROYAL NICKEL CORPORATION and JEFMAR INC.

CLAIM NUMBERS					
Claim #	Status	Township	Expiry Date	Owner/Prospector #	% Own
2099438	Active	Lamotte Township	2009/07/03	JEFMAR Inc.	100%
2099440	Active	Lamotte Township	2009/07/03	JEFMAR Inc.	100%
2099442	Active	Lamotte Township	2009/07/03	JEFMAR Inc.	100%
2108509	Active	Lamotte Township	2009/07/18	JEFMAR Inc.	100%
2108510	Active	Lamotte Township	2009/07/18	JEFMAR Inc.	100%
2116141	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116142	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116143	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116144	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116145	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2116146	Active	Lamotte Township	2009/08/07	JEFMAR Inc.	100%
2118907	Active	Lamotte Township	2009/08/22	JEFMAR Inc.	100%
2118908	Active	Lamotte Township	2009/08/22	JEFMAR Inc.	100%
2118909	Active	Lamotte Township	2009/08/22	JEFMAR Inc.	100%

32D-08 - map region

SCHEDULE "E"
VIRGINIA AGREEMENT

PROPERTY ACQUISITION AGREEMENT made as of July 16, 2014

BETWEEN: **VIRGINIA MINES INC.**, a corporation duly incorporated under the *Canada Business Corporations Act*, having its head office at 300, St-Paul Street, Suite 200, Québec, Québec G1K 7R1, represented for the purposes hereof by André Gaumond, President and Chief Executive Officer, duly authorized as he so declares;

(hereinafter "**Virginia**")

AND: **DONNER METALS LTD.**, a corporation duly incorporated under the *Canada Business Corporations Act*, having its head office at 1 Place Ville Marie, Suite 2001, Montréal, Québec H3B 2C4, represented for the purposes hereof by Normand Champigny, President and Chief Executive Officer, duly authorized as he so declares;

(hereinafter "**Donner**")

(collectively, the "**Parties**" and each of them, a "**Party**")

RECITALS:

- A. Virginia owns a 100% interest in 55 mining claims, which are located in the Province of Québec and can be found on National Topographic System (N.T.S.) sheet number 33D/08, and are more particularly described and located in Schedule "A" hereto (the "**Property**").
- B. The Parties have agreed to complete the following transaction relating to the Property on the terms and subject to the conditions set forth in this Agreement (collectively, the "**Transaction**"):
 - (a) Virginia shall assign, transfer and sell to Donner all of its rights, titles and interest in and to the Property subject to a 2% net smelter return royalty on the Property which Virginia shall retain in accordance with the terms set forth in Schedule "B" hereto; and
 - (b) Donner shall issue 588,235 Common Shares to Virginia at the Time of Closing.

THEREFORE, the Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

“**Agreement**” means this Property Acquisition Agreement and all instruments supplementing or amending or confirming this Agreement and references to “Article” or “Section” mean and refer to the specified Article or Section of this Agreement;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks located in the province of Québec are open for business during normal banking hours;

“**Common Shares**” means common shares in the capital of Donner as presently constituted;

“**Encumbrance**” means, whether registered or registrable or recorded or recordable, and regardless of how created or arising, any hypothec, mortgage, deed of trust, pledge, lien, security interest, adverse interest, net profits interest, royalty, overriding royalty interest, other payment out of production, claim, option to acquire or sell, off-take agreement, third party right of first refusal or pre-emptive right, other third person interest or other encumbrance or burden of any nature, whether contingent or absolute, and any agreement to grant, or right capable of becoming, any of the foregoing;

“**Donner Shares**” means the 588,235 Common Shares issued to Virginia in connection with the Transaction;

“**NSR**” shall have the meaning ascribed thereto in Section 3.1;

“**Parties**” and “**Party**” shall have the meanings ascribed thereto in the preamble;

“**Property**” shall have the meaning ascribed thereto in the Recitals;

“**Time of Closing**” shall have the meaning ascribed thereto in Section 2.2;

“**Transaction**” shall have the meaning ascribed thereto in the Recitals; and

“**TSX-V**” shall have the meaning ascribed thereto in Section 2.3

1.2 Certain Rules of Interpretation

In this Agreement:

(a) **Time** – Time is of the essence in the performance of the Parties’ respective obligations.

(b) **Business Day** – Whenever payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day.

1.3 Severability

If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement.

1.4 Entire Agreement

Upon the Parties' execution of this Agreement, this Agreement shall constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and shall supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

1.5 Applicable Law

This Agreement shall be governed in all respects by the laws in force in the Province of Québec.

ARTICLE 2 - PROPERTY INTEREST AND DONNER SHARES

2.1 Purchase and Sale

Subject to Section 2.3, the Parties agree to complete the Transaction as follows:

- (a) Virginia hereby assigns, transfers and sells to Donner all of its rights, titles and interests in and to the Property effective at the Time of Closing, subject to a 2% NSR on the Property which Virginia shall retain in accordance with Article 3 hereof; and
- (b) Donner agrees to issue 588,235 Common Shares at a price of \$0.17 per share to Virginia at the Time of Closing.

2.2 Closing Date

- (a) Closing of the Transaction will be completed at the offices of Virginia's legal counsel at 10:00 a.m. (Eastern Time) (the "Time of Closing") on the date this Agreement is executed or at such other place or time as may be mutually agreed upon by the Parties (the "Closing Date").
- (b) At the Time of Closing, Virginia shall receive a certificate representing the Donner Shares.
- (c) At the time of Closing, Virginia shall execute and provide Donner with a mining right transfer form evidencing the transfer of a 100% interest in the Property from Virginia in favour of Donner, in the form provided for by the *Ministère des Ressources Naturelles* of Québec as of the transfer date, together with any other document necessary or useful for such transfer, the whole to parties' satisfaction. Donner shall be responsible to pay any statutory or administrative fee or duty in relation to such transfer of mining rights and to the registration thereof.

2.3 Condition of Transaction

The Parties hereby acknowledge and agree that the completion of the Transaction is conditional upon Donner obtaining any necessary approvals of the TSX-V Venture Exchange (the "TSX-V") and providing copies of any correspondence with the TSX-V in respect thereto to Virginia.

2.4 Acknowledgements of the Parties

The Parties hereby acknowledge and agree that the Donner Shares are subject to a statutory hold period of not more than four (4) months and one (1) day from the date of issue and the certificate representing the Donner Shares will be endorsed with a legend setting out resale restrictions under applicable securities legislation. Virginia acknowledges it is solely responsible for compliance with such resale restriction period, the whole in accordance with applicable securities legislation.

2.5 Covenants

Subject to the Closing Date occurring, Virginia covenants and agrees to deliver to Donner all data relating to the Property in its control or possession (whether in paper or digital form) and make and do all such further acts and things, to execute and deliver such instruments, agreements and documents prepared by or on behalf of Donner as it shall consider reasonably necessary to give effect to the Transaction.

ARTICLE 3 - NSR

3.1 Granting of NSR

The Parties acknowledge and agree that effective at the Closing Time, Virginia shall be granted the 2% net smelter royalty (the "NSR") that is more particularly described in Schedule "B".

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES OF DONNER

Donner hereby represents, warrants and covenants (which representations, warranties or covenants shall survive the Closing Date for a period of two (2) years thereafter) as follows:

4.1 Incorporation

Donner is a valid and subsisting corporation duly incorporated and in good standing under the laws of Canada and has all requisite corporate power and authority to carry on its business as presently conducted and as presently proposed to be conducted, and to own, lease and operate all of its assets.

4.2 Capitalization

The authorized capital of Donner consists of an unlimited number of Common Shares of which 15,438,948 Common Shares are issued and outstanding on the date hereof prior to giving effect to the Transaction. When issued in accordance with the terms of this Agreement, the Donner Shares purchased hereunder will be duly issued and outstanding as fully paid and non-assessable shares of Donner.

4.3 No Conflict

The entering into of this Agreement by Donner and the consummation of the Transaction contemplated hereby does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of the constating documents or by-laws of Donner or any statute, law or regulation applicable to Donner or any agreement or instrument to which Donner is a party.

4.4 Due Authorization

This Agreement and the Transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of Donner and constitute valid obligations of Donner legally binding upon it and enforceable against it in accordance with its terms, subject however to the usual limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and the availability of equitable remedies. Donner has all corporate power and authority necessary to complete the Transaction.

4.5 Reporting Issuer Status

Donner is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario and Québec, is current and up-to-date in all material respects with all filings required to be made pursuant to applicable securities laws and is not included on the list of defaulting reporting issuers maintained by the respective securities commissions in such jurisdictions.

4.6 Public Listing

The issued and outstanding Common Shares are listed for trading on the TSX-V.

4.7 No Cease Trade Order

No order ceasing or suspending trading in the Common Shares nor prohibiting the sale of such securities has been issued by any securities commission of any Province or Territory of Canada to Donner or its directors, officers or promoters which is currently in effect, and to the best of Donner's knowledge, no such investigations or proceedings for such purposes are pending or threatened.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF VIRGINIA

Virginia hereby represents warrants and covenants (which representations, warranties or covenants shall survive the Closing Date for a period of two (2) years thereafter) as follows:

5.1 Incorporation

Virginia is a valid and subsisting corporation duly incorporated and in good standing under the laws of Canada and has all requisite corporate power and authority to carry on its business as presently conducted and as presently proposed to be conducted, and to own, lease and operate all of its assets.

5.2 No Conflict

The entering into of this Agreement by Virginia and the consummation of the Transaction contemplated hereby does not and will not conflict with and does not and will not result in a breach of any of the terms, conditions or provisions of the constating documents or by-laws of Virginia or any statute, law or regulation applicable to Virginia or any agreement or instrument to which Virginia is a party.

5.3 Due Authorization

This Agreement and the Transaction contemplated hereby have been duly authorized by all necessary corporate action on the part of Virginia and constitute valid obligations of Virginia legally binding upon it and enforceable against it in accordance with its terms, subject however to the usual limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and the availability of equitable remedies. Virginia has all corporate power and authority necessary to complete the Transaction.

5.4 Property Representations

- (a) Virginia is the sole beneficial owner of a 100% undivided interest in the Property and is the sole registered holder of a 100% interest in the Property, with good and marketable title thereto, free and clear of all Encumbrances (except for the NSR); and
- (b) Virginia has not made, committed, executed or suffered any act, deed, matter or thing whereby its interest in the Property may be subject to an Encumbrance in title or otherwise (except for the NSR).
- (c) The mining claims forming part of the Property are in good standing and no event, condition or occurrence exist that, after notice or lapse of time or both, would constitute a default under such mining claims. All taxes, duties or other payments and charges with respect to the Property have been paid in full as of the date hereof.

ARTICLE 6 - INDEMNIFICATION

6.1 Indemnification

- (a) The representations and warranties given in Article 4 and Article 5 constitute conditions on which the Parties have relied in entering into this Agreement.
- (b) Subject to Section 6.1(c), each Party shall indemnify and save the other Party harmless from any loss, damage or cost (including interests and reasonable legal fees

and disbursements) that arises as a result of or in connection with any claim whatsoever including any demand, action, motion, application, cause of action, dispute, trial, suit, administrative proceeding, quotation or re-quotation, order, judgement, decree or arbitral award, resulting from a breach, inaccuracy or untruth in respect of any representation or warranty that the Party has given in this Agreement (a "Claim").

(c) The obligation of a Party to defend the other Party pursuant to Section 6.1(b) is conditional upon the following:

(i) the Party that is subject to a Claim (the "Indemnified Party") must promptly give notice thereof to the Party having the obligation to indemnify the Indemnified Party (the "Indemnifying Party") and must thereafter cooperate fully in the defence of the Claim; and

(ii) except if the Indemnifying Party does not timely initiate the defence of the claim after receiving notice of the Indemnified Party, the Indemnifying Party shall have exclusive control of the defence and of any negotiation leading to the settlement of the Claim, provided that the written consent of the Indemnified Party shall be obtained before any settlement is made final and conclusive and has confirmed in writing to the Indemnified Party its obligation to indemnify the Indemnified Party in respect of the Claim in accordance with this Article 6.

6.2 Term

The mutual indemnification obligation of the Parties provided for in Section 6.1 shall remain in full force and effect and be binding upon the Parties for a period of two (2) years from the Closing Date.

ARTICLE 7 - CONFIDENTIALITY

7.1 Confidentiality

This Agreement and the contents hereof, and any instruments or agreements in implementation of this Agreement, shall be maintained in confidence by the parties and not disclosed to any other person.

ARTICLE 8 - MAINTENANCE OF THE PROPERTY, RIGHT TO RELINQUISH CLAIMS

8.1 Maintenance of Property

Subsequent to the Closing Date, Donner shall pay all governmental taxes, duties or other payments, make any minimum investments required by law, perform all acts and comply with all obligations under applicable law required to maintain the Property in good standing.

8.2 Right to Relinquish

Donner may at any time and from time to time abandon, surrender or allow to lapse the Property as it may determine, provided that Donner shall give to Virginia not less than 90 day written notice of its intention to do so.

Donner shall, if requested by Virginia by written notice to Donner within a thirty (30) day period from the initial notice from Donner, promptly deliver to Virginia duly executed assignments or other instruments of transfer of the Property so intended to be dealt with to effect the transfer of the Property to Virginia free and clear of any Encumbrances that have been created by or as a result of the activities of Donner or any of its affiliates, except for the NSR, with each mining claim so transferred to be in good standing at the time of such transfer.

ARTICLE 9 - TRANSFERS

9.1 Transfers by Donner

Donner shall not transfer any of its rights, titles and interests in and to the Property unless it first obtains from the agreement of the transferee in writing in which it agrees to assume and be responsible for all covenants, obligations and liabilities of Donner under the NSR.

9.2 Transfers by Virginia

Virginia shall have the unrestricted right to transfer all or any of its rights, interests, and obligations under this Agreement, including the NSR, effective upon written notice thereof to Donner.

ARTICLE 10 - GENERAL

10.1 Notices

Any notice or other writing required or permitted to be given under this Agreement or for the purposes of this Agreement (in this Section referred to as a "**Notice**") shall be in writing and shall be sufficiently given if delivered, or if sent by prepaid registered mail or if transmitted by facsimile or other form of recorded communication tested prior to transmission to such Party:

- (a) in the case of a Notice to Donner at:

Donner Metals Ltd.
1 Place Ville Marie
Suite 2001
Montréal, Québec
H3B 2C4

Attention: Normand Champigny, President and CEO
Facsimile: (514) 286-1565

(b) in the case of a Notice to Virginia at:

Virginia Mines Inc.
300 St-Paul
Suite 200
Québec, Québec
G1V 3V9

Attention: André Gaumont, President and CEO
Facsimile: (418) 694-9120

or at such other address as the Party to whom such Notice is to be given shall have last notified the Party giving the same in the manner provided in this Section 10.1. Any Notice delivered to the Party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day. Any Notice sent by prepaid registered mail shall be deemed to have been given and received on the fifth Business Day following the date of its mailing. Any Notice transmitted by facsimile or other form of recorded communication shall be deemed given and received on the first Business Day after its transmission.

10.2 Further Assurances

The Parties shall with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the Transaction contemplated by this Agreement, and each Party shall provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

10.3 Expenses

Each of the Parties shall be responsible for their own expenses in connection with the Transaction.

10.4 Amendment

This Agreement may not be amended or modified except by a written document executed by each of the Parties.

10.5 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

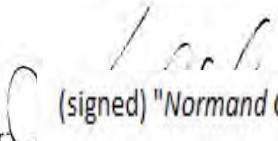
10.6 Language

The Parties have agreed that this Agreement and all contracts, documents and notices relating to this Agreement be drawn up in the English language; les parties aux présentes ont convenu que le présent contrat et tous autres contracts, documents ou avis afférents aux présentes soient rédigés en langue anglaise.


IN WITNESS OF WHICH the Parties have duly executed this Agreement as of the date first written above.

DONNER METALS LTD.

VIRGINIA MINES INC.

Per: 
(signed) "Normand Champigny"

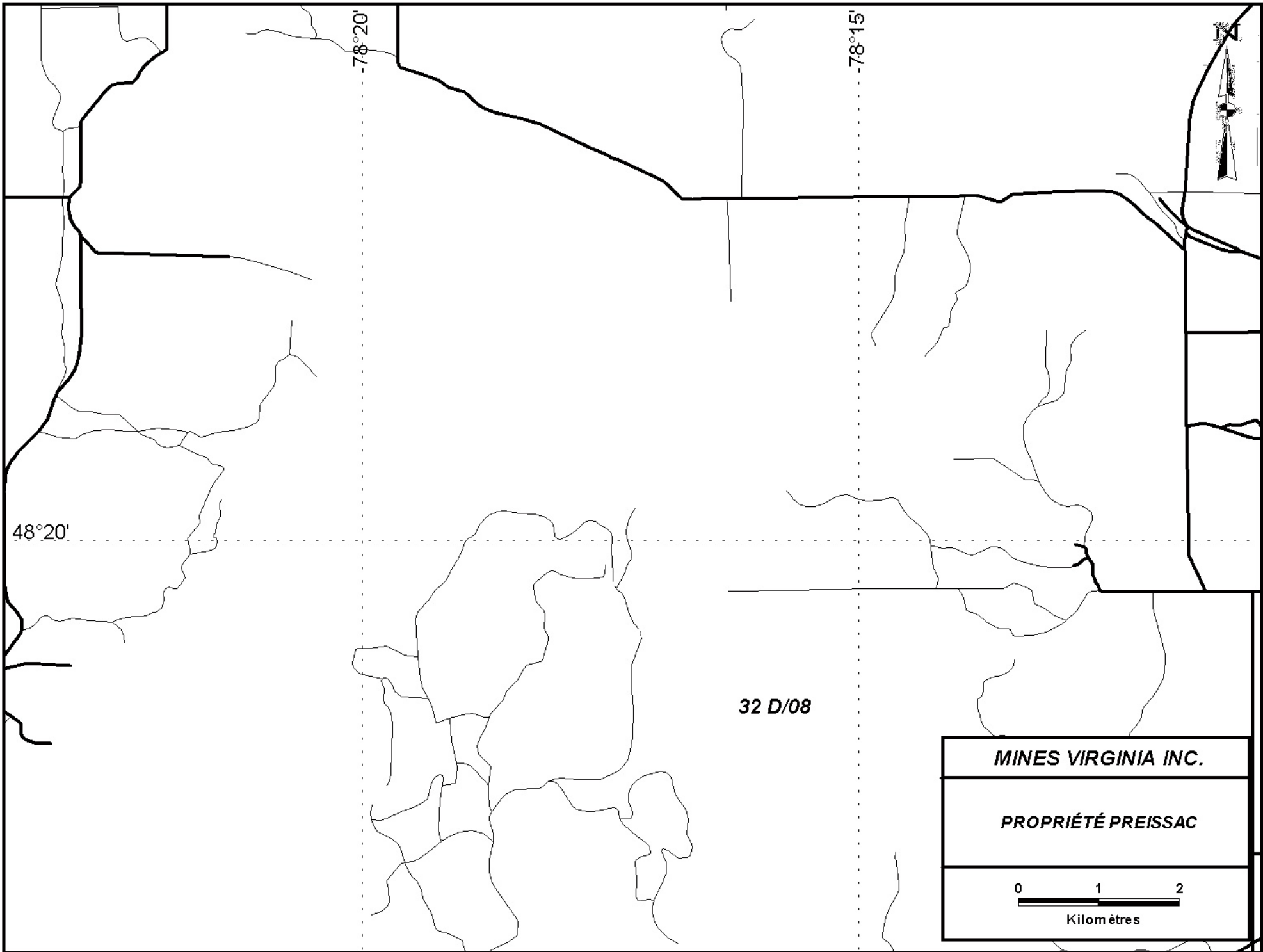
Normand Champigny
President and Chief Executive Officer

Per: 
(signed) "André Gaumond"

André Gaumond
President and Chief Executive Officer

SCHEDULE "A"
DESCRIPTION OF PROPERTY

Projet	Titulaire	NoClaim	Conserver	Pourcentage	SNRC	Superficie	Rangee	Colonne	Contrainte	leEnregistrem	DateExpiration	DroitRequis	TravauxRequis	Excédent
Preissac	Mines Virginia Inc.	2401101	FALSE	100	32 D/08	57.26	11	25		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401102	FALSE	100	32 D/08	57.26	11	26		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401103	FALSE	100	32 D/08	57.26	11	27		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401104	FALSE	100	32 D/08	57.26	11	28		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401105	FALSE	100	32 D/08	57.26	11	29		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401106	FALSE	100	32 D/08	57.26	11	30		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401107	FALSE	100	32 D/08	57.26	11	31		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401108	FALSE	100	32 D/08	57.26	11	32		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401109	FALSE	100	32 D/08	57.26	11	33		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401110	FALSE	100	32 D/08	57.26	11	34		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401111	FALSE	100	32 D/08	57.25	12	22		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401112	FALSE	100	32 D/08	57.25	12	23		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401113	FALSE	100	32 D/08	57.25	12	24		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401114	FALSE	100	32 D/08	57.25	12	25		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401115	FALSE	100	32 D/08	57.25	12	26		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401116	FALSE	100	32 D/08	57.25	12	27		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401117	FALSE	100	32 D/08	57.25	12	28		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401118	FALSE	100	32 D/08	57.25	12	29		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401119	FALSE	100	32 D/08	57.25	12	30		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401120	FALSE	100	32 D/08	57.25	12	31		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401121	FALSE	100	32 D/08	57.25	12	32		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401122	FALSE	100	32 D/08	57.25	12	33		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401123	FALSE	100	32 D/08	14.14	12	34		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401124	FALSE	100	32 D/08	3.61	12	35		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401125	FALSE	100	32 D/08	57.24	13	22 4		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401126	FALSE	100	32 D/08	57.24	13	23		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401127	FALSE	100	32 D/08	57.24	13	24		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401128	FALSE	100	32 D/08	57.24	13	25		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401129	FALSE	100	32 D/08	54.90	13	32		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401130	FALSE	100	32 D/08	46.31	13	33		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401131	FALSE	100	32 D/08	9.23	13	34		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401132	FALSE	100	32 D/08	51.61	5	1		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401133	FALSE	100	32 D/08	42.56	5	21		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401134	FALSE	100	32 D/08	3.68	12	36		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401135	FALSE	100	32 D/08	0.93	7	3		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401136	FALSE	100	32 D/08	42.27	5	2		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401137	FALSE	100	32 D/08	57.27	10	25		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401138	FALSE	100	32 D/08	57.27	10	26		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401139	FALSE	100	32 D/08	57.27	10	27		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401140	FALSE	100	32 D/08	57.27	10	28		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401141	FALSE	100	32 D/08	57.27	10	29		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401142	FALSE	100	32 D/08	57.27	10	30		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401143	FALSE	100	32 D/08	57.27	10	31		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401144	FALSE	100	32 D/08	57.27	10	32		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401145	FALSE	100	32 D/08	57.26	11	21		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401146	FALSE	100	32 D/08	57.26	11	22		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401147	FALSE	100	32 D/08	47.62	12	21		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401148	FALSE	100	32 D/08	9.44	13	16		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401149	FALSE	100	32 D/08	9.44	13	17		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401150	FALSE	100	32 D/08	3.69	13	18		20140307	20160306	\$28.00	\$500.00	\$0.00
Preissac	Mines Virginia Inc.	2401151	FALSE	100	32 D/08	46.63	14	21 4		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401152	FALSE	100	32 D/08	57.23	14	22 4		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401614	FALSE	100	32 D/08	37.74	10	24		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401615	FALSE	100	32 D/08	42.32	11	23		20140307	20160306	\$54.75	\$1,200.00	\$0.00
Preissac	Mines Virginia Inc.	2401616	FALSE	100	32 D/08	41.18	11	24		20140307	20160306	\$54.75	\$1,200.00	\$0.00



SCHEDULE "B"

NET SMELTER RETURN ROYALTY

SCHEDULE B

NET SMELTER RETURN ROYALTY

1. NET SMELTER RETURNS ROYALTY

- 1.1 The Owner shall pay to Virginia (including all its successors-in-interest and assignees) (the “**Holder**”) a perpetual two per cent (2%) net smelter return royalty from the sale or other disposition of all Minerals (as defined herein) produced from the Property (the “**Net Smelter Returns**”, “**Production Royalty**” or “**Royalty**”). For the purposes hereof, the term “**Minerals**” shall mean any and all metals, minerals or products of whatever kind and nature in, under or upon the surface or subsurface of the Property (including, without limitation, ore, metals, precious metals, base metals, uranium, industrial minerals, concentrates, gems, diamonds, commercially valuable rock, aggregate, clays and other minerals which are mined, excavated, extracted, recovered or otherwise sold from the Property). This Production Royalty shall apply to 100% of the Property.
- 1.2 **For all Minerals other than Precious Metals** and the beneficiated products thereof (the “**Other Minerals**”), the Production Royalty shall be determined by multiplying **(a)** the gross amount of the particular Other Mineral contained in the production from the Property during the precedent calendar month (the “**Monthly Production**”) delivered to the smelter, refiner, processor, purchaser or other recipient of such production or an insurer as a result of a casualty to such production (collectively the “**Payor**”) during the preceding calendar month by **(b)** the average of the New York Commodities Exchange final daily spot prices reported for the preceding calendar month (as quoted in *Metals Week*” when applicable) of the appropriate Other Mineral, and subtracting from the product of sections 1.2(a) and 1.2(b) only the following if actually incurred: **(i)** charges imposed by the Payor for smelting, refining or processing Other Minerals contained in such production, but excluding any and all charges and costs related to the Owner’s or any of its Affiliated Parties’ mills or other processing plants constructed for the purpose of milling or processing Other Minerals, in whole or in part; **(ii)** penalty, including but not limited to metal losses, assaying, and sampling charges imposed by the Payor for smelting, refining, or processing Other Minerals, contained in such production, but excluding any and all charges and costs related to the Owner’s or any of its Affiliated Parties’ mills or other processing plants constructed for the purpose of milling or processing Other Minerals, in whole or in part; **(iii)** charges and costs, if any, for transportation, including handling and securing, and insurance of Other Minerals and the beneficiated products thereof from the Owner’s or any of its Affiliated Parties final mill or other final processing plant to places where such Other Minerals are smelted, refined and/or sold or otherwise disposed of; **(iv)** any production taxes, severance taxes, excise, import or other taxes and levies based directly on or assessed against the production or the value of production of Other Minerals and which are paid by the Owner, but excluding any and all taxes (including mining taxes) that are classified as income taxes under IFRS (as defined herein) (whether based upon the net or gross income or outstanding capital of the Owner or other operator of the Property), taxes based on the value of the Property or the privilege of doing business, and

other taxes assessed on a similar basis; and **(v)** marketing costs, including sales commission, when applicable, incurred in selling Minerals or any other products derived from Minerals mined from the Property. If for any reason the New York Commodities Exchange does not report spot pricing for a particular Other Mineral, then the Parties shall mutually agree upon an appropriate pricing mechanism that accurately reflects the market value of any such Other Mineral. In the event that the Owner sells raw ores or concentrates produced from the Property, then the gross amount of the particular Mineral shall be equal to the amount of the proceeds actually received by the Owner during the calendar month from the sale of such raw ores or concentrates or refined metal.

- 1.3 In the event smelting, refining, or processing of Other Minerals are carried out in custom toll facilities owned or controlled, in whole or in part, by the Owner or any of its Affiliated Parties, which facilities were not constructed solely for the purpose of milling or processing Other Minerals from the Property, then charges, costs and penalties for such smelting, refining or processing shall mean the amount the Owner would have incurred if such smelting, refining or processing were carried out at facilities not owned or controlled by the Owner or any of its Affiliated Parties then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by the Owner with respect to such smelting and refining. In the event the Owner or any of its Affiliated Parties receives insurance proceeds for loss of production of Other Minerals from the Property, the Owner shall pay to the Holder the Royalty percentage of any such insurance proceeds, which are received by the Owner or any of its Affiliated Parties for such loss of production.
- 1.4 **For Precious Metals.** “**Net Smelter Returns**”, in the case of gold, silver and platinum group metals (“**Precious Metals**”), the Production Royalty shall be determined by multiplying **(a)** the gross number of troy ounces of Precious Metals recovered from the Monthly Production delivered to the Payor, by **(b)** for gold, Applicable Spot Price for the preceding calendar month, for silver, the monthly average silver price (average Comex First Position Price for refined silver as quoted in “*Metals Week*”) and for all other Precious Metals, the average of the New York Commodities Exchange final spot prices reported for the preceding calendar month for the particular Mineral for which the price is being determined, and subtracting from the product of Sections 1.4(a) and 1.4(b) only the following if actually incurred: **(i)** charges imposed by the Payor for refining bullion from doré or concentrates of Precious Metals (the “**Beneficiated Precious Metals**”) produced by the Owner’s or any of its Affiliated Parties’ final mill or other final processing plant; however, charges imposed by the Payor for smelting or refining of raw or crushed ore containing Precious Metals or other preliminarily processed Precious Metals shall not be subtracted in determining Net Smelter Returns; **(ii)** penalty, including but not limited to metal losses, assaying, and sampling charges imposed by the Payor; **(iii)** charges and costs, if any, for transportation, including handling and securing, and insurance of Beneficiated Precious Metals from the Owner’s or any of its Affiliated Parties’ final mill or other final processing plant to places where such Beneficiated Precious Metals are smelted, refined and/or sold or otherwise disposed of; **(iv)** any production taxes, severance taxes, excise, import or other taxes and levies based directly on or assessed against the production or the value of production of Precious Metals and which are paid by the Owner, but excluding any and all taxes (including mining taxes) that are classified as income taxes

under IFRS (whether based upon the net or gross income or outstanding capital of the Owner or other operator of the Property), taxes based on the value of the Property or the privilege of doing business, and other taxes assessed on a similar basis; and **(v)** marketing costs including sales commission when applicable.

1.5 In the event the refining of bullion from the Beneficiated Precious Metals contained in such production is carried out in custom toll facilities owned or controlled, in whole or in part, by the Owner or any of its Affiliated Parties, which facilities were not constructed solely for the purpose of refining Beneficiated Precious Metals or Other from the Property, then the charges, costs and penalties for such refining shall mean the amount that the Owner would have incurred if such refining were carried out at facilities not owned or controlled by the Owner or any of its Affiliated Parties then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by the Owner with respect to such refining. In the event the Owner or any of its Affiliated Parties receives insurance proceeds for loss of production of Precious Metals from the Property, the Owner shall pay to the Holder the Production Royalty percentage of any such insurance proceeds, which are received by the Owner or any of its Affiliated Parties for such loss of production.

1.6 **Payments of Royalty in Cash or in Kind.** Production Royalty payments shall be made to the Holder as follows:

(a) **Royalty in Kind.** Notice of election to receive the Royalty for Precious Metals and/or Other Minerals “in kind” shall be made in writing by the Holder and delivered to the Owner on or before January 1st of each year. In the event no written election is made, the Royalty for Precious Metals and/or Other Minerals will continue to be paid to the Holder as it is then being paid. **(i)** If the Holder elects to receive its Royalty for Precious Metals “in kind”, the Holder shall open a bullion storage account at each refinery or mint designated by the Owner as a possible recipient of refined bullion for which the Holder will be credited. The Holder shall be solely responsible for all costs and liabilities associated with maintenance of such account or accounts and the Owner shall not be required to bear any additional expense with respect to such “in-kind” payments. **(ii)** Royalties will be paid by the deposit of refined bullion into the Holder’s account at the refinery or mint at which the refined bullion is refined. On or before the 30th day of each calendar month following a calendar month during which production and sale or other disposition occurred, the Owner shall deliver written instructions to the mint or refinery, with a copy to the Holder directing the mint or refinery to deliver refined bullion due to the Holder in respect of the Royalty, by crediting to the Holder’s account the number of ounces of refined bullion for which Royalty is due; provided, however, that the words “other disposition” as used herein shall not include processing, milling, beneficiation or refining losses of Precious Metals. The number of ounces of refined bullion to be credited will be based upon the Holder’s share of the previous month’s production and sale or other disposition as calculated pursuant to the commingling provisions of section 1.8. **(iii)** Title to refined bullion delivered to the Holder hereunder shall pass to the Holder at the time such bullion is credited to the Holder at the mint or refinery. **(iv)** The Holder agrees to hold harmless the Owner from any liability imposed as a result of the election of the Holder to receive Royalty “in kind” and from any

losses incurred as a result of the Holder's trading and hedging activities. The Holder assumes all responsibility for any shortages, which occur as a result of the Holder's anticipation of credits to its account in advance of an actual deposit or credit to its account by a refiner or mint. **(v)** When royalties are paid "in kind", the amounts or quantities of Minerals to the account of the Holder will not reflect the costs deductible in calculating Net Smelter Returns hereunder. Within thirty (30) days of the receipt of a statement showing charges incurred by the Owner for transportation, smelting or other deductible costs, the Holder shall remit to the Owner full payment for such charges. If the Holder does not pay such charges when due, the Owner shall have the right, at its election, provided the Holder does not dispute such charges, to deduct such Minerals equivalent of such charges from the Minerals to be credited to the Holder in the following month.

- (b) **In Cash.** If the Holder elects to receive payment of the Royalty for Minerals "in cash", unless mutually agreed, payments shall be paid on or before the thirtieth (30th) day of the month following the calendar month in which Minerals subject to the Royalty were shipped to the Payor by the Owner. For purposes of calculating the cash amount due to the Holder, Precious Metals and Other Minerals will be deemed to have been sold or otherwise disposed of at the time refined production from the Property is delivered, made available, or credited to the Owner by a mint or refiner. The price used for calculating the cash amount due for Royalty on Other Minerals or Precious Metals shall be determined in accordance with Section 1.2 or Section 1.4 as applicable. The Owner shall make each Royalty payment to be paid in cash by delivery of a cheque payable to the Holder and delivering such cheque to the Holder or by direct bank deposit to the Holder's account as the Holder shall designate in writing. Should default be made in any cash payment when due for Royalty and such default still exists ten (10) days following notice of non-payment, then all unpaid amounts then due shall bear interest at the rate of fifteen percent (15%) per annum commencing from and after such payment due date until paid.
- (c) **Detailed Statement.** All Royalty payments or credits shall be accompanied by a detailed statement explaining the calculation thereof with any available settlement sheets from the Payor.
- (d) Notwithstanding the terms of any other provisions herein, the Owner shall not be obligated to make any Royalty payment before the Owner **(i)** in the case of payment in kind, has received possession of or been credited with, or **(ii)** in the case of payment in cash, received or been credited with payment for the sale or other disposition of, the Minerals upon which such Royalty payment is calculated, including Precious Metals, unless such failure to receive or be credited for payment in kind or in cash by the Owner or any of its Affiliated Parties is due to intentional delay by the Owner or any of its Affiliated Parties.
- (e) 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 the Owner is obligated in law to withhold or deduct and remit to such governmental authority. The Owner shall set out in the statement referred to in section 1.6(c) any amount so withheld.

- (f) All credits or receipts and all payments or disbursements in a currency other than Canadian shall be converted into Canadian currency on the day of receipt or disbursement, as the case may be, and all other disbursements in a currency other than Canadian shall be converted into Canadian currency at the average rate of the month of disbursement determined using the Bank of Canada noon rates.

1.7 **Monthly Production Reports and Reconciliation.** On or before the thirtieth (30th) day of the month, the Owner shall send to the Holder a production report for the prior calendar month. On or before the thirtieth (30th) day of the month, the Owner shall make an interim settlement based on the information then available of such Royalty for the prior calendar month, either “in cash” or “in kind”, whichever is applicable, by paying (i) not less than one hundred percent (100%) of the anticipated final settlement of Precious Metals or Other Minerals “in kind” Royalty payments and (ii) not less than ninety-five percent (95%), unless mutually agreed, of the anticipated final settlement of “cash” Royalty payments. The Parties recognize that a period of time exists between the production of ore, the production of doré or concentrates from ore, the production of refined or finished product from doré or concentrates, and the receipt of Payor’s statements for refined or finished product. As a result, the payment of Royalty will not coincide exactly with the actual amount of refined or finished product produced from the Property for the previous month. The Owner will provide final reconciliation within twenty five (25) days after settlement is reached with the Payor for all lots sold or subject to other disposition in any particular month. In the event that the Holder has been underpaid for any provisional payment (whether “in cash” or “in kind”), the Owner shall pay the difference “in cash” by cheque or direct bank deposit and not “in kind” with such payment being made at the time of the final reconciliation. If the Holder has been overpaid in the previous calendar month, the Holder shall forthwith make a payment to the Owner of the difference by cheque or direct bank deposit. Reconciliation payments shall be made on the same basis as used for the payment in cash pursuant to section 1.6(b) hereof; provided that the Owner shall be entitled to set off any amount owing to it by the Holder against the following month’s Royalty payment when due.

1.8 **Commingling.** With the approval of all Parties, the Owner shall have the right to commingle Precious Metals and Other Minerals from the Property with minerals from other properties. Before any Precious Metals or Other Minerals produced from the Property are commingled with minerals from other properties, the Owner shall ensure that Precious Metals or Other Minerals produced from the Property shall be measured and sampled in accordance with sound mining and metallurgical practices for assaying, weighing and for moisture, metal, commercial minerals and other appropriate content, applied on a consistent basis. Representative samples of the Precious Metals or Other Minerals shall be retained by the Owner and assays (including moisture and penalty substances) and other appropriate analyses of these samples shall be made before commingling to determine gross metal content of Precious Metals or gross metal or mineral content of Other Minerals. The Owner shall retain such analyses for a reasonable

amount of time, but not less than twenty-four (24) months, after receipt by the Holder of the Royalty paid with respect to such commingled Minerals from the Property, and shall retain such samples taken from the Property for not less than thirty (30) days after collection.

2. STOCKPILINGS AND TAILINGS

- 2.1 The Owner shall be entitled to temporarily stockpile, store or place ores or mined rock containing Minerals produced from the Property in any locations owned, leased or otherwise controlled by the Owner or its Affiliated Parties or any processor of such Minerals on or off the Property, provided the same are appropriately secured from loss, theft, tampering and contamination.
- 2.2 All tailings, residues, waste rock, spoiled leach materials, bulk samples, and other materials (collectively the "**Materials**") resulting from the Owner's operations and activities on the Property shall be the sole Property of the Owner, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Precious Metals or Other Minerals. Notwithstanding the foregoing, the Owner shall have the right to dispose of Materials from the Property on or off of the Property and to commingle the same (as provided herein) with materials from other properties. In the event Materials from the Property are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined on a pro rata basis as determined by using the best engineering and technical practices then available.

3. PERPETUITY

The Royalty shall be perpetual, it being the intent of the Parties hereto that, to the extent allowed by law, the Royalty shall constitute a vested interest in and a covenant running with the land affecting the Property and all successions thereof whether created privately or through government actions and, shall inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors and assigns so long as the Owner or any successor or assignee of the Owner holds any rights or interests in the Property. In the event a court of competent jurisdiction determines that any right, power or interest of any Party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the Effective Date of this Agreement. This Agreement shall not be terminated solely as a result of a violation of the rule against perpetuities.

4. RE-ACQUIRED INTERESTS

In the event the Owner or any Affiliated Party or any successor or assignee of it surrenders, allows to lapse or otherwise terminates its interest in any portion or all of the Property and within a period of five (5) years from the date of such surrender, lapse or other termination, reacquires a direct or indirect interest in respect of the land covered by the former Property, then the Royalty shall apply to such interest so reacquired. The

Owner shall give written notice to the Holder within ten (10) days of any acquisition or reacquisition of the Property.

5. INDEMNIFICATION BY OWNER

The Owner shall be responsible for all costs, fines, damages, judgments, penalties or responsibilities (environmental and otherwise) in connection with the Property, its ownership and use of the Property and for any and all work performed in and on the Property. The Owner will indemnify and save harmless the Holder from any loss, cost or liability (including any legal fees) arising from a claim against the Holder in respect of: **(a)** any failure by the Owner to timely and fully perform all reclamation, restoration, waste disposal or other closure obligations required by law or regulation, the terms and conditions of applicable licenses or by governmental authorities or otherwise to prevent liability in respect of all activities on the Property; **(b)** any failure or omission by the Owner which results in a violation of or liability under any present or future applicable federal, provincial, territorial or local environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licenses and other regulatory requirements, policies or guidelines in respect of all activities on the Property; and **(c)** any claims by third parties against the Holder in respect of Property damage or injury or death to persons arising out of the activities on or with respect to the Property.

6. REGISTRATION ON TITLE

The Parties agree that the Holder may register or record against title to the Property such form of notice, caution or other document(s) including, without limitation, such hypothec, collateral charge or mortgage as it considers appropriate to secure payment from time to time of the sums due under the Royalty and to give notice of the Holder's interests.

7. REPORTING, RECORDS AND AUDITS, INSPECTIONS, NEW RESOURCES OR RESERVES, CONFIDENTIALITY AND PRESS RELEASES

7.1 Reporting

No later than March 1 of each year, the Owner shall provide the Holder with an annual report of mining activities and operations conducted with respect to the Property during the preceding calendar year. Such annual report shall include details of: **(a)** the preceding year's mining activities with respect to the Property; **(b)** ore reserve data for the calendar year just ended; and **(c)** estimates of anticipated production and estimated remaining ore reserves with respect to proposed activities for the Property for the current calendar year.

7.2 Records and Audits

The Holder shall have the right, twice per calendar year, upon reasonable advance notice to the Owner, to inspect and perform audits of all books, records, technical data, information and materials relevant to the production and stockpiling of Minerals and the calculation and payment of the Royalty (the "**Data**"); provided that such inspections shall not unreasonably interfere with the Owner's activities with respect to the Property. The Owner makes no representations or warranties to the Holder concerning any of the Data or any information contained in the annual reports, and the Holder agrees that if it elects to rely on any such Data or

information, it does so at its sole risk. All books and records used by the Owner to calculate royalties due hereunder shall be kept in accordance with International Financial Reporting Standards (“IFRS”). If any such audit or inspection reveals the Royalty payments for any calendar year are underpaid by more than five percent (5%), the Owner shall reimburse the Holder for its reasonable costs incurred in such audit or inspection. If any such audit or inspection reveals the Royalty payments for any calendar year are overpaid by more than five percent (5%), the Holder shall reimburse the Owner for its reasonable costs incurred in such audit or inspection. Subject at all times to applicable work place rules and the supervision of the Owner, the Holder shall be entitled to enter the mine workings and structures on the Property at reasonable times upon reasonable advance notice for inspection thereof, but the Holder shall so enter at its own risk and shall indemnify and hold the Owner and its Affiliated Parties harmless against and from any and all loss, costs, damage, liability and expense (including but not limited to reasonable attorneys’ fees and costs) by reason of injury to the Holder or its agents or representatives or damage to or destruction of any Property of the Holder or its agents or representatives while on the Property on or in such mine workings and structures, unless such injury, damage, or destruction is a result, in whole or in part, of the negligence of the Owner.

7.3 **Conduct of Operations**

- (a) Notwithstanding any other term herein, all decisions concerning methods, the extent, times, procedures and techniques of any (i) exploration, development and mining related to the Property; (ii) leaching, milling, processing or extraction treatment; (iii) materials to be introduced on or to the Property or produced therefrom; and (iv) all decisions with regards to temporary or long-term cessation of Commercial Production, shall be made by the Owner in its sole and absolute discretion and all decisions concerning the sale, refinement or other disposition of Minerals from the Property shall be made by the Owner acting with commercial reasonableness.
- (b) The Owner 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 conducted in accordance with accepted mining practices. The Owner shall not at any time be required to mine Minerals but shall process any Minerals that it mines from the Property as reasonably expeditiously as possible.
- (c) Each time the Owner establishes a mineral resource or a mineral reserve estimate on the Property or establishes a new mineral resource or a new material change estimate which is material change to the prior mineral resource or mineral reserve estimate, the Owner shall provide the Holder with such estimate as soon as practicable.

7.4 **Confidentiality**

The Holder shall not, without the prior written consent of the Owner, which shall not be unreasonably delayed or withheld, knowingly disclose to any third party Data or information which is not generally available to the public; provided, however, that the Holder may disclose Data or information so obtained without the consent of the Owner: **(a)** if required for compliance with laws, rules, regulations or

orders of a governmental agency or stock exchange; **(b)** to any of the Holder's consultants or advisors; **(c)** to any third party to whom the Holder, in good faith, anticipates selling or assigning the Holder's interest in the Royalty; and **(d)** to a prospective lender; or **(e)** 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, provided however, that any such third party to whom disclosure is made has a legitimate business need to know the disclosed information.

7.5 Definitions

"Affiliated Party" means a corporation that de facto controls or is controlled by or is under common control with the relevant Party hereto. An affiliate of a Party is an Affiliated Party.

"Applicable Spot Price" means the average London Bullion Market Association P.M. Gold Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported.

"Commercial Production" means the first day of the month following the first fifteen (15) consecutive days (excluding any statutory holiday during which the activities have been suspended) during which products have been extracted from the Property on a commercial basis and on a sustained and continuous rate of not less than sixty percent (60%) of the initial rated process plant capacity as specified in the Feasibility Study. This definition shall not include Operations related to a bulk sample or any milling for the purpose of testing or milling by a pilot plant.

"Feasibility Study" means a comprehensive study prepared in accordance with National Instrument 43-101 of a mineral deposit in which all geological, engineering, legal, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production. For more clarity, without restricting the generality of the foregoing, the Feasibility Study may include: (a) the territory covered by the Feasibility Study; (b) an evaluation of exploitable reserves of Minerals, their composition and their content; (c) the mining and milling methods for the ore from such reserves; (d) the results of metallurgic tests; (e) the nature and quantity of machinery, equipment and other tools required for operating the Mine and the marketing of the ore if, in the opinion of the owner, the quantity of ore to be transformed justifies it, in which case the Feasibility Study may include the blueprints of such a plant; (f) the capital required for the acquisition, the construction and the installation of the machinery and the equipment, including a schedule forecasting periods for the repayment of the capital required for such purchases; (g) an estimate of current expenses and capital investments to be met during the first five (5) years of exploitation; (h) an estimate of the anticipated annual return on such exploitation; and (i) a comprehensive budget of current and operating expenses for the first year of mining.

"Owner" means the owner of a 100% interest into the Property, being Donner on the Closing .

"Parties" means the Holder and the Owner collectively.

“Party” means either of the Parties individually.

AMENDMENT DATED JULY 29, 2014 TO THE PROPERTY ACQUISITION AGREEMENT
DATED AS OF JULY 16, 2014

BETWEEN: VIRGINIA MINES INC.

("Virginia")

AND: DONNER METALS LTD.

("Donner")

WHEREAS pursuant to an agreement dated as of July 16, 2014 (the "**Agreement**"), Virginia agreed to assign, transfer and sell to Donner, effective as of the Closing Time (as defined in the Agreement), all of its rights, titles and interest in and to 55 mining claims known as the Preissac Property (the "**Property**") and described in Schedule "A" to the Agreement, subject to a 2% net smelter return royalty on the Property which Virginia shall retain in accordance with the terms set forth in Schedule "B" to the Agreement; and

WHEREAS the parties wish to amend Section 1.5 respecting the applicable law governing the Agreement.

NOW THEREFORE THE PARTIES HEREBY AGREE AS FOLLOW:

1. Section 1.5 of the Agreement is hereby amended in order to read as follows:

This Agreement shall be governed in all respects by the laws in force in the Province of Québec, except for Schedule "B", which shall be governed by the laws of Ontario.

2. Except as herein provided, all other provisions of the Agreement shall remain in force and effect in accordance with their terms.
3. The parties have agreed that this agreement and all contracts, documents and notices relating to this agreement be drawn up in the English language. *Les parties aux présentes ont convenu que le présent contrat et tous autres contracts, documents ou avis afférents aux présentes soient rédigés en langue anglaise.*

AND THE PARTIES HAVE SIGNED:

VIRGINIA MINES INC.

(signed) "Robin Villeneuve"

By: Robin Villeneuve

DONNER METALS LTD.

(signed) "Normand Champigny"

By: Normand Champigny