

**PROPERTY PURCHASE AGREEMENT**

**-BETWEEN-**

**LEGENDARY ORE MINING CORPORATION**

**-AND-**

**TRANSITION METALS CORP.**

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**November 9, 2018**

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## PROPERTY PURCHASE AGREEMENT

**THIS AGREEMENT** is made as of November 9, 2018,

**BETWEEN:**

**LEGENDARY ORE MINING CORPORATION**, a corporation existing under the laws of Ontario  
 (“**Purchaser**”)

- and -

**TRANSITION METALS CORP.**, a corporation existing under the laws of Ontario  
 (“**Transition**”)

**WHEREAS** Transition is the beneficial and registered owner of the Purchased Assets (as defined herein);

**AND WHEREAS** Purchaser is a wholly owned subsidiary of Parent;

**AND WHEREAS** Parent and Transition are parties to a Letter of Intent (as defined herein), which contemplates the purchase and sale of the Purchased assets;

**AND WHEREAS** Transition desires to sell, and Purchaser desires to purchase, the Purchased Assets upon and subject to the terms and conditions set out in this Agreement;

**NOW THEREFORE** in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

“**affiliate**” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions*.

“**Agreement**” means this property purchase agreement, including the schedules attached hereto.

“**ASX**” means the Australian Securities Exchange.

“**ASX Listing Rules**” means the listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

“**Authorization**” means with respect to any Person, any order, permit, approval, consent, waiver, licence, registration or similar authorization of any Governmental Entity having jurisdiction over the Person.

**“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

**“Cash Consideration”** has the meaning ascribed thereto in Section 2.2.

**“Closing”** means the closing of the purchase and sale of the Purchased Assets.

**“Closing Date”** means three (3) Business Days following the date on which all of the conditions precedent to the completion of the Transaction as set out in Article 6 of this Agreement have been satisfied or waived in accordance with this Agreement, or such earlier or later date as the Parties may agree in writing, such date to occur not later than the Outside Date.

**“Closing Time”** means 9:00 a.m. (Toronto time) or such other time as the Parties may agree in writing on the Closing Date.

**“Consideration Shares”** has the meaning ascribed thereto in Section 2.2.

**“Contract”** means any agreement, commitment, engagement, contract, franchise, licence, lease, obligation, undertaking or joint venture (written or oral) relating to the Purchased Assets and to which Transition is a party or by which Transition is bound or affected.

**“Data”** means the digital and physical material provided to Purchaser by Transition for the purposes of due diligence investigation by Purchaser.

**“Deposit”** means the deposit in the amount of \$50,000 paid by Purchaser to Transition in accordance with the Letter of Intent.

**“Encumbrance”** means any encumbrance of any kind whatsoever on property including any privilege, mortgage, hypothec, lien, charge, pledge, security interest, adverse claim or any other option, right or claim of others of any kind whatever, whether contractual, statutory or otherwise, arising.

**“Environment”** means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, sewer system, and any other environmental medium or natural resource and the environment in the workplace.

**“Environmental Laws”** means all Laws and agreements with Governmental Entities and all other statutory requirements relating to the Environment, public health and safety, noise control, pollution, reclamation or the protection of the Environment or to the generation, production, installation, use, storage, treatment, disposal, handling, transportation, Release or threatened Release of Hazardous Substances, including civil responsibility for acts or omissions with respect to the Environment, and all Authorizations issued pursuant to such Laws, agreements or other statutory requirements.

**“Environmental Permits”** means all permits, certificates, approvals, consents, authorizations, registrations, licenses or program participation requirements with or from any Governmental Entity under any Environmental Laws;

**“Expenditure Commitment”** has the meaning ascribed thereto in 4.3(b);

**“Expiry Date”** has the meaning ascribed thereto in 4.3(b);

**“Exploration Expenditures”** means the aggregate amount of all direct costs, outlays and expenses reasonably spent or incurred by Purchaser or any of its affiliates in accordance with good mineral industry

practice in connection with the evaluation, exploration and development of the Property, including, without limitation, moneys expended in maintaining the Property in good standing and costs incurred in connection with complying with Environmental Laws, all costs relating to 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 on the Property, all insurance costs, moneys expended in doing and filing assessment work, expenses paid for or incurred in connection with any program of surface or underground prospecting, exploring, geophysical, geochemical and geological surveying, drilling, drifting, raising and other underground work, assaying and engineering, bulk sampling, environmental studies, data preparation and analysis, submissions to governmental authorities, all associated, non-recoverable sales taxes, paying the fees, wages, salaries, travelling expenses and fringe benefits of all persons engaged in work with respect to and for the benefit of the Property;

**“Governmental Entity”** means (i) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

**“Hazardous Substances”** means any element, waste or other substance, whether natural or artificial and whether consisting of gas, liquid, solid or vapor that is prohibited, listed, defined, judicially interpreted, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is regulated under Environmental Laws.

**“IFRS”** means International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

**“knowledge”** means, with respect to Transition, the actual knowledge of Scott McLean, the President and Chief Executive Officer of Transition, Chris Chadder, the Chief Financial Officer of Transition or Greg Collins, P.Geo. (APGO), a “Qualified Person” under National Instrument 43-101- *Standards of disclosure for Mineral Projects*, in each case, after making reasonable inquiry to inform himself as to the relevant matter, but without any obligation to make any inquiries of any other person, including Governmental Entities, and without the requirement to perform any search of any public registry office or system. The Purchaser and Parent acknowledge that no site visit or personal inspection has been completed by any directors, officers, employees or consultants of Transition since the date of acquisition of the Property.

**“Law”** means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

**“Letter of Intent”** means the letter of intent dated August 24, 2018 between Transition and Parent.

**“Material Adverse Effect”** means any fact or state of facts, circumstance, change, effect, occurrence or event which individually or in the aggregate is, or individually or in the aggregate could reasonably be expected to: (i) be material and adverse to the Purchased Assets, the business or operations contemplated to be carried on in

respect thereof or the liabilities or obligations related thereto; or (ii) prevent, or materially delay or hinder Transition from performing its obligations under this Agreement.

“**Mineral Rights**” means the rights to prospect and explore for, to develop and to mine minerals on, in or under any lands.

“**Mining Act**” means the *Mining Act* (Ontario);

“**Misrepresentation**” has the meaning ascribed thereto under Securities Laws.

“**MNDM**” means the Ontario Ministry of Energy, Northern Development and Mines or any successor department or agency;

“**officer**” has the meaning ascribed thereto in the Securities Act.

“**Ordinary Course**” means, with respect to an action taken by Transition, that such action is consistent with the past practices of Transition and is taken in the ordinary course of the normal day-to-day operations of the business of Transition.

“**Outside Date**” means December 9, 2018.

“**Parent**” means Vanicom Resources Limited, a corporation existing under the laws of Australia.

“**Parties**” means, collectively, Purchaser and Transition, and “**Party**” means either of them.

“**Permitted Encumbrance**” means, in respect of the Purchased Assets:

- (a) the reservations, limitations, provisos and conditions expressed in any original grant from a Governmental Entity;
- (b) agreements with any Governmental Entity and any public utilities or private suppliers of services that in each case, and in the aggregate, do not materially detract from the value or materially interfere with the use of the real or immovable property subject thereto, provided that same have been complied with;
- (c) liens for Taxes and utilities which are not due or in arrears;
- (d) easements, encroachments and minor imperfections of title which do not, individually or in the aggregate, materially detract from the value of or impair the use or marketability of the real or immovable property subject thereto; and
- (e) any claim by any First Nation or other aboriginal people based on treaty rights, traditional territory or otherwise.

“**Person**” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

“**Property**” means, collectively, all lands and Property Rights therein commonly known as the “Dundonald” property or project as more particularly described in Schedule "C", together with all renewals or extensions thereof and all surface, water and ancillary or appurtenant rights attached or accruing thereto.

“**Property Rights**” has the meaning ascribed thereto in subparagraph 8(a) of Schedule "A".

“**Purchase Price**” has the meaning ascribed thereto in Section 2.2.

“**Purchased Assets**” means all property, assets and rights of every description whether real, personal or mixed, relating to:

- (a) a 100% interest in the Property, including the Mineral Rights in or with respect to the Property;
- (b) all easements appurtenant to the Property;
- (c) all geological, geophysical, geochemical and test data and all other information (including internal and external studies, analyses and other work products) in relation to the Property acquired, proved, gained or developed heretofore or in the possession or under the control of Transition;
- (d) all improvements to the Property, all fixtures, plant, machinery, equipment, supplies, infrastructure and any other properties or rights of any description whether real or personal, in relation to the Property or the business of Transition in relation to the Property.

“**Purchaser**” means Legendary Ore Mining Corporation, a corporation existing under the laws of Ontario.

“**Reclamation**” means the reclamation, restoration or closure of any facility or land utilized in any exploration, mining or processing operation required by any Law or any franchises, approvals, authorizations, permits, licenses, easements, registrations, qualifications, leases, variances and similar rights obtained from any Governmental Authority, including those required under Environmental Law.

“**Release**” has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment or migration of a Hazardous Substance into or through the Environment or into or out of any lands or waters, including the movement of a Hazardous Substance through or in any part of the Environment.

“**Required Consents and Approvals**” means those consents and approvals listed in Schedule "E";

“**Royalty**” has the meaning ascribed thereto in Section 2.2(b).

“**Royalty Agreement**” has the meaning ascribed thereto in Section 2.2(b).

“**Securities Act**” means the *Securities Act* (Ontario).

“**Securities Laws**” means the Securities Act and all rules, regulations, published notices and instruments thereunder, and all comparable securities Laws in each of the provinces of Canada.

“**Subsidiary**” means, with respect to a Person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such Person and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to subsidiary.

“**Transition**” means Transition Metals Corp., a corporation existing under the laws of Ontario.



“**Transition Fundamental Reps**” means the representations and warranties of Transition set forth in paragraphs (1) [*Organization and Qualification*], (2) [*Corporate Authorization*], (3) [*Execution and Binding Obligation*], (4) [*Governmental Authorization*], (5) [*Non-Contravention*], (11) [*Real Property Matters*], (12) [*No Option on Assets*] and (14) [*Environmental Matters*] of Schedule "A".

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Taxes**” means (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, unclaimed property, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of or in lieu of amounts of the type described in clause (i) above or this clause (ii); (c) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (d) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

“**Transaction**” means, collectively, the transactions contemplated by this Agreement in relation to the purchase of the Purchased Assets by Purchaser and the sale of the Purchased Assets by Transition, as contemplated herein.

“**Transfer Taxes**” has the meaning ascribed thereto in Section 4.5.

“**Wilful Breach**” means a breach of this Agreement that is a consequence of an act undertaken by the breaching Party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement.

## 1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specified:

- (a) **Headings, etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.
- (b) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (d) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article”, “Section”, and “Schedule” followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement.

- (e) **Capitalized Terms.** Unless expressly indicated otherwise, all capitalized terms used in any Schedule have the meanings ascribed to them in this Agreement.
- (f) **Accounting Terms.** All accounting terms are to be interpreted in accordance with IFRS and all determinations of an accounting nature in respect of Transition required to be made shall be made in a manner consistent with IFRS.
- (g) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (h) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.
- (i) **Time References.** References to time are to local time, Toronto, Ontario.
- (j) **Consent.** If any provision requires approval or consent of a Party and such approval or consent is not delivered within the specified time limit, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (k) **Schedules.** The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

## **ARTICLE 2 PURCHASED ASSETS AND PURCHASE PRICE**

### **2.1 Purchase and Sale**

On and subject to the terms and conditions of this Agreement, including the representations, warranties and covenants contained herein, on the Closing Date, Transition shall sell, assign, transfer and convey unto Purchaser and Purchaser shall purchase from Transition a 100% interest in the Purchased Assets, free and clear of all Encumbrances, other than Permitted Encumbrances.

### **2.2 Purchase Price**

The purchase price payable by Purchaser to Transition for the Purchased Assets (the “**Purchase Price**”) shall be fully paid and satisfied by:

- (a) as to the amount of the Deposit, by application of the Deposit, which is acknowledged by Transition as duly received on August 29, 2018 in accordance with the Letter of Intent;
- (b) the grant, on the Closing Date, by Purchaser to Transition of a 2.5% net smelter return royalty (the “**Royalty**”) on the Property, in accordance with the terms of the royalty agreement annexed hereto as Schedule "D" to be entered into by Purchaser and Transition on the Closing Date (the “**Royalty Agreement**”);
- (c) the payment by Purchaser to Transition of an amount in cash equal to \$100,000 (the “**Cash Consideration**”), which Cash Consideration shall be paid at the Closing Time by Purchaser to Transition by wire transfer of immediately available funds; and

- (d) the issuance to Transition by Purchaser, subject to applicable laws, of 1,750,000 ordinary shares (the “**Consideration Shares**”) of Parent at the Closing Time, which Consideration Shares shall be registered in the name of Transition or as Transition may otherwise direct in writing. Notwithstanding the foregoing, in the event Parent completes an initial public offering or other concurrent financing of ordinary shares in connection with the listing of Parent on the ASX at a price of less than \$0.20 per ordinary share, Parent will within ten days of such listing on the ASX issue to Transition such number of additional ordinary shares of Purchaser (which shall be included as Consideration Shares for purposes of this Agreement) as necessary to equate an aggregate value for the Consideration Shares of \$350,000 upon the completion of the listing of Parent on the ASX.

### **ARTICLE 3 REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS**

#### **3.1 Representations and Warranties of Transition**

Transition represents and warrants to Purchaser as set forth in Schedule "A" and acknowledges and agrees that Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement.

#### **3.2 Representations and Warranties of Purchaser**

Purchaser represents and warrants to Transition as set forth in Schedule "B" and acknowledges and agrees that Transition is relying upon such representations and warranties in connection with the entering into of this Agreement.

### **ARTICLE 4 COVENANTS**

#### **4.1 Conduct of Business of Transition**

Transition covenants and agrees that, during the period from the date of this Agreement until the earlier of the Closing Date and the time that this Agreement is terminated in accordance with its terms, except with the express prior written consent of Purchaser, as required or permitted by this Agreement, or as required by Law, Transition shall conduct its business in respect of the Purchased Assets in the Ordinary Course and Transition shall maintain and preserve the Purchased Assets and perform and comply with all of its obligations under all Contracts. For greater certainty, Purchaser acknowledges that this Section 4.1 shall not apply to the conduct of business by Transition in respect of its properties and assets other than the Purchased Assets.

#### **4.2 Certain Covenants of Transition Relating to the Transaction**

- (a) Transition shall perform all obligations required or desirable to be performed by Transition under this Agreement, co-operate with Purchaser in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transaction and, without limiting the generality of the foregoing, Transition shall:
  - (i) use commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction;
  - (ii) obtain and maintain all third party or other consents (including from Governmental Entities), waivers, permits, exemptions, orders, approvals, agreements, amendments

or confirmations, including the Required Consents and Approvals, that are (A) necessary in connection with the Transaction, (B) required to be obtained in relation to any of the Purchased Assets, or (C) required in order to maintain any Contracts, leases, Authorizations, licenses or other authorizations in respect of the Purchased Assets in full force and effect immediately following the Closing, in each case, on terms that are reasonably satisfactory to Purchaser, and without committing Purchaser or Transition to pay any additional consideration or incur any additional Liability other than the existing Liabilities relating to such Purchased Assets or make the Purchased Assets subject to any additional Liability as a condition precedent to the granting of any such consent, authorization, exemption, order, approval, agreement, amendment or confirmation, in each case without the prior written consent of Purchaser or Transition, as the case may be.

- (iii) in connection with the preceding 4.2(a)(ii), Transition shall: (A) prior to the Closing, prepare all requisite notification letters (and provide copies to Purchaser) to be submitted to each applicable Governmental Entity confirming the Transaction and, where applicable, requesting approval for the transfer to Purchaser or issuance, as applicable of all transferrable Authorizations relating to the Purchased Assets; and (B) provide Purchaser with all material correspondence made by Transition or received by Transition with respect to the Required Consents and Approvals;
  - (iv) effect all necessary registrations, filings and submissions of information required by Governmental Entities relating to the Transaction and coordinating and cooperating with Purchaser with respect thereto;
  - (v) oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transaction and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Transaction or this Agreement; and
  - (vi) not take any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Transaction.
- (b) Transition shall promptly notify Purchaser in writing of:
- (i) any Material Adverse Effect or any fact or state of facts, circumstance, change, effect, occurrence or event which could reasonably be expected to have a Material Adverse Effect;
  - (ii) any notice or other communications from any Person or any Governmental Entity relating to or involving or otherwise adversely affecting the Purchased Assets or that relate to this Agreement or the Transaction.
- (c) Transition acknowledges that, in connection with any listing of Parent's shares on the ASX, a portion of the Consideration Shares to be issued as part of the Transaction may become subject to escrow provisions under the ASX Listing Rules or other escrow requirements negotiated by Parent and underwriters in connection with an initial public offering of Parent's shares. In such a case, Transition agrees to deposit the number of Consideration Shares subject to any such escrow with an escrow agent determined by Parent, to be held in escrow and released over time, in accordance with the applicable ASX Listing Rules or other related agreements. Transition f

agrees that the terms of the escrow shall be negotiated by counsel for Parent and the ASX or underwriters, as the case may be, and Transition agrees to accept such terms imposed by the ASX, provided such escrow is in compliance with the ASX Listing Rules and the published policies of the ASX, or as otherwise agreed by Parent and any underwriter. Parent agrees to use its reasonable commercial efforts to obtain the most advantageous escrow terms for Transition.

#### **4.3 Certain Covenants of Covenants of Purchaser Relating to the Transaction**

- (a) Purchaser shall perform all obligations required or desirable to be performed by Purchaser under this Agreement, co-operate with Transition in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transaction and, without limiting the generality of the foregoing, Purchaser shall use commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction.
- (b) Purchaser shall, prior to the date (the “**Expiry Date**”) that is thirty six (36) months from the date of this Agreement, incur cumulative Exploration Expenditures of at least \$750,000.00 (the “**Expenditure Commitment**”) in connection with the Property. In the event that Purchaser fails to make the Expenditure Commitment prior to the Expiry Date, then Transition will have the option to re-acquire the property for a purchase price of \$1.00 within thirty days of the Expiry Date.
- (c) Within thirty (30) days following the Closing Date, Transition will have the right, but not the obligation to nominate a director to the board of Purchaser.
- (d) Except as otherwise required by applicable Law or securities regulatory authorities or any stock exchange, each party will use commercially reasonable efforts to 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.

#### **4.4 Access to Information and Access for Due Diligence**

Transition shall permit Purchaser and its representatives, between the date of this Agreement and the Closing, unrestricted access to (a) the Property and all surface facilities and underground workings at Purchaser’s sole risk and cost, (b) the books and records in respect of the Property (whether in writing or stored in computerized, electronic, disk or any other form), including information regarding mining claims, permits, licenses and leases, surface and access rights, environmental matters and other documents reasonably needed in order to conduct its due diligence review (the “**Due Diligence Review**”). The Transaction is subject to satisfaction with the results of the Due Diligence Review in Purchaser’s sole discretion.

#### **4.5 Tax Matters**

Purchaser shall be solely liable for any and all transfer, sales, use, stamp, registration, value added and other such Taxes (including penalties and interest in respect thereof) (“**Transfer Taxes**”) incurred in connection with this Agreement, including liabilities arising from the reassessment or nonpayment of any such Transfer Taxes,

but in each case only to the extent such Transfer Taxes or liabilities arise from the conveyance or a transfer of the Purchased Assets by Transition to Purchaser. Each party shall, at its own expense, timely file any tax return or other document with respect to such Transfer Taxes (and each party shall cooperate with each other party with respect thereto as reasonably necessary).

#### **4.6 Required Consents and Approvals**

To the extent applicable, on and after the Closing Date, until such time as the Required Consents and Approvals have been obtained, to the extent permitted by Law, Transition shall hold any Contract or Authorization which relates to the Required Consents and Approvals in trust for the benefit of Purchaser and the covenants and obligations thereunder shall be fully performed by Transition at the sole expense of Purchaser and all, from and after the Closing Time, benefits and obligations existing thereunder shall be for the account of Purchaser and all costs (if any) in respect thereof shall also be for the account of Purchaser.

### **ARTICLE 5 NON-SOLICITATION**

#### **5.1 Non-Solicitation**

Commencing on the date hereof and until 5:00 p.m. (Toronto time) on the earlier of the Closing Date and the Outside Date, (i) Transition shall negotiate in good faith and only with Purchaser with respect to the sale of all or any portion of the Property, (ii) Transition shall not, directly or indirectly, (A) encourage, solicit, initiate discussions with or engage in negotiations with any person (whether such negotiations are initiated by Transition or otherwise), other than Purchaser, relating in any way to the acquisition of all or any portion of the Property (a “**Competing Transaction**”), (B) enter into any letter of intent, contract or other agreement with any person or entity, other than Purchaser, providing for any Competing Transaction, or (C) encourage, solicit or initiate discussions with any person or entity, other than Purchaser, relating in any way to a Competing Transaction.

### **ARTICLE 6 CONDITIONS TO CLOSING**

#### **6.1 Mutual Conditions Precedent**

The Parties are not required to complete the Transaction unless the following condition is satisfied on or as of the Closing Date, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

- (a) **Illegality.** No Law is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins any of the Parties from consummating the Transaction.
- (b) **Governmental Approvals.** Each of Purchaser and Transition shall have received all Authorizations required for the Closing; and
- (c) **Required Consents and Approvals.** The Required Consents and Approvals shall have been obtained in form and substance satisfactory to the Parties, acting reasonably.

#### **6.2 Additional Conditions Precedent to the Obligations of Purchaser**

Purchaser is not required to complete the Transaction unless each of the following conditions is satisfied on or as of the Closing Date, which conditions are for the exclusive benefit of Purchaser and may only be waived, in whole or in part, by Purchaser in its sole discretion:

- (a) **Representations and Warranties.** The representations and warranties of Transition set forth in this Agreement that are qualified by materiality or Material Adverse Effect qualifications shall be true and correct in all respects and all other representations and warranties of Transition set forth in this Agreement shall be true and correct in all material respects except where any failures or breaches of representations and warranties would not, either individually or in the aggregate, have a Material Adverse Effect, in each case, as of the Closing Date as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be accordingly true and correct as of such earlier date; and Transition shall have delivered a certificate confirming same to Purchaser, executed by a senior officer of Transition (without personal liability), addressed to Purchaser and dated the Closing Date.
- (b) **Performance of Covenants.** Transition has fulfilled or complied in all respects with each of the covenants and obligations of Transition contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and Transition has delivered a certificate confirming same to Purchaser, executed by a senior officer of Transition, addressed to Purchaser and dated the Closing Date.
- (c) **No Material Adverse Effect.** There shall not have occurred a Material Adverse Effect.
- (d) **No Legal Action.** There is no action or proceeding pending in Canada to prohibit or restrict the Transaction or prohibit or restrict the ownership or operation by Purchaser or its affiliates of the Purchased Assets.
- (e) **Property in Good Standing.** The mineral leases, patented claim and unpatented claim comprising the Property (as set out in Schedule “C”) shall be in good standing as of the Closing Date.
- (f) **Deliveries to Purchaser.** Transition shall have delivered, or caused to be delivered, to Purchaser the following in form and substance satisfactory to Purchaser, acting reasonably:
- (i) the certificates referred to in Section 6.2(a) and Section 6.2(b);
  - (ii) certified copies of (i) the articles and by-laws of Transition; and (ii) the resolutions of the board of directors of Transition approving the entering into of this Agreement and the transactions contemplated hereby;
  - (iii) a Certificate of Status with respect to Transition issued by the Province of Ontario Ministry of Government Services;
  - (iv) a direction to Purchaser regarding the payment of the Cash Consideration;
  - (v) the Royalty Agreement dated as of the Closing Date and executed by Transition; and
  - (vi) all conveyances, transfers, assignments, consents and other documents as may be required to convey to Purchaser a 100% undivided interest in the Purchased Assets with good and marketable title, free and clear of all liens, charges and encumbrances, other than the Permitted Encumbrances.

### 6.3 Additional Conditions Precedent to the Obligations of Transition

Transition is not required to complete the Transaction unless each of the following conditions is satisfied on or as of the Closing Date, which conditions are for the exclusive benefit of Transition and may only be waived, in whole or in part, by Transition in its sole discretion:

- (a) **Representations and Warranties of Purchaser.** The representations and warranties of Purchaser set forth in this Agreement that are qualified by materiality or Material Adverse Effect qualifications shall be true and correct in all respects and all other representations and warranties of Purchaser set forth in this Agreement shall be true and correct in all material respects except where any failures or breaches of representations and warranties would not, either individually or in the aggregate, have a Material Adverse Effect, in each case, as of the Closing Date as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be accordingly true and correct as of such earlier date; and Purchaser shall have delivered a certificate confirming same to Transition, executed by a senior officer of Purchaser (without personal liability), addressed to Transition and dated the Closing Date.
- (b) **Performance of Covenants of Purchaser.** Purchaser has fulfilled or complied in all respects with each of the covenants and obligations of Purchaser contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and Purchaser has delivered a certificate confirming same to Transition, executed by a senior officer of Purchaser (without personal liability), addressed to Transition and dated the Closing Date.
- (c) **No Legal Action.** There is no action or proceeding pending in Canada to prohibit or restrict the Transaction.
- (d) **Deliveries by Purchaser.** Purchaser shall have delivered or caused to be delivered to Transition:
  - (i) the certificates referred to in Section 6.3(a) and Section 6.3(b), in form and substance satisfactory to Transition, acting reasonably;
  - (ii) a wire transfer representing the Cash Consideration sent in accordance with the direction delivered by Transition to Purchaser under Section 6.2(f)(iv);
  - (iii) the Royalty Agreement dated as of the Closing Date and executed by Purchaser; and
  - (iv) the certificates representing the Consideration Shares.

## ARTICLE 7 TERM AND TERMINATION

### 7.1 Termination

- (a) This Agreement may be terminated prior to the Closing Date:
  - (i) by the mutual written agreement of the Parties;
  - (ii) by either Transition or Purchaser if:



- (A) the closing of the Transaction does not occur on or prior to the end of the day on the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.1(a)(ii)(A) if the failure of the closing of the Transaction to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants under this Agreement; or
  - (B) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Transaction illegal or otherwise permanently prohibits or enjoins Transition or Purchaser from consummating the Transaction, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate this Agreement pursuant to this Section 7.1(a)(ii)(B) has used its commercially reasonable efforts to appeal such Law (provided such Law is an order, injunction, judgment, decree or ruling) or otherwise have it lifted or rendered non-applicable in respect of the Transaction;
- (iii) by Transition if a breach of any representation or warranty or failure to perform any covenant on the part of Purchaser under this Agreement occurs that would cause any condition in Section 6.3 not to be satisfied, and such breach or failure is incapable of being cured or is not cured by the Outside Date; provided that any Wilful Breach shall be deemed to be incurable;
  - (iv) by Purchaser if:
    - (A) a breach of any representation or warranty or failure to perform any covenant on the part of Transition under this Agreement occurs that would cause any condition in Section 6.2 not to be satisfied, and such breach or failure is incapable of being cured or is not cured by the Outside Date; provided that any Wilful Breach shall be deemed to be incurable; or
    - (B) after the date of this Agreement, there has occurred a Material Adverse Effect.
- (b) The Party desiring to terminate this Agreement pursuant to Section 7.1(a) shall give notice of such termination to the other Parties, specifying in reasonable detail the basis for such Party's exercise of its termination right.

## **7.2 Effect of Termination**

If this Agreement is terminated pursuant to Section 7.1, subject to Section 10.4, this Agreement shall become void and of no further force or effect without liability of any Party to any other Party to this Agreement except that no Party shall be relieved of any liability for any Wilful Breach by it of this Agreement.

## **ARTICLE 8 CLOSING**

### **8.1 Date, Time and Place of Closing**

The completion of the Transaction contemplated by this Agreement will take place at the offices of Irwin Lowy LLP, 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1 at the Closing Time or at such other place, on such other date and at such other time as may be agreed upon in writing between the Parties.

## **8.2 Closing Procedures.**

Subject to satisfaction or waiver by the relevant Party of the conditions of closing, at the Closing Transition shall deliver actual possession of the Purchased Assets and the instruments of conveyance described in Section 6.2(f)(vi) and, upon such deliveries, Purchaser shall (i) provide to Transition evidence of the wire transfer representing the Cash Consideration sent in accordance with the direction delivered by Transition to Purchaser under Section 6.2(f)(iv) and (ii) procure that the Consideration Shares are issued to Transition and that Transition's name is entered in Parent's register of shareholders as the registered holder of the Consideration Shares (and, as soon as reasonably practicable following the Closing, deliver to Transition a holding statement in respect of the Consideration Shares so issued).

## **ARTICLE 9 INDEMNITY**

### **9.1 Continuation of Representations, Warranties and Covenants**

The representations, warranties, acknowledgments and covenants of Transition as set out in this Agreement are representations, warranties, acknowledgments and covenants on which Purchaser has relied in entering into this Agreement and shall survive and continue in full force and effect for a period of one (1) year after the Closing Date, except that the Transition Fundamental Reps shall survive and continue in full force and effect for a period of two (2) years after the Closing Date, and Transition agrees to indemnify and save Purchaser harmless from and against any loss, damages, liability, claim, cost and expense (including without limiting the generality of the foregoing, reasonable legal fees) which may be suffered or incurred by Purchaser or the Purchased Assets as a result of or in connection with (i) any breach of any such covenant or breach or inaccuracy of any such representation and warranty made by Transition or a failure by Transition to perform any such covenant, (ii) any failure of Transition to transfer or cause the transfer of the legal and beneficial ownership of the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances, and (iii) any and all debts, claims, liabilities or other obligations related to the Purchased Assets which occurred or accrued in respect of a period prior to the Closing Date.

### **9.2 Limitation of Liability of Transition**

The maximum aggregate liability of Transition under Section 9.1 shall not exceed \$250,000.

## **ARTICLE 10 GENERAL PROVISIONS**

### **10.1 Amendments**

This Agreement may only be amended by mutual written agreement of the Parties.

### **10.2 Expenses**

Each of Transition and Purchaser will be responsible for and bear all of its own costs and expenses (including any broker's or finder's fees and the expenses of its Representatives) incurred at any time prior to or after the Closing Date in connection with negotiating, evaluating, pursuing, or completing of the Transaction, whether or not the Transaction is consummated. For greater certainty, if the Transaction is completed, Purchaser will be responsible for claims transfer fees payable to any applicable Governmental Entity in connection with the transfer of the Property to Purchaser.

### 10.3 Further Assurances

From time to time after the Closing Date, each Party shall, at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to effectively undertake the transactions contemplated by this Agreement and to carry out the intent of this Agreement. Without limiting the generality of the foregoing, to the extent that any Purchased Asset is not transferred to Purchaser, upon becoming aware or being notified of such failure to transfer such asset, Transition shall use its best efforts to transfer, or to cause the transfer of, such asset to Purchaser or take other appropriate steps to allow Purchaser to enjoy the benefit of such arrangement or asset.

### 10.4 Notices

Any notice, or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or by electronic mail and addressed:

- (a) to Purchaser at:

Legendary Ore Mining Corporation  
c/o Vanicom Resources Limited  
Level 11 London House 216 St. George's Terrace  
Perth, Western Australia 6000

Attention: Benjamin Cooper  
Email: bcooper@vanicom.com

with a copy (which shall not constitute notice) to:

Irwin Lowy LLP  
365 Bay Street, Suite 400  
Toronto, Ontario, Canada M5H 2V1

Attention: Eric Lowy  
Email: elowy@irwinlowy.com

- (b) to Transition at:

Transition Metals Corp.  
#5 - 410 Falconbridge Road  
Sudbury, ON  
P3A 4S4

- (c) Attention: Scott McLean, President & CEO  
Email: smclean@transitionmetalscorp.com

with a copy to:

Osler, Hoskin & Harcourt LLP  
1055 West Hastings Street  
Suite 1700, Guinness Tower  
Vancouver, British Columbia Canada V6E 2E9

Attention: Alan Hutchison  
Email: ahutchison@osler.com

Any notice or other communication is deemed to be given and received (i) if sent by personal delivery, email or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, and (ii) if sent by overnight courier, on the next Business Day. Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

#### **10.5 Time of the Essence**

Time is of the essence in this Agreement.

#### **10.6 Waiver**

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

#### **10.7 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, including, without limitation, the Letter of Intent, which is hereby terminated. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

#### **10.8 Successors and Assigns**

- (a) This Agreement becomes effective only when executed by Purchaser and Transition. After that time, it will be binding upon and enure to the benefit of Purchaser and Transition and their respective successors and permitted assigns.
- (b) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by Transition without the prior written consent of Purchaser. Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by Purchaser without the prior written consent of Transition.

#### **10.9 Severability**

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties 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 the transactions contemplated hereby are fulfilled to the fullest extent possible.

#### **10.10 Governing Law**

- (a) This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein.
- (b) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the Ontario courts situated in the City of Toronto and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

#### **10.11 Rules of Construction**

The Parties waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the Party drafting such agreement or other document.

#### **10.12 Counterparts**

This Agreement may be executed in any number of counterparts (including counterparts by electronic transmission) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement, and such executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

*[Remainder of page intentionally left blank. Signature page follows.]*

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

**LEGENDARY ORE MINING CORPORATION**

By: (signed) "Benjamin Cooper"  
Name: Benjamin Cooper  
Title: Director

**TRANSITION METALS CORP.**

By: (signed) "Scott McLean"  
Name: Scott McLean  
Title: President & CEO

## SCHEDULE "A"

### REPRESENTATIONS AND WARRANTIES OF TRANSITION

1. **Organization and Qualification.** Transition is a corporation incorporated, validly existing and in good standing under the Laws of Ontario, and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted. Transition is qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which such qualification, licensing or registration is necessary except to the extent that any failure of Transition to be so qualified, licensed or registered or to be in good standing would not materially affect the Purchased Assets, the business or operations contemplated to be carried on in respect thereof or the liabilities, obligations or prospects related thereto, and has all Authorizations required to own, lease and operate the Purchased Assets and to conduct its business as now owned and conducted in respect of the Purchased Assets.
2. **Corporate Authorization.** Transition has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by Transition of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Transition and no other corporate proceedings on the part of Transition are necessary to authorize this Agreement or the consummation of the Transaction and the other transactions contemplated hereby.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Transition, and constitutes a legal, valid and binding agreement of Transition, enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
4. **Governmental Authorization.** The execution, delivery and performance by Transition of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by Transition.
5. **Non-Contravention.** The execution, delivery and performance by Transition of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
  - (a) contravene, conflict with, or result in any violation or breach of Transition's notice of articles or articles;
  - (b) assuming compliance with the matters referred to in Paragraph 4 of this Schedule "A", contravene, conflict with or result in a violation or breach of Law;
  - (c) allow any Person to exercise any rights, require any consent or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Transition is entitled (including by triggering any rights of first refusal or first offer, change in control provision or other restriction or limitation) under any Contract or any Authorization to which Transition is a party or by which Transition is bound, relating to the Purchased Assets, the business or operations contemplated to be carried on in respect thereof or the liabilities, obligations or prospects related thereto; or

- (d) result in the creation or imposition of any Encumbrance upon any of the Purchased Assets other than the Royalty.
6. **No Undisclosed Liabilities.** There are no material liabilities or obligations of Transition of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise which relate in any way to the Purchased Assets, the business or operations contemplated to be carried on in respect thereof or the liabilities, obligations or prospects related thereto, other than liabilities or obligations incurred in connection with this Agreement.
7. **Compliance with Laws.** Transition has been, in compliance in all material respects with Law in connection with the ownership, use, maintenance and operation of the Purchased Assets. Transition is not under any investigation with respect to, has not been charged with nor, to the knowledge of Transition, threatened to be charged with, nor has Transition received notice of, any violation or potential violation of any Law or disqualification by a Governmental Entity in connection with the ownership, use, maintenance and operation of the Purchased Assets.
8. **Real Property Matters.**
- (a) Transition is the absolute legal, registered and beneficial owner of the Purchased Assets and holds either freehold title, leases, concessions, claims, options or participating interests or other conventional property or proprietary interests or rights, recognized in Ontario (collectively, “**Property Rights**”), in respect of the Mineral Rights located in the Property in which Transition has an interest, under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit Transition to explore, develop and mine mineral deposits relating thereto and, except for Permitted Encumbrances, Transition holds an interest in the Property free and clear of any Encumbrances and no commission, licence fee or similar payment to any Person with respect to the Property is payable.
  - (b) There are no royalty or similar obligations in place with respect to the Property.
  - (c) There are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect the Property.
  - (d) All of the Property Rights have been properly located and recorded in compliance with applicable Law and are comprised of valid and subsisting mineral claims.
  - (e) The Property Rights are in good standing under Law, and will remain in such good standing until the Closing and all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
  - (f) To the knowledge of Transition, there is no material adverse claim, known, threatened or in process, against or challenge to the title to or ownership of any of the Property Rights, Mineral Rights, Authorizations including any asserted aboriginal title or other rights from First Nations, Métis, tribal or native authorities, communities or groups, and Governmental Entities.
  - (g) To the knowledge of Transition, no portion of the Purchased Assets is within any protected area, conservation area, rescued area, reserve, reservation, reserved area, resource management zones or special needs lands as designated by any Governmental Entity which could materially impair the operation and development of the Purchased Assets.



- (h) Transition has no knowledge of any claim or the basis for any claim that could reasonably be expected to materially and adversely affect the right of Transition to use, transfer or otherwise explore, develop or mine mineral deposits on the Property.
  - (i) No legal or governmental proceedings or inquiries are pending to which Transition is a party or to which the Property is subject that would result in the revocation or modification of any certificate, authority, permit or licence related to the Property, or necessary for the business or operations contemplated to be carried on in respect thereof and, to the knowledge of Transition, no such legal or governmental proceedings or inquiries are pending, threatened or being contemplated.
9. **No Option on Assets.** No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Transition, or on or following the Closing Date, of any portion of the Property.
10. **Exploration, Development and Mining Activities.** Neither Transition nor any other Person has carried out any exploration, development or mining activities on the Property since the Property (or any part thereof) was acquired by Transition.
11. **Environmental Matters.**
- (a) Neither Transition nor any of its Subsidiaries has been and is currently in violation of, in connection with the ownership, use, maintenance, operation, closure or remediation of the Purchased Assets, in any material respect, any Environmental Laws.
  - (b) Without limiting the generality of Paragraph 11(a), Transition does not have any knowledge of, and has not received any notice of, any claim, judicial or administrative proceeding, pending or threatened against, or which may affect, either Transition or any of its property, assets or operations, relating to, or alleging any violation of, any Environmental Laws in connection with the ownership, use, maintenance, operation, closure or remediation of the Purchased Assets by Transition, Transition is not aware of any facts or conditions which could give rise to any such claim or judicial or administrative proceeding or otherwise the Purchased Assets otherwise incurring liability. Neither Transition, nor any of its property, assets or operations which relate to the Purchased Assets is the subject of any investigation, evaluation, audit or review by any Governmental Entity to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a Release of any Hazardous Substances into the Environment, except for compliance inspections conducted in the normal course by any Governmental Entity.
  - (c) There are no orders, rulings, directives or Governmental Entity policies issued, pending or, to the knowledge of Transition, threatened against Transition in connection with the ownership, use, maintenance or operation of the Purchased Assets under or pursuant to any Environmental Laws requiring any work, repairs, construction or capital expenditures with respect to the Purchased Assets.
  - (d) There are no costs, damages or other liabilities arising from or related to: (i) the presence, emission, migration, disposal, Release or threatened Release of any Hazardous Substances (including any investigation, assessment, remediation, monitoring or other work), whether on or off site, in order to prevent, address or mitigate liabilities that have been, are being or may reasonably be incurred; (ii) and no Purchased Assets have been used for the disposal of waste, Release or transportation of, any substance, material or waste in violation of any Environmental Laws, or that may reasonably adversely affect the use or value of the property or otherwise result in liability.

- (e) No Environmental Permits have been issued to Transition or are required to own, lease and operate the Purchased Assets, and to conduct its business as it is now being conducted.
- (f) Transition has not received from any Person or Government Entity any notice, formal or informal, of any proceeding, application, order, demand, directive, claim or any other demand whatsoever, which relates to Environmental Laws or Environmental Liabilities, and which could reasonably be expected to have a Material Adverse Effect.
- (g) Transition has made available to Purchaser all audits, assessments, investigation reports, inspection reports, studies, plans, material regulatory correspondence and material information and data, in each case with respect to environmental matters relating to the Purchased Assets that are in the possession of Transition, that being none.

12. **Aboriginal Matters.**

- (a) Transition: (i) is not a party to any arrangement or understanding with First Nations, Métis, tribal or aboriginal authorities, communities or groups in relation to the environment or the development of communities in the vicinity of, or in connection with, the Purchased Assets; (ii), is not currently engaged or involved in any disputes, discussions or negotiations with First Nations, Métis, tribal or aboriginal authorities, communities or groups, or Governmental Entity; and (iii) has not received notice of any existing claim with respect to the Purchased Assets, either from First Nations, Métis, tribal or aboriginal authorities, communities or groups or any Governmental Entity, indicating that any part of the Purchased Assets infringes upon or has an adverse effect on aboriginal rights or interests.
- (b) To the knowledge of Transition, no specific requirements related to cultural or archaeological sites or resource management zone or reserve or traditional lands of First Nations, Métis, tribal or native authorities, communities or groups located within the Property are currently having, or could reasonably be expected to have, any impact on the mining, development or exploration activities or plans of Transition or any of its Subsidiaries.

13. **Restrictions on Conduct of Business.** Transition is not a party to or bound by any non-competition agreement, any non-solicitation agreement, or any other agreement, obligation, judgment, injunction, order or decree which purports to limit in any material respect the manner or the localities in which all or any portion of the business or operations contemplated to be carried on in respect of the Purchased Assets may be conducted.

14. **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending, or, to the knowledge of Transition threatened against or relating to Transition that might affect the Purchased Assets, the business or operations contemplated to be carried on in respect thereof or the liabilities, obligations or prospects related thereto by or before any Governmental Entity.

15. **Taxes.** No failure, if any, of Transition to duly and timely pay all Taxes, including all instalments on account of Taxes for the current year, that are due and payable will result in an Encumbrance on the Purchased Assets.

16. **Disclosure.** The representations and warranties of Transition contained in this Agreement and in any other document delivered under this Agreement are true and correct and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained in those representations and warranties not misleading to a prospective purchaser of the Purchased Assets.

17. **Residency.** Transition is not a non-resident of Canada for the purposes of the Tax Act.

## SCHEDULE "B"

### REPRESENTATIONS AND WARRANTIES OF PURCHASER

1. **Organization and Qualification.** Purchaser is a corporation incorporated, validly existing and in good standing under the Laws of its jurisdiction of incorporation and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted.
2. **Corporate Authorization.** Purchaser has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by Purchaser of its obligations under this Agreement and the consummation of the Transaction, the delivery by Purchaser of the Cash Consideration and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Purchaser and no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement or the consummation of the Transaction and the other transactions contemplated hereby.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Purchaser, and constitutes a legal, valid and binding agreement of Purchaser enforceable against them in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
4. **Governmental Authorization.** The execution, delivery and performance by Purchaser of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by Purchaser other than: (i) filings with the Securities Authorities and the ASX, if any; and (ii) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Entity which, if not taken or made, would not, individually or in the aggregate, materially impede the ability of Purchaser to consummate the Transaction and the transactions contemplated hereby.
5. **Non-Contravention.** The execution, delivery and performance by Purchaser of their obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
  - (a) contravene, conflict with, or result in any violation or breach of the organizational documents of Purchaser; or
  - (b) assuming compliance with the matters referred to in Paragraph 4 of this Schedule "B", contravene, conflict with or result in a violation or breach of Law.

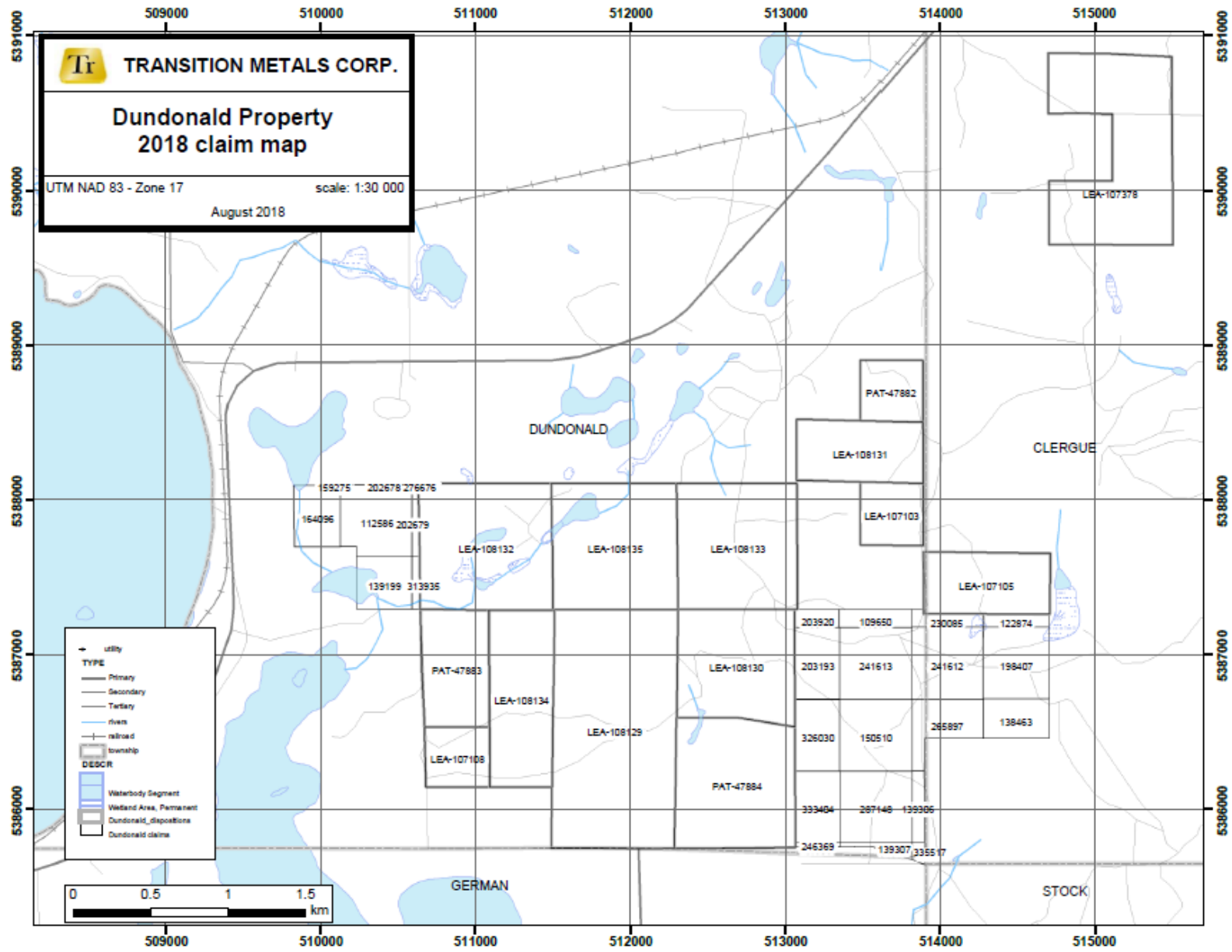
**SCHEDULE "C"**

**PROPERTY**

**Dundonald Project**

Township / Area	Tenure ID	Tenure Type	Anniversary Date	Status	Percentage	Work Required	Work Applied	Available Consultation Reserve	Available Exploration Reserve	Total Reserve	Conversion Bank Credit	Area (ha)
DUNDONALD,GERMAN	139307	Single Cell Mining Claim	2021-05-03	Active	100	\$200	\$400	\$0	\$0	\$0	\$0	2.206
DUNDONALD,GERMAN	246369	Single Cell Mining Claim	2021-05-03	Active	100	\$200	\$400	\$0	\$0	\$0	\$0	0.768
CLERGUE,DUNDONALD,GERMAN,STOCK	335517	Boundary Cell Mining Claim	2021-05-03	Active	100	\$200	\$400	\$0	\$0	\$0	\$0	0.994
CLERGUE	122874	Boundary Cell Mining Claim	2023-05-03	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	3.637
CLERGUE	138463	Boundary Cell Mining Claim	2023-05-03	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	10.928
CLERGUE,DUNDONALD	139306	Boundary Cell Mining Claim	2023-05-03	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	3.654
CLERGUE	198407	Boundary Cell Mining Claim	2023-05-03	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	19.825
CLERGUE,DUNDONALD	230085	Single Cell Mining Claim	2023-05-03	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	4.226
DUNDONALD	287148	Single Cell Mining Claim	2023-05-03	Active	100	\$400	\$0	\$0	\$0	\$0	\$0	21.331
DUNDONALD	326030	Single Cell Mining Claim	2023-05-03	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	13.336
DUNDONALD	333404	Single Cell Mining Claim	2023-05-03	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	13.299
DUNDONALD	159275	Single Cell Mining Claim	2023-09-13	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	0.011
DUNDONALD	164096	Single Cell Mining Claim	2023-09-13	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	12.000
DUNDONALD	112586	Single Cell Mining Claim	2023-10-30	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	20.636
DUNDONALD	139199	Single Cell Mining Claim	2023-10-30	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	12.086
DUNDONALD	202678	Single Cell Mining Claim	2023-10-30	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	0.181
DUNDONALD	202679	Single Cell Mining Claim	2023-10-30	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	2.173

DUNDONALD	276676	Single Cell Mining Claim	2023-10-30	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	0.029
DUNDONALD	313935	Single Cell Mining Claim	2023-10-30	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	1.774
DUNDONALD	109650	Single Cell Mining Claim	2023-11-20	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	5.388
DUNDONALD	150510	Single Cell Mining Claim	2023-11-20	Active	100	\$400	\$0	\$0	\$0	\$0	\$0	21.329
DUNDONALD	203193	Single Cell Mining Claim	2023-11-20	Active	100	\$200	\$0	\$0	\$0	\$0	\$259	13.363
DUNDONALD	203920	Single Cell Mining Claim	2023-11-20	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	3.413
CLERGUE,DUNDONALD	241612	Single Cell Mining Claim	2023-11-20	Active	100	\$400	\$0	\$0	\$0	\$0	\$0	21.327
DUNDONALD	241613	Single Cell Mining Claim	2023-11-20	Active	100	\$400	\$0	\$0	\$0	\$0	\$0	21.327
CLERGUE,DUNDONALD	265897	Single Cell Mining Claim	2023-11-20	Active	100	\$200	\$0	\$0	\$0	\$0	\$0	13.393
DUNDONALD	LEA-107103	Lease	10/31/2018	MRO/SRO	100							16.187
CLERGUE	LEA-107105	Lease	9/30/2018	MRO/SRO	100							33.083
DUNDONALD	LEA-107108	Lease	10/31/2018	MRO/SRO	100							15.593
CLERGUE	LEA-107378	Lease	7/31/2021	MRO/SRO	100							81.089
DUNDONALD	LEA-108129	Lease	9/30/2028	MRO	100							123.429
DUNDONALD	LEA-108130	Lease	9/30/2028	MRO	100							55.037
DUNDONALD	LEA-108131	Lease	9/30/2028	MRO	100							32.375
DUNDONALD	LEA-108132	Lease	9/30/2028	MRO	100							68.392
DUNDONALD	LEA-108133	Lease	9/30/2028	MRO	100							60.703
DUNDONALD	LEA-108134	Lease	9/30/2028	MRO	100							48.803
DUNDONALD	LEA-108135	Lease	9/30/2028	MRO	100							64.76
DUNDONALD	PAT-47882	Patent		SEC 4177	100							15.39
DUNDONALD	PAT-47883	Patent		SEC 8345	100							31.86
DUNDONALD	PAT-47884	Patent		SEC 795	100							64.74



**SCHEDULE "D"**  
**FORM OF ROYALTY AGREEMENT**

## NET SMELTER ROYALTY AGREEMENT

THIS AGREEMENT made as of the 12<sup>th</sup> day of March, 2019.

### BETWEEN:

**Legendary Ore Mining Corporation**, a corporation existing under the laws of Ontario, Canada. (the "Grantor")

- and -

**Transition Metals Corp**, a corporation existing under the laws of Ontario, Canada (the "Grantee")

**WHEREAS** the Grantee and Grantor have entered into an agreement in respect of the transfer of certain properties from Grantee to an affiliate of Grantor, and as partial consideration for such settlement the Grantor has agreed to grant the Grantee a royalty 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

1.1 In this Agreement, including in the recitals hereto, the following terms shall have the following meanings:

- (a) "**Affiliate**" shall have the meaning set out in the *Securities Act* (Ontario);
- (b) "**Agreement**", "**this Agreement**", "**hereto**", "**hereof**", "**herein**", "**hereunder**", "**hereby**" and similar expressions refer, unless otherwise expressly stated, to this Agreement, including the recitals and any schedules or appendices hereto, as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, and not to any particular article, section, subsection, subparagraph or other subdivision hereof;
- (c) "**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 to 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 the 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 for which such prices were reported for the month in which the sale occurred, as such prices 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 (5) 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;

- (d) **"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 (including sand and gravel and other common non-metallic materials);
- (e) **"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, as the case may be:
  - (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 and brokerage costs;
  - (iii) any sales, severance, gross production, privilege or similar taxes assessed by the provincial or federal government on or in connection with the sale or other disposition of Minerals but excluding any and all taxes based upon the net or gross income of the Grantor or other operator of the Property, the value of the Property or the privilege of doing business, and other taxes assessed on a similar basis; and
  - (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 smelter or other point of sale.

The Grantor shall be permitted to sell concentrates in the form usually commercially marketable 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 or 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;

- (f) "**Place of Delivery**" means the place directed by the Grantee in writing;
- (g) "**Produced**" shall mean the mining, saving, extraction from the soil or other creation of a marketable product containing Minerals from the Property;
- (h) "**Property**" shall mean the staked mining claims, leases and patents located in the Province of Ontario and set out in Schedule "A1" hereto; and
- (i) "**Royalty**" means two and one half percent (2.5%) of Net Returns from the Property.

## 2. ROYALTY INTEREST

2.1 The Grantor does hereby grant the Royalty to the Grantee in perpetuity, subject to the terms and conditions of this Agreement. The Grantor and the Grantee expressly acknowledge and agree that the grant of the Royalty herein is effective as of the date of this Agreement, is intended to be binding upon the successors and assigns of the Grantor and all successors of the Grantor in title to the Property and, notwithstanding anything to the contrary contained herein, the Royalty interests described in this Agreement are intended to be treated as interests in real property for all purposes and, therefore, constitute an estate, right, title, interest or equity in registered land within the meaning of Section 71 of the *Land Titles Act*. The Royalty shall run with the Property, and shall be registered against title to 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 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 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, but 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

4.1 The Grantor shall be entitled to assign, sell, transfer, lease, mortgage, charge or otherwise encumber or dispose of the Property or the Minerals in situ, or any parts thereof, or the proceeds thereof, and its rights and obligations under this Agreement, provided the following conditions are satisfied, and upon such conditions being satisfied in respect of any such assignment, sale or transfer only, the Grantor shall be released from its obligations under this Agreement corresponding to its proportionate interest in the Property so sold or transferred:

- (a) any purchaser, transferee, lessee or assignee of the Property or this Agreement agrees in writing in favour of the Grantee to be bound by the terms of this Agreement including, without limitation, this Section 4; and
- (b) any mortgagee, chargee, lessee, assignee or encumbrancer of the Property or this Agreement agrees in advance in writing in favour of the Grantee to be bound by and subject to the terms of this Agreement in the event it takes possession of or forecloses on all or part of the Property and undertakes to obtain an agreement in writing in favour of the Grantee from any subsequent purchaser, lessee, assignee or transferee of such mortgagee, charge holder, lessee or encumbrancer that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this Agreement including, without limitation, this Section 4.



4.2 The Grantee may convey or assign all or any undivided portion of the Royalty payable either for a stated term of years or up to a specified dollar amount, provided that such assignment will not be effective against the Grantor until the assignee has delivered to the Grantor a written and enforceable undertaking, in which the assignee agrees to be bound, to the extent of the interest assigned, by all of the terms and conditions of this Agreement.

4.3 In the event that more than one person may in future comprise the Grantee, the Grantor will not be or become liable to make payments in respect of the Royalty to, or to otherwise deal in respect of this Agreement with, more than one person. If the interests of the Grantee under this Agreement is at any time owned by more than one person, such owners must, as a condition of receiving payment of the Royalty, nominate one person to act as agent and common trustee for receipt of monies payable under this Agreement and to otherwise deal with the Grantor in respect of such interest (including, without limitation, the giving of notice to take or cease taking in kind) and no royalty holders will be entitled to administer or enforce any provisions of this Agreement except through such agent and trustee. In such event, the Grantor will, after receipt of notice respecting the nomination of such agent and trustee, make and be entitled to make payments due under this Agreement in respect of the Royalty to such agent and trustee and to otherwise deal with such agent and trustee as if it were the sole royalty holder under this Agreement.

4.4 Any assignment, transfer, conveyance, mortgage, pledge or charge or lease or purported assignment, transfer, conveyance, mortgage, pledge or charge or lease of any interest in the Property by the Grantor, or in, to or arising under this Agreement by the Grantor or the Grantee, which does not comply with the terms of this Agreement shall be null and void and of no force or effect whatsoever.

## 5. PAYMENT OF ROYALTY

- (a) **Frequency of Payment of Royalty.** The Royalty shall be due and payable within thirty (30) days after the end of each calendar quarter in which the Gross Value accrues. The Grantee shall not have the right to take its Royalty "in kind".
- (b) **Method of Making Payments.** All Royalty payments required to be made hereunder shall be mailed or delivered to the Place of Delivery.
- (c) **Records; Inspection.** All books and records used by the Grantor to calculate the Royalty shall be kept in accordance with generally accepted accounting principles or international financial reporting standards. The Grantee may, 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 Section 5(e).
- (d) **Property Inspection.** The Grantee or its authorized Representatives (as defined below), on reasonable written notice to the Grantor and at reasonable times and frequencies, may enter upon the Property for the purpose of inspecting the operations at the Property, all improvements thereto and operations thereon, and may inspect and copy (as is reasonably necessary for the purposes contemplated herein) all records and technical data pertaining to the Royalty interest, including



without limitation such records and data which are maintained electronically. The Grantee and its authorized Representatives shall, in each case, enter the Property at the Grantee's own risk and may not unreasonably hinder operations on or pertaining to the Property. The Grantee shall indemnify and hold harmless the Grantor and its Affiliates (including without limitation direct and indirect parent companies), and its or their respective directors, officers, shareholders, employees, agents and attorneys, from and against any liabilities which may be imposed upon, asserted against or incurred by any of them by reason of injury to the Grantee or any of its agents or representatives caused by the Grantee's exercise of its rights herein, including any injury or death resulting from the negligence of the Grantor or its Affiliates on the Property.

- (e) **Objections.** All Royalty payments shall be considered final and in full satisfaction of all obligations of the Grantor with respect thereto, unless the Grantee gives the Grantor written notice describing and setting forth a specific objection to the calculation thereof within one hundred eighty (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 ninety (90) days following receipt of the Grantee's objection, such audit shall be performed of 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 to 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 ten percent (10%) 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 one hundred eighty (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 for adjustment thereon for the calendar quarter in question.
- (f) **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 therefrom. 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.
- (g) **Confidentiality.** Except as set forth in Section 5(h), neither the Grantee nor any of its Representatives shall, without the prior written consent of the Grantor, which shall not be unreasonably delayed or withheld, knowingly disclose to any person data or information obtained pursuant to this Agreement which is not generally available to the public (all such data and information, in whatever format, is hereinafter referred to as "**Confidential Information**"); provided, however, the Grantee may disclose Confidential Information to each of the Grantee's Representatives who: (i) need to know such Confidential Information for the



purposes of the calculation of the Royalty; and (ii) prior to the Grantee's making any disclosure to such Representative, has been informed of the confidential nature of the Confidential Information, has been directed by the Grantee to hold the Confidential Information in the strictest confidence, and has agreed to act in accordance with the terms and conditions of this agreement. The Grantee shall cause each of the Grantee's Representatives to observe the terms of this agreement and are responsible for any breach by any of the Grantee's Representatives of this agreement, and shall, at the Grantee's expense, undertake commercially reasonable efforts to ensure that the Grantee's Representatives do not make any unauthorised disclosure or use of the Confidential Information. In this Agreement, "**Representative**" means, any of the Grantee's trustees, directors, officers, employees, and advisors (including accountants, legal counsel, consultants and financial advisors).

- (h) **Required Disclosure.** If the Grantee or the Grantee's Representatives are required, on the advice of legal counsel who has been informed of the relevant facts, in any judicial, administrative or other legal proceeding or pursuant to a subpoena, civil investigative demand or other compulsory process, to disclose any Confidential Information or any other information concerning the Grantor or the Royalty (a "**disclosure requirement**"), then, provided that such disclosure requirement was not caused by or did not result from any voluntary action or proposed action that is prohibited by this Agreement on the Grantee's part or on the part of any of the Grantee's Representatives, and the Grantee is not permitted or required by any applicable law, order or rule to refrain from complying with such disclosure requirement for confidentiality or other reasons, the Grantee shall: (i) give the Grantor immediate notice of any such disclosure requirement and the proposed information to be disclosed pursuant to it, to the extent the Grantee may legally do so; and (ii) at the Grantor's expense, co-operate with the Grantor in limiting the extent of the disclosure and in obtaining an appropriate protective order or pursuing such legal action, remedy or assurance as the Grantor deems necessary to preserve the confidentiality of the Confidential Information. If a protective order or other remedy is not obtained, and the Grantee or the Grantee's Representatives are legally compelled to disclose the Confidential Information to any tribunal or other authority, or else stand liable for contempt or suffer other censure or penalty, the Grantee or the Grantee's Representatives may disclose only that portion of the Confidential Information which is legally required to be disclosed, provided that the Grantee and the Grantee's Representatives exercise best efforts to obtain, in cooperation with the Grantor and at the Grantor's expense, an appropriate protective order or other reliable assurance that confidential treatment is given to the Confidential Information so disclosed.

## 6. NOTICES

6.1 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, 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, with a copy sent simultaneously to the email address below:

to the Grantor at:

Legendary Ore Mining Corporation  
c/o Vanicom Resources Limited  
Level 11 London House 216 St. George's Terrace  
Perth, Western Australia 6000

Attention: Benjamin Cooper  
Email: bcooper@vanicom.com

to the Grantee at:

Transition Metals Corp  
#5 - 410 Falconbridge Road  
Sudbury, ON  
P3A 4S4

Attention: Scott McLean  
Email: smclean@transitionmetalscorp.com

Any such communication given by personal delivery shall be deemed to have been given on the day of actual delivery thereof.

## 7. 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 the Grantee or the Grantor to insist on the strict performance of any provision of 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 of 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 the Grantor.
- (e) **Currency.** Unless explicitly indicated otherwise, all dollar amounts or "\$" referred to in this Agreement are in lawful currency of Canada.
- (f) **Interpretation.** In this agreement, the term "person" is interpreted broadly to include any individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity.

**8. 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 the Grantee or the Grantor to give record notice of this Agreement.
- (c) **No Prior Agreements.** This Agreement and the Option Agreement contains the entire understanding of the Grantee and the Grantor and supersedes all prior agreements and understandings between the Grantee and the Grantor relating to the subject matter hereof.
- (d) **Counterparts.** This Agreement may be executed in several counterparts by original or electronic signature, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same document.

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

**LEGENDARY ORE MINING  
CORPORATION**

(signed) "Benjamin Cooper"

Per:

Authorized Signing Officer

**TRANSITION METALS CORP**

(signed) "Scott McLean"

Per:

Authorized Signing Officer



## **SCHEDULE "E"**

### **REQUIRED CONSENTS AND APPROVALS**

1. Consent of the Minister of Northern Development and Mines (Ontario) in respect of the transfer of the mineral leases comprising the Property.