

EXPLORATION AND OPTION AGREEMENT
(Erickson Ridge Project, Idaho)

This Exploration and Option Agreement dated as of April 6, 2020 (the “**Effective Date**”) is by and among:

Bronco Creek Exploration, Inc., an Arizona corporation (“**Seller**”);

Gold Lion Resources (NV) Inc., a Nevada company (“**Purchaser**”); and

Gold Lion Resources Inc., a British Columbia company (“**Purchaser Guarantor**”)

Recitals

A. Seller holds the interests in the federal unpatented mining claims described in Exhibit A attached hereto (the “**Claims**”), which comprise Seller’s Erickson Ridge project, located in Idaho (the “**Project**”).

B. Purchaser desires to explore the Project for deposits of gold and other minerals and to acquire from Seller an option to acquire Seller’s interest in the Claims.

C. Seller is willing to permit Purchaser to explore the Project and to grant an option to Purchaser to acquire the Seller’s interest in the Project, on the terms and conditions set forth in this Agreement.

THEREFORE, for good and valuable consideration, and the mutual promises set forth in this Agreement, Seller, Purchaser and Purchaser Guarantor agree as follows:

Agreement

ARTICLE I
DEFINITIONS, INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, except as otherwise expressly provided herein, the following terms have the following meanings:

“**Accountant**” has the meaning set forth in Section 3.2(d)(iv).

“**Affiliate**” means any person, partnership, limited liability company, joint venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, “control” means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

“After-Acquired Property” has the meaning set forth in Section 9.1.

“Agreement” means this Exploration and Option Agreement, including all amendments and modifications thereof, and all schedules and exhibits, which are incorporated herein by this reference.

“Applicable Rate” means the one year London Interbank Offered Rate (LIBOR), as published by the Wall Street Journal or online at http://wsj.com/mdc/public/page/2_3020-moneyrate.html. In the event that the one year LIBOR ceases to be published by the Wall Street Journal during the term of this Agreement, the Parties shall jointly agree to an alternative rate or publication generally accepted by the international banking community.

“Area of Interest” means all properties within the two-mile area around the outside boundaries of the Properties.

“Business Day” means a day which is not a Saturday, Sunday or a day observed as a holiday in Denver, Colorado or Vancouver, British Columbia.

“CSE” means the Canadian Securities Exchange.

“Closing” has the meaning set forth in Section 4.3.

“Closing Date” has the meaning set forth in Section 4.3.

“Commercial Production” means when a mine on the Properties operates as a producing mine and has produced, for the purposes of earning revenues therefrom, more than 25,000 troy ounces of gold, or more than 5,000 tons of copper, or the equivalent value of other minerals (based on the official cash settlement prices, as published daily by the London Metals Exchange for gold, copper and such other minerals on the date of sale or other disposition by the Purchaser), provided however that no production of Products shipped from the Properties for testing or sampling purposes, and no period of time during which milling operations are undertaken as initial tune-up or pilot testing, shall be taken into account in determining the commencement of Commercial Production, and provided further that production of ferrous or industrial minerals shall not be considered when determining whether Commercial Production has occurred.

“Confidential Information” has the meaning set forth in Section 10.1(a).

“Data” has the meaning set forth in Section 7.3.

“Disclosing Party” has the meaning set forth in Section 10.1(a).

“Disputed Expenditures” has the meaning set forth in Section 3.2(d)(iii).

“Effective Date” has the meaning set forth in the Preamble.

“Encumbrance” means any mortgage, deed of trust, security interest, pledge, charge, lien, right of first refusal, right of first offer, other preferential right, profits interest, net profits interest, royalty interest, overriding royalty interest, conditional sale or title retention agreement, or other similar burden.

“Environmental Laws” means Laws aimed at reclamation or restoration of the Properties; abatement of pollution; protection of the environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural or historic resources; management, storage or control of hazardous materials and substances; releases or threatened release of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment, including ambient air, surface water and groundwater; and all other laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

“Environmental Liabilities” means any and all claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements, or expenses (including, attorneys’ fees and costs, experts’ fees and costs, and consultants’ fees and costs) of any kind or of any nature whatsoever that are asserted against either Party, by any person or entity other than the other Party, alleging liability (including, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above the Properties and/or emanating or migrating and/or threatening to emanate or migrate from the Properties to off-site properties; (ii) physical disturbance of the environment; or (iii) the violation or alleged violation of any Environmental Laws.

“Erikson Ridge Property” has the meaning set forth in Section 9.1(a).

“Exercise Notice” has the meaning set forth in Section 4.2.

“Existing Data” means maps; geological, geochemical and geophysical reports and data; drill logs and other drilling data; core, pulps, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records; environmental reports; title, land and permitting information and data; and other material information developed in operations on the Properties before the Effective Date.

“Exploration” means all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Minerals.

“Exploration Expenditures” means the following funds expended in furtherance of exploration activities on the Properties:

- (i) salaries, wages and costs of benefits, labor overhead expenses, and travel and living expenses for Purchaser's employees employed directly on or for the benefit of the Properties;
- (ii) costs and expenses of equipment, machinery, materials and supplies;
- (iii) all payments to contractors for work on or for the benefit of the Properties;
- (iv) costs of sampling, assays, metallurgical testing and analyses and other costs incurred to determine the quantity and quality of minerals on the Properties;
- (v) costs incurred to apply for and obtain approvals, consents, licenses, permits and rights-of-way and other similar rights in connection with activities on the Properties;
- (vi) costs incurred for environmental studies, environmental assessments and environmental remediation, rehabilitation and clean up;
- (vii) costs incurred in performing work involving community and governmental relations;
- (viii) expenses and payments of rentals, bonuses, minimum advance royalties and other payments pursuant to underlying agreements, if any;
- (ix) costs and expenses of performance of annual assessment work and the filing and recording of proof of performance of annual assessment work, if required to be performed;
- (x) costs and expenses of payment of federal annual mining claim maintenance fees and the filing and recording of proof of payment of federal annual mining claim maintenance fees;
- (xi) all taxes and assessments levied against the Properties in the ordinary course of business;
- (xii) costs incurred in the examination of and curative actions taken concerning title to the Properties;
- (xiii) costs associated with the acquisition of any claims, rights or interests within the Area of Interest; and
- (xiv) costs associated with the preparation of preliminary economic assessments, pre-feasibility studies and Feasibility Studies.

“Facilities” means all mines and plants including, without limitation, all pits, shafts, haulageways and other underground workings, and all buildings, plants and other structures, fixtures and improvements, and all other property, whether fixed or moveable, as the same may

exist at any time in or on the Properties, or outside the Properties if for the benefit of the Properties.

“Feasibility Study” means a study that analyzes the feasibility of developing a mine capable of Commercial Production on any part of the Properties, meeting the standards of NI 43-101 and the definition of “Feasibility Study” in the CIM Definition Standards for Mineral Resources and Mineral Reserves (in force at the relevant date of delivery of the study).

“First Royalty Increment” has the meaning set forth in Section 5.2.

“Force Majeure Event” has the meaning set forth in Section 13.6(a).

“Governmental Authority” means any domestic or foreign national, regional, state, tribal, or local court, governmental department, commission, authority, central bank, board, bureau, agency, official, or other instrumentality exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government.

“Governmental Fees” means all location fees, mining claim rental fees, mining claim maintenance payments, state permit and lease payments, recording or filing fees and other payments required by Law to be paid to any Governmental Authority to apply for, maintain, extend or renew any licenses, permits, unpatented mining claims, concessions, fee lands, mining leases, surface leases or other tenures included in the Properties.

“Laws” means all applicable federal, state, local, municipal, tribal and foreign laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature.

“Manager” has the meaning set forth in Section 2.4.

“Milestone” means each, the completion of (a) a Preliminary Economic Assessment, (b) a pre-Feasibility Study, or (c) a Feasibility Study.

“Milestone Payment” has the meaning set forth in Section 3.1(b).

“Minerals” means all minerals and mineral materials of any kind, character or quantity, including, without limitation, gold, silver, platinum group metals, base metals, antimony, chromium, cobalt, copper, lead, manganese, mercury, nickel, molybdenum, titanium, tungsten, zinc and barite, and all other minerals and metals that are on, in or under the Properties.

“NI 43-101” means National Instrument 43-101, *“Standards of Disclosure for Mineral Projects”* published by the Canadian Securities Administrators, as amended from time to time.

“Non-Selling Party” has the meaning set forth in Section 11.1.

“Offeree” has the meaning set forth in Section 9.1.

“Offeror” has the meaning set forth in Section 9.1.

“Operations” means the activities carried out by Purchaser under this Agreement.

“Option” has the meaning set forth in Section 2.1.

“Option Period” means the period from the Effective Date ending on the first to occur of (i) the five-year period ending on the fifth anniversary of the Effective Date and (ii) the exercise of the Option by Purchaser in accordance with this Agreement.

“Party” means each of Seller, Purchaser and Purchaser Guarantor, and each of their respective successors and assigns.

“Permitted Encumbrance” means, with respect to any Properties, (a) mechanic’s, materialmen’s or similar Encumbrances if payment of the secured obligation is not yet overdue or being contested in good faith by appropriate proceedings, (b) Encumbrances for Taxes, assessments, obligations under workers’ compensation or other social welfare legislation or other requirements, charges or levies of any Governmental Authority, in each case not yet overdue or being contested in good faith by appropriate proceedings, (c) easements, servitudes, rights-of-way and other rights, exceptions, reservations, conditions, limitations, covenants and other restrictions that will not materially interfere with, materially impair or materially impede operations on the Properties or the value or use of the Properties, (d) Encumbrances consisting of (i) rights reserved to or vested in any Governmental Authority to control or regulate the Properties, (ii) obligations or duties to any Governmental Authority with respect to any permits and the rights reserved or vested in any Governmental Authority to terminate any such permits or to condemn or expropriate any property, and (iii) zoning or other land use or Environmental Laws of any Governmental Authority, in each case which will not materially impair or materially impede operations (or anticipated operations) on the Properties or the value or use (or expected use) of the Properties, and (e) Encumbrances arising under this Agreement, including the Seller Royalty.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity or a governmental entity (or any department, agency, or political subdivision thereof).

“Preliminary Economic Assessment” or “PEA” means an economic assessment of the mineral potential of the Property meeting the definition of “preliminary economic assessment” set forth in NI 43-101 and the standards of NI 43-101 for a preliminary economic assessment (in force at the relevant date of delivery of the study).

“Pre-Feasibility Study” means a comprehensive study prepared by an internationally recognized mining engineering firm, complying with NI 43-101 and the standards of Purchaser of a range of options for the technical and economic viability of a project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral

processing is determined. The study shall include a financial analysis based on reasonable assumptions on or in respect of mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations (including permitting), work plan and schedule for the recommended next study phase and the evaluation of any other relevant factors. The study shall have an accuracy of between 20% and 25% and at a minimum include mine design (based on a resource model), preliminary studies completed on geotechnical, environmental, and infrastructure requirements, bench scale metallurgical tests and preliminary process design completed; and cost estimates based on factored or comparative prices and meeting the standards of NI 43-101 for a Pre-Feasibility Study and the definition of “Pre-Feasibility Study” in the CIM Definition Standards for Mineral Resources and Mineral Reserves (in force at the relevant date of delivery of the study).

“Products” means all payable ores, minerals and mineral resources produced from the Properties under this Agreement.

“Project” has the meaning set forth in the Recitals hereto.

“Properties” means lands subject to the Claims and any and all other interests in real property within the Area of Interest, including federal unpatented mining claims, any exploration permits and mineral leases, licenses and permits, fee property and patented lands and leases covering the same, surface rights and water rights, which are acquired and held subject to this Agreement.

“Purchaser” has the meaning set forth in the Preamble hereto.

“Purchaser Shares” means common shares in the capital of Purchaser Guarantor.

“Resources” means Mineral resources on the Properties established from time to time to the standard of NI 43-101 and meeting the definition of “Mineral Resources” in the CIM Definition Standards for Mineral Resources and Mineral Reserves (in force at the relevant date of determination of Resources), but excludes Inferred Mineral Resources, as defined for the purposes of NI 43-101.

“Review Notice” has the meaning set forth in Section 3.2(d)(ii).

“Review Period” has the meaning set forth in Section 3.2(d)(iii).

“Royalty Conveyance” has the meaning set forth in Section 4.4(b).

“Royalty Increment” has the meaning set forth in Section 5.2.

“Second Royalty Increment” has the meaning set forth in Section 5.2.

“Seller” has the meaning set forth in the Preamble.

“Seller Royalty” has the meaning set forth in Section 4.4(b).

“Selling Party” has the meaning set forth in Section 11.1.

“Taxes” means any United States federal, state, local or foreign income, profits, net profits, estimated, gross receipts, windfall profits, severance, franchise, capital gains, withholding, ad valorem, employment, occupation, production, social security, disability, wage, payroll, stamp, goods and services, real or personal property, intangible property or excise tax, any alternative or add-on minimum tax, and any other royalties, taxes, charges, fees, imposts, duties, levies, withholdings or other assessments imposed by any Governmental Authority, together with any interest, fines, penalties or additions to tax, but excluding any Governmental Fees).

“Technical Committee” has the meaning set forth in Section 2.5.

“Transfer” has the meaning set forth in Section 11.1.

“Transfer Notice” has the meaning set forth in Section 11.1.

1.2 Interpretation

As used herein, except as otherwise indicated herein or as the context may otherwise require:

(a) The words “include,” “includes,” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import;

(b) The words “hereof,” “herein,” “hereunder,” and comparable terms refer to the entirety of this Agreement, including the Exhibits hereto, and not to any particular article, section, or other subdivision hereof or Exhibit hereto;

(c) Any pronoun shall include the corresponding masculine, feminine, and neuter forms;

(d) The singular includes the plural and vice versa;

(e) References to any agreement or other document are to such agreement or document as amended, modified, supplemented, and restated now or hereafter from time to time;

(f) References to any statute or regulation are to it as amended, modified, supplemented, and restated now or hereafter from time to time, and to any corresponding provisions of successor statutes or regulations;

(g) Except as otherwise expressly provided in this Agreement, references to “Article,” “Section,” “preamble,” “recital,” or another subdivision or to an “Exhibit” are to an article, section, preamble, recital or subdivision hereof or an “Exhibit” hereto;

(h) References to any Party, person or entity include the successors and permitted assigns of such Party, person or entity;

(i) Any reference herein to a “day” or number of “days” (without the explicit qualification of “business”) shall be deemed to refer to a calendar day or number of calendar days;

(j) If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day; and

(k) Any financial or accounting terms that are not otherwise defined herein shall have the meanings given thereto under generally accepted accounting principles.

ARTICLE II

OPTION, OPTION PAYMENTS, RIGHT OF ENTRY

2.1 Grant of Option

Seller hereby gives and grants to Purchaser the sole and exclusive right and option to acquire all of Seller’s interest in the Claims and the Properties in accordance with the terms of this Agreement, free and clear of all Encumbrances, other than Permitted Encumbrances (the “Option”).

2.2 Option Payment

As consideration for the Option: (1) Purchaser has contemporaneously with the execution of this Agreement paid Seller US \$15,000; and (2) as soon as practicable following execution of this Agreement, Purchaser Guarantor shall issue to Seller 200,000 Purchaser Shares as consideration for the Option. Seller acknowledges and agrees that the 200,000 Purchaser Shares shall be subject to applicable statutory hold periods pursuant to applicable Canadian and United States securities laws and the policies of the CSE.

2.3 Right of Entry

During the Option Period, Purchaser and its employees, agents and independent contractors will have the right and option (subject to applicable law and contractual and other rights of third parties) to:

- (a) enter upon the Properties;
- (b) conduct such Exploration thereon and thereunder as the Technical Committee shall direct pursuant to Section 2.5 below;
- (c) bring and erect upon the Properties such Facilities as the Technical Committee shall direct pursuant to Section 2.5 below;

(d) remove from the Properties reasonable quantities of rocks, ores, minerals and metals and to transport the same for the purpose of sampling, testing and assaying; and

(e) have the authority to apply for all necessary permits, licenses and other approvals from any other government or other entity having regulatory authority over any part of the Properties.

2.4 Manager of the Project

Purchaser will be the manager and operator of the Project (the “**Manager**”) during the Option Period. Purchaser may engage a third party to act as Manager, provided such third party has the financial and technical ability to conduct Operations on the Properties in compliance with applicable Laws and this Agreement, and provided further that Purchaser shall remain liable for all activities and obligations of the Manager hereunder. During the Option Period, the Manager shall prepare exploration programs and budgets for review by the Technical Committee. Such programs and budgets shall be for periods of one year, or such other period as the Technical Committee shall direct.

2.5 Technical Committee

Upon execution of this Agreement, the Parties shall establish a management committee (the “**Technical Committee**”) to review exploration programs and technical results with respect to the Properties during the Option Period. The Technical Committee consisting of management and technical personnel of Seller and Purchaser shall hold informal meetings on at least a quarterly basis, or more frequently as mutually agreed by Seller and Purchaser. At such meetings, Purchaser shall discuss with Seller the results of recent activities and the future plans related to the development of the Properties. Seller shall have the opportunity to provide technical advice and managerial commentary related to such plans and activities. In the event of a lack of consensus with respect to any matter discussed at such meetings, the views of Purchaser shall prevail and shall be conclusive. The rights of Seller under this Section 2.5 shall expire upon the end of the Option Period.

ARTICLE III

CONDITIONS PRECEDENT TO EXERCISE OF OPTION

3.1 Payments by Purchaser During Option Period

(a) Subject to the right of Purchaser to terminate the Option and this Agreement as set forth in Section 8.1(e) and its obligations hereunder at any time during the Option Period, Purchaser shall make the following payments totaling US \$585,000 to Seller during the Option Period, with the payments to be made on or before the dates described below in the amounts described below, as conditions precedent to the right to exercise the Option:

Amount of Payment (USD)	Payment Date
\$25,000	15 months from Effective Date
\$40,000	2 nd anniversary of Effective Date
\$70,000	3 rd anniversary of Effective Date
\$150,000	4 th anniversary of Effective Date
\$300,000	5 th anniversary of Effective Date

For Option payments beginning on the 2nd anniversary of the Effective Date through the 5th anniversary of the Effective Date, Purchaser and Purchaser Guarantor may at their election, pay up to half of the value of the Option payment then due through the issuance of such number of Purchaser Shares having a value as is equal to said amount of the Option payment based on the 20 day (or such shorter period required by the CSE or other exchange or quotation system) volume weighted trading price of the Purchaser Shares on the CSE (or such other exchange or quotation system as such shares are then listed or quoted), subject to the minimum price at which Purchaser Shares may be issued pursuant to the policies of the CSE. Any such Purchaser Shares so issued shall be subject to applicable statutory hold periods pursuant to applicable Canadian and United States securities laws and the policies of the CSE.

(b) Within five (5) Business Days following the occurrence of each Milestone, Purchaser shall pay Seller a milestone payment as set forth in this Section 3.1(b) below (each a **“Milestone Payment”**). The Parties agree that payment of a Milestone Payment is not a condition precedent to the right of Purchaser to exercise the Option as provided in Section 4.2 to the extent that prior to Closing the Milestone has not occurred. In addition, if the Royalty Conveyance is executed prior to the occurrence of the Milestone and contains the requirement for payment of a Milestone Payment upon occurrence of the Milestone, payment of the Milestone Payment under the Royalty Conveyance shall satisfy the requirement to pay the Milestone Payment under this Agreement. Should Purchaser or Purchaser Guarantor skip, or choose not to perform a Milestone, upon reaching a subsequent Milestone, the Milestone payment for the Milestone attained will be due in addition to the payment for the previous Milestone(s) skipped or not attained (e.g. if Purchaser or Purchaser Guarantor does not complete a PEA, but subsequently completes and Pre-Feasibility Study, the Purchaser shall pay to Seller a Milestone Payment of 850oz Au). Should Purchaser skip or not perform any Milestone, then upon Commercial Production, all three Milestone Payments will become due and owing.

Amount of Payment	Milestone
300oz Au	PEA
550oz Au	Pre-Feasibility Study
650oz Au	Feasibility Study

Purchaser may elect to make any Milestone Payment "in cash" or "in kind" as refined bullion.

3.2 Exploration Expenditures During the Option Period

(a) Subject to the right of Purchaser to terminate the Option and this Agreement as set forth in Section 8.1(e) during the Option Period, Purchaser shall expend a total of US \$1,500,000 in Exploration Expenditures during the Option Period, with the minimum amounts to be expended on or before the dates described below, as conditions precedent to the right to exercise the Option:

Minimum Exploration Expenditures Per Year	Due Date of Expenditures
\$100,000	15 months from Effective Date
\$200,000	2 nd anniversary of Effective Date
\$300,000	3 rd anniversary of Effective Date
\$400,000	4 th anniversary of Effective Date
\$ 500,000	5 th anniversary of Effective Date

(b) Exploration Expenditures incurred in any period in excess of the minimum for that period during the Option Period may be carried forward and applied to subsequent years of the Option Period.

(c) All Exploration Expenditures required to be made by Purchaser pursuant to Section 3.2(a) shall be made on a "make or pay" basis at Purchaser's election (i.e., Purchaser may either make the required Exploration Expenditures or pay Seller in cash for any shortfall) in order to maintain the Option in good standing; provided, however, that notwithstanding such ability to make cash payments, and so long as this Agreement has not been terminated, Purchaser shall each year during the Option Period make all Exploration Expenditures necessary to keep the Properties in good standing under applicable Law. In addition, any amount incurred as

Exploration Expenditures by any third party contractor or service provider on behalf of Purchaser shall not qualify as Exploration Expenditures until such time as the amounts so incurred have been reimbursed or paid for in full by Purchaser; provided, however, that once Purchaser has reimbursed or paid in full such third party contractor or service provider fees, thereby qualifying such costs as Exploration Expenditures in accordance with Section 3.2(a), such Exploration Expenditures shall be incurred in the period in which the costs accrued to Purchaser.

(d) The Parties shall use the following procedure to substantiate the amount of Exploration Expenditures and to resolve conflicts arising with respect to the amount of Exploration Expenditures claimed:

(i) Upon the conclusion of any period in which Purchaser is required to complete Exploration Expenditures in accordance with Section 3.2(a), Purchaser shall provide to Seller within 75 days of the relevant date, (A) a certificate of an officer of Purchaser certifying that the amount of Exploration Expenditures for a period specified in Section 3.2(a) has been made; (B) a reasonably itemized statement of such Exploration Expenditures; and (C) the report required by Section 7.2(d)(i).

(ii) Within 90 days after receiving all of the information required under Section 3.2(d)(i) above, Seller shall notify (a **“Review Notice”**) Purchaser in writing if it wishes to review the underlying records supporting the Exploration Expenditures claimed by Purchaser in the report. If Seller does not provide Purchaser with a Review Notice within such period, the Exploration Expenditures will be deemed accepted by Seller.

(iii) If Seller provides Purchaser with a Review Notice, Purchaser shall for 30 days after receiving such notice (the **“Review Period”**) make available to Seller all records relevant to support such Exploration Expenditures. Prior to the expiry of the Review Period, if Seller notifies Purchaser that it disagrees with Purchaser on any claimed Exploration Expenditures (the **“Disputed Expenditures”**), the Parties shall for 15 days thereafter in good faith attempt to settle any disagreement.

(iv) If, after the 15-day period described in Section 3.2(d)(iii), the Parties are unable to resolve the Disputed Expenditures, and the amount in dispute is \$30,000 or greater, the Parties shall contract with KPMG or other international accounting firm mutually agreeable to the Parties (the **“Accountant”**) to review the dispute and deliver a decision, which shall be final as between the Parties, resolving the Disputed Expenditures. The costs of the Accountant shall be split equally between the Parties.

(v) If, after the 15-day period described in Section 3.2(d)(iii), the Parties are unable to resolve the Disputed Expenditures through good faith negotiations, and the amount in dispute is less than \$30,000, then the Parties shall resolve the dispute by dividing the amount of Disputed Expenditures in half, and Purchaser shall pay the resulting amount to Seller.

(vi) If, upon resolution of the Disputed Expenditures, whether by agreement between the Parties, as determined by the Accountant or by dividing the amount of Disputed Expenditures in half, Purchaser did not meet its annual obligation to incur the required Exploration Expenditures, Purchaser shall within ten (10) Business Days after such resolution of the issue pay to Seller the amount required plus interest commencing on the last day of the period in which such Exploration Expenditures were to be incurred, at the Applicable Rate plus 7%, such that it has incurred the required Exploration Expenditures for the applicable period in order to maintain the Option in good standing. For the purposes of this paragraph, the determination of the Applicable Rate shall be made as of the last Business Day of the period in which such Exploration Expenditures were to be expended. If Purchaser does not make the payment to Seller within the time period as set out in the previous sentence, the Option shall terminate upon notice by Seller.

(e) Purchaser may, in its sole discretion, accelerate the schedule for the Exploration Expenditures to be incurred in compliance with Section 3.2 and thereby accelerate the exercise of the Option in accordance with Article IV.

3.3 Purchaser Share Payment

On or before the 2nd anniversary of Effective Date, Purchaser shall deliver to Seller 250,000 Purchaser Shares. Seller acknowledges and agrees that the 250,000 Purchaser Shares shall be subject to applicable statutory hold periods pursuant to applicable Canadian and United States securities laws and the policies of the CSE.

ARTICLE IV EXERCISE OF OPTION; CLOSING OF PURCHASE

4.1 Conditions Precedent to Exercise of Option

Satisfaction of all of the following shall be a condition precedent to Purchaser's right to exercise the Option:

- (a) Purchaser shall have paid to Seller a total of \$15,000 upon execution of this Agreement.
- (b) Purchaser Guarantor shall have issued to Seller 450,000 Purchaser Shares.
- (c) Purchaser shall have paid all amounts described in Section 3.1 coming due during the Option Period;
- (d) Purchaser shall have made expenditures of at least \$1,500,000 in Exploration Expenditures, or shall have made a payment to Seller in lieu thereof as set forth in Section 3.2, in accordance with the time frames described in Section 3.2; and

(e) There shall exist no imminent material default by Purchaser of its obligations under this Agreement.

4.2 Exercise of Option

Purchaser may give notice of its intent to exercise the Option and acquire the Claims and Properties by delivering a notice in writing to Seller stating its intention to exercise the Option (the “**Exercise Notice**”) within 30 days after satisfaction of all of the conditions precedent set forth in Section 4.1.

4.3 Closing

The closing of the exercise of the Option (the “**Closing**”) shall occur at a date, time and location agreeable to the Parties no later than 15 days after the date of delivery of the Exercise Notice to Seller which shall be the last date of the Option Period. The date that Closing occurs is herein called the “**Closing Date**.”

4.4 Deliveries at Closing

At Closing, the following events shall occur, each being a condition precedent to the others and each being deemed to have occurred simultaneously with the others:

(a) Seller shall execute and deliver to Purchaser an assignment of the Claims and its interest in the Properties that are subject to the Claims, free and clear of all Encumbrances arising by, through or under Seller, other than Permitted Encumbrances, and Purchaser at its sole cost and expense shall obtain all required approvals and consents to register the Claim thereafter.

(b) The Purchaser and Purchaser Guarantor shall execute and deliver a fully executed and acknowledged Royalty Interest Conveyance and Agreement as set forth in Exhibit B hereto (the “**Royalty Conveyance**”) granting to Seller or its designee a 3.5% production royalty (the “**Seller Royalty**”) in respect of all Products.

(c) Purchaser shall deliver 500,000 Purchaser Shares to Seller. Seller acknowledges and agrees that the 500,000 Purchaser Shares shall be subject to applicable statutory hold periods pursuant to applicable Canadian and United States securities laws and the policies of the CSE.

(d) The Parties shall execute, acknowledge and deliver such other documents and take such other actions as may be required to give effect to the exercise of the Option.

The effective date of the exercise of the Option shall be the date on which all of the foregoing has been completed.

ARTICLE V
ADVANCED ANNUAL ROYALTY AND ROYALTY REDUCTION

5.1 Advanced Annual Royalty

(a) Beginning on the first (1st) anniversary of the Closing Date and on or before each anniversary thereafter until Commercial Production, Purchaser shall begin to make annual payments of an Annual Advanced Royalty (as defined in Exhibit B, Royalty Agreement) of a sum equal to USD\$30,000 per year.

(b) The amount of the Annual Advanced Royalty shall increase by ten thousand dollars (USD\$10,000) each year, up to a cap of eighty thousand dollars (USD\$80,000) per year and shall be payable on or before each anniversary of the Closing Date.

(c) Upon the commencement of Commercial Production, the Annual Advanced Royalty payment shall cease.

(d) All Annual Advance Royalties paid by Purchaser to Seller (whether under this Agreement or the Royalty Conveyance) shall constitute prepayment of and advance against royalty payments thereafter accruing to Purchaser during the term of the Royalty Conveyance. Annual Advance Royalties paid hereunder will be set off against 70% of the Royalty payable under the Royalty Conveyance as each payment of Royalty comes due under the Royalty Conveyance.

5.2 Option to Reduce Seller Royalty

As set forth herein, Purchaser shall have the right to reduce the Seller Royalty in increments representing one-half of one percent (0.5%) and subsequently one percent (1%) of the Net Smelter Returns (as defined in the Royalty Conveyance) (each such increment is herein called a “**Royalty Increment**”), but not to exceed the two specified Royalty Increments. In exchange for the payment of 350oz Au or its monetary equivalent, by Purchaser to Seller, Purchaser may reduce the Royalty by the first Royalty Increment of 0.5% (“**First Royalty Increment**”) and for a subsequent payment of 1,150oz Au or its monetary equivalent, Purchaser may reduce the Royalty by the second Royalty Increment of 1% (“**Second Royalty Increment**”). The First Royalty Increment may be exercised no later than the third (3rd) anniversary of the Closing Date by providing notice and the corresponding First Royalty Increment payment to Seller. Purchaser may, at its election, make up to one half of the First Royalty Increment payment to Seller in the form of Purchaser Shares equal to said amount of the First Royalty Increment payment based on the 20 day (or such shorter period required by the CSE or other exchange or quotation system) volume weighted trading price of the Purchaser Shares on the CSE (or such other exchange or quotation system as such shares are then listed or quoted), subject to the minimum price at which Purchaser Shares may be issued pursuant to the policies of the CSE. Any such Purchaser Shares so issued shall be subject to applicable statutory hold periods pursuant to applicable Canadian and United States securities laws and the policies of the CSE. Purchaser shall have no right to exercise its right to purchase the Second Royalty

Increment unless it previously purchased the First Royalty Increment. If Purchaser has purchased the First Royalty Increment, it may exercise its right to purchase the Second Royalty Increment by providing notice and the corresponding Second Royalty Increment payment to Seller on or before Commercial Production. After Commercial Production, the right to reduce the Royalty by the Second Royalty Increment shall expire and no longer be capable of being exercised.

On Seller's receipt of Purchaser's notice of exercise, the Parties shall make diligent efforts to close the conveyance of the purchased Royalty Increment(s) within 30 days after Purchaser's delivery of notice.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

6.1 Representations and Warranties of Seller

Seller represents and warrants to Purchaser as follows:

(a) Seller is a company duly organized, validly existing, and in good standing under the laws of Arizona, and has all requisite power to conduct its activities as such activities are currently conducted.

(b) Seller has all requisite power and authority to execute, deliver and perform this Agreement and consummate the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement on the part of Seller have been duly and validly authorized by all necessary action on the part of Seller. This Agreement has been duly and validly executed and delivered by Seller, and is the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

(c) The execution, delivery and performance by Seller of this Agreement do not and will not: (i) conflict with or violate any provision of the constituent documents of Seller;; (ii) constitute a default under any agreement to which Seller is a party; (iii) result in the creation or imposition of any Encumbrance against or upon any of the Claims or the Properties; or (iv) to the knowledge of Seller, require any consent, approval or authorization of, or filing or delivery of any certificate, notice, application, report or other document with or to, any Governmental Authority or other Person.

(d) There is no litigation pending or, to the knowledge of Seller, threatened, or any judgment outstanding, against Seller that reasonably could be expected to adversely affect the ability of Seller to perform its obligations under this Agreement or consummate the transactions contemplated by this Agreement. To the knowledge of Seller, there is no condition on the Properties, nor has Seller or any person acting at the direction of Seller conducted any activities on or in connection with the Properties, that could reasonably be expected to result in any Environmental Liabilities or other types of enforcement proceeding, or any recovery by any Governmental Authority or private party of remedial, reclamation or removal costs, natural

resources damages, property damages, damages for personal injuries or other costs, expenses, damages or injunctive relief arising from any alleged injury or threat to health, safety or the environment.

(e) Seller has at all times complied with all applicable Laws. Seller has not received any notice from any Governmental Authority or any other Person claiming any violation of any Laws.

(f) Subject to the Permitted Encumbrances, and the paramount ownership by the Government of USA of the Claims, Seller is the legal and beneficial owner of the Claims and the Properties free of all Encumbrances arising by, through or under Seller, other than Permitted Encumbrances. The Claims and the Properties are accurately described in Exhibit A and are presently in good standing, to the extent applicable, relating to the payment of mining duties, performance of minimum assessment work and filing of reports with respect to minimum assessment work required under the laws of the jurisdiction where they are located. Except for this Agreement, there are no outstanding agreements or options permitting any Person the acquisition of rights to the Claims, or any portion thereof. To the knowledge of Seller, no Person is entitled to carry out any activities covered by the Claims. Except for the royalty payable pursuant to the Royalty Agreement, none of such Claims or Projects, or any portion thereof, is subject to any net smelter return or any similar royalty or right.

(g) The operations of Seller have been conducted in compliance with financial record-keeping and reporting requirements of applicable Laws.

(h) Neither Seller any of its Affiliates, nor any of their respective officers, directors, employees, advisors or agents, has made any payment, directly or indirectly, on behalf of or to the benefit of Seller, in violation of any applicable Laws prohibiting the payment of undisclosed commissions or bonuses or the making of bribe or incentive payments or other arrangements of a similar nature, including the *Corruption of Foreign Public Officials Act* (Canada), and the United States Foreign Corrupt Practices Act, and Seller instituted and maintains policies and procedures designed to ensure continued compliance with such Legal Requirements.

(i) Except as limited by Section 6.1(j), to the knowledge of Seller, no representation or warranty by Seller in this Agreement or in any Schedule or Exhibit to this Agreement, or any statement, list or certificate furnished or to be furnished by Seller pursuant to this Agreement, contains or will contain any untrue statement of material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which made.

(j) EXCEPT AS EXPRESSLY STATED IN THIS SECTION 6.1, SELLER MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS EXPRESSLY STATED IN THIS SECTION 6.1, SELLER SPECIFICALLY DISCLAIMS ANY AND ALL STATUTORY AND IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE CLAIMS ARE ACCEPTED BY PURCHASER IN AN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS, AND PURCHASER WILL ASSUME ALL RISKS AND

LIABILITIES THAT THE ASSETS MAY CONTAIN HAZARDOUS MATERIALS OR OTHER WASTE, TOXIC, HAZARDOUS, EXTREMELY HAZARDOUS, OR OTHER MATERIALS OR SUBSTANCES, AND TUNNELS, ADITS, SHAFTS AND OTHER ADVERSE PHYSICAL CONDITIONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER CONCERNING THE EXISTENCE, NATURE, LOCATION, AMOUNT OR VALUE OF ANY MINERALIZATION, MINERAL RESERVES OR RESOURCES ON THE CLAIMS OR WHETHER ANY LICENSE OR PERMIT CAN BE OBTAINED, TRANSFERRED OR AMENDED IN A TIMELY MANNER, WHETHER ANY MINING CAN BE DONE ECONOMICALLY, OR AS TO THE COST OR TIME REQUIRED TO COMMENCE OR OPERATE AND MAINTAIN OPERATIONS ON THE CLAIMS.

6.2 Representations and Warranties of Purchaser and Purchaser Guarantor

Each of Purchaser and Purchaser Guarantor represents and warrants to Seller as follows:

(a) It is a company duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation, and has all requisite power and authority to own and lease the properties and assets it currently owns and leases and to conduct its activities as such activities currently are conducted.

(b) It has all requisite power and authority to execute, deliver and perform this Agreement and consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by it have been duly and validly authorized by all necessary action on the part of it. This Agreement has been duly and validly executed and delivered by it, and is a valid and binding obligation of it, enforceable against it in accordance with its terms.

(c) The execution, delivery and performance by it of this Agreement do not and will not: (i) conflict with or violate any provision of the constituent documents of it; (ii) violate any provision of any Laws; (iii) constitute a default under any contract to which it is a party; or (iv) to the knowledge of it, require any consent, approval or authorization of, or filing or delivery of any certificate, notice, application, report or other document with or to, any Governmental Authority or other Person.

(d) There is no litigation pending or, to the knowledge of it, threatened, or any judgment outstanding, against it that reasonably could be expected to adversely affect the ability of it to perform its obligations under this Agreement or consummate the transactions contemplated by this Agreement.

(e) Other than as noted herein, it has at all times complied with all applicable Laws. It has not received any notice from any Governmental Authority or any other Person claiming any violation by it of any Laws.

(f) Since the date of the most recent balance sheets included in Purchaser Guarantor's most recent audited annual financial statements, there has not occurred any material adverse

change in the business, affairs, capital, capitalization, assets, condition (financial or otherwise), operations, prospects, rights, liabilities or obligations of Purchaser Guarantor, taken as a whole.

(g) The operations of it have been conducted in compliance with financial record-keeping and reporting requirements of applicable Laws.

(h) Neither it nor any of its officers, directors, employees, advisors or agents, has made any payment, directly or indirectly, on behalf of or to the benefit of it, in violation of any applicable Laws prohibiting the payment of undisclosed commissions or bonuses or the making of bribe or incentive payments or other arrangements of a similar nature, including the *Corruption of Foreign Public Officials Act* (Canada), and the United States Foreign Corrupt Practices Act, and it has instituted and maintains policies and procedures designed to ensure continued compliance with such Laws.

(i) In making the decision to enter into this Agreement and to consummate the transactions hereunder, it has relied solely on its own independent investigation, analysis, and evaluation of the Project and the Properties (including its own estimate and appraisal of the extent, location and value of any mineralization, mineral resources or reserves on the Properties, the title to the Properties, and any environmental obligations).

ARTICLE VII COVENANTS OF THE PARTIES

7.1 Covenants of Seller

Seller covenants and agrees with Purchaser that it shall comply with the following provisions:

(a) During the Option Period, it shall cooperate with Purchaser, at no cost to it or its Affiliates, to keep the Claims held by it in good standing and full force and effect;

(b) During the Option Period, it shall cooperate with Purchaser, at no cost to it or its Affiliates, to provide such documents as Purchaser needs in connection with all permitting and third party consent processes that Purchaser reasonably requires to perform the Operations approved by the Technical Committee pursuant to this Agreement; and

(c) It shall not do any act or thing which would in any way adversely affect the rights of Purchaser to the Claims or the Properties, other than as necessary to protect its rights (including its right to the Seller Royalty) under this Agreement, including without limitation, permitting or acquiescing to any Encumbrance, other than Permitted Encumbrances, on the Claims and the Properties.

7.2 Covenants of Purchaser

Purchaser covenants and agrees with Seller that Purchaser shall comply with the following provisions:

(a) During the Option Period, and in accordance with Section 8.2, reimburse to Seller all expenditures and perform all activities required to keep the Claims in good standing under the terms of the Law, including without limitation the obligation to pay all amounts required to keep the Claims in good standing during the Option Period and thereafter pursuant to Section 8.2; and in connection therewith, provide to Seller evidence of the payment of all Governmental Fees required to be paid on or before 30 days prior to the deadline for payment of such fees, failing which Seller shall have the right to make such payment and Purchaser shall thereafter reimburse Seller for such payment together with interest at the Applicable Rate, plus 10%, commencing on the date paid by Seller, compounding and calculated daily until paid; for the purposes of this paragraph, the determination of the Applicable Rate shall be made as of the date on which Seller made such payment;

(b) During the Option Period, Purchaser shall keep the Properties free and clear of all Encumbrances created by Purchaser or as a direct result of the activities of Purchaser or any subcontractor acting on behalf of Purchaser, in each case with respect to the Properties, other than Permitted Encumbrances or Encumbrances created by Seller, and proceed with all reasonable diligence to contest or discharge any lien that is filed for an Encumbrance created by Purchaser or as a direct result of the activities of Purchaser or any subcontractor acting on behalf of Purchaser, in each case with respect to the Properties. Purchaser shall promptly notify Seller if Purchaser becomes aware of any other Encumbrance on the Claims other than Permitted Encumbrances;

(c) During the Option Period, permit Seller and its representatives, at their own risk and expense, upon reasonable notice, access to the Properties and to all data prepared by Purchaser in connection with work done on or with respect to the Properties and to all drill materials, including drill core and drill chips, produced by or on behalf of Purchaser from the Properties, provided that in exercising such right Seller will not unreasonably interfere with the activities of Purchaser and that Seller will indemnify and save harmless Purchaser and its directors, officers, employees and agents from and against all and any losses, damages, expenses, claims, suits, actions and demands of any kind or nature whatsoever in any way referable to or arising out of the entry, presence or activities of Seller or its representatives in connection with Seller's access to the Properties and the records of Purchaser under this Section 7.2(c), including, without limitation, bodily injuries or death or damage to property at any time resulting therefrom;

(d) During the Option Period, prepare and deliver to Seller:

(i) comprehensive exploration reports on an annual basis, which reports shall include without limitation the total amount of Exploration Expenditures incurred on the Properties and results obtained during the calendar year ending on December 31st

immediately preceding, accompanied by copies of all data, reports and other information on or with respect to the Properties not already provided to Seller;

(ii) quarterly reports that shall include the total amount of Exploration Expenditures incurred on the Properties and results obtained during the calendar quarter, including environmental reports, accompanied by copies of all data, reports and other information on or with respect to the Properties not already provided to Seller, together with reports on community relations and social license to the extent prepared internally by Purchaser for its own use; and

(iii) during periods of active field work, timely copies of all relevant data, reports and other information concerning such results, including those necessary to permit each of Purchaser, Purchaser Guarantor and Seller to meet its continuous disclosure obligations under applicable legislation and the requirements of any securities commission, stock exchange or other regulatory body having jurisdiction over Seller, Purchaser, Purchaser Guarantor or the Properties;

(e) Conduct Operations (including sampling, mapping, geochemistry, geophysics, drilling and other exploration, pre-feasibility and feasibility study work) in accordance with sound mineral exploration industry standards, and all Laws, and the terms and conditions of the instruments giving rise to the Properties and any permits, consents or authorizations obtained, granted or issued with respect to activities on or with respect to the Properties;

(f) Pay, when due and payable, all wages or salaries for services rendered for the benefit of the Properties and all accounts for materials supplied on or in respect of any work or operations performed in connection therewith, unless Purchaser disputes any such fees or accounts in good faith and takes commercially reasonable steps to resolve such disputes as expeditiously as possible;

(g) Arrange for and maintain Worker's Compensation or equivalent coverage for all eligible employees of Purchaser in accordance with local statutory requirements;

(h) Obtain and maintain, or cause any contractor engaged by it hereunder to obtain and maintain, during any period in which active work is carried out hereunder, insurance coverage as specified in Exhibit C hereto; and

(i) Comply with the indemnification requirements of Section 8.3.

7.3 Acknowledgment Relating to Data

It is agreed between the Parties that any technical, economic or geological information of any nature, including without limitation any studies, reports, mining models, assays, drill hole data, geochemical reports, recovery reports and other information concerning the Properties and the existence, location, quantity, quality or value of any minerals thereon or therein ("**Data**"), provided to, or made available by one Party to the other under this Agreement or prior to the Effective Date hereof, is provided without representation or warranty and is at the sole risk of the

Party receiving the same. Such information is provided “AS IS, WHERE IS” and EACH PARTY EXPRESSLY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES CONCERNING THE SAME, AND EXPRESSLY EXCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. It is further agreed if Purchaser or Purchaser Guarantor enters into a separate confidentiality arrangement with a third party, including a license agreement with any third party, whereby Purchaser or Purchaser Guarantor, as the case may be, is required to keep confidential any proprietary or confidential methodologies or techniques used for ascertaining the existence, location, quantity, quality or value of any minerals, Purchaser or Purchaser Guarantor, as the case may be, shall deliver to Seller all non-interpretive Data and, to the extent not prohibited by such confidentiality arrangement, all other Data with respect to the Properties.

7.4 Purchaser Guarantee

Purchaser Guarantor does hereby covenant and agree that it shall cause Purchaser to comply with all of its obligations under this Agreement. In such regard, Purchaser Guarantor unconditionally and irrevocably guarantees and agrees to jointly and severally liable with the Purchaser for, the due and punctual performance of all obligations, covenants and indemnities of the Purchaser arising under this Agreement, upon the terms and subject to the conditions of this Agreement. The liability of Purchaser Guarantor under this section will be for the full amount of the obligations without apportionment, limitation or restriction of any kind, will be continuing, absolute and unconditional and will not be affected by any applicable law, or any other act, delay, abstention or omission to act of any kind by the Seller or any other person, that might constitute a legal or equitable defense to or a discharge, limitation or reduction of Purchaser Guarantor's obligations under this section. The liability of Purchaser Guarantor under this section will not be released, discharged, limited or in any way affected by anything done, suffered, permitted or omitted to be done by the Seller or the Purchaser in connection with any duties, obligations or liabilities of the Purchaser or Purchaser Guarantor or to the Seller. The Seller will not be bound or obligated to exhaust its recourse against the Purchaser or other persons or take any other action before being entitled to demand payment from Purchaser Guarantor under this section.

ARTICLE VIII TERMINATION OF AGREEMENT

8.1 Termination

This Agreement and the Option will terminate in the following circumstances:

- (a) The Parties execute a written agreement to terminate the Option and this Agreement; or
- (b) Unless otherwise agreed in writing by Seller, and subject to Purchaser's right to cure or disagree over an alleged default as described in Section 12.3, Purchaser has failed in a

timely manner to satisfy all conditions precedent to exercise of the Option during the Option Period; or

(c) Unless otherwise agreed in writing, and subject to Purchaser's right to cure or disagree over an alleged default as described in Section 12.3, Purchaser has failed to make the payments or take the actions described in Sections 3.1 or 3.2 above on or before the deadlines set forth therein; or

(d) By Seller, if in its good faith, reasonable opinion Purchaser is likely to become insolvent, is adjudged a bankrupt, makes a general assignment for the benefit of its creditors, or has a receiver appointed on account of insolvency; or

(e) Purchaser shall have given Seller not less than 30 days' notice of its intent to terminate the Option and this Agreement, provided Purchaser complies with the provisions of Section 8.2 below.

Seller shall retain all payments, shares and other compensation received from Purchaser under this Agreement prior to such termination, and shall have no obligation to reimburse Purchaser for any expenditures made with respect to the Properties prior to such termination. Termination shall be without prejudice to any accrued rights of the Parties.

8.2 Purchaser's Obligations After Termination of Agreement or Closing

Upon termination of this Agreement prior to Closing, Purchaser shall:

(a) if Governmental Fees will become due with respect to the Claims and Properties (or such portion of the Claims and Properties transferred back) at any time within 90 days or less from the date of termination or the date of transfer, Purchaser shall pay to Seller the amount of such Governmental Fees;

(b) leave the Properties, (A) free and clear of any Encumbrance created by Purchaser or as a direct result of the activities of Purchaser or any subcontractor acting on behalf of Purchaser, in each case with respect to the Properties, other than Permitted Encumbrances or Encumbrances created by Seller; (B) in a safe and orderly condition; and (C) in compliance with all reclamation obligations arising after the Effective Date and as a result of work on the Properties;

(c) deliver to Seller, within 60 days of termination, a report on all work carried out by Purchaser on the Properties (including factual data and interpretations thereof) together with copies of all sample location maps, drill hole assay logs, assay results and other technical data compiled by Purchaser with respect to work on the Properties not previously delivered to Seller;

(d) have the right to remove from the Properties within three months of the effective date of termination, all materials and Facilities erected, installed or brought upon the Properties by or at the instance of Purchaser; and

(e) indemnify Seller and its Affiliates, and their respective directors, officers, agents, and attorneys (each, an “**Indemnified Person**”), against any third party related loss, cost, expense, damage, or liability (“**Loss**”) relating to the Properties or operations thereon, whether conducted by or on behalf of Purchaser, including under applicable environmental legislation, except to the extent of any Loss caused by or attributable to Seller’s wilful misconduct or gross negligence or arising from Section 7.2(c). If any claim or demand is asserted against an Indemnified Person, written notice of such claim or demand will promptly be given to Purchaser. Within 30 days after its receipt of the notice of the claim or demand, Purchaser shall have the right but not the obligation to assume control of (subject to the right of the Indemnified Person to participate at the Indemnified Person’s expense and with counsel of the Indemnified Person’s choice), the defense, compromise, or settlement of the matter, including at Purchaser’s expense, the employment of counsel of the Indemnified Person’s choice.

(f) After Closing, if Seller declares an event of default by Purchaser pursuant to Section 12.3, or if Purchaser delivers a Relinquishment Notice to Seller as set forth in Article XII, Seller shall have the right to demand that Purchaser transfer to Seller or its designee the Claims and the Properties, free of Encumbrances created by Purchaser or as a direct result of the activities of Purchaser or any subcontractor acting on behalf of Purchaser, in each case with respect to the Properties, other than Permitted Encumbrances or Encumbrances created by Seller, and for no further consideration.

(g) If Seller demands a transfer of the Claims and the Properties pursuant to Section 8.2(f), then, in addition to complying with Section 8.2(a)-(e) above, Purchaser shall execute and deliver, or cause to be executed and delivered, all instruments, and take all actions necessary or reasonably requested by Seller to transfer the Claims and the Properties to Seller or its designee, and shall make reasonable and customary representations and warranties to Seller or such designee as of the date of the transfer of the Claims and the Properties, including that Purchaser is the sole legal owner of the Claims and the Properties, free from all Encumbrances, except Permitted Encumbrances.

8.3 Indemnity

(a) Seller shall defend, indemnify and hold harmless Purchaser, its successors, Affiliates, assigns, officers, directors and employees from and against any and all claims, actions, suits, losses, liabilities, damages, assessments, judgments, costs and expenses, including reasonable attorneys’ fees, arising out of or related to any breach by Seller of any representation, covenant or warranty set forth herein. Notwithstanding the foregoing, Seller’s liability hereunder to indemnify Purchaser for breach of any representation or warranty of Seller in this Agreement shall expire on the date which is 18 months after the Effective Date (other than any liability for breach of any representation or warranty for which Purchaser provides notice to Seller prior to such date).

(b) Purchaser shall defend, indemnify and hold harmless Seller, its successors, Affiliates, assigns, officers, directors and employees from and against any and all claims, actions, suits, losses, liabilities, damages, assessments, judgments, costs and expenses, including reasonable attorneys’ fees, arising out of or related to any breach by Purchaser or Purchaser

Guarantor of any representation, covenant or warranty set forth herein. Notwithstanding the foregoing, Purchaser's liability hereunder to indemnify Seller for breach of any representation or warranty of Purchaser in this Agreement shall expire on the date which is 18 months after the Effective Date (other than any liability for breach of any representation or warranty for which Seller provides notice to Purchaser prior to such date).

ARTICLE IX

AREA OF INTEREST

9.1 Acquisition of After-Acquired Property

(a) After the Effective Date, if a Party or an Affiliate (the "**Offeror**") acquires directly or indirectly or pursuant to any third party agreement, any mining claim, lease, license or other form of interest in minerals, or surface or water rights, located wholly or in part within the Area of Interest (an "**After-Acquired Property**"), the Offeror will promptly (and in any event within 30 days after such acquisition) offer such interest to the other Party with respect to the Properties (the "**Offeree**") by notice in writing setting out the nature of such After-Acquired Property and including all information known by the Offeror about such After-Acquired Property, the Offeror's acquisition costs and all other details relating thereto. Within 60 days from the date of the receipt of such notice, the Offeree may accept such After-Acquired Property and make it subject to this Agreement by notice in writing to the Offeror.

(b) If Offeree elects to make the After-Acquired Property part of the Properties and to be subject to this Agreement pursuant to Section 9.1(a), then the After-Acquired Property shall form a part of the Properties for all purposes of this Agreement.

9.2 Purchaser as Offeree

If Purchaser is the Offeree and accepts such interest, Purchaser shall reimburse the acquisition costs of Seller or its Affiliate acquiring such interest and the After-Acquired Property shall form a part of the Properties for all purposes of this Agreement; provided however that for the four competing placer claims and the one competing lode claim comprising the "**Erikson Ridge Property**" located wholly or partly within the Area of Interest which Seller is seeking to acquire and for which Seller may be the "Offeror" hereunder, Seller, as Offeror, shall pay all acquisition costs and Purchaser, as Offeree, shall not be required to reimburse the acquisition costs of Seller with respect to the Erikson Ridge Property.

9.3 Seller as Offeree

If Seller or an Affiliate of Seller is the Offeree and accepts such interest, Purchaser shall pay all acquisition costs and the After-Acquired Property shall form a part of the Properties for all purposes of this Agreement.

9.4 Acquisition Costs are Exploration Expenditures

All costs of acquisition of an After-Acquired Property made subject to this Agreement shall be considered Exploration Expenditures.

9.5 Failure to Give Notice

If the Offeree does not give notice of its intent to accept the After-Acquired Property within the 60 day time period noted above, the Offeree shall not have any interest in the After-Acquired Property and the After-Acquired Property shall not be a part of the Properties or otherwise be subject to this Agreement.

9.6 No Restriction Outside Area of Interest

For greater certainty, each Party acknowledges that the other Party and their respective Affiliates are competitors outside of the Area of Interest and are free to acquire property outside of the Area of Interest, and neither Party has any restriction or obligation whatsoever outside of the Area of Interest.

ARTICLE X CONFIDENTIALITY

10.1 Obligation of Confidentiality

(a) Subject to Section 10.1(b), all information received or obtained by Purchaser, Purchaser Guarantor, or Seller hereunder or pursuant hereto (“**Confidential Information**”) shall be kept confidential by it and no part thereof may be disclosed or published without the prior written consent of the other except such Confidential Information as may be required to be disclosed or published by Law or by regulation of any securities commission, stock exchange or other regulatory body having jurisdiction. As used herein, the term “**Disclosing Party**” means a Party desiring to publish Confidential Information or to disclose Confidential Information to a third party. Confidential Information shall not include information that, at the time of disclosure by the Disclosing Party, is published or otherwise becomes part of the public domain through no fault of the Disclosing Party.

(b) A Disclosing Party may disclose Confidential Information to the following persons so long as such persons have agreed in writing to hold such Confidential Information in confidence:

- (i) an Affiliate of the Disclosing Party;
- (ii) employees, officers and agents of the Disclosing Party or its Affiliates whose duties require such disclosure;
- (iii) genuine potential purchasers or assignees in accordance with Article XI;

(iv) bank or financial institutions or their respective representatives in connection with any loan or other financial instrument;

(v) professional advisors or consultants of the Disclosing Party who requires the Confidential Information for the purposes of providing their services to the Disclosing Party; and

(vi) registered brokers or persons preparing an offering memorandum, prospectus or other document in connection with a financing or issuance of securities of the Disclosing Party.

Following Closing, neither Purchaser nor Purchaser Guarantor shall require consent from Seller to disclose Confidential Information about the Claims or the Properties. Following termination of this Agreement without Closing, the provisions of this Section 10.1 shall apply only to Purchaser.

10.2 Press Releases

The text of any news releases or other public statements which a Party desires to make with respect to the Properties shall be made available to the other Party prior to publication and the other Party shall have the right to make suggestions for changes therein within two (2) Business Days of delivery. If no response is received within two (2) Business Days, the Party shall be free to make such release or public statement.

ARTICLE XI RESTRICTIONS ON ASSIGNMENT

11.1 No Transfers Without Consent

(a) Subject to Section 11.3, no Party (the “**Selling Party**”) shall sell, transfer, convey, assign, mortgage or grant an option in respect of or grant a right to purchase or in any manner transfer or alienate all or any portion of its interest or rights under this Agreement (the “**Transfer**”) without the prior consent in writing of the other Party (the “**Non-Selling Party**”), such consent not to be unreasonably withheld. A Selling Party must provide the Non-Selling Party notice in writing (a “**Transfer Notice**”) of its intention to Transfer. If the Non-Selling Party does not, within 30 days of receiving the Transfer Notice, provide notice in writing to the Selling Party that it is consenting or withholding its consent to the Transfer, the consent of the Non-Selling Party shall be deemed.

11.2 Assumption of Obligations by Transferee

Where the Non-Selling Party has provided its consent to a Transfer by the Selling Party, or it is deemed to have provided its consent to a Transfer by the Selling Party in accordance with Section 11.1(a), or in the circumstances where consent is not required, before the Selling Party can complete the Transfer, the Selling Party shall require the proposed acquirer to assume all of

the Selling Party's obligations under this Agreement, or enter into an agreement with the Non-Selling Party on the same terms and conditions as set out in this Agreement.

11.3 Exceptions to Restriction on Assignment

(a) The provisions of Sections 11.1 and 11.2 shall not prevent Seller from selling all or any portion of the Seller Royalty.

(b) The provisions of Section 11.1 shall not prevent a Party from:

(i) entering into an amalgamation or corporate reorganization which will have the effect in law of the amalgamated or surviving company possessing all the property, rights and interests and being subject to all the debts, liabilities and obligations of each amalgamating or predecessor company, or

(ii) completing a Transfer to an Affiliate of such Party provided that the Affiliate first complies with Section 11.2 and agrees in writing with the other Party to re-transfer such interest to the originally assigning Party immediately before ceasing to be an Affiliate of such Party, and in the case of Purchaser completing a Transfer to an Affiliate, Purchaser remains bound by its obligations under this Agreement, and in the case of a Transfer by Seller, the Seller shall also Transfer to the same transferee legal right and title to all of the Claims.

ARTICLE XII

GOVERNING LAW; DISPUTE RESOLUTION; DEFAULT AND CURE

12.1 Governing Law

This Agreement shall be governed by the laws of the Province of British Columbia.

12.2 Dispute Resolution

Each Party hereto agrees and consents to be subject to the exclusive jurisdiction of the Province of British Columbia in any action seeking to enforce any provision of or based on any right arising under or relating to this Agreement.

12.3 Default and Cure

(a) Default in Performance of Obligations. If either Party believes the other Party is in default in the observance or performance of any of its covenants or obligations under this Agreement, then the Party alleging default must give the other Party written notice of default, expressly denominated as a "Notice of Default" and specifying the details of the same.

(b) Opportunity to Cure. If the alleged default relates to a payment due to Seller under this Agreement, then Purchaser will have 5 Business Days from receipt of such notice to remedy such default by payment of the amount due plus interest at the Applicable Rate plus 10%, commencing on the due date, compounding and calculated daily until paid. For the purposes of the foregoing, the determination of the Applicable Rate shall be made as of the date on which such payment was due. With respect to any other default, the defaulting Party shall have a reasonable time of not more than 30 days within which to remedy such default or, with respect to a default which cannot be cured within the 30-day period, to commence within the 30 days such action as may be necessary to remedy such default and to diligently prosecute such action until the default is cured. Unless the defaulting Party shall so comply or commence to comply, this Agreement may be terminated at the option of the other Party, or the other Party may seek such other remedies as it might have in law or in equity.

(c) Disagreement Over Alleged Default. If the Party against whom a default is alleged believes that it is not in default, it may give written notice to the other Party within such 5 -Business Day or 30-day period, as applicable, setting forth such fact, after which time the Parties may resort to judicial involvement if necessary to resolve the dispute. If it is determined by the Parties or through litigation that there has been a default, this Agreement shall not be terminated if the defaulting Party cures the default within 30 days following such determination, or if such default cannot be satisfied solely by the payment of money, by commencing to comply within 30 days after such determination and diligently pursuing such compliance to completion. If the defaulting Party shall fail to satisfy such determination in the time allowed, then the other Party may terminate this Agreement and may seek such other remedies as it might have in law or in equity.

12.4 Specific Performance

The Parties acknowledge that damages may not be an adequate remedy in the event that the Claims and the Properties are not transferred back to the Seller in accordance with this Agreement and that the Seller also be entitled to specific performance and/or other equitable remedies in the event of an anticipatory breach or actual breach of this Agreement by Purchaser.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 Notices

All notices, payments and other required communications to the Parties shall be in writing, and shall be given (a) by personal delivery to the applicable Party, or (b) by electronic communication, with a confirmation sent by registered or certified mail return receipt requested, or (c) by registered or certified mail return receipt requested, at the addresses set forth below:

If to Seller:

Bronco Creek Exploration, Inc.

[REDACTED]

[REDACTED]

Attn: President

Email: [REDACTED]

If to Purchaser or Purchaser Guarantor:

Gold Lion Resources Inc.

[REDACTED]

[REDACTED]

Attn: CEO

Email: [REDACTED]

All notices shall be effective and shall be deemed delivered (i) if by personal delivery on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next Business Day following delivery, (ii) if by electronic communication on the next Business Day following receipt of the electronic communication, and (iii) if solely by mail on the next Business Day after actual receipt. A Party may change its address by notice to the other Party.

13.2 Currency

All references to “dollars” or “\$” herein shall mean lawful currency of the United States of America.

13.3 Headings

The subject headings of the sections and subsections of this Agreement and the paragraphs and subparagraphs of the Exhibits and Schedules to this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

13.4 Waiver

The failure of a Party 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 Party’s right thereafter to enforce any provision or exercise any right.

13.5 Modification

No modification of this Agreement shall be valid unless made in writing and duly executed by all of the Parties.

13.6 Force Majeure

(a) No Party will be liable for its failure to perform any of its obligations under this Agreement (other than the making of payments or deliveries to the other Party, including Option payments or deliveries) due to a cause beyond its control (each a “**Force Majeure Event**”) (except those caused by its own lack of funds) including, but not limited to adverse weather conditions, environmental or native land claims protests or blockages, war, insurrection or other acts against a lawfully appointed or elected governing body, acts of God, local or global pandemics (including without limitation with respect to COVID-19), fire, flood, earthquake, explosion, strikes, lockouts or other industrial disturbances, laws, rules and regulations or orders of any duly constituted governmental authority, unreasonable or unusually long delays in the granting or issuance of any necessary permits, licenses or consents for which a Party applied timely in advance of the planned activity requiring the permit, license or consent, or non-availability of labor, equipment, materials or transportation.

(b) A Party relying on the provisions of Section 13.6(a) shall promptly give written notice to the others of the particulars of the Force Majeure Event and all time limits imposed by this Agreement will be extended from the date of delivery of such notice by a period equivalent to the period of delay resulting from an Force Majeure Event.

(c) A Party relying on the provisions of Section 13.6(a) shall take all reasonable steps to eliminate any Force Majeure Event and, if possible, will perform its obligations under this Agreement as far as commercially practical, but nothing herein will require such Party to settle or adjust any labor dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if a Force Majeure Event renders completion commercially impracticable. A Party relying on the provisions of Section 13.6(a) shall give written notice to the others as soon as such Force Majeure Event ceases to exist.

(d) If Purchaser relies on the provisions of Section 13.6(a) with regards to incurring Exploration Expenditures, Purchaser shall not be required to make cash payments in lieu of incurring Exploration Expenditures if a shortfall in incurring Exploration Expenditures in the period required by Section 3.2 arises as a result of the Force Majeure Event.

13.7 Rule Against Perpetuities

Any right or option to acquire any interest in real or personal property under this Agreement must be exercised, if at all, so as to vest such interest in the acquirer on or before the date that is 20 years and 345 days after the death of the last surviving descendent of Joseph P. Kennedy (father of John F. Kennedy, former President of the United States) who is alive on the date of execution of this Agreement by the first Party to execute this Agreement.

13.8 Further Assurances

Each Party agrees to take from time to time such actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

13.9 Survival of Terms and Conditions

If this Agreement is terminated pursuant to Section 8.1, the following Sections shall survive the termination of this Agreement: Sections 7.3, 8.2, 8.3, Article X and this Section 13.9.

13.10 No Third Party Beneficiaries

This Agreement is for the sole benefit of the Parties, and no other Person, including any creditor of any Party, is intended to be a beneficiary of this Agreement or shall have any rights hereunder.

13.11 Entire Agreement

This Agreement, together with the Exhibits and Schedules hereto, contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

13.12 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties. In the event of any conflict between this Agreement and any Exhibit of Schedule attached hereto, the terms of this Agreement shall be controlling.

13.13 Time of Essence

Time shall be of the essence of this Agreement.

13.14 Execution


This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each Party and delivered to the other Party, it being understood that both Parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, portable document format (pdf) or similar transmission, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

[signatures on next page]

EXECUTED as of the date first set forth above.


PURCHASER:

GOLD LION RESOURCES (NV) INC.

By: 
Name: Borzoo Zare
Title: Director

SELLER:

BRONCO CREEK EXPLORATION, INC.

By: 
Name: DAVID JOHNSON
Title: PRESIDENT

PURCHASER GUARANTOR:

GOLD LION RESOURCES INC.

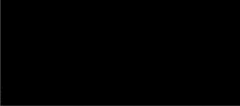
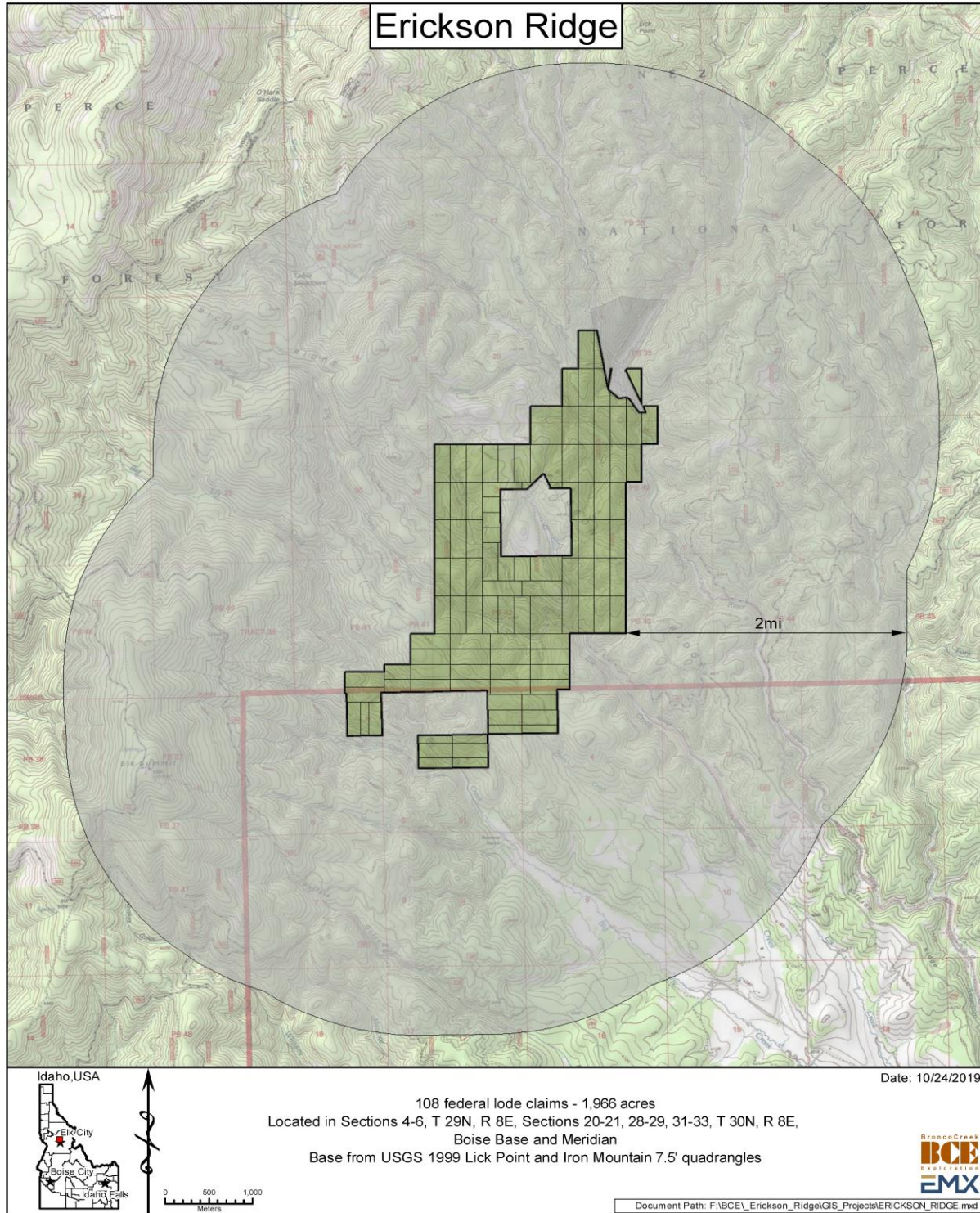
By: 
Name: Oliver John Friesen
Title: Chief Executive Officer

EXHIBIT A

Description of Claims and Properties



Federal Unpatented Claims

Erickson Ridge

Line No.	BLM Serial No.	Claim Name	County Recorder			Township	Range	Section
			Fee # / Doc ID #	Book	Page			
1	IMC229750	ERK 1	521467			30N	8E	21
2	IMC229751	ERK 2	521468			30N	8E	21
3	IMC229752	ERK 3	521469			30N	8E	20,21
4	IMC229753	ERK 4	521470			30N	8E	21
5	IMC229754	ERK 5	521471			30N	8E	21
6	IMC229755	ERK 6	521472			30N	8E	21
7	IMC229756	ERK 7	521473			30N	8E	21
8	IMC229757	ERK 8	521474			30N	8E	20,29
9	IMC229758	ERK 9	521475			30N	8E	20,29
10	IMC229759	ERK 10	521476			30N	8E	20,21,28,29
11	IMC229760	ERK 11	521477			30N	8E	21,28
12	IMC229761	ERK 12	521478			30N	8E	21,28
13	IMC229762	ERK 13	521479			30N	8E	21,28
14	IMC229763	ERK 14	521480			30N	8E	21,28
15	IMC229764	ERK 15	521481			30N	8E	21,28
16	IMC229765	ERK 16	521482			30N	8E	29
17	IMC229766	ERK 17	521483			30N	8E	29
18	IMC229767	ERK 18	521484			30N	8E	29
19	IMC229768	ERK 19	521485			30N	8E	28,29
20	IMC229769	ERK 20	521486			30N	8E	28
21	IMC229770	ERK 21	521487			30N	8E	28
22	IMC229771	ERK 22	521488			30N	8E	28
23	IMC229772	ERK 23	521489			30N	8E	28
24	IMC229773	ERK 24	521490			30N	8E	29
25	IMC229774	ERK 25	521491			30N	8E	29
26	IMC229775	ERK 26	521492			30N	8E	29
27	IMC229776	ERK 27	521493			30N	8E	29
28	IMC229777	ERK 28	521494			30N	8E	29
29	IMC229778	ERK 29	521495			30N	8E	29,32
30	IMC229779	ERK 30	521496			30N	8E	29,32
31	IMC229780	ERK 31	521497			30N	8E	29,32
32	IMC229781	ERK 32	521498			30N	8E	29,32
33	IMC229782	ERK 33	521499			30N	8E	29,32
34	IMC229783	ERK 34	521500			30N	8E	28,29
35	IMC229784	ERK 35	521501			30N	8E	28
36	IMC229785	ERK 36	521502			30N	8E	28
37	IMC229786	ERK 37	521503			30N	8E	28
38	IMC229787	ERK 38	521504			30N	8E	28,29,32,33
39	IMC229788	ERK 39	521505			30N	8E	28,33
40	IMC229789	ERK 40	521506			30N	8E	28,33

41	IMC229790	ERK 41	521507	30N	8E	28,33
42	IMC229791	ERK 42	521508	30N	8E	32
43	IMC229792	ERK 43	521509	30N	8E	32
44	IMC229793	ERK 44	521510	30N	8E	32
45	IMC229794	ERK 45	521511	30N	8E	32
46	IMC229795	ERK 46	521512	30N	8E	32,33
47	IMC229796	ERK 47	521513	30N	8E	33
48	IMC229797	ERK 48	521514	30N	8E	33
49	IMC229798	ERK 49	521515	30N	8E	33
50	IMC229799	ERK 50	521516	30N	8E	32
51	IMC229800	ERK 51	521517	30N	8E	32
52	IMC229801	ERK 52	521518	30N	8E	32
53	IMC229802	ERK 53	521519	30N	8E	32
54	IMC229803	ERK 54	521520	30N	8E	32
55	IMC229804	ERK 55	521521	30N	8E	32
56	IMC229805	ERK 56	521522	30N	8E	32
57	IMC229806	ERK 57	521523	30N	8E	32
58	IMC229807	ERK 58	521524	30N	8E	32,33
59	IMC229808	ERK 59	521525	30N	8E	33
60	IMC229809	ERK 60	521526	30N	8E	33
61	IMC229810	ERK 61	521527	30N	8E	33
62	IMC229811	ERK 62	521528	30N	8E	31,32
63	IMC229812	ERK 63	521529	30N	8E	32
64	IMC229813	ERK 64	521530	30N	8E	32
65	IMC229814	ERK 65	521531	30N	8E	32
66	IMC229815	ERK 66	521532	30N	8E	31,32
67	IMC229816	ERK 67	521533	30N	8E	32
68	IMC229817	ERK 68	521534	30N	8E	32
69	IMC229818	ERK 69	521535	30N	8E	32
70	IMC229819	ERK 70	521536	30N	8E	31
71	IMC229820	ERK 71	521537	30N	8E	31,32
72	IMC229821	ERK 72	521538	30N	8E	32
73	IMC229822	ERK 73	521539	30N	8E	32
74	IMC229823	ERK 74	521540	30N	8E	32
75	IMC229824	ERK 75	521541	29N,30N	8E	5;31
76	IMC229825	ERK 76	521542	29N,30N	8E	5;31,32
77	IMC229826	ERK 77	521543	29N,30N	8E	5;32
78	IMC229827	ERK 78	521544	29N,30N	8E	4,5;32
79	IMC229828	ERK 79	521545	29N,30N	8E	4;32
80	IMC229829	ERK 80	521546	29N	8E	5
81	IMC229830	ERK 81	521547	29N	8E	4,5
82	IMC229831	ERK 82	521548	29N	8E	5
83	IMC229832	ERK 83	521549	29N	8E	4,5
84	IMC229833	ERK 84	521550	29N	8E	5
85	IMC229834	ERK 85	521551	29N	8E	4,5
86	IMC229835	ERK 86	521552	29N	8E	5
87	IMC229836	ERK 87	521553	29N	8E	5

88	IMC229837	ERK 88	521554	29N	8E	5
89	IMC229838	ERK 89	521555	29N	8E	5
90	IMC229839	ERK 90	521556	29N	8E	5
91	IMC229840	ERK 91	521557	29N	8E	5
92	IMC229841	ERK 92	521558	30N	8E	31
93	IMC229842	ERK 93	521559	29N,30N	8E	5,6;31
94	IMC229843	ERK 94	521560	29N	8E	6
95	IMC229844	ERK 95	521561	29N	8E	6
96	IMC229845	ERK 96	521562	29N	8E	5,6
97	IMC229846	ERK 97	521563	30N	8E	32
98	IMC229847	ERK 98	521564	30N	8E	29,32
99	IMC229848	ERK 99	521565	30N	8E	29,32
100	IMC229849	ERK 100	521566	30N	8E	29,32
101	IMC229850	ERK 101	521567	30N	8E	29
102	IMC229851	ERK 102	521568	30N	8E	29
103	IMC229852	ERK 103	521569	30N	8E	29
104	IMC229853	ERK 104	521570	30N	8E	29
105	IMC229854	ERK 105	521571	30N	8E	29
106	IMC229855	ERK 106	521572	30N	8E	29
107	IMC229856	ERK 107	521573	30N	8E	29
108	IMC229857	ERK 108	521574	30N	8E	29

Total **108**

EXHIBIT B

Form of Seller Royalty Conveyance

ROYALTY INTEREST CONVEYANCE AND AGREEMENT

ROYALTY INTEREST CONVEYANCE AND AGREEMENT
(Erickson Ridge Project, Idaho)

This Royalty Interest Conveyance and Agreement dated as of the ___ day of _____, _____ (the “**Royalty Date**”), is from **Gold Lion Resources (NV) Inc.**, a company organized under the laws of Nevada (“**Owner**”), with an address of [REDACTED], and **Gold Lion Resources Inc.**, a company organized under the laws of British Columbia (“**Owner Guarantor**”) with an address of [REDACTED], to **Bronco Creek Exploration, Inc.**, a corporation organized under the laws of Arizona (“**Royalty Holder**”), with an address of [REDACTED] (each a “**Party**,” and collectively, the “**Parties**”).

1. Defined Terms

Unless the context otherwise requires, in this Agreement:

“**AAP Notice**” has the meaning set forth in Section 32(b).

“**Abandonment Property**” has the meaning set forth in Section 31(a).

“**Acquiring Party**” has the meaning set forth in Section 32(b).

“**Adjustment**” means any adjustment that may be made by Owner to a quarterly Royalty payment or a provisional Royalty payment and the relevant Royalty Statement in accordance with Section 6(b) or Section 6(f).

“**Affiliate**” means with respect to any Person, any other Person controlling, controlled by or under common control with such Person, with “**control**” for such purposes meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through direct or indirect ownership of voting securities or voting interests, by contract or otherwise.

“**After-Acquired Property**” means Mineral Rights or other forms of interest in minerals, or surface or water rights, located wholly or in part within the Area of Interest.

“**Agreement**” means this document including any Exhibit to it.

“**Allowable Deductions**” means:

(a) all costs, penalties, fees, expenses, charges, and deductions, including tolling charges or deductions, third-party representation expenses, metal losses, umpire charges, assaying and sampling charges, smelting costs, refining costs, other treatment charges and penalties for impurities, that are paid or incurred by Owner related to the smelting, refining or other processing of Products and all umpire charges and other processor deductions, but excluding in the case of leaching or other solution mining or beneficiation methods, all processing and recovery costs incurred at and beyond the point at which the leaching reagents (including the cost of leaching reagents) are applied to the ore being treated;

(b) Transportation Costs;

(c) subject to Section 13, all sales and marketing, representation, agency and brokerage costs and commissions actually incurred by Owner in selling or otherwise disposing of Products; and

(d) all taxes including sales, production, extraction, net proceeds, use, gross receipts, and severance taxes, carbon emission license fees, fuel excise, carbon trading taxes and imposts, value added tax, energy consumption taxes, excise, export, import and other taxes, custom duties, and other governmental charges, including without limitation mining taxes chargeable on proceeds, if any, payable by Owner with respect to the severance, production, removal, sale, import, export, transportation, or disposition of ore, concentrates, matte, refined metals, by-products, or other Products produced from the Properties, but excluding taxes based on net or gross income of Owner and its Affiliates, the value of the Properties and any value added or other taxes that are actually claimed and recovered by Owner but excluding any governmental royalties payable with respect to the Products;

provided that if any of the foregoing are incurred to an Affiliate, they shall be charged as set forth in Section 13 below. Notwithstanding the foregoing, any additional amount of governmental royalties payable after the Royalty Date on account of an increase in the rate or amount of governmental royalties imposed by a Governmental Authority shall constitute an Allowable Deduction for the purposes of this Agreement.

“Annual Advance Royalty” has the meaning set forth in Section 4(a).

“Annual Final Report” has the meaning set forth in Section 6(g).

“Applicable Rate” means the one year London Interbank Offered Rate (LIBOR), as published by the Wall Street Journal or online at http://wsj.com/mdc/public/page/2_3020-moneyrate.html. In the event that the one year LIBOR ceases to be published by the Wall Street Journal during the term of this Agreement, the Parties shall jointly agree to an alternative rate or publication generally accepted by the international banking community.

“Area of Interest” means the land included within two (2) miles of the outermost boundary of the land the subject of the Properties (as constituted from time to time).

“Average Metal Price” for any Calculation Period means:

(a) in respect of copper, the arithmetic average of the London Metal Exchange (“LME”) quotation for “Grade A Cash” as published in Metals Week for every day of the Calculation Period on which the price of copper is quoted;

(b) in respect of gold, the arithmetic average of the “LBMA Gold Price PM” for every day of the Calculation Period on which the London Bullion Market Association fixes a spot price for an ounce of gold in United States dollars as published by the London Bullion Market Association;

(c) in respect of silver, the arithmetic average of the quoted price of silver in United States dollars determined using the COMEX 1st position price of silver as published in Metals Week for every day of the Calculation Period on which the price of silver is so quoted;

(d) in respect of other precious metals, the arithmetic average of the price in United States dollars of the metal as published in Metals Week for every day of the Calculation Period on which the price of the metal is so quoted; and

(e) in the case of all other minerals, the arithmetic average price per unit in U.S. dollars for the relevant mineral as published in Metals Week for every day of the Calculation Period on which the price of the mineral is so quoted. If the individual metal is not published in Metals Week or traded on either the New York Commodity Exchange or on the LME, the Parties will agree on a single publication or source for the determination of the Average Metal Price for such metal.

“Business Day” means a day which is not a Saturday, Sunday or a day observed as a holiday in Denver, Colorado, or Vancouver, British Columbia.

“Calculation Period” means each calendar quarter.

“Claims” means the unpatented federal mining claims described in Exhibit A.

“Closing Date” has the meaning set forth in Section 4(a).

“Confidential Information” has the meaning set forth in Section 30(a).

“Commercial Production” means when a mine on the Properties operates as a producing mine and has produced, for the purposes of earning revenues therefrom, more than 25,000 troy ounces of gold, or more than 5,000 tons of copper, or the equivalent value of other minerals (based on the official cash settlement prices, as published daily by the London Metals Exchange for gold, copper and such other minerals on the date of sale or other disposition by the Owner), provided however that no production of Products shipped from the Properties for testing or sampling purposes, and no period of time during which milling operations are undertaken as initial tune-up or pilot testing, shall be taken into account in determining the commencement of Commercial Production, and provided further that production of ferrous or industrial minerals shall not be considered when determining whether Commercial Production has occurred.

“CSE” means the Canadian Securities Exchange.

“Dispute” means a dispute, controversy or claim arising out of or in relation to this Agreement including in relation to its existence, validity, interpretation, performance, breach or termination of this Agreement.

“Feasibility Milestone” means the earlier to occur of the approval by Owner of a Feasibility Study in respect of the Properties or the decision by Owner to commence development of a mine as contemplated by the Feasibility Study on the Properties.

“Feasibility Study” means a comprehensive study prepared by an internationally recognized mining engineering firm, complying with NI 43-101 and the standards of Owner and presented in sufficient detail and a format currently in use by the Canadian mining industry and acceptable to Chartered Canadian Banks or similar commercial lending institutions for the purposes of evaluating the financing of international mining properties. The study must appropriately reference any pre-feasibility study completed on the Properties, and show the feasibility of placing any part of the Properties into Commercial Production and will include a reasonable assessment of all relevant issues including the various categories of ore reserves and their amenability to metallurgical treatment or extraction processes, a complete description of the work, equipment and supplies required to bring the relevant part of the Properties into Commercial Production and the estimated cost of doing so, a description of the mining methods to be employed and a financial appraisal of the proposed operations.

“Governmental Authority” means Australia, the United States of America, Canada and any other country or sovereign entity, any state, commonwealth, territory, or possession thereof, and any political subdivision or quasi-governmental authority of any of the same, including but not limited to courts, tribunals, departments, commissions, boards, bureaus, agencies, counties, municipalities, provinces, parishes, other instrumentalities and bodies exercising any administrative, executive, judicial, legislative, police, regulatory, expropriation or taxing authority, domestic or foreign, or self-regulatory organization or stock exchange having jurisdiction in the relevant circumstances.

“Hedging Transactions” means any forward sales, spot deferred contracts, futures trading or commodity options trading and other price hedging, metals trading, metal loans, price protection arrangements, speculative purchases and arrangements or any combination of the foregoing.

“IFRS” means the international financial reporting standards adopted by the International Accounting Standards Board, as amended from time to time or any successor standards.

“Judgment” means any judgment, writ, order, injunction, declaration, award, or decree of any court, judge, justice, magistrate or arbitrator, including any bankruptcy court or judge, and any order of or by any Governmental Authority.

“Legal Requirements” means applicable common law and any statute, ordinance, code or other law, rule, regulation, order, requirement, or procedure enacted, adopted, promulgated, applied, or followed by any Governmental Authority, including any Judgment.

“Liabilities” means any claim, action, proceeding, damage, loss, liability, cost, charge, expense, outgoing, payment or demand of any nature and whether present or future, fixed or unascertained, actual or contingent and whether at law, in equity, under statute, contract or otherwise.

“Metals Week” shall mean the publication *Platts McGraw Hill Finance Metals*.

“Milestone” means each, the completion of (a) a Preliminary Economic Assessment, (b) a Pre-Feasibility Study, or (c) a Feasibility Study.

“Milestone Payment” has the meaning set forth in Section 5(a).

“Mineral Rights” means any claim, license (including a prospecting license, exploration license or mining license), exploration or mining permit or lease, mining claim, mineral concession, mineral claim, and other forms of mineral tenure (including any application for the grant or issue of any of the foregoing) or other interests or rights to minerals, or to work upon lands for the purpose of searching for, developing or extracting minerals under any form of mineral title recognized under applicable Legal Requirements, whether contractual, statutory or otherwise, subject to the paramount ownership by the Government of USA.

“NI 43-101” means National Instrument 43-101, *“Standards of Disclosure for Mineral Projects”* published by the Canadian Securities Administrators, as amended from time to time, as amended from time to time or any successor instrument, rule or policy.

“Option Agreement” means the Exploration and Option Agreement dated April 6, 2020, executed by Bronco Creek Exploration, Inc, Gold Lion Resources (NV) Inc, and Gold Lion Resources Inc. pursuant to which this Agreement has been executed and delivered.

“Option Agreement Effective Date” means April 6, 2020.

“Other Rights” means any interest in real property, whether freehold, leasehold, license, right of way, easement, any other surface or other right in relation to real property, and any right, license or permit in relation to the use or diversion of water, but excluding any Mineral Rights.

“Owner Shares” means common shares in the capital of Owner Guarantor.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, any other business entity or a Governmental Authority.

“Preliminary Economic Assessment” or “PEA” means an economic assessment of the mineral potential of the Property meeting the definition of “preliminary economic assessment” set forth in NI 43-101 and the standards of NI 43-101 for a preliminary economic assessment (in force at the relevant date of delivery of the study).

“Pre-Feasibility Study” means a comprehensive study prepared by an internationally recognized mining engineering firm, complying with NI 43-101 and the standards of Owner of a range of options for the technical and economic viability of a project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. The study shall include a financial analysis based on reasonable assumptions on or in respect of mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations (including permitting), work plan and schedule for the recommended next study phase and the evaluation of any other relevant factors. The study shall have an accuracy of between 20% and 25% and at a minimum include mine design (based on a resource model), preliminary studies completed on geotechnical, environmental, and infrastructure requirements, bench scale metallurgical tests and preliminary process design

completed; and cost estimates based on factored or comparative prices and meeting the standards of NI 43-101 for a Pre-Feasibility Study and the definition of “Pre-Feasibility Study” in the CIM Definition Standards for Mineral Resources and Mineral Reserves (in force at the relevant date of delivery of the study).

“**Pre-Feasibility Milestone**” means the date of the approval by the Board of Directors of Owner of a Pre-Feasibility Study in respect of the Properties.

“**Production Returns**” means:

(a) the gross proceeds received by or credited to the account of Owner from the sale of Products but in determining gross proceeds in no event shall any Allowable Deductions be duplicated or double deducted for the purposes of such determination; or

(b) if at the election of Owner the account of Owner is credited with refined Products by the Refinery, the value of Products so credited to Owner calculated on the basis of the quantity of such Products credited during the Calculation Period multiplied by the Average Metal Price; or

(c) if the Products are not sold or otherwise disposed of in an arm’s length transaction, the Average Metal Price of such Products for the Calculation Period; or

(d) if the Products have been refined into doré, copper cathodes or other marketable form and are held in inventory and unsold for longer than (i) 90 days in the case of doré and copper cathodes (ii) 180 days in the case of other valuable Products that have been processed or refined (as the case may be) and are in a marketable form that is readily saleable, such Products shall be deemed sold at the Average Metal Price of such Products on the last day of the month in which such 90 or 180 day period expires (but in no event shall Products in the form of concentrates, ores, smelter or base metal refinery matte, solutions, liquors, precipitates or other intermediate products be considered as being in marketable form for the purposes of this paragraph (d)),

in each case, *LESS* Allowable Deductions.

“**Products**” means all marketable mineral products that are mined, extracted, removed, produced or otherwise recovered from the Properties, whether in the form of ore, concentrates, refined metals or any other beneficiated or derivative product, and including any marketable mineral products derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Properties.

“**Properties**” means the Claims, other Mineral Rights and Other Rights, if any, described in Exhibit A, together with any present or future renewal, extension, modification, substitution, amalgamation or variation of any of the Claims, Mineral Rights or Other Rights that derive directly from the Claims, Mineral Rights or Other Rights (whether granting or conferring the same, similar or any greater rights and whether extending over the same or a greater or lesser domain).

“**Relinquishment Notice**” has the meaning set forth in Section 31(a).

“Royalty” has the meaning set forth in Section 3(a).

“Royalty Statement” has the meaning set forth in Section 6(a).

“Transportation Costs” means all costs of road, sea and rail freight, transportation, security and incidental costs incurred between the outer boundary of, or adjacent to, the Properties and the point of delivery of the Products into a smelter, refinery or facility for the processing of intermediary products including concentrates, smelter matte and base metal matte (**“Refinery”**), the costs of transportation of the Products between Refineries and from the Refinery to the final point of sale (including, without limitation, loading, packaging, freight, insurance, security, transportation taxes, handling, port, demurrage, shipping, delay, storage, forwarding, customs and customs clearance, import or export duties and permit costs, and related administration expenses, incurred by reason of, or in the course of, such transportation), but excluding any such costs incurred prior to the time Products have been concentrated in a mill.

2. Interpretation

Unless the context otherwise requires, in this Agreement:

- (a) the words “include,” “includes,” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import;
- (b) any pronoun shall include the corresponding masculine, feminine, and neuter forms;
- (c) the singular includes the plural and vice versa;
- (d) references to any agreement (including this Agreement) or other document are to such agreement or document as amended, modified, supplemented, novated and restated now or hereafter from time to time except to the extent prohibited by this Agreement or that other agreement or document;
- (e) references to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it;
- (f) references to a “Section” or to an “Exhibit” are to a Section of, or an “Exhibit” to, this Agreement;
- (g) references to any Party, Person or other entity include the successors and permitted assigns of such Party, Person or other entity (including Persons taking by novation);
- (h) reference to a “day” or number of “days” (without the explicit qualification of “business”) shall be deemed to refer to a calendar day or number of calendar days;

(i) if any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice may be taken or given on the next succeeding Business Day;

(j) any financial or accounting terms that are not otherwise defined in Agreement will have the meanings given to them under IFRS;

(k) a reference to a thing (including a right, obligation or concept) includes a part of that thing but nothing in this Section 2(k) implies that performance of part of an obligation constitutes performance of the obligation;

(l) headings and any table of contents or index are for convenience only and do not form part of this Agreement or affect its interpretation; and

(m) a provision of this Agreement shall not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement.

3. Grant of Royalty and Option to Reduce Royalty

(a) For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner, subject to Section 3(b), does hereby grant and convey to Royalty Holder a royalty interest of 3.5% of the Production Returns (the “**Royalty**”), on the terms and conditions specified in this Agreement.

(b) If after the date of commencement of Commercial Production any After-Acquired Property forms part of the Properties in accordance with Section 32, then Owner shall grant and convey to Royalty Holder the Royalty in respect of such After-Acquired Property, on the terms and conditions specified in this Agreement. For clarity, the royalty on any After Acquired Property will be 3.5% of the Production Returns received by Owner derived from Products mined, extracted or otherwise recovered from the Properties.

(c) As set forth herein, Owner shall have the right to reduce the Royalty in increments representing one-half of one percent (0.5%) and subsequently one percent (1%) of the Net Smelter Returns (as defined in the Royalty Conveyance) (each such increment is herein called a “**Royalty Increment**”), but not to exceed the two specified Royalty Increments. In exchange for the payment of 350oz AU or its monetary equivalent, by Owner to Royalty Holder, Owner may reduce the Royalty by the first Royalty Increment of 0.5% (“**First Royalty Increment**”) and for a subsequent payment of 1,150oz AU or its monetary equivalent, Owner may reduce the Royalty by the second Royalty Increment of 1% (“**Second Royalty Increment**”). The First Royalty Increment may be exercised no later than the third (3rd) anniversary of the Closing Date by providing notice and the corresponding First Royalty Increment payment to Royalty Holder. Owner may, at its election, make up to one half of the First Royalty Increment payment to Seller in the form of Owner Shares equal to said amount of the First Royalty Increment payment based on the 20 day (or such shorter period required by the CSE or other exchange or quotation system) volume weighted trading price of the Owner Shares on the CSE (or such other exchange or quotation system as such shares are then listed or quoted),

subject to the minimum price at which Purchaser Shares may be issued pursuant to the policies of the CSE. Any such Purchaser Shares so issued shall be subject to applicable statutory hold periods pursuant to applicable Canadian and United States securities laws and the policies of the CSE. Owner shall have no right to exercise its right to purchase the Second Royalty Increment unless it previously purchased the First Royalty Increment. If Owner has purchased the First Royalty Increment, it may exercise its right to purchase the Second Royalty Increment by providing notice and the corresponding Second Royalty Increment payment to Royalty Holder on or before Commercial Production. After Commercial Production, the right to reduce the Royalty by the Second Royalty Increment shall expire and no longer be capable of being exercised. Such Royalty reductions shall apply to the Royalty as defined in Section 3.1(a) and such After Acquired Property as defined in Section 3.1(b).

On Royalty Holder's receipt of Owner's notice of exercise, the Parties shall make diligent efforts to close the conveyance of the purchased Royalty Increment(s) within thirty (30) days after Owner's delivery of notice.

4. Annual Advance Royalties

In addition to the payment of the Royalty, Owner shall pay Annual Advance Royalties subject to, and in accordance with, this Section 4.

(a) Amounts and Timing. Commencing with the first anniversary of the closing date under the Option Agreement (the "**Closing Date**") and on each anniversary of the Closing Date thereafter, Owner shall make payments of annual advance royalties (each, an "**Annual Advance Royalty**") equal to the following:

(i) Beginning on the first (1st) anniversary of the Closing Date and on or before each anniversary thereafter until Commercial Production, Purchaser shall begin to make annual payments of an Annual Advanced Royalty of a sum equal to USD\$30,000 per year.

(ii) The amount of the Annual Advanced Royalty shall increase by ten thousand dollars (USD\$10,000) each year, up to a cap of eighty thousand dollars (USD\$80,000) per year and shall be payable on or before each anniversary of the Closing Date.

(iii) Upon the commencement of Commercial Production, the Annual Advanced Royalty payment shall cease.

Payments of Annual Advance Royalties shall be made regardless of whether Owner conducts exploration, development, or other operations on the Properties.

(b) Set-Off. All Annual Advance Royalties paid by Owner to Royalty Holder (whether under the Option Agreement or this Agreement) shall constitute prepayment of and advance against Royalty payments thereafter accruing to Royalty Holder during the term of this Agreement. Annual Advance Royalties paid under this Section 4 will be set off against 70% of the Royalty as each payment of Royalty comes due under this Agreement.

(c) Certainty. For certainty, the obligation to make Annual Advance Royalties set forth in this Section 4 is one and the same obligation to make payments of Annual Advance Royalties set forth in the Option Agreement.

5. Milestone Payments

(a) Obligation.

Within five (5) Business Days following the occurrence of each Milestone, Purchaser shall pay Seller a milestone payment as set forth in this Section 5(a) below (each a “**Milestone Payment**”).

Amount of Payment	Milestone
300oz Au	PEA
550oz Au	Pre-Feasibility Study
650oz Au	Feasibility Study

(b) Payment of Milestone Payments. Owner shall pay to Royalty Holder each Milestone Payment within five (5) Business Days of the date on which the Milestone occurs. Should Owner skip, or choose not to perform a Milestone, then upon reaching a subsequent Milestone, the Milestone payment for the Milestone attained will be due in addition to the payment for the previous Milestone(s) skipped or not attained (e.g. if Owner does not complete a PEA, but subsequently completes and Pre-Feasibility Study, Owner shall pay to Royalty Holder a Milestone Payment of 850oz Au). Should Owner skip or not perform any Milestone, then upon Commercial Production, all three Milestone Payments will become due and owing. Owner may elect to make any Milestone Payment "in cash" or "in kind" as refined bullion.

(c) Certainty. For certainty, the obligation to make Milestone Payments set forth in this Section 5 is one and the same obligation to make Milestone Payments as set forth in the Option Agreement.

6. Payment of the Royalty

(a) Payments and Statements. Subject to Section 6(b), all Royalty payments including provisional payments will be calculated and paid for each Calculation Period, during the term of this Agreement, on or before the 30th day following the end of each Calculation Period. Each such quarterly Royalty payment to the Royalty Holder shall be accompanied by a statement (“**Royalty Statement**”) setting out in reasonable detail the following information:

- (i) the quantities of contained minerals in Products sold by Owner with respect to such Calculation Period;
- (ii) the individual elements which make up the Royalty calculation being the Production Returns, the Adjustments (if any) and the Allowable Deductions for the Calculation Period;

- (iii) the Royalty payable for the Calculation Period, and the calculation of the Royalty payable;
- (iv) if any commingling, as contemplated in Section 10, has occurred, a reasonably detailed summary of the determination by Owner of the quantity of Products commingled in accordance with Section 10; and
- (v) any other material information which is relevant in verifying the accuracy of the Royalty payment.

Each quarterly Royalty payment shall be subject to adjustment, as provided in Section 6(f), in the next quarterly Royalty payment or when the Annual Final Report for the year is issued as specified in Section 6(g).

(b) Calculation of Royalty. The Parties recognize that a period of time exists between the extraction and recovery of ore, the production of concentrates from ore, the production of mineral or metallic products from concentrates, and the receipt by Owner of the Products or the revenue from the sale or other disposal of the Products. Accordingly, the payment of the Royalty in a Calculation Period may not coincide exactly with the actual amount of Products produced during the Calculation Period. Without limiting Section 6(d), Owner may make Adjustments to the Royalty payment, provisional Royalty payment or Royalty Statement following determination of an Adjustment, and shall provide a final Royalty Statement of the Royalty due for a Calculation Period within 30 days of determination of the final Adjustment.

(c) Royalty Payment Option.

- (i) Royalty Holder may elect to receive its Royalty "in cash" or "in kind" as refined bullion. The elections may be exercised once per year on a calendar year basis during the life of Commercial Production from the Properties. Notice of election to receive the following year's Royalty for Precious Metals "in cash" or "in kind" shall be made in writing by Royalty Holder and delivered to Owner on or before November 1 of each year. In the event no written election is made, the Royalty will continue to be paid to Royalty Holder as it is then being paid. As of the Effective Date of this Agreement, Royalty Holder elects to receive its Royalty on Precious Metals "in cash".
- (ii) Each quarterly Royalty payment taken "in cash" shall be paid by Owner to the Royalty Holder in United States dollars by wire transfer in good, immediately available funds to such bank account as the Royalty Holder may nominate in writing to Owner from time to time.

(d) Deductions. All Royalty or other payments to be made under this Agreement will be made subject to withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges or mandatory withholding of whatever nature imposed or levied on the Royalty or other payments by or on behalf of any Governmental Authority having power and jurisdiction to do so and for which Owner is obligated by Legal Requirements to withhold or deduct and remit to such Governmental Authority. Owner shall set

out in the Royalty Statements referred to in Section 6(a) and the statements referred to in Section 6(g), any amounts so withheld.

(e) Provisional Payments. If the final amount of Production Returns is not ascertainable for a Calculation Period at the time a quarterly Royalty payment is due, it shall be calculated based on provisional payments received by or credited to the account of Owner at the time for payment and provisionally paid, and an adjustment shall be made on the next quarterly Royalty payment based upon final Production Returns for such Calculation Period.

(f) Adjustments. Each quarterly Royalty payment or provisional Royalty payment and the relevant Royalty Statement may be adjusted to:

- (i) reflect the actual Product recovered after refining;
- (ii) reflect any adjustments to charges, costs, deductions or expenses imposed upon or given to Owner but not taken into account in determining previous Royalty payments;
- (iii) reflect any adjustments in the number of appropriate units of measurement of Products produced by Owner, or previously credited to Owner by a smelter, refiner or bona fide third party purchaser of Products sold or otherwise disposed of by Owner;
- (iv) reflect any payments defined as Allowable Deductions that have not otherwise been credited against or deducted from previous Royalty payments;
- (v) correct any accounting or recording errors from any previous Calculation Period;
- (vi) to reflect any adjustment agreed between the Parties;

which adjustments shall be specified in a statement which shall accompany each payment.

(g) Annual Final Report. Within 90 days after the end of each calendar year, Owner shall deliver or cause to be delivered to the Royalty Holder a final report for the year, certified as being accurate by a responsible financial officer of Owner, showing in reasonable detail the calculation of the Royalty due to Royalty Holder for the prior year and all adjustments to the reports and payments for the year (“**Annual Final Report**”). With the delivery of the Annual Final Report, Owner shall, if applicable, make such additional Royalty payment as may be required by the Annual Final Report. If the Annual Final Report indicates that the Royalty Holder has been overpaid in respect of the Royalty due to the Royalty Holder, then the excess shall be deducted from the next Royalty payment owed or, if any temporary or permanent cessation of production has occurred, the Royalty Holder shall repay the excess within 15 days of the Annual Final Report.

(h) Late Payment. If any Party fails to pay any sum payable by it under or in accordance with this Agreement then that Party shall pay simple interest on that sum from the due date for payment until that sum is paid in full at the rate per annum which is the Applicable

Rate plus 7.5% on the date on which the payment was due calculated daily but in no event shall such rate of interest exceed the maximum permitted by applicable Legal Requirements. The right to require payment of interest under this Section 6(h) is without prejudice to any other rights the non-defaulting Party may have against the defaulting Party under this Agreement, at law, in equity or otherwise.

7. Maintenance of Books and Records

All books and records used by Owner to calculate the Royalty due under this Agreement shall be kept in accordance with IFRS varied only by the specific provisions of this Agreement. Owner shall maintain up-to-date and complete records of the production and sale or other disposition of all Products. If treatment, smelting or refining of Products is performed off the Properties, accounts records, statements and returns relating to such treatment, smelting and refining arrangements shall be maintained by Owner.

8. Objection Procedure

(a) Objections. All payments of the Royalty described in or made pursuant to the Annual Final Report that is described in Section 6(g) shall be considered final and in full satisfaction of all obligations of Owner with respect to such Royalty payments, unless Royalty Holder gives Owner notice describing and setting forth a specific objection to the calculation of such Royalty payments within 180 days after receipt by the Royalty Holder of the Annual Final Report. Failure on the part of the Royalty Holder to make claim on Owner for adjustment in such 180-day period in respect of the Annual Final Report shall establish the correctness of the Annual Final Report and shall preclude the filing of exceptions or making of claims for adjustment of any payments described in or made pursuant to the Annual Final Report. If Royalty Holder objects to the Annual Final Report or a Royalty Statement delivered under this Agreement, Royalty Holder shall, for a period of 180 days after Owner's receipt of notice of such objection, have the right, upon reasonable notice and at a reasonable time, to have the Annual Final Report, Royalty Statement or Royalty payment in question audited by a firm of chartered or certified public accountants acceptable to Royalty Holder and to Owner. The audit right may not be invoked more than once in any calendar year.

(b) Deficiency or Excess Payment. If by agreement of the Parties, by court decision or pursuant to an audit, it is determined that there has been a deficiency or an excess in the Royalty payments made to Royalty Holder, such deficiency or excess shall be resolved by adjusting the next Royalty payment due hereunder, provided that if any temporary or permanent closure has occurred, any such payment shall be made no later than 15 days following the determination of the Royalty as set out above to Owner or the Royalty Holder, as applicable.

(c) If an audit has been conducted in accordance with Section 8(a) which determines that there has been a deficiency or an excess in the Royalty payments made to Royalty Holder then Owner shall have no liability under this Section 8(b) or Section 8(d) unless Owner has been provided with a copy of the report of the auditor and has not disputed the auditor's findings by giving a dispute notice to Royalty Holder within 60 days of receiving that report.

(d) Audit Costs. If an audit has been required, then Royalty Holder shall pay all costs of such audit unless a deficiency of 5% or more of the amount due is determined to exist. Owner shall pay the costs of such audit if a deficiency of 5% or more of the amount due is determined to exist.

9. Operations; Technical Data; Reporting; Right of Access

(a) Owner to Determine Operations. Owner:

- (i) may, but is not obliged to treat, mill, sort, concentrate, refine, or otherwise process, beneficiate or upgrade the Products at sites located on or off the Properties, prior to sale, transfer, or conveyance to a purchaser, user, or consumer;
- (ii) subject to Section 9(c), will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Properties and may suspend operations and production on the Properties at any time it considers prudent or appropriate to do so. Owner will owe Royalty Holder no duty to explore, develop or mine the Properties, or to do so at any rate or in any manner other than that which the Owner may determine in its sole and unfettered discretion; and
- (iii) is not liable for any mineral or commercial value lost in processing Products in accordance with good mining practice, and no Royalty is due on any such lost value.

(b) Sales to Related Parties. Owner shall be permitted to sell Products in the form of raw ore or concentrates to an Affiliate of Owner or to any shareholder of Owner and those sales will be deemed, for the purposes of this Agreement, to have been sold at prices and on terms no less favourable to Owner than those which would be extended by an unaffiliated third party in an arm's length transaction under similar circumstances.

(c) Activities of Owner. During the term of this Agreement Owner shall:

- (i) conduct its operations in accordance with good United States mining practice, and all Legal Requirements applicable to the Properties, and any permits, consents or authorizations obtained, granted or issued with respect to activities on or with respect to the Properties;
- (ii) provide Royalty Holder:
 - (A) on a quarterly basis until Commercial Production at which time the reports shall be produced annually within 60 days following the end of each calendar year, comprehensive exploration reports which shall include without limitation, the total amount of Exploration Expenditures incurred on the Properties and results obtained during the quarter or calendar year, ending on December 31st, as the case may be, immediately preceding, including environmental reports accompanied by copies of all

data, reports and other information on or with respect to the Properties not already provided to Royalty Holder;

- (B) on an quarterly basis until Commercial Production at which time the reports shall be produced annually within 60 days following the end of each calendar year, timely copies of all relevant data, reports and other information concerning such results, including mining activities conducted on the Properties during periods of active field work, and any such other reports necessary to permit each of Owner and Royalty Holder to meet its continuous disclosure obligations under applicable legislation and the requirements of any securities commission, stock exchange or other regulatory body having jurisdiction over Royalty Holder, Owner or the Properties;
 - (C) within 60 days following the end of each calendar year, an update of Owner's proposed drilling and exploration activities on the Properties during the next year;
 - (D) within 60 days following the end of each calendar year, the amount of Products produced during the calendar year;
 - (E) within 60 days following the end of each calendar year, ore reserve data for the calendar year; and
 - (F) within 60 days following the end of each calendar year, estimates of proposed expenditures upon, anticipated production from and estimated remaining ore reserves of proposed mining operations for the succeeding calendar year and any changes to, or replacements of, the mine plan or any 'life of mine plan' with respect to mining operations and the Properties;
- (iii) permit the Royalty Holder and its representatives duly authorized in writing, at their own risk and expense, and upon reasonable notice and at reasonable times but not more frequently than once in every three (3) months:
- (A) to gain access to the Properties, to all books and records and all data prepared by Owner in connection with work done on or with respect to the Properties and to all drill materials, including drill core and drill chips, produced by or on behalf of Owner from the Properties; and
 - (B) to sample and inspect all Products produced from the Properties,

provided that in exercising such rights Royalty Holder will not unduly interfere with the activities of Owner and Royalty Holder indemnifies, shall keep indemnified and save harmless Owner, its Affiliates and their respective directors, officers, employees and agents from and against all and any Liabilities of any kind or nature whatsoever in any way referable to or arising out of the entry, presence or activities of Royalty Holder or its representatives in connection with

their access to the Properties and the records of Owner under this Section 9(c)(iii), including, without limitation, Liabilities arising out of or in connection with bodily injuries or death or damage to property at any time resulting therefrom; and

- (iv) to the extent permitted under any contract with a smelter or refinery with respect to the Products, permit the Royalty Holder to be present or to be represented at any smelter, refinery or other processing facility at which the weighing, sampling and assaying of metals and the calculation of the Royalty will be determined.

10. Commingling

(a) Subject to Section 10(b) below, Owner shall be entitled to commingle Products from the Properties and from any other properties owned or leased by Owner, during the stockpiling, milling (concentrating), smelting, refining, minting or further processing of Products produced from the Properties.

(b) Before any Products are commingled with ores or minerals from any other properties, as contemplated above, the Products shall be measured and sampled in accordance with generally accepted mining and metallurgical practices. Representative samples of the Products shall be retained by Owner and assays and appropriate analyses of these samples shall be made before commingling to determine mineral values, recoverability factors, moisture and other appropriate content of the Products. From this information, Owner shall determine the quantity of the Products subject to the Royalty notwithstanding that the Products have been commingled with ores or minerals from other properties. Except where an objection has been made by Royalty Holder, or a Dispute exists in respect of which such information is relevant, Owner may dispose of the materials and data required to be produced and kept pursuant to this Section 10(b) within a reasonable period of time, but not less than 24 months, after receipt by Royalty Holder of the Royalty paid on commingled Products extracted from the Properties to which such materials and data relate.

11. Stockpiling

Owner shall be entitled to temporarily stockpile, store or place Products (including ores) produced from the Properties, in any locations owned, leased or otherwise controlled by Owner, an Affiliate of Owner, or a processor, or shipper or vendor of Products, on or off the Properties, provided the same are appropriately identified and secured from loss, theft, tampering and contamination.

12. Tailings and Waste Products

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

13. Arm's Length Provision

If smelting, refining, minting or further processing are carried out in facilities owned or controlled by Owner or an Affiliate of Owner or sales and marketing of Products is carried out by Owner or an Affiliate of Owner, charges, costs and penalties for such operations, including transportation and sales and marketing of Products, shall mean actual charges costs and penalties incurred by Owner or its Affiliate, but in no event greater than the arm's length costs of such smelting, refining, minting or further processing or sales and marketing performed by a non-Affiliate.

14. Hedging Transactions

Owner will have the right to market and sell the Products in any manner it may elect, and will have the right to engage in Hedging Transactions which may involve the possible physical delivery of Products. The Royalty will not apply to, and Royalty Holder shall not be entitled to participate in, the proceeds or profits generated by Owner, a shareholder of Owner, or an Affiliate of either in Hedging Transactions or in the actual marketing or sales of Products. All losses and expenses resulting from Owner engaging in Hedging Transactions are specifically excluded from calculations of Production Returns and Royalty payments pursuant to this Agreement. All Hedging Transactions shall be for Owner's sole account and shall not affect the calculation and payment to Royalty Holder which shall be calculated and paid in accordance with the provisions of this Agreement without regard for any Hedging Transactions.

15. Currency Calculations

For the purpose of determining the Production Returns:

(a) all receipts and major disbursements in a currency other than United States dollars shall be converted into United States dollars on the day of receipt or disbursement, as the case may be; and

(b) all other disbursements in a currency other than United States dollars shall be converted into United States dollars at the average rate for the month of disbursement,

all such conversions being determined using the Bank of Canada noon rates.

16. Assignment by Royalty Holder

(a) Royalty Holder may assign all (but not less than all) of the Royalty, provided that such assignment will not be effective against Owner unless the assignee has first executed and delivered to Owner a written and enforceable undertaking whereby such assignee agrees to be bound by all of the terms and conditions of this Agreement.

(b) For the purposes of this Section 16 and Section 17, "**assign**" and inflexions of "**assign**" means to sell, assign, transfer or otherwise dispose of.

17. Assignment by Owner

Owner may assign all or any portion of its interest in the Properties provided that the proposed assignee of the Properties has delivered to Royalty Holder a written and enforceable undertaking agreeing to be bound, to the extent of the interest disposed of, by all of the terms and conditions of this Agreement.

18. Rule Against Perpetuities

If the vesting of any interest under this Agreement would, but for this Section 18, be void under the rule against perpetuities at common law or under any statute imposing perpetuity periods, then that interest terminates one day before the end of the maximum time from the date of this Agreement permitted by the law of the State of Idaho for that interest to be valid.

19. Successors and Assigns

This Agreement binds and inures to the benefit of Owner and Royalty Holder and their respective successors and assigns.

20. Further Assurances

Owner agrees to execute and deliver such agreements as Royalty Holder may reasonably request which are necessary or desirable to give effect to the provisions of this Agreement.

21. Recording of Agreement

This Agreement, or a memorandum of this Agreement, shall, upon the written request of Royalty Holder, be recorded or registered in the office or register of any Governmental Authority identified in the written request of Royalty Holder, in order to give notice to third Persons of Royalty Holder's entitlement to the Royalty and Royalty Holder's other rights and interests that arise under this Agreement. Owner agrees with Royalty Holder to execute, notarize, deliver, file or register (as the case may be) those documents that may be necessary to perfect such recording or registration.

22. Indemnity from Owner

(a) Subject to Section 22(c) and Section 31, in no event shall Royalty Holder, as owner of the Royalty, be liable in any way for any costs or liabilities incurred by Owner attributable to the Properties. SUBJECT TO SECTION 22(b), OWNER, WITH EFFECT FROM THE ROYALTY DATE, HEREBY COVENANTS AND AGREES TO INDEMNIFY, PROTECT, DEFEND AND HOLD ROYALTY HOLDER, ITS SUCCESSORS AND ASSIGNS, HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES FOR ANY INJURY TO PERSONS OR PROPERTY, ENVIRONMENTAL SPILL, RELEASE OR CONTAMINATION, OR VIOLATION OF LAW, RULE OR REGULATION, OCCASIONED BY, ARISING OUT OF, OR RESULTING FROM OPERATIONS ON THE PROPERTIES, OR IN CONNECTION THEREWITH, BY OWNER, ITS AGENTS, SERVANTS, EMPLOYEES, INDEPENDENT CONTRACTORS, SUCCESSORS OR ASSIGNS EXCEPT TO THE

EXTENT THAT ANY SUCH LIABILITIES WERE CONTRIBUTED TO BY ANY ACT OR OMISSION OF ROYALTY HOLDER, ITS SUCCESSORS OR ASSIGNS FROM AND AFTER THE ROYALTY DATE.

(b) Upon completion of the transfer of the Abandonment Property to Royalty Holder in accordance with Section 31, the obligation and liability of Owner to indemnify, protect, defend and hold Royalty Holder, its successors and assigns in accordance with Section 22(a) shall immediately cease and be extinguished in respect of any the Liabilities described in Section 22(a) which first arise or accrue on or after the date of such transfer.

(c) The Royalty Holder acknowledges and agrees that:

- (i) nothing in Section 22(a) releases Royalty Holder from any of Royalty Holder's obligations or liabilities under or in respect of the Option Agreement which pursuant to the terms of the Option Agreement survive the completion, termination or expiration of the Option Agreement;
- (ii) nothing in Section 22(a) constitutes an assumption or acceptance by Owner of any Royalty Holder's obligations or liabilities referred to in Section 22(c)(i); and
- (iii) notwithstanding anything to the contrary in Section 22(a), Royalty Holder remains liable for all of Royalty Holder's obligations and liabilities referred to in Section 22(c)(i).

23. Severability

If any provision contained in this Agreement shall for any reason be held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the remaining provisions of this Agreement. Where a provision of this Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to replace the invalid, illegal or unenforceable by a provision which is in accordance with the applicable law and which shall be as close as possible to the Parties' original intent and appropriate consequential amendments (if any) will be made to this Agreement.

24. Currency

Payments under this Agreement shall be in US Dollars.

25. Manner of Payment

Except as expressly specified otherwise in this Agreement, any payment to be made to a Party under this Agreement shall be made by electronic funds transfer to that Party's bank as designated by that Party by notice from time to time. That bank will be deemed the agent of the designating Party for the purposes of receiving, collecting and receipting such payment.

26. Modification

This Agreement shall not be amended or modified except in writing signed by authorized signatories of each Party.

27. Governing Law

This Agreement shall be governed by the laws of the Province of British Columbia, without regard to conflict of laws or choice of laws rules that would permit or require application of the laws of any other jurisdiction.

28. Dispute Resolution

Each Party hereto agrees and consents to be subject to the exclusive jurisdiction courts sitting in the Province of British Columbia in any action seeking to enforce any provision of or based on any right arising under or relating to this Agreement.

29. Public Disclosure

If requested in writing, Owner shall provide Royalty Holder, at Royalty Holder's expense, with such data or reports regarding mineral resources and reserves that are subject to the Royalty as are in Owner's or its Affiliates' possession and which may be reasonably required by Royalty Holder to comply with the requirements under NI 43-101, United States SEC Industry Guide 7 or similar legal requirements applicable to Royalty Holder. No representation or warranty is or will be made by Owner or its Affiliates with respect to the accuracy or completeness of the interpretation or conclusions drawn by Royalty Holder or its Affiliates from such data or reports, nor with respect to the disclosure of such information by Royalty Holder or its Affiliates, and the Royalty Holder acknowledges that Owner shall not be responsible for any Liabilities made with respect to the disclosure of such information by Royalty Holder. Notwithstanding the foregoing, Owner is not required to disclose the confidential information, intellectual property or proprietary software or technology of any third party to the extent that it is prevented from making such disclosures to Royalty Holder by an express obligation of confidentiality owed to a third party.

30. Confidentiality

(a) Except as provided in Section 29 and Section 30(b), all information and data (whether in tangible, electronic or other form) provided or disclosed to Royalty Holder under the terms of, or by reason of operation of, this Agreement is confidential information of Owner ("**Confidential Information**") and shall not be disclosed by any means by Royalty Holder to any third party or the public without the prior written consent of Owner.

(b) The consent required by Section 30(a) shall not apply to a disclosure of Confidential Information:

- (i) by Royalty Holder to a potential successor of all of its interests under this Agreement, or to a potential successor by consolidation or merger, or to a

proposed joint venture or partnership in which Royalty Holder may become a participating partner or venturer, as long as such successor or other party has first entered into a written agreement with Owner to preserve the confidentiality of the Confidential Information to be disclosed in a manner at least as onerous on the successor or other party as this Section 30 is onerous on Royalty Holder and which complies with Section 30(c);

- (ii) to a prospective lender to which any portion of Royalty Holder's interest under this Agreement is proposed to be granted as security, as long as such prospective lender has first entered into a written agreement with Owner to preserve the confidentiality of the Confidential Information to be disclosed in a manner at least as onerous on the prospective lender as this Section 30 is onerous on Royalty Holder and which complies with Section 30(c);
- (iii) to an Affiliate or its directors, officers or employees that has a bona fide need to be informed (but subject to the obligations of confidentiality set out in this Section 30);
- (iv) subject to Section 30(d), if the disclosure is necessary for a Party or its Affiliates to comply with a directive or request of any Governmental Authority, securities regulator or stock exchange;
- (v) made in connection with litigation or arbitration involving a Party where such disclosure is required by the applicable Court or arbitral tribunal or is, on the advice of counsel for such Party, necessary for the prosecution of the case, but subject to prior notification to the other Party to enable such Party to seek appropriate protective orders.

(c) If Royalty Holder intends to disclose Confidential Information to any Person described in Section 30(b)(i) or Section 30(b)(ii) then Royalty Holder shall obtain from that Person prior to disclosure an undertaking that, on the request of Royalty Holder, it shall immediately deliver or re-deliver to Royalty Holder all documents or other materials containing or referring to the Confidential Information in its possession, power or control.

(d) Before disclosing any Confidential Information to a Governmental Authority or securities regulator in accordance with Section 30(b)(iv), Royalty Holder shall, to the extent permitted by applicable Legal Requirements, provide Owner with a draft of the proposed disclosure for its consideration and comment.

(e) Royalty Holder agrees that:

- (i) it is liable to Owner for any breach of this Agreement arising from the actions or omissions of any Person to whom Confidential Information is disclosed pursuant to Section 30(b)(i), Section 30(b)(ii) or Section 30(b)(iii), which breach will constitute a deemed breach of this Agreement by Royalty Holder; and

- (ii) if any breach of this Agreement arises from the actions or omissions of any Person to whom Confidential Information is disclosed pursuant to Section 30(b)(i), Section 30(b)(ii) or Section 30(b)(iii), then Owner will not be required to first assert a claim against such Person as a condition of seeking or obtaining a remedy against Royalty Holder.

(f) To the extent disclosure is permitted pursuant to this Agreement and notwithstanding anything contained in this Agreement to the contrary, Royalty Holder shall not disclose pursuant to this Agreement any geological, engineering or other data to any third party without disclosing the existence and nature of any disclaimers which accompany such data and the requirements of applicable Legal Requirements or regulation or rules of the applicable stock exchange for public reporting, as the case may be.

(g) Subject to Section 30(h), Royalty Holder shall not make any public announcement in relation to this Agreement or any matter arising under this Agreement unless:

- (i) the wording of the announcement is agreed between the Parties; or
- (ii) the announcement is otherwise permitted under Section 30(h).

(h) Royalty Holder is entitled to make announcements only to the extent necessary to comply with the listing rules of an applicable stock exchange on which its shares (or that of its Affiliate) are listed or the requirements of a regulator, securities commission or applicable Legal Requirements. If Royalty Holder proposes to make such an announcement, Royalty Holder shall endeavor to give Owner as much notice as is possible (and in any event will endeavor to give at least 24 hours' notice) of its intention to make the announcement, and will take into account the reasonable requests of Owner in relation to the wording of the announcement.

(i) Any consent of Owner given to Royalty Holder to disclose Confidential Information or to make a public announcement will not be considered an approval or certification of Owner:

- (i) as to the accuracy of any information contained in that Confidential Information or public announcement; or
- (ii) that the Confidential Information or public announcement complies with applicable Legal Requirements or the rules, policies, by-laws and disclosure standards of any Governmental Authority, stock exchange, regulator or securities commission.

31. Abandonment of Claims or Properties

(a) Notice Requirement Upon Proposed Abandonment. Owner shall not relinquish or abandon all or any portion of the Claims or the Properties without first giving notice to Royalty Holder of the proposed relinquishment or abandonment in accordance with this Section 31(a). If the Owner desires to relinquish or abandon all or any portion of the Claims or the Properties

(“**Abandonment Property**”), then Owner shall deliver a written notice (the “**Relinquishment Notice**”) to Royalty Holder of the intention to relinquish or abandon the Abandonment Property.

(b) Royalty Holder Election upon Receipt of Relinquishment Notice. Royalty Holder will have a period of thirty (30) days from receipt of the Relinquishment Notice to elect by notice to Owner to take a transfer of the Abandonment Property. If Royalty Holder elects to take a transfer of the Abandonment Property then Royalty Holder acknowledges and agrees that:

- (i) the transfer is on an “as is” basis and neither Owner, its Affiliates or their respective directors, officers, employees, agents or representatives make any representation or warranty of any kind (whether express, implied or otherwise) with respect to the Abandonment Property;
- (ii) upon completion of the transfer of the Abandonment Property Royalty Holder shall assume and shall duly observe, perform, discharge and be bound by all of the obligations and liabilities accruing to the registered holder or beneficial owner of the Abandonment Property irrespective of whether such obligations arose or accrued before or after the date on which the Abandonment Property was transferred to Royalty Holder or a nominee Affiliate of Royalty Holder pursuant to this Section 31(b); and
- (iii) Royalty Holder shall indemnify Owner, its Affiliates and their respective directors, officers, employees, agents or representatives from and against any and all Liabilities which first arise out of or in connection with the Abandonment Property on or after the transfer of the Abandonment Property irrespective of whether such Liabilities arose or accrued before or after the date on which the Abandonment Property was transferred to Royalty Holder or a nominee Affiliate of Royalty Holder pursuant to this Section 31(b).

(c) Transfer. If Royalty Holder elects to take a transfer of the Abandonment Property, then Owner shall use reasonable commercial efforts to transfer the Abandonment Property to Royalty Holder (or a nominee Affiliate of Royalty Holder) and to have the Abandonment Property recorded or registered in the name of Royalty Holder or a nominee Affiliate of Royalty Holder. Royalty Holder shall, at its cost and expense, be responsible to obtain all permits, approvals or consents required by, of or from any third Person or Governmental Authority to effect a transfer of the Abandonment Property to Royalty Holder (or a nominee Affiliate of Royalty Holder).

(d) No Election. If Royalty Holder does not give notice to Owner within the period of thirty (30) days referred to Section 31(b) electing to take a transfer of the Abandonment Property, then Owner may relinquish or abandon the Abandonment Property and Owner and its Affiliates shall thereafter have no further obligation or liability to Royalty Holder or its Affiliates with respect to the Abandonment Property including to pay the Royalty Holder the Royalty in respect of the Abandonment Property.

32. After-Acquired Property

(a) If at any time after the Royalty Date, Owner or an Affiliate acquires directly or indirectly or pursuant to any third party agreement, any After-Acquired Property, Owner will promptly give notice to Royalty Holder, such After-Acquired Property shall form a part of the Properties for all purposes of this Agreement, and to the extent the boundaries of the Properties prior to the inclusion of the After-Acquired Property are expanded as a result of the acquisition of the After-Acquired Property, the expanded boundaries of the Properties including the After-Acquired Property will be deemed to form part of the new boundaries of the Properties for the purposes of this Section 32 and subsequent acquisitions within the Area of Interest, and Owner shall execute and deliver such instruments as Royalty Holder may request from time to time to reflect Royalty Holder's royalty interest (as described in Section 3(b)) in respect of such After-Acquired Property (including amendments to this Agreement or additional confirmatory deeds of such After-Acquired Property in the form of this Agreement).

(b) If at any time after the Royalty Date, Royalty Holder or an Affiliate of that Party ("**Acquiring Party**") acquires directly or indirectly or pursuant to any third party agreement, any After-Acquired Property, then the Acquiring Party shall promptly disclose the acquisition to Owner by notice in writing setting out the nature of such After-Acquired Property together with all information known by Acquiring Party about such After-Acquired Property, the Acquiring Party's acquisition costs and all other details relating to such After-Acquired Property ("**AAP Notice**").

(c) At any time within sixty (60) days after Owner has been given the AAP Notice in accordance with Section 32(b), Owner may by notice in writing to the Acquiring Party elect to make the After-Acquired Property part of the Properties and to be subject to this Agreement. Unless the Acquiring Party and Owner otherwise expressly agree, if Owner elects to make the After-Acquired Property part of the Properties pursuant to this Section 32(c), then the Acquiring Party shall promptly thereafter do all things (including executing and if necessary delivering all documents) necessary or desirable to transfer or facilitate transfer of title to the After-Acquired Property to Owner. In exchange for the transfer of title to the After-Acquired Property to Owner, Owner shall grant the Royalty to the Royalty Holder in respect of such After-Acquired Property in accordance with Section 3(b).

(d) If Owner elects to make the After-Acquired Property part of the Properties and to be subject to this Agreement pursuant to Section 32(c), then the After-Acquired Property shall form a part of the Properties for all purposes of this Agreement. To the extent the boundaries of the Properties prior to the inclusion of the After-Acquired Property are expanded as a result of the acquisition of the After-Acquired Property, the expanded boundaries of the Properties including the After-Acquired Property will be deemed to form new boundaries of the Properties and will be subject to the Area of Interest which shall extend from and beyond the expanded boundaries of the Properties inclusive of the After-Acquired Property.

(e) If Owner does not give notice in writing to the Acquiring Party electing to make the After-Acquired Property part of the Properties and to be subject to this Agreement within the sixty (60) day period referred to in Section 32(c), then Owner shall not have any interest in the

After-Acquired Property and the After-Acquired Property shall not be a part of the Properties or otherwise be subject to this Agreement.

33. Notices

All notices, payments and other required communications to the Parties shall be in writing, and shall be given (a) by personal delivery to the applicable Party, or (b) electronically as an attachment to an email, with a confirmation sent by registered or certified mail return receipt requested, or (c) by registered or certified mail return receipt requested, at the addresses set forth below:

if to the Owner or Owner Guarantor:

Gold Lion Resources Inc.

[REDACTED]

[REDACTED]

Attn: CEO

Email: [REDACTED]

if to the Royalty Holder:

Bronco Creek Exploration, Inc.

[REDACTED]

[REDACTED]

Attn: President

Email: [REDACTED]

All notices shall be effective and shall be deemed delivered:

(a) if by personal delivery on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next Business Day following delivery;

(b) if sent electronically:

(i) at the time shown in the delivery confirmation report generated by the sender's email system; or

(ii) if the sender's email system does not generate a delivery confirmation report within 12 hours after the time the email is sent, unless the sender receives a return email notification that the email was not delivered, undeliverable or similar, at the time which is 12 hours from the time the email was sent,

unless a later time is specified in the notice; and

(c) if solely by mail on the next Business Day after actual receipt.

A Party may change its address by notice to the other Party.

34. Entire Agreement

This Agreement constitutes the entire agreement between the Parties in respect of its subject matter and supersedes all prior agreements, understandings, representations, warranties, promises, statements, negotiations, letters and documents in respect of its subject matter (if any) made or given prior to the date of this Agreement.

35. Time of Essence

Time shall be of the essence of this Agreement.

36. Relationship of the Parties

Nothing in this Agreement shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership of any kind or as imposing upon any Party or creating any partnership duty, obligation or liability or any fiduciary duty, relationship, obligation or liability to any other Party.

37. Owner Guarantor

Owner Guarantor does hereby covenant and agree that it shall cause Owner to comply with all of its obligations under this Agreement. In such regard, Owner Guarantor unconditionally and irrevocably guarantees and agrees to jointly and severally liable with the Owner for, the due and punctual performance of all obligations, covenants and indemnities of the Owner arising under this Agreement, upon the terms and subject to the conditions of this Agreement. The liability of Owner Guarantor under this section will be for the full amount of the obligations without apportionment, limitation or restriction of any kind, will be continuing, absolute and unconditional and will not be affected by any applicable law, or any other act, delay, abstention or omission to act of any kind by the Royalty Holder or any other person, that might constitute a legal or equitable defense to or a discharge, limitation or reduction of Owner Guarantor's obligations under this section. The liability of Owner Guarantor under this section will not be released, discharged, limited or in any way affected by anything done, suffered, permitted or omitted to be done by the Royalty Holder or the Owner in connection with any duties, obligations or liabilities of the Owner or Owner Guarantor or to the Royalty Holder. The Royalty Holder will not be bound or obligated to exhaust its recourse against the Owner or other persons or take any other action before being entitled to demand payment from Owner Guarantor under this section.

38. Counterparts and Electronic Transmission

This Agreement may be executed in several counterparts and by electronic transmission, and each such counterpart shall be deemed to be an original and all of such counterparts together shall constitute one and the same agreement.

[Signatures on next page]

The Parties have executed this Agreement to be effective as of the Royalty Date.

GOLD LION RESOURCES (NV) INC.

By: _____
Name _____
Title: _____
Date: _____

**BRONCO CREEK EXPLORATION,
INC.**

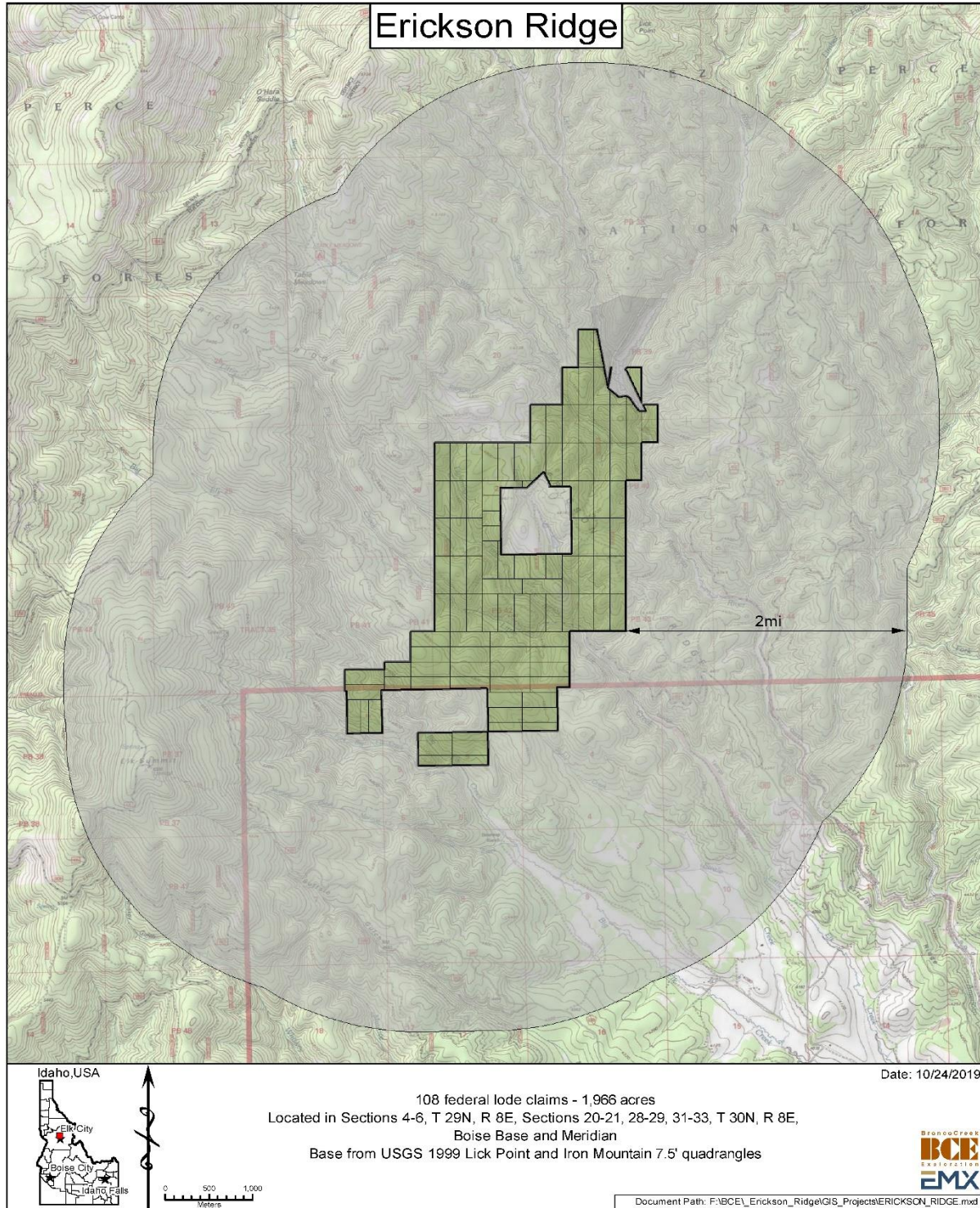
By: _____
Name _____
Title: _____
Date: _____

GOLD LION RESOURCES INC.

By: _____
Name _____
Title: _____
Date: _____

EXHIBIT A

DESCRIPTION OF CLAIMS AND MINERAL RIGHTS



Federal Unpatented Claims

Erickson Ridge

Line No.	BLM Serial No.	Claim Name	County Recorder			Township	Range	Section
			Fee # / Doc ID #	Book	Page			
1	IMC229750	ERK 1	521467			30N	8E	21
2	IMC229751	ERK 2	521468			30N	8E	21
3	IMC229752	ERK 3	521469			30N	8E	20,21
4	IMC229753	ERK 4	521470			30N	8E	21
5	IMC229754	ERK 5	521471			30N	8E	21
6	IMC229755	ERK 6	521472			30N	8E	21
7	IMC229756	ERK 7	521473			30N	8E	21
8	IMC229757	ERK 8	521474			30N	8E	20,29
9	IMC229758	ERK 9	521475			30N	8E	20,29
10	IMC229759	ERK 10	521476			30N	8E	20,21,28,29
11	IMC229760	ERK 11	521477			30N	8E	21,28
12	IMC229761	ERK 12	521478			30N	8E	21,28
13	IMC229762	ERK 13	521479			30N	8E	21,28
14	IMC229763	ERK 14	521480			30N	8E	21,28
15	IMC229764	ERK 15	521481			30N	8E	21,28
16	IMC229765	ERK 16	521482			30N	8E	29
17	IMC229766	ERK 17	521483			30N	8E	29
18	IMC229767	ERK 18	521484			30N	8E	29
19	IMC229768	ERK 19	521485			30N	8E	28,29
20	IMC229769	ERK 20	521486			30N	8E	28
21	IMC229770	ERK 21	521487			30N	8E	28
22	IMC229771	ERK 22	521488			30N	8E	28
23	IMC229772	ERK 23	521489			30N	8E	28
24	IMC229773	ERK 24	521490			30N	8E	29
25	IMC229774	ERK 25	521491			30N	8E	29
26	IMC229775	ERK 26	521492			30N	8E	29
27	IMC229776	ERK 27	521493			30N	8E	29
28	IMC229777	ERK 28	521494			30N	8E	29
29	IMC229778	ERK 29	521495			30N	8E	29,32
30	IMC229779	ERK 30	521496			30N	8E	29,32
31	IMC229780	ERK 31	521497			30N	8E	29,32
32	IMC229781	ERK 32	521498			30N	8E	29,32
33	IMC229782	ERK 33	521499			30N	8E	29,32
34	IMC229783	ERK 34	521500			30N	8E	28,29
35	IMC229784	ERK 35	521501			30N	8E	28
36	IMC229785	ERK 36	521502			30N	8E	28
37	IMC229786	ERK 37	521503			30N	8E	28
38	IMC229787	ERK 38	521504			30N	8E	28,29,32,33
39	IMC229788	ERK 39	521505			30N	8E	28,33
40	IMC229789	ERK 40	521506			30N	8E	28,33

41	IMC229790	ERK 41	521507	30N	8E	28,33
42	IMC229791	ERK 42	521508	30N	8E	32
43	IMC229792	ERK 43	521509	30N	8E	32
44	IMC229793	ERK 44	521510	30N	8E	32
45	IMC229794	ERK 45	521511	30N	8E	32
46	IMC229795	ERK 46	521512	30N	8E	32,33
47	IMC229796	ERK 47	521513	30N	8E	33
48	IMC229797	ERK 48	521514	30N	8E	33
49	IMC229798	ERK 49	521515	30N	8E	33
50	IMC229799	ERK 50	521516	30N	8E	32
51	IMC229800	ERK 51	521517	30N	8E	32
52	IMC229801	ERK 52	521518	30N	8E	32
53	IMC229802	ERK 53	521519	30N	8E	32
54	IMC229803	ERK 54	521520	30N	8E	32
55	IMC229804	ERK 55	521521	30N	8E	32
56	IMC229805	ERK 56	521522	30N	8E	32
57	IMC229806	ERK 57	521523	30N	8E	32
58	IMC229807	ERK 58	521524	30N	8E	32,33
59	IMC229808	ERK 59	521525	30N	8E	33
60	IMC229809	ERK 60	521526	30N	8E	33
61	IMC229810	ERK 61	521527	30N	8E	33
62	IMC229811	ERK 62	521528	30N	8E	31,32
63	IMC229812	ERK 63	521529	30N	8E	32
64	IMC229813	ERK 64	521530	30N	8E	32
65	IMC229814	ERK 65	521531	30N	8E	32
66	IMC229815	ERK 66	521532	30N	8E	31,32
67	IMC229816	ERK 67	521533	30N	8E	32
68	IMC229817	ERK 68	521534	30N	8E	32
69	IMC229818	ERK 69	521535	30N	8E	32
70	IMC229819	ERK 70	521536	30N	8E	31
71	IMC229820	ERK 71	521537	30N	8E	31,32
72	IMC229821	ERK 72	521538	30N	8E	32
73	IMC229822	ERK 73	521539	30N	8E	32
74	IMC229823	ERK 74	521540	30N	8E	32
75	IMC229824	ERK 75	521541	29N,30N	8E	5;31
76	IMC229825	ERK 76	521542	29N,30N	8E	5;31,32
77	IMC229826	ERK 77	521543	29N,30N	8E	5;32
78	IMC229827	ERK 78	521544	29N,30N	8E	4,5;32
79	IMC229828	ERK 79	521545	29N,30N	8E	4;32
80	IMC229829	ERK 80	521546	29N	8E	5
81	IMC229830	ERK 81	521547	29N	8E	4,5
82	IMC229831	ERK 82	521548	29N	8E	5
83	IMC229832	ERK 83	521549	29N	8E	4,5
84	IMC229833	ERK 84	521550	29N	8E	5
85	IMC229834	ERK 85	521551	29N	8E	4,5
86	IMC229835	ERK 86	521552	29N	8E	5

87	IMC229836	ERK 87	521553	29N	8E	5
88	IMC229837	ERK 88	521554	29N	8E	5
89	IMC229838	ERK 89	521555	29N	8E	5
90	IMC229839	ERK 90	521556	29N	8E	5
91	IMC229840	ERK 91	521557	29N	8E	5
92	IMC229841	ERK 92	521558	30N	8E	31
93	IMC229842	ERK 93	521559	29N,30N	8E	5,6;31
94	IMC229843	ERK 94	521560	29N	8E	6
95	IMC229844	ERK 95	521561	29N	8E	6
96	IMC229845	ERK 96	521562	29N	8E	5,6
97	IMC229846	ERK 97	521563	30N	8E	32
98	IMC229847	ERK 98	521564	30N	8E	29,32
99	IMC229848	ERK 99	521565	30N	8E	29,32
100	IMC229849	ERK 100	521566	30N	8E	29,32
101	IMC229850	ERK 101	521567	30N	8E	29
102	IMC229851	ERK 102	521568	30N	8E	29
103	IMC229852	ERK 103	521569	30N	8E	29
104	IMC229853	ERK 104	521570	30N	8E	29
105	IMC229854	ERK 105	521571	30N	8E	29
106	IMC229855	ERK 106	521572	30N	8E	29
107	IMC229856	ERK 107	521573	30N	8E	29
108	IMC229857	ERK 108	521574	30N	8E	29

Total **108**

EXHIBIT C

INSURANCE REQUIREMENTS

- (a) Prior to commencement of the activities on the Properties and until the earlier of: (i) termination of the Agreement in accordance with Section 8.1 (and completion by Purchaser of any reclamation or other activities on the Properties after such termination), and (ii) the Closing, Purchaser shall, at its sole expense, maintain the following minimum insurance on its own behalf:
 - (i) worker's compensation insurance of the type and in the amounts required by Laws of Idaho, and employer's liability insurance with limits of not less than \$1,000,000 (per each bodily injury by accident or disease);
 - (ii) third party liability insurance, insuring against liabilities arising from bodily injury, death and property damage to policy limits of at least \$3,000,000 per occurrence, arising out of or in consequence of Purchaser's performance under this Agreement. Without limiting the foregoing subclause, this insurance shall include the following extensions, commonly known as products and completed operations; broad form property damage; occurrence property damage; blanket contractual liability; non-owned automobile liability; cross liability and severability of interests clause; personal injury; owners and contractors protective; and contingent employers' liability and sudden and accidental pollution liability;
 - (iii) automobile liability insurance, insuring against liabilities arising from bodily injury, death, property damage, with policy limits of at least \$2,000,000 per occurrence, for any and all motor vehicles, owned, leased, rented, operated or used by or on behalf of Purchaser or any of its subcontractors or personnel; and
 - (iv) such other insurance as Seller shall deem appropriate for Purchaser to obtain and to which Seller and Purchaser shall mutually agree.
- (b) The insurance provided for in subsection (a) must name Seller as an additional insured, but only as regards the activities and operations of Purchaser under this Agreement.
- (c) All such policies provided in subsection (a) must state, by endorsement or otherwise, that all insurers waive their rights of subrogation against Seller.
- (d) In no event shall Seller be responsible for premium payment, deductible, self-insured retention or claims reporting provisions.
- (e) Purchaser shall provide Seller with certificates of insurance, evidencing all of the above stated insurance coverage and reflecting the effective and expiration dates of such coverage, at least 10 days prior to commencing activities on the Properties. If requested by Seller, Purchaser shall also provide Seller with a complete certified copy of the above insurance policies.

- (f) If Purchaser fails to maintain such insurance or to furnish satisfactory evidence of such insurance, Seller shall, without prejudice to its other rights and remedies, have the right (but not the obligation) to take out and maintain substantially similar insurance for both Parties on behalf of Purchaser, who shall furnish all necessary information as required and shall pay the cost of such insurance to Seller immediately upon presentation of a bill.
- (g) The insurance policy or policies required in subsection (a) shall provide that the insurer shall provide thirty (30) days' notice to Seller prior to any material changes, termination or cancellation of any such policy or policies. Concerning workers' compensation and employer's liability coverage, under subsection (a)(i), Purchaser must immediately notify Seller of loss or suspension of any applicable coverage.
- (h) Any type of insurance or any increase of limits of liability not described above which Purchaser requires for its own protection or on account of applicable laws shall be its own responsibility and at its own expense. The policy limits set forth in this Exhibit are not intended to be a limit of liability by Purchaser.
- (i) Should Purchaser engage any contractor or subcontractor, the same conditions respecting insurance under this Agreement will apply to each contractor or subcontractor, except that the minimum coverage for each of Subclauses (a)(i), (ii) and (iii) shall be not less than:
 - A. in the case of individual contractors or subcontractors, (a)(i) the amount required by Idaho Laws, (a)(ii) \$2,000,000 and (a)(iii) \$1,000,000, or alternatively, Purchaser may elect for such contractor or subcontractor to be named as an insured under Purchaser's insurance policy that complies with this Exhibit C; and
 - B. in the case of all other contractors and subcontractors, (a)(i) the amount required by Idaho Laws, (a)(ii) \$3,000,000 and (a)(iii) \$2,000,000, or alternatively, Purchaser may elect for such contractor or subcontractor to be named as an insured under Purchaser's insurance policy that complies with this Exhibit C.