

## PROPERTY OPTION AGREEMENT

**THIS AGREEMENT** made as of the December \_\_\_, 2022 (the “**Effective Date**”)

**BETWEEN**

**1254704 B.C. LTD.**, a company incorporated under the laws of the Province of British Columbia (hereinafter referred to as the "**Optionor**")

**AND**

**1391740 B.C. LTD.**, a company incorporated under the laws of the Province of British Columbia (hereinafter referred to as the "**Optionee**")

**WHEREAS:**

A. The Optionor is the registered and beneficial holder of a 100% undivided interest in the fifty seven (57) mining claims, covering approximately 2,950 hectares, located in the province of Quebec, more particularly described in Schedule “A” attached hereto (the "**Property**");

B. The Optionee wishes to option 100% of the Optionor’s interest in the Property from the Optionor as outlined in paragraph 4 of this agreement (subject only to a 2% NSR and Bonus in favor of the Optionor);

C. The parties wish to enter into this Agreement with respect to the Option and the Property on the terms and subject to the conditions described herein.

**NOW THEREFORE**, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Optionor and Optionee agree as follows:

### **1. Interpretation**

1.1 **Definitions.** The following terms, wherever used in this agreement, shall have the meanings set forth below:

- (a) "**Acts**" means all legislation, as amended from time to time, of the jurisdiction in which the Property is located, applicable to the Property, including title to, and Mining Operations on, the Property;
- (b) "**Affiliate**" shall have the meaning attributed to it in the *Business Corporation Act* (British Columbia);
- (c) “**Commencement of Production**,” means the date of production of metal ores or minerals from the Property:
  - (i) if a mill is located on the Property, the last day of a period of 30 consecutive days in which, for not less than 20 days, the mill processed ore from the Property at the rate of at least 25% of its rated capacity; or

- (ii) if a mill is not located on the Property, the last day of a period of 15 consecutive days during which ore has been shipped from the Property for the purpose of earning revenues;
- (d) **"Due Diligence"** means the prior steps to be taken by the Optionee to appraise the assets and liabilities of the Property and to evaluate its commercial potential;
- (e) **"Effective Date"** means the date first written above;
- (f) **"Expenditures"** means all direct costs of exploration and development of mining operations on the Property, including expenses and charges directly related to the inspection, discovery, location, delineation, sampling, assay and metallurgical work in respect of all metals and minerals on the Property; or **"Expenditures"** means the amounts inclusive of any and all taxes imposed or levied by a government, government authority or agency, spent directly or indirectly on or with respect to maintaining the Property, or exploration or mining activities on the Property directed towards ascertaining the existence, location, quality, quantity or commercial value of deposits of ores, minerals, and mineral resources on any of the Property, and such amounts will include indirect costs, direct costs and contract costs and consist of
  - (i) the actual cost of such activities;
  - (ii) the assessment work required under applicable mining laws;
  - (iii) the mining duties on the Property and all other costs and expenses to keep the Property in good standing;
- (g) **"Minerals"** shall mean the products produced or derived, including all metals and minerals, from operating the Property as a mine;
- (h) **"Mining Operations"** means every kind of work done on or in respect of the Property or the Minerals derived from the Property during the subsistence of the Option by or under the direction of the Optionee including, without limiting the generality of the foregoing, the work of assessment, geophysical, geochemical and geological surveys, studies and mapping, investigating, drilling, designing, examining, equipping, improving, surveying, shaft-sinking, raising, cross-cutting and drifting, searching for, digging, trucking, sampling, working and procuring minerals, ores and metals, surveying and bringing any mining claims to lease or patent, and all other work usually considered to be prospecting, exploration, development, mining and reclamation work; in paying rentals, license renewal fees, taxes and other governmental charges required to keep the Property in good standing; in procuring and paying for all insurance coverage required hereunder in purchasing or renting plant, buildings, machinery, tools, appliances, equipment or supplies and in installing, erecting, detaching and removing them; mining, milling, concentrating, rehabilitation, reclamation, and environmental protections and in the management of any work which may be done on the Property or in any other respect necessary for the due carrying out of the prospecting, exploration and development work;
- (i) **"NSR"** means Net Smelter Returns royalty and is further described in Schedule "B" attached;
- (j) **"Option"** shall have the meaning attributed to it in paragraph 3 of this Option Agreement;
- (k) **"Option Agreement"** or **"Agreement"** refers to and collectively includes this agreement including Schedules "A" and "B" attached to this agreement.
- (l) **"Option Period"** shall mean the period of time running from and including the date of this Agreement and ending on the earlier of: (i) the date on which the Option is exercised, and (ii) the date on which this Agreement is terminated;
- (m) **"Property"** has the meaning provided in the recitals hereto; and

- (n) **"Shares"** means the common shares in the capital of the Optionee.
  - (o) **"Bonus"** refers to an extra payment (in cash or issuance or shares of the Optionee, or successor entity thereof ), further outlined under paragraph 6.
- 1.2 **Headings.** The headings of this Option Agreement and the attached schedules are solely for convenience of reference and do not affect the interpretation of it or define, limit or construe the contents of any provision of this Option Agreement.
  - 1.3 **Number and gender.** Words importing the singular number shall include the plural and vice versa, words importing the neuter, masculine or feminine gender shall include the other genders, and words importing persons shall include firms and corporations and vice versa.
  - 1.4 **Governing law.** This Option Agreement and the rights and obligations and relations of the parties shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein (but without giving consideration to any conflict of law rules). The parties agree that only the courts of British Columbia shall have jurisdiction to entertain any action or other legal proceedings based on any provisions of this agreement.
  - 1.5 **Currency.** Unless otherwise expressly stated, all references to currency in this agreement are references to currency of Canada (CAD).
  - 1.6 **Further assurances.** Each party hereto agrees from time to time, subsequent to the date hereof, to execute and deliver or cause to be executed and delivered to the others of them such instruments or further assurances as may, in the reasonable opinion of either of them, be necessary or desirable to give effect to the provisions of this Option Agreement or as may be reasonably required for registering or recording changes in ownership interests in the Property.
  - 1.7 **Construction clause.** This Option Agreement has been negotiated and approved by counsel on behalf of all parties hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.
  - 1.8 **Non-merger.** The provisions contained in this Option Agreement shall survive the Effective Date and the completion of the transactions contemplated hereby in accordance with the express terms hereof and shall not merge in any conveyance, transfer, assignment, novation agreement or other document or instrument delivered pursuant hereto or in connection herewith.
  - 1.9 **Schedules.** The attached schedules "Schedule "A" - Description of the Property" and "Schedule "B" - Net Smelter Returns" are incorporated in this Option Agreement and are deemed to be parts hereof.
  - 1.10 **References.** Unless otherwise stated, a reference to a numbered or lettered paragraph refers to the paragraph bearing that number or letter in this Option Agreement. A reference to "this agreement" or "in this agreement" means this Option Agreement, including the schedules, together with any amendments.
- ## 2. Warranties and Representations
- 2.1 Optionor's representations and warranties. The Optionor represents and warrants to the Optionee that:
    - (a) it is the registered and beneficial holder of a 100% undivided interest in the Property, and holds its interest in the Property, to the best of the Optionor's knowledge, free and clear of any and all royalties, liens, defects, charges or encumbrances of any nature or kind whatsoever, whether written or oral, direct or indirect;

- (b) to the best of the Optioner's knowledge, the Property is free and clear of all encumbrances and all taxes, rates or other levies of every nature or kind heretofore levied against the Property have been fully paid and satisfied, and all expenditures of every nature or kind required to keep the Property in good standing have been made;
- (c) to the best of the Optioner's knowledge, the Property is accurately, in all material respects, described in Schedule "A" and all of the mining claims comprising the Property have been validly and properly located, staked, tagged and recorded (or electronically map-staked) in accordance with the laws of Quebec and there are no disputes, threatened or now existing of which the Optionor is aware, as to title to or the staking or recording of the Property;
- (d) to the best of the Optioner's knowledge, it has the exclusive right to dispose of the Property, and upon the exercise of the Option, to convey or cause the conveyance to the Optionee of the Property, free and clear of all encumbrances;
- (e) to the best of the Optioner's knowledge, it has full and undisputed power, right and authority to deal with the Property as provided for in this Option Agreement;
- (f) to the best of the Optioner's knowledge, there is no adverse claim or challenge against or to the ownership of or title to the Property, or any portion thereof nor is there any basis therefor and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof or any interest therein and, other than the NSR, no person has any royalty or interest whatsoever in production or profits from Property or any portion thereof;
- (g) to the best of its knowledge, no third party approvals, consents, permits, waivers, exemptions, and orders or any filing with or notice to or authorization of any governmental authority, including any filings with any governmental entity, which have not been obtained or completed, are required on the part of the Optionor to permit the execution and delivery of this Agreement by the Optionor or the performance of its obligations hereunder;
- (h) to the best of its knowledge and belief after having made reasonable inquiries, the Property does not contain any hazardous or toxic material, pollution or other adverse environmental conditions that may give rise to any environmental liability under any applicable environmental laws, and Optionor has not received, nor is it aware of any pending or threatened, notice of non-compliance with any environmental law;
- (i) to the best of the Optioner's knowledge, during the period that the Optionor has had an interest in the Property, all activities on, in or under the Property have been carried out in accordance with all applicable environmental laws and there are no environmental conditions existing on, in or under the Property in respect of which any remedial action is required or any liability has or may be imposed under applicable environmental laws;
- (j) to the best of the Optioner's knowledge, it has not received from any government agency or authority any notice of, or communication relating to, any actual or alleged environmental claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Property or any Mining Operations carried out on the Property;
- (k) to the best of the Optioner's knowledge, (i) it has not entered into any impact and benefits agreements, memorandums of understanding, other agreements of the same nature or any other contracts with any aboriginal individuals, groups or councils in relation to the Property; and (ii) no aboriginal councils, groups or individuals have informed the Optionor that they oppose the exploration of the Property or the development of a mining project thereon;

- (l) subject to the provisions of this Option Agreement, the Optionor agrees that during the currency and good standing of the Option, the Optionee shall have quiet enjoyment of the Property; and
- (m) the Optionor is not a non-resident for the purposes of s. 116 of the *Income Tax Act, R.S.C.* 1952, c. 148.

2.2 Optionee's representations and warranties. The Optionee represents and warrants to the Optionor that:

- (a) it has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement has been duly authorized by all necessary actions on its part;
- (b) this Agreement has been duly executed and delivered by it and constitutes a valid and binding obligation of it enforceable against it in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunction are only available in the discretion of the court from which they are sought.
- (c) the consummation of this Agreement will not conflict with nor result in any breach of the Optionee's constating documents or any covenants or agreements contained in or constitute a default under any agreement or other instrument whatever to which it is a party or by which it is bound or to which it may be subject;
- (d) to the best of its knowledge, information and belief, the execution and delivery of this Agreement, and the performance of its obligations in this Agreement, will not violate or result in the breach of the laws of any jurisdiction applicable to it;
- (e) no proceedings are pending for, and the Optionee is unaware of any basis for, the institution of any proceeding leading to the placing of the Optionee or the Optionee subsidiary in bankruptcy or subject to any other laws governing the affairs of insolvent parties;
- (f) other than filings with applicable securities regulatory authorities as applicable, no filing with or notice to or authorization of any regulatory agency or governmental authority is required on the part of the Optionee as a condition to the lawful completion of the transactions contemplated under this Agreement; and
- (g) the Optionee is not aware of any undisclosed occurrence or event which has or might reasonably be expected to result in a material change in its business or operation or which would have a materially adverse effect on the value of its business or its common shares.

**3. Grant of Option to earn interest.**

- 3.1 The Optionor grants to the Optionee the sole, immediate and irrevocable working right and option with respect to the interest in the Property, upon execution of this Option Agreement, to earn 100% (one hundred percent) undivided interest in the Property (the "**Option**") subject to a 2% (two percent) NSR and Bonus. This right may be exercised in the manner referred to in paragraphs 4.1.

**4. Exercise of Option.**

- 4.1 In order to acquire a 100% (one hundred percent) interest in and to the Property, subject to a 2% NSR and Bonus in favor of the Optionor, the Optionee must:

- (a) pay an aggregate of C\$495,000.00 as follows:
  - (i) pay C\$30,000 within 10 days following the Effective Date; and
  - (ii) pay C\$80,000 within one year following the Effective Date (the "**First Anniversary**")
  - (iii) pay C\$150,000 within two years following the Effective Date (the "**Second Anniversary**")

(iv) pay C\$235,000 within three years following the Effective Date (the “**Third Anniversary**”)

- 4.2 At any time during the term of this Agreement, the Optionee shall have the right but not the obligation to accelerate the cash payments, Share issuances or Expenditures as set forth in Section 4.1 hereof. An acceleration of any cash payment, Share issuance or Expenditure shall not obligate the Optionee to accelerate any or all subsequent cash payments, Share issuances or Expenditures.
- 4.3 the Option is an option only and except as specifically provided otherwise, nothing herein contained will be construed as obligating the Optionee to do any acts, incur any Expenditures, or make any payments hereunder except as otherwise set forth, and any act or acts, the incurring of any Expenditures, and the making of any payment or payments as may be made hereunder will not be construed as obligating the Optionee to do any further act or incur any additional Expenditures or make any further payment or payments.
- 4.4 Upon the Optionee having satisfied all of the requirements under Section 4.1 hereof, the Optionee will automatically be deemed to have exercised the Option and the legal and beneficial interest in and to the Property shall vest and shall be deemed for all purposes hereof to have vested in the Optionee.
- 4.5 The Optionee acknowledges and agrees that it will not have earned an interest in any of the Property unless the Option is exercised in its entirety and will not be entitled to any refund of payments (as set down in 4.1(a) above) in connection therewith if it fails or elects not to exercise the Option in full.

**5. Net Smelter Returns (NSR) Royalty.**

- 5.1 At all times during and after exercise of the Option, the Property will be subject to a 2% NSR (Net Smelter Returns) royalty in favor of the Optionor. The NSR royalty will be paid by the Optionee to the Optionor in accordance with Schedule “B”.
- 5.2 The Optionee shall have the irrevocable right to purchase 1.5% of the 2% NSR from the Optionor at any time after the Option has been exercised. The purchase price to be paid to the Optionor for the 1.5% NSR shall be \$2,000,000.

**6. Bonus.**

Upon receiving the results of test drillings on the property listed and attached hereto as Schedule “A”, The Optionee will make a onetime payment to the Optionor in the amount of a C\$1,000,000.00 (the “Bonus”) with respect to any test drilling result of one percent (1%) or greater of Li<sub>2</sub>O that is said to be at ten (10) meters or more below said property.

**7. Obligations of the Optionee.**

- 7.1 During the Option Period, the Optionee shall:
- (a) hold, maintain and comply with all conditions of all permits, licenses and other authorizations required for the conduct of preliminary exploration, advanced exploration, mining stages and rehabilitation. All permits, licenses and other authorizations required for all exploration and mining stages, including rehabilitation and aboriginal consultation and consent will be obtained independently by the Optionee and at the expense of the Optionee;
  - (b) carry out exploration on the Property in a competent manner with the standard of diligence and care normally employed by duly qualified persons in the performance of comparable work and in accordance with generally-accepted industry practices appropriate to the activities undertaken;
  - (c) carry out all work and do such other things as may be reasonably necessary to carry out the required yearly minimum assessment work Expenditure on the Property in accordance with any applicable mining and/or environmental legislation. The Optionor shall receive a copy of all reports so prepared by the Optionee in respect of all such work; and

- (d) indemnify and hold harmless the Optionor against any and all actions, awards, costs, damages, liabilities or proceedings arising directly out of any exploration or Mining Operations on the property

**8. Working right.**

- 8.1 During currency of the Option, the Optionee shall have the sole and exclusive working right to enter on and conduct Mining Operations on the Property as the Optionee in its sole discretion may decide. The Optionee shall have quiet and exclusive possession of the Property from the date of this Option Agreement and thereafter during the currency of the Option provided it is in good standing, with full power and authority to the Optionee, its servants, agents, workers or contractors, to carry on Mining Operations in searching for minerals in such manner as the Optionee in its discretion may determine, including the right to erect, bring and install on the Property all buildings, plant, machinery, equipment, tools, appliances or supplies as the Optionee, acting reasonably, shall deem necessary and proper and the right to remove therefrom reasonable quantities of rocks, ores and minerals and to transport them for the purposes of sampling, metallurgical testing and assaying subject to applicable mining and environmental legislation. All Mining Operations conducted by the Optionee shall be in accordance with good exploration, development, mining and reclamation practice, and in compliance with all applicable mining legislation.

**9. Optionee conduct.**

- 9.1 **Maintenance of Property.** The Optionee shall maintain in good standing those licenses, mineral claims, concessions or other interests comprising the Property by the doing and filing of assessment work or the making of payments in lieu thereof and the performance of all other actions which may be necessary in that regard and in order to keep such mineral claims, concessions or other interests free and clear of all liens and other charges arising from the Optionee's activities thereon except those at the time contested in good faith by the Optionee.  
The Optionee will do all work on the Property in accordance with sound mining, exploration and engineering practices and in compliance with all applicable laws, bylaws, regulations, orders and lawful requirements of any governmental or regulatory authority and comply with all laws governing the possession of the Property, including, without limitation, those governing safety, pollution and environmental matters. The Optionee will ensure that all environmental rehabilitation works required under applicable laws, bylaws, regulations, orders, and lawful requirements of any

governmental or regulatory authority are completed in a timely manner in respect of any mining operations conducted on the Property. The Optionee will, prior to the commencement of any mining operations, post as directed by governmental representatives or other regulatory bodies, an environmental bond in the form and amount required by such representatives or bodies;

- 9.2 **Abandonment.** The Optionee may at any time, during currency of the Option, abandon the mining claims which comprise the Property. The Optionee shall give the Optionor notice in writing of any such abandonment. In the event that the claims comprising the Property are abandoned (including termination of this Option Agreement without the Optionee having exercised the Option), the claims must be in good standing for a period of at least ninety days from the date of the notice of abandonment.
- 9.3 **Insurance.** The Optionee shall maintain and cause any contractor or subcontractor to obtain and maintain adequate comprehensive general liability insurance, automobile insurance and workers compensation insurance to protect the Optionee and its respective employees, agents, contractors, invitees and licencees while performing exploration and development work on the Property.

## **10. Indemnity.**

- 10.1 The Optionee shall and does hereby indemnify and save the Optionor harmless from and against all losses, liabilities, claims, demands, damages, expenses, suits, injury or death in any way related to exploration activities and Mining Operations conducted on the Property.
- 10.2 Both Optionee and Optionor hereto shall indemnify and save harmless the other, as well as its officers, directors and shareholders, from and against any and all claims, losses, liabilities, damages, fees, fines, penalties, interests, deficiencies, costs and expenses, of any nature or kind whatsoever (collectively, the "**Claims**"), arising by virtue or in respect of any inaccuracy, misstatement, misrepresentation or omission made by such party in connection with any matter set out herein, and any and all actions, suits, proceedings, demands, claims, costs, legal and other expenses related or incidental thereto.
- 10.3 Notwithstanding any other provision of this Agreement, the indemnities provided herein shall remain in full force and effect until all possible liabilities of the persons indemnified thereby are extinguished by the operation of law and will not be limited to or affected by any other indemnity obtained by such indemnified persons from any other person.

## **11. Termination.**

- 11.1 The Optionee may, at any time prior to its exercise of the Option, terminate this Agreement in its entirety on seven (7) days written notice to the Optionor and shall thereafter have no liability to the Optionor as a result of such termination. Upon termination pursuant to this Section 10.1, the Optionee shall have no legal or beneficial interests in or to any lands or mineral rights forming all or any part of the Property.
- 11.2 Subject to Section 11, either party may terminate this Agreement at any time if:
- (a) a party fails to perform any obligation required to be performed by it hereunder, or a party is in breach of a warranty or a representation given by it hereunder, which the failure or breach thereof materially interferes with the implementation and operation of this Agreement; or
  - (b) the Optionee does not make the cash payments, issue the Shares or incur Expenditures in accordance with Section 4.1.



11.3 This Agreement may only be terminated pursuant to Section 10.2 if the non-defaulting party has first given written notice of default to the defaulting party and the defaulting party has not, within thirty (30) business days following delivery of such notice of default:

- (a) Cured such default;
- (b) commenced proceedings to cure such default by appropriate payment or performance, the defaulting party hereby agreeing that should it so commence to cure any default it will prosecute the same to completion without undue delay; or
- (c) delivered to the non-defaulting party a notice contesting the notice of default, in which case the provisions of this Section 10 will be suspended pending resolution of such dispute.

11.4 If this Agreement and the Option terminates pursuant to the provisions herein, then the Optionee will:

(a) Except with respect to any concessions in respect of which notification has been given pursuant to the term of this Agreement, at least 90 days prior to termination of the Option, make such payments and filings with the applicable government authorities or persons so as to keep the Property in good standing up to and including the date of termination;

(b) deliver a deed of quit claim or other appropriate instrument to the Optionor in recordable form whereby the Optionee will acknowledge and agree that it has no interest either legal or equitable in the Property;

(c) deliver to the Optionor all copies of confidential information, whether acquired prior to or during the entering of this Agreement, provided that the Optionee may retain one copy of the confidential information solely for the purposes of determining its legal obligations under this Agreement and for corporate governance and secretarial purposes, in which each case the Optionee will remain bound by the restrictions and obligation under this Agreement;

(d) if, at the time of termination, the Optionee is operator, leave the Property in a safe condition with all openings safeguarded in accordance with applicable laws and regulations;

(e) if, at the time of termination, the Optionee is operator, promptly remove, on or before the date that is 3 months from the date of such termination, all buildings, plant, equipment, machinery, tools, appliances, and supplies which may have been brought by the Optionee upon the Property (and the Optionor will permit the Optionee to access the Property, or the applicable part thereof for such purposes). If not removed within the time allotted in this section, the Optionor may at any time thereafter either remove same and charge the cost of removal to the Optionee or may elect to keep such items on the Property, or the applicable part thereof, with the effect that any such buildings, plants, equipment, machinery, tools, appliances and supplies not removed become the property of the Optionor; and

(f) if, at the time of termination, the Optionee is operator, promptly perform any reclamation, remediation, or pollution control, which is required as of the date of the termination of the Option arising in connection with the Optionee's activities on the Property during the the time in which the Option is outstanding, such performance to include, without limitation, the provision of all financial assurances required by applicable laws, rules and regulations with respect to the cost of such reclamation, remediation or pollution control activities.

## **12. Assignment of interest.**

12.1 During currency of the Option, the Optionor and Optionee shall not, except as set out herein, sell, transfer or assign this Option Agreement or their right or beneficial interest in the Property without the written consent of the other party, which shall not be unreasonably or arbitrarily withheld or

delayed. The Optionee shall be permitted to assign this Option Agreement to an Affiliate on the assigning party providing a guarantee, in form satisfactory to the Optionor acting reasonably, of the obligations of that Affiliate under this Option Agreement. Any assignment shall be subject to the assignee entering into an agreement, in form and substance satisfactory to counsel for the Optionor acting reasonably, to be bound to all terms of this Option Agreement.

### **13. Negative pledge.**

13.1 During currency of the Option, the Optionor and Optionee shall not pledge, mortgage, charge or otherwise encumber their beneficial interest in the Property or their rights under this Option Agreement.

13.2 Indemnity – (a) the Optionor covenants and agrees with the Optionee (which covenant and agreement will survive the execution, delivery and termination of this Agreement) to indemnify and save harmless the Optionee against all liabilities, claims, demands, actions, causes of action, damages, losses, costs, expenses or legal fees suffered or incurred by the Optionee, directly or indirectly, by reason of or arising out of: (i) any warranties or representations on the part of the Optionor herein being untrue or arising out of work done by or on behalf of the Optionor on or with respect to the Property prior to the date of this Agreement; and (ii) work done by or on behalf of the Optionor on or with respect to the Property on or after the date of this Agreement.

(b) the Optionee covenants and agrees with the Optionor (which covenant and agreement will survive the execution, delivery and termination of this Agreement) to indemnify and save harmless the Optionor against all liabilities, claims, demands, actions, causes of action, damages, losses, costs, expenses or legal fees suffered or incurred by reason of or arising out of or with respect to any warranties or representation on the part of the Optionee herein being untrue or arising out of or with respect to work done by the Optionee or on behalf of the Optionee on or with respect to the Property on or after the date of this Agreement.

### **14. Equipment.**

14.1 In the event that the Optionee abandons the working right and Option granted to it under paragraph 3, all buildings, plant, equipment, machinery, tools, appliances and supplies which the Optionee may have brought on the Property, either before or during the period of the working right and option, may be removed by the Optionee at any time not later than six (6) months after the abandonment of the working right and option. Any buildings, plant, equipment, machinery, tools, appliances and supplies left on the Property during the six (6)-month period shall be at the Optionee's sole risk and, if not removed after the six (6)-month period, shall become the property of the Optionor, if the Optionor elects to possess and dispose of them. If the Optionor chooses to have such property or any part thereof removed and disposed of, the Optionee shall reimburse the Optionor for its costs so incurred.

### **15. Information.**

15.1 If the Optionee abandons the working right and Option granted to it under paragraph 3, the Optionee shall upon request provide the Optionor with a copy of all non-interpretative reports, maps, plans, drill logs, rock sampling analyses and surveys of all work pertaining to the Property provided that the Optionee does not warrant the accuracy of those reports, maps, plans, drill logs and surveys and shall not be liable for any inaccuracies contained in them.

### **16. Time.**

16.1 Time shall be of the essence of this Option Agreement and of every part of it and no extension or variation of this agreement shall operate as a waiver of this provision.

**17. Confidentiality of information.**

- 17.1 There shall be no public release by the Optionor of any information concerning exploration or Mining Operations on the Property without the prior written consent of the Optionee (consent not to be unreasonably withheld or delayed) unless the information is required by a lawful authority or other regulatory body having jurisdiction, in which case the Optionee shall have the right to approve the information to be disclosed. The Optionee shall notify the Optionor prior to any public release of material information concerning Mining Operations on the Property.

**18. Entire agreement.**

- 18.1 With respect to the subject-matter of this agreement, this Option Agreement:

- (a) sets forth the entire agreement between the parties and any persons who have in the past or who are now representing either of the parties;
- (b) supersedes all prior understandings and communications between the parties or any of them, oral or written; and (c) constitutes the entire agreement between the parties.

Each party acknowledges that this Option Agreement is entered into after full investigation and that no party is relying on any statement or representation made by any other which is not embodied in this agreement. Each party acknowledges that it shall have no right to rely on any amendment, promise, modification, statement or representation made or occurring subsequent to execution of this Option Agreement unless it is in writing and executed by each of the parties.

**19. Notices.**

- 19.1 Any notice or other writing required or permitted to be given hereunder shall be sufficiently given to a party if delivered personally, if sent by prepaid registered mail or if transmitted by facsimile, email or other form of recorded communication, at their following respective addresses:

**Optionee: 1391740 B.C. LTD.**

Attn: Garrett Scott

Address: [REDACTED]

Email: [REDACTED]

**Optionor: 1254704 B.C. LTD.**

Attn: Matthew Fraser

Address: [REDACTED]

Tel: [REDACTED]

Email: [REDACTED]

or at such other address or addresses as the parties to whom such writing is to be given shall have last notified the party giving the same in the manner provided in this Section 18.1. Any notice delivered to the party to whom it is addressed as heretofore provided shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day, then the notice shall be deemed to have been given and received on the next business day following such day. Any notice mailed as aforesaid shall be deemed to have been given and

received on the seventh next business day following the date of its mailing. Any notice transmitted by email, facsimile or other form of recorded communication shall be deemed to be given and received on the first business day after its transmission.

**20. Force Majeure.**

- 20.1 If any party to this Agreement is at any time prevented or delayed in complying with any provisions hereof by reason of strikes, lock-outs, labour shortages, power shortages, fuel shortages, fires, wars, insurrection, terrorist activities, global pandemics, inability to gain or maintain surface access not related to the misconduct of such party, acts of God, governmental regulations restricting normal operations, shipping delays or any other extraordinary reason or reasons beyond the control of such Party, other than lack of funds, the effect of which would be to halt work on any or all of the Property, the time limited for the performance by such party of its obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay. Nothing in this Section 20.1 or this Agreement will relieve either Party from its obligation to maintain the claims comprising the Property in good standing and to comply with all applicable laws and regulations including, without limitation, those governing safety, pollution and environmental matters. The party asserting force majeure shall promptly give written notice to the other party of the particulars of the reasons for any prevention or delay under this section and shall take all reasonable steps to remove or remedy, as applicable, the cause of such prevention or delay as soon as reasonably practicable, and shall give notice to the other party as soon as such cause ceases to subsist. The party asserting force majeure will provide regular, and not less than monthly, updates in writing to the Optionor of the status of the force majeure and the efforts to remove or remedy, as applicable, the cause of such prevention or delay.

**21. Costs.**

- 21.1 Each party is responsible for its own professional legal costs incurred with respect to the preparation and execution of this Agreement.

**22. Benefit of successors.**

- 22.1 This Option Agreement shall ensure to the benefit of and be binding on the parties and their respective heirs, executors, administrators, successors and assigns.

**23. Counterparts**

- 23.1 This Agreement may be signed by the Parties in counterparts and may be delivered by facsimile, email or other permanent electronic format, each of which when delivered will be deemed to be an original and all of which together will constitute one instrument.

*[Signature Page Follows]*

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

Company Name: **1391740 B.C. LTD.**

Name: Garrett Scott

Title: Director

Signature \_\_\_\_\_

Company Name: **1254704 B.C. LTD.**

Name: Matthew Fraser

Title: Director

Signature \_\_\_\_\_

**SCHEDULE “A”:**

Group name    Mia3 Lithium Property

Description    57 claims / 2,950 hectares

Title

Number	Status	Titleholder (%)	Expiry Date
CDC2701272	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701273	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701274	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701278	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701277	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701276	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701280	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701281	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701282	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701283	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701190	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701284	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701285	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701192	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701193	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701191	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701189	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701188	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701187	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701186	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701185	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701184	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701183	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701182	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701279	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701275	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701271	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701292	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701293	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701294	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701295	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14

CDC2701296	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701181	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701174	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701173	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701172	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701180	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701179	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701178	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701177	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701176	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701170	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701171	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701269	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701270	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701290	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701291	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701301	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701300	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701299	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701298	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701297	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701268	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701289	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701288	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701287	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14
CDC2701286	Active	1254704 B.C. LTD. (102495) (100%)	2025-12-14

**SCHEDULE "B"**  
**NET SMELTER RETURNS**

1. The terms defined in the Option Agreement and used in this Schedule "A" shall have the meanings ascribed to such terms in the Agreement;
2. For the purposes of this Schedule "A", the following terms shall have the meanings as set out below:
  - (a) **"Commercial Production"** means the commercial exploitation of Minerals from the Property or any part thereof as a mine but does not include milling for the purposes of testing or milling by a pilot plant;
  - (b) **"Gross Revenue"** shall mean the aggregate of the following amounts received in each quarterly period:
    - (i) (A) all revenue received by the Mine Operator in such quarter from arm's length purchasers of Mineral Products, or  
(B) the fair market value of all Mineral Products sold by the Mine Operator in such quarter to persons not dealing at arm's length with the Mine Operator; and
    - (ii) any proceeds of insurance received in such quarter due to losses or damages in respect to Mineral Products.
  - (c) **"Permissible Deductions"** shall mean the aggregate of the following charges (to the extent not previously deducted or accrued in computing Gross Revenue) that are paid in each quarterly period:
    - (i) sales charges levied by any sales agent in respect to the sale of Mineral Products;
    - (ii) all costs, expenses and charges of any nature whatsoever which are either paid or incurred by the Mine Operator in connection with the refinement or beneficiation of Mineral Products after leaving any of the Property, including all weighing, sampling, assaying and representation costs, metal losses, any umpire charges and any penalties charged by the processor, refinery or smelter;
    - (iii) all other insurance costs in respect of Mineral Products or the transportation of the same; and
    - (iv) all taxes, levies, duties, and any other fees imposed by governmental or quasi-governmental authorities.

provided that where a cost or expense otherwise constituting a Permissible Deduction is incurred by the Mine Operator in a transaction with a Party with whom it is not dealing at arm's length (as that term is defined in the *Income Tax Act* (Canada)), such costs or expenses may be deducted, but only as to the lesser of the actual cost incurred by the Mine Operator and the fair market value thereof considering the time of such transaction and under all the circumstances thereof.
  - (d) **"Mine Operator"** means the operator of each mining operation engaged in Commercial Production from a mine located on, in or under the Property.
  - (e) **Net Smelter Returns** shall mean Gross Revenue less Permissible Deductions in respect to such quarter.



1.

- (f) **“Optionor Royalty”** means two percent (2%) of all Net Smelter Returns.
3. The Optionor Royalty shall be calculated and paid to Optionor in accordance with the terms of the Agreement and this Schedule “A”.
  4. The Optionor Royalty shall be calculated on a calendar quarter basis.
  5. The Optionor Royalty shall be calculated and paid within 45 days after the end of the calendar quarters ending March 31, June 30, September 30 and December 31 of each calendar year. Smelter settlement sheets, if any and a statement setting forth calculations in sufficient detail to show how the payment was derived (the **“Statement”**) shall be submitted with each Optionor Royalty payment.
  6. In the event that final amounts required for the calculation of the Optionor Royalty are not available within the time period referred to in paragraph 5 of this Schedule “A”, then provisional amounts shall be established. The Optionor Royalty shall be paid on the basis of such provisional amounts and positive or negative adjustments shall be made to the payment in the succeeding quarter, as necessary.
  7. All Optionor Royalty payments shall be considered final and in full satisfaction of all obligations of the Optionee with respect thereto, unless Optionor delivers to the Optionee a written notice (the **“Objection Notice”**) describing and setting forth a specific objection to the calculation thereof within 60 days after receipt by Optionor of the Statement. If Optionor objects to a particular Statement as herein provided, Optionor shall, for a period of 60 days after the Optionee’s receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have the Optionee’s accounts and records relating to the calculation of the Optionor Royalty in question audited by the auditors of the Optionee.
  8. Failure on the part of Optionor to make claim against the Optionee for adjustment in such 60 day period by delivery of an Objection Notice shall conclusively establish the correctness and sufficiency of the Statement and Optionor Royalty payment in respect of the applicable quarter.
  9. If an audit initiated pursuant to paragraph 7 hereof determines that there has been a deficiency or an excess in the payment made to Optionor, such deficiency or excess will be resolved by adjusting the next quarterly Optionor Royalty payment due hereunder. Optionor shall pay all the costs and expenses of such audit if a deficiency of less than 5% of the amount due is determined to exist. The Optionee shall pay the costs and expenses of such audit if a deficiency of 5% or more of the amount due is determined to exist.
  10. All books and records used and kept by the Optionee to calculate the Optionor Royalty due hereunder shall be kept in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, as applicable.
  11. All profits and losses resulting from the Optionee engaging in any commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions with respect to Mineral Products (collectively, **“Hedging Transactions”**) are specifically excluded from calculations of the Optionor Royalty pursuant to this Schedule “A”.
  12. It is hereby acknowledged that both the Optionee and Optionor may engage in speculative hedging trading activities for their own account. All Hedging Transactions by the Optionee and all profits or losses associated therewith, if any, shall be solely for the Optionee’s account, irrespective of whether or not Mineral Products are delivered in fulfillment of such obligations. When necessary to give effect to the provisions of this paragraph 12, Gross Revenue from Mineral Products that are subject to Hedging Transactions by the Optionee shall be determined pursuant to paragraph 2(b)(ii), rather than paragraph 2(b)(i) hereof.

13. Fair market value for gold shall be determined by using the quarterly average price of gold which shall be calculated by dividing the sum of all London Bullion Market Association P.M. Gold Fix prices reported for the calendar quarter in question by the number of days for which such prices were quoted, less an amount reasonably equivalent to the deductions permitted under paragraph 2(c) hereof.
14. Fair market value for silver and other metals, shall be determined by using the quarterly average price which shall be calculated by dividing the sum of all New York Commodity Exchange (“**COMEX**”) prices reported for silver and the other metals quoted by and at the closing of COMEX for the calendar quarter in question by the number of days for which such prices were quoted, less, in each case, an amount reasonably equivalent to the deductions permitted under paragraph 2(c) hereof.