

EXPLORATION AGREEMENT

THIS AGREEMENT dated as of April 8, 2022 ("Agreement Date")

BETWEEN:

Bridge River Indian Band (Xwísten) having the capacity of an Indian Band pursuant to the *Indian Act* (Canada), and represented herein by the Chief and Council of Xwísten (hereinafter referred to as "**Xwísten**")

AND:

GELUM RESOURCES LIMITED, a corporation continued under the laws of the Province of British Columbia, and having its business address at #2710-200 Granville Street, Vancouver, BC V6C 1S4 (hereinafter referred to as "Gelum")

WHEREAS:

- A. Gelum is currently conducting mineral exploration and related activities ("Exploration") relating to its Eldorado Project mineral claims ("the Property"), more particularly described as the Multi-Year Area Based (MYAB) work permitted area outlined in Schedule "A" attached. For the purposes of this Agreement and for greater clarity, the Property does not include any mineral claims or tenures outside the MYAB work permitted area in Schedule "A". Additional or new ground-disturbing exploration outside the MYAB work permitted area would require a new and separate exploration agreement with Xwísten.
- B. The Exploration by Gelum, more particularly described in Schedule "A", is situated on land which is located in Xwísten's traditional territory within the St'at'imc territory ("Traditional Territory"), as per the map in Schedule "B" in which Xwísten and its members assert, hold and exercise constitutionally-protected Aboriginal Title and Rights ("Indigenous Title and Rights");
- C. Gelum intends to undertake further exploration ("Exploration") for minerals and other valuable underground resources ("Resources") on the Property, with the purpose or intention to determine whether or not there is sufficient Resources to pursue a program for the development of a fully operating mine;
- D. Gelum and Xwísten have the legal power, capacity and authority to enter into this Agreement and has taken all necessary actions and proceedings within its governance structure to approve, and enter into and carry out this Agreement;
- E. Gelum and Xwísten ("the Parties") wish to utilize this Agreement to demonstrate the full potential of a successful working relationship in respect of the Exploration on the Property;



- F. The Parties have a mutual interest in entering into this Agreement in order to set out certain terms and conditions governing the relationship between them;

NOW THEREFORE the Parties agree as follows:

Part 1 - Principles Governing Relationship Between the Parties

1. The relationship between the Parties shall be governed by the following principles:
 - a Good faith, mutual respect, transparency and accountability in all dealings and interactions;
 - b Respect for the importance to Xwísten of the Traditional Territory and Indigenous Title and Rights;
 - c Respect for the interests and legal rights that Gelum has in its mining claims;
 - d Mutual participation in full, open, respectful and timely communications with the goal of understanding each other's relevant values, rights, interests and plans so that all Parties may make informed decisions relevant to this Agreement.
 - e For greater certainty, the Parties acknowledge that this Agreement does not purport to grant, transfer, alienate or create any interests in land and, except as otherwise specifically provided in this Agreement, shall not be construed so as to waive or derogate from any of the Indigenous Title and Rights, nor does this Agreement create a joint business partnership between Xwísten and Gelum for any of Gelum's activities on the Property.

Part 2 - Scope of the Agreement

This Agreement pertains to Gelum's exploration activities which may include, without limiting the following activities within the Property: claim staking, airborne geophysical surveys, bedrock sampling, ground geophysical surveys which may require cut lines, geochemical surveys, geological mapping, overburden stripping, trenching, creation of new drill pads and drill trails, surface or underground bulk sampling, environmental, cultural and wildlife studies, surface and underground drilling and any other related exploration activities leading to the completion of a positive bankable Feasibility Report (all being "Exploration"). "Feasibility Report" means a detailed report that complies with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), as it may be revised by regulators from time to time, and in form and substance sufficient for presentation to arm's length institutional lenders considering project financing, showing the feasibility of placing any part of the Property into profitable commercial production as a mine and shall include a reasonable assessment of the various categories of ore reserves and their amenability to metallurgical treatment, a complete description of the work, equipment and supplies required to bring such part of the Property into commercial production and the estimated cost thereof, a description of the mining methods to be employed and a financial appraisal of the proposed operations and including at least the following:

Initials: 

- (a) a description of that part of the Property to be covered by the proposed mine;
- (b) the estimated recoverable reserves of minerals and the estimated composition and content thereof;
- (c) the proposed procedure for development, mining and production;
- (d) results of ore amenability treatment tests (if any);
- (e) the nature and extent of the facilities proposed to be acquired, which may include mill facilities if the size, extent and location of the ore body makes such mill facilities feasible, in which event the study shall also include a preliminary design for such mill;
- (f) the total costs, including capital budget, which are reasonably required to purchase, construct and install all structures, machinery and equipment required for the proposed Mine, including a schedule of timing of such requirements;
- (g) all environmental impact studies and costs of implementation;
- (h) the period in which it is proposed the Property shall be brought to commercial production; and
- (i) such other data and information as are reasonably necessary to substantiate the existence of an ore deposit of sufficient size and grade to justify development of a mine, taking into account all relevant business, tax and other economic considerations including a cost comparison between purchasing or leasing and renting of facilities and equipment for the operation of the Property as a Mine.

Part 3 - Confidentiality

2. Subject to Sections 4, 5 and 6, the Parties will ensure that any and all information, communications, whether written, electronically stored or delivered, or oral, of any kind between the Parties pertaining to the Exploration and the Agreement, and any and all information regarding the business, affairs, assets and liabilities of Gelum, and any and all information about Xwísten, which Xwísten has reasonably identified as confidential, which is shared between the Parties or their representatives or which either Party or its representatives may know or hold or come to know or hold, is treated as confidential and will not be disclosed to any person ("Confidential Information"). Confidential Information includes information which may be developed or created in whole or in part from or based upon Confidential Information so provided, known or held, (including, without limitation, memoranda, notes, extracts, copies or enhancements thereof or therefrom), whether known, held, developed or created before, on or after the date of this Agreement and whether such information is written, oral, electronically generated or reproduced. Without limiting the generality of the foregoing, Confidential Information includes:
 - a Any business plans, specifications, rejections, formulae, processes, operating manuals, instruction sheets, information, computer software, source codes or data that are in any way associated with, related to, or utilized by Gelum in relation to its Exploration;

Initials: 

- b Revenue projections, reports, proforma statements and other financial requirement reports or data relating to this Agreement, or Exploration; and
 - c Any and all other information regarding the Agreement or the Exploration, including without limitation, assets, strategies, plans, rights, intellectual property, liabilities, corporate structure, share organization and obligations which are non-public, confidential or proprietary in nature.
3. Confidential Information does not include information that becomes generally known or available in the public domain, or known to a Party without a breach of this Agreement.
4. Confidential Information may only be disclosed by any recipient Party:
- (i) as may be required by law or a court or regulatory authority of competent jurisdiction to disclose provided that the recipient Party shall properly advise the subject Party (being the Party which provided the Confidential Information to the recipient Party) in advance of any such disclosure, so that the subject Party may seek a protective order or other appropriate remedy or, in the subject Party's sole discretion, waive compliance with the requirements of Section 3 of this Agreement. In the absence of a protective order or other appropriate remedy or receipt of a waiver hereunder, the recipient Party shall disclose only that portion of the Confidential Information which the recipient Party is advised by its legal counsel is legally required to be disclosed and shall exercise all reasonable efforts to obtain reasonable assurance that confidential treatment will be accorded such Confidential Information;
 - (ii) as required for the purpose of the resolution of disputes pertaining to the application, interpretation, implementation and enforcement of this Agreement;
 - (iii) if that Confidential Information becomes generally known or available in the public domain, or to the recipient Party without a breach of this Agreement;
 - (iv) as otherwise consented to in advance by the subject Party.
5. Any Party may disclose Confidential Information to its officers, employees, contractors, consultants and advisers provided that such Party agrees to ensure that each individual to whom such disclosure is given is made aware of and adheres to the terms of this Agreement with respect to Confidential Information.
6. Pursuant to the provisions of this Agreement with respect to Confidential Information, each Party shall disclose to the other Party all relevant information related to the Exploration and Feasibility Report. All Confidential Information disclosed shall remain the property of the disclosing Party.

Part 4 - Communications

7. Gelum agrees to communicate on a regular basis with the Chief and Council of Xwísten or a committee that comprises Xwísten members and technical advisers appointed by Chief and

Council (the “Committee”) before, during and upon completion of Exploration, in regard to ongoing Exploration and plans of future Exploration. Any reference to the Committee in this Agreement means the Chief and Council if no Committee is appointed. For as long as the exploration activities are active Gelum and the Committee shall meet at least four (4) times per year during the Exploration (or such number of times as agreed by the Parties), in Bridge River or Lillooet, BC or such other location as agreed to by the Parties. If any invited Gelum representative or Xwísten Committee member cannot attend a meeting in person, provision shall be made for such representative or member to attend by phone or by other electronic means.

Part 5 - Gelum Access to Exploration

8. Xwísten recognizes that Gelum and its officers, employees, contractors, consultants and advisers will require unimpeded access to those portions of the Traditional Territory that Gelum reasonably requires access to in order to carry out Exploration on the Property or the area around the Property for the term of this Agreement. Xwísten therefore shall not impede or obstruct, nor advise or encourage Xwísten members, or any other persons, to impede or obstruct, access by Gelum to or through the Traditional Territory, subject to Gelum fulfilling its obligations in this Agreement and under applicable law.

Part 6 - Gelum Respect for Traditional Territory and Indigenous Title and Rights

9. Gelum will seek input and traditional knowledge from, and engage in discussions with, the Committee respecting harvesting issues including hunting, trapping, fishing and medicinal plants, environmental concerns and cultural and socio-economic impacts arising from the Exploration.

Part 7 - Traditional Activities and Sensitive Sites

10. If Gelum finds artefacts or other indications that the Exploration Site is or contains a burial or cultural heritage site at any time during the conduct of Exploration, Gelum will immediately implement Gelum’s Chance Find Procedure which shall be no less than specified by the BC Heritage Conservation Act hereby included in Schedule “D” to this Agreement.
11. Any archaeological and Traditional Land-use and Occupancy work (“TLU”) contemplated must be undertaken pursuant to the requirements and recommendations for best practices set out by the British Columbia Ministry of Energy, Mines & Petroleum Resources, and by an archaeologist approved by both Xwísten and Gelum, licenced to practice in British Columbia and qualified to engage in such work and a Cultural Monitor onsite.

For greater clarity “TLU” means work relating to the recording of those lands and resources that Xwísten has traditionally, historically and ancestrally used, occupied or travelled upon. Any TLU study shall gather and document data about traditional, historical and contemporary use and knowledge of the lands and resources collected by conducting interviews with Elders, Knowledge-Keepers, Caretakers, hunters, trappers, fishers, gatherers and users. Information is collected about wildlife management systems and the seasonal round of activities, as well as site-specific data such as locations of villages, encampments, trails, cabins, graves, historic areas, and the harvest of fish, wildlife, berries and medicinal plants.

Initials: 

“Cultural Monitor” means an individual appointed by Xwísten who has some knowledge of sites and values in or on the land that have cultural significance to Xwísten including cultural heritage value (“Cultural Values”).

Part 8 - Preliminary Field Assessments

12. Gelum shall engage the services of a qualified professional registered archeologist, suitable to Xwísten, along with a Cultural Monitor appointed by Xwísten, to carry out a full Preliminary Field Assessment (“PFA”) and shall provide a copy of such PFA report to Xwísten.
13. Prior to any ground-disturbing work, a Cultural Monitor appointed by Xwísten shall evaluate potential Cultural Values (including through site inspections) within the area or areas in which Gelum proposes or plans to carry out such work (“Planned Disturbance Area”).
14. Gelum will provide advance notice to Xwísten of the Planned Disturbance Area and within seven (7) days of Notice, Xwísten will appoint a Cultural Monitor to initiate a field inspection of the Planned Disturbance Area within twenty (20) days of the Notice. The results of the Cultural Monitor’s field inspection will be jointly reviewed by Xwísten and Gelum representatives within seven (7) days of completion of the field inspection.
15. Gelum will cover the costs of the Cultural Monitor to do such Preliminary Field Assessment at a competitive daily wage together with all reasonable expenses. If any such area that is reasonably identified through the Preliminary Field Assessment as having important Cultural Values, Gelum will ensure that a Stage One Archaeological Assessment is undertaken in respect of any such area defined in the Preliminary Field Assessment (“Defined Study Area”), before any ground disturbance Exploration is undertaken within the Defined Study Area.

Part 9 - Stage One Archaeological Assessment

16. A “Stage One Archeological Assessment” consists of an archival examination of any known historical, environmental and archaeological data for the Defined Study Area of the Property. This information may then be used to determine the archaeological potential of the area contained within the Multi-Year Area Based permit (MYAB). Sources used for the Stage One Archeological Assessment investigations include historical maps and archives, oral histories, and data files and other data collected. This type of investigation shall be comprised of a Heritage Field Assessment (“HFA”) conducted by a registered archeologist selected by Xwísten, or Heritage Field Reconnaissance (“HFR”) conducted by a qualified person appointed by Xwísten.
17. Any information received by the archaeologist in the Stage One Assessment shall form the basis of a report (the “Study Report”). The Study Report identifies and analyses the nature and extent and location of Cultural Values that require protection, and will identify low cultural heritage potential areas and any high cultural heritage potential (or archaeological) areas or sites within the MYAB permit boundaries, and will recommend reasonable avoidance and protection measures and further stages of archaeological assessment, if any.
18. If the Stage One Assessment concludes that any portion of the area within the MYAB is of low Cultural Value, in that it is unlikely to yield archaeological finds (“Low Cultural Heritage Potential”) and Exploration will not impact on the exercise of Indigenous Title and Rights (as determined by the archaeologist acting reasonably), Gelum may engage in Exploration

within in the MYAB area subject to any agreed recommendations in the Stage One Assessment of that area.

19. Other than the results of the Preliminary Field Assessment and Study Reports, which shall be available to the Parties in order to implement this Agreement and any duty to consult with and accommodate and obtain consent from Xwísten in respect of the Exploration and for other necessary and appropriate purposes, all other information and reports gathered and obtained through the TLU interviews and mapping components of the Stage One Assessment shall be a) provided to Xwísten and Gelum, and b) deemed Confidential and shall not be shared with the public without the mutual consent of the Parties.
20. Gelum shall follow the recommendations of the Stage One Assessment Study Report in respect of further stages of archaeological assessment in respect of avoidance and protection measures for cultural values and high cultural heritage potential areas or sites, as a condition of Exploration occurring at or near those values and sites.
21. If the Stage One Assessment Study Report, indicates that Exploration at any area on the Property is likely to have more than a passing and minor impact on the exercise of Indigenous Title and Rights (as determined by the archaeologist acting reasonably), then Gelum will not engage in any Exploration within the Defined Study Area until a Stage Two Assessment is completed or the Parties have agreed to implement protection, mitigation and/or compensation measures in respect of the Defined Study Area, both acting reasonably.

Part 10 - Stage Two Archaeological Assessment

22. A Stage Two Archeological Assessment shall consist of surveys to identify all archaeological resources that could be in the Defined Study Area, or portion thereof. For an open area, the archaeologist will walk back and forth over it in transects looking for artifacts on the surface. In forests, overgrown pasture areas or any other places that cannot be ploughed, rows of test pits are dug down to sterile subsoil at regular intervals and the soil sifted to look for artifacts. If a Stage Two Assessment Study Report of any portion of the Defined Study Area indicates that a further Assessment is required, then Gelum will not engage in any Exploration in the portion of the Defined Study Area so designated, until measures required by the province of British Columbia, and Xwísten acting reasonably, are implemented to protect artifacts and cultural sites. If nothing is found, a Stage Two Assessment Report shall be prepared and the Defined Study Area of the Property will be cleared for Exploration to resume.

Part 11 - Further Stages

23. Further stages of the archaeological assessment process shall be required if a potentially culturally-significant archaeological site was encountered during the Stage Two Assessment, and additional excavation of the site is recommended to be carried out. The archaeologist determines the size of the archaeological site and evaluates its cultural heritage value or interest. This may include a controlled surface pickup, in which all surface artifacts are individually plotted using a surveyor's total station, is conducted. The deposit is subjected to a series of test excavations to determine its age, cultural affiliation, density, and extent. In forests, overgrown pasture areas or any other places one cannot plough, the archaeologist maps the limits of a site and acquires further information about the site's characteristics by excavating one-meter by one-meter test units across the site. A decision is made in

consultation with Xwísten regarding the need for further investigation, or full-scale excavation.

24. More advanced and final stages of the archaeological assessment process shall involve conservation strategies for sites of cultural heritage value or interest. Conservation can involve long-term protection measures in place for an archaeological site to protect it while development proceeds around it. A site which is endangered and cannot be preserved is subjected to mitigative excavation, which involves documenting and removing the archaeological site through large scale excavation. No exploration of developments can occur once this stage has been reached.

Part 12 – Environmental Protection

25. Gelum agrees to provide Xwísten with an environmental policy of Good Practices which describes any relevant environmental impacts that may result from Exploration on the Property and which includes a plan for the prevention, mitigation, and remediation of any and all impacts which may result in order to comply with all applicable law including this Agreement (“Environmental Policy”). Gelum agrees to abide by the Environmental Policy.
26. Gelum shall use its best efforts to ensure that Gelum and its subcontractors, undertake all Exploration in compliance with:
- a Gelum’s Environmental Policy above;
 - b PDAC E3 Plus guidelines, including implementation of any and all mitigation measures respecting wildlife; and
 - c All applicable laws in respect of environmental protection.
27. If a contentious issue arises between the Parties regarding environmental compliance, and if requested by Xwísten, Gelum agrees to retain a qualified, independent environmental consultant (the “Environmental Consultant”) who is acceptable to Xwísten, such Environmental Consultant to review and revise the Environmental Policy. If the Environmental Consultant does not agree with the environmental protection measures outlined by Gelum, Gelum agrees to consult with Xwísten and the Environmental Consultant to modify, if necessary, the measures described in the Environmental Policy so that the Parties, acting reasonably and in good faith, are satisfied with the measures to be undertaken to prevent, mitigate and remediate any impacts, in accordance with applicable law, which might be caused by the Exploration.

Part 13 – Financial Payments and other Benefits

28. During the Term of this agreement, and as compensation for impacts of Exploration on Xwísten’s Indigenous Title and Rights and Traditional Territory and the provision of assistance to be provided by Xwísten hereunder, Gelum shall provide to Xwísten the following payments:
- a During any year that Exploration activities are active on the Property, Gelum will assume the costs to host an annual community dinner open to all Xwísten members on-location at the Xwísten administration office building gymnasium, or any other designated location as agreed by both Parties. At this dinner, Gelum will conduct an

Initials: 

information session with Xwísten members about Gelum's exploration activities and any issues pertaining to the implementation of the Agreement.

- b Gelum shall pay Xwísten's reasonable and necessary costs for the Committee, including those relating to outside technical consultations, meetings of the Committee, and ongoing community consultations respecting the Exploration activities and the administration of this Agreement, all of which costs are, the "Committee Costs".
- c As compensation for impacts from the Exploration on Indigenous Title and Rights and Traditional Territory and the provision of assistance to be provided by Xwísten hereunder, and until such time as the Parties enter into an IBA or a similar agreement as contemplated under Section 34 and 35 of this Agreement, Gelum shall:
 - (i) issue to Xwísten 120,000 common shares of Gelum ("Gelum Shares") on or prior to the fifth (5th) Business Day after the date of signing of this fully executed Agreement and subject to a hold period as per the policy of the Canadian Securities Exchange (CSE). Shares issued hereunder shall be issued at a deemed price equal to the closing trading price of such shares on the principal exchange in Canada in which such shares trade at the time on the trading day prior to the date of issuance. Shares issued will be subject to Gelum Board of Directors approval and subject to the approval of the Canadian Securities Exchange (CSE) if such approval is not forthcoming, the equivalent value will be paid in cash.
 - (ii) Gelum shall issue an annual payment of \$25,000 commencing on the first anniversary of the Agreement Date and on each anniversary thereafter for as long as Gelum owns, or retains an option to own, an interest in the Property;
 - (iii) Commencing on the fourth anniversary of the Agreement Date, and on each subsequent anniversary thereafter, the annual payments of \$25,000 to Xwísten, as outlined in sub-Section 29(c)(ii) above, shall be subject to Gelum having spent not less than \$100,000 in Exploration Expenditures on the property in the preceding 12 months to such applicable anniversary date.

For the purposes of sub-Section 29(c)(iii), "Exploration Expenditures" means all direct costs incurred on the Property for Exploration during the calendar year prior which shall include any and all field expenses, contractors' fees, surface or underground bulk sampling, surface and underground drilling, geochemical, geophysical, petrographic, metallurgical, feasibility, engineering or other studies or reports on or with respect to the Property or any part of it incurred by Gelum in relation to Exploration of the Property, either directly or by payments to consultants, contractors, third parties, including all logistics, transportation, and other relevant off-site costs. Exploration Expenditures will exclude any payments related to the acquisition of the Property and any payments to Xwísten or any other communities within the greater St'at'imc Traditional Territory.

- d Gelum shall pay the reasonable and necessary costs including reasonable wage and expenses for the Cultural Monitor to perform his or her work, for any Preliminary

Field Assessment, Stage One Assessment and any other archaeological and/or TLU assessments, related work and associated reports, where required in this Agreement;

29. Gelum shall provide to Xwísten and its members and businesses on a Priority Basis, any employment and business opportunities to supply labour, goods or services for Exploration that Gelum in its sole discretion requires (“Services”), and which Xwísten and its members and businesses are qualified to provide and available to perform on a reasonable, timely and competitive cost basis.

“Priority Basis” means that Gelum will initially discuss scope and make Xwísten aware of such Services before notifying and putting out requests for such Services for wider response or tender to other Service companies, and that if Gelum determines, at its sole discretion, that such Services are available from Xwísten on a timely and competitive basis then it shall meet such Services needs with Xwísten and its members or businesses where these meet Gelum’s needs acting reasonably.

30. A Xwísten business is defined herein as (a) a corporation or limited corporation with more than fifty percent of the corporations’ voting shares beneficially owned by one or more of Xwísten or a Xwísten member or (b) a sole proprietorship, the proprietor of which is a Xwísten member or (c) a partnership the majority interest in which is owned by one or more of Xwísten or a Xwísten member in which the majority of the benefits accrue to the Xwísten partner.
31. Gelum will provide at its own cost appropriate on-the-job training to Xwísten members employed by Gelum on the Property. Xwísten and Gelum agree to work together in applying for government financing regarding employment and training.
32. In connection with Section 30, Gelum agrees to notify Xwísten of its needs for Services for the Exploration and Xwísten will advise Gelum, within 6 business days of such notification, as to whether those needs can be met by Xwísten members and businesses of Xwísten and in connection therewith Xwísten will prepare and provide to Gelum a skills inventory listing of its members and businesses, which listing will be updated from time to time.

Part 14 - Further Agreements

33. Gelum recognizes that it will be required to enter into an impacts and benefits agreement (“IBA”) or a similar agreement with Xwísten before undertaking any work beyond the Exploration, including construction and operation of a mine and related facilities on the Property and completion of the final Feasibility Report, unless the parties mutually agree otherwise.
34. Gelum shall enter into an impacts and benefits agreement (“IBA”) or a similar agreement with Xwísten before undertaking any work beyond the Exploration, including construction and operation of a mine and related facilities on the Property. The Parties agree that any IBA or similar agreement should include negotiations on, but not limited to, the following:
- a Priority employment and training opportunities for Xwísten members who meet the reasonable standards of Gelum and Xwísten;

Initials 

- b Priority opportunities for Xwísten and Xwísten businesses or Xwísten members to supply goods or services, that meet the reasonable standards of Gelum and Xwísten;
 - c Xwísten involvement in monitoring and preventing or mitigating any impacts to Traditional Territory or Indigenous Title and Rights;
 - d Compensation to Xwísten and/or its members in respect of adverse effects on the exercise of Indigenous Title and Rights;
 - e Revenue sharing from any mine or other undertaking of Gelum on or affecting Traditional Territory or Indigenous Title and Rights; and
 - f Provision for Xwísten or its businesses to own or acquire an equity interest in any mine or other undertaking of Gelum on the Property.
35. The terms of this Agreement do not foreclose Xwísten or Gelum from seeking additional benefits from the IBA or similar such agreement.

Part 15 - Other Parties

36. Should Gelum dispose of, transfer or assign any of its assets, options, interests or rights in respect of Exploration and/or the Property or related claims or undertakings, in any way ("Assignment"), the respective acquirers of such Assignment must agree to be bound by this Agreement and any other agreements which the Parties enter into, as a condition of such Assignment.
37. Gelum may, without the consent of Xwísten, be a party to an amalgamation, merger, reorganization or similar transaction whereby all or substantially all of the undertaking, interests, options, property and assets of Gelum become the property of such amalgamated, merged, or reorganized entity provided such entity assumes in writing Gelum's obligations under this Agreement and any other agreements the Parties enter into. For greater certainty, on such amalgamation, merger, reorganization or similar transaction, this Agreement is not terminated.

Part 16 - Other Terms

38. This Agreement is binding on all Parties.
39. This Agreement may only be amended if all Parties agree in writing.
40. This Agreement terminates:
- a If Gelum terminates its option to earn an interest in the Property; or
 - b When Exploration is completed and no further work by Gelum on the Property will occur; or
 - c With the mutual consent of the Parties; or



d When superseded by another agreement.

The Parties can agree to extend the term of this Agreement in writing.

41. The Parties acknowledge that Gelum may be required by applicable securities laws, governmental agencies or others to make disclosure of material facts and/or material changes in its business and affairs and, in the event that Gelum is requested or required to disclose any aspects of this Agreement, Gelum shall notify Xwísten of such pending disclosure.
42. The Parties agree to use best efforts to resolve any dispute respecting the interpretation, application, implementation or enforcement of this Agreement ("Dispute") in a collaborative and timely manner. Any Dispute shall be resolved by the Parties assigning their respective lead persons to work with each other and, if the Dispute is not so resolved, Gelum's board and Xwísten's Chief and Council to seek to resolve the Dispute and if the Dispute continues unresolved, that the Parties will seek to appoint an independent Mediator appointed by the BC Arbitration & Mediation Institute.
43. This Agreement may be delivered by facsimile and may be executed in one or more counterparts, each of which shall be deemed an original and all such counterparts together shall constitute one and the same agreement.
44. Prior to execution of this Agreement:
 - a Xwísten will deliver to Gelum a copy of the appropriate Band (Xwísten) council resolution approving the execution of this Agreement; and
 - b Gelum will deliver to Xwísten a copy of its board of directors' resolution approving the execution of this Agreement.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the day and year first above written.

BRIDGE RIVER INDIAN BAND (Xwísten)

Gary Forsyth, Administrator
Authorized Signatory



GELUM RESOURCES LTD.

Per:


Authorized Signatory

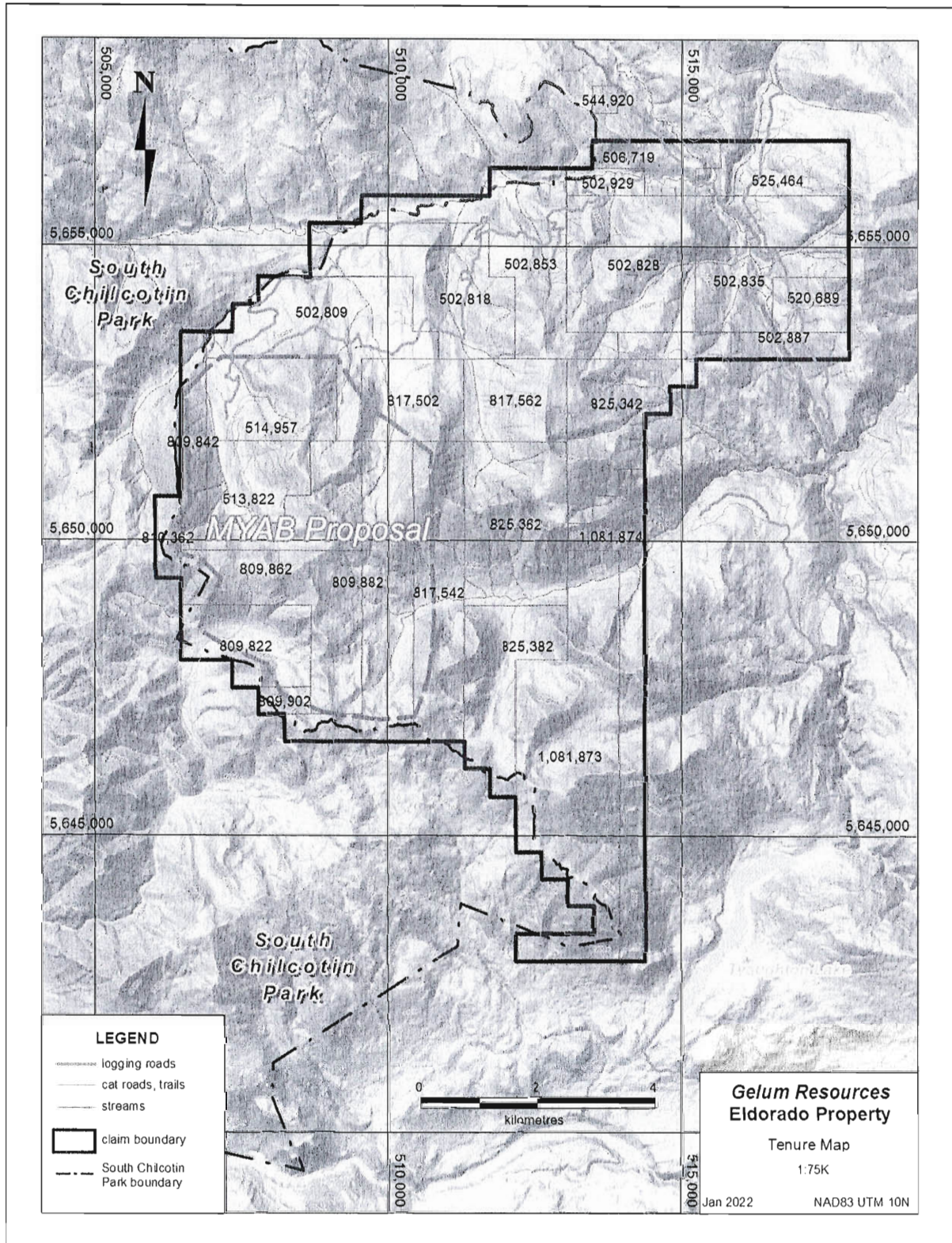
Initials:



Exploration Agreement

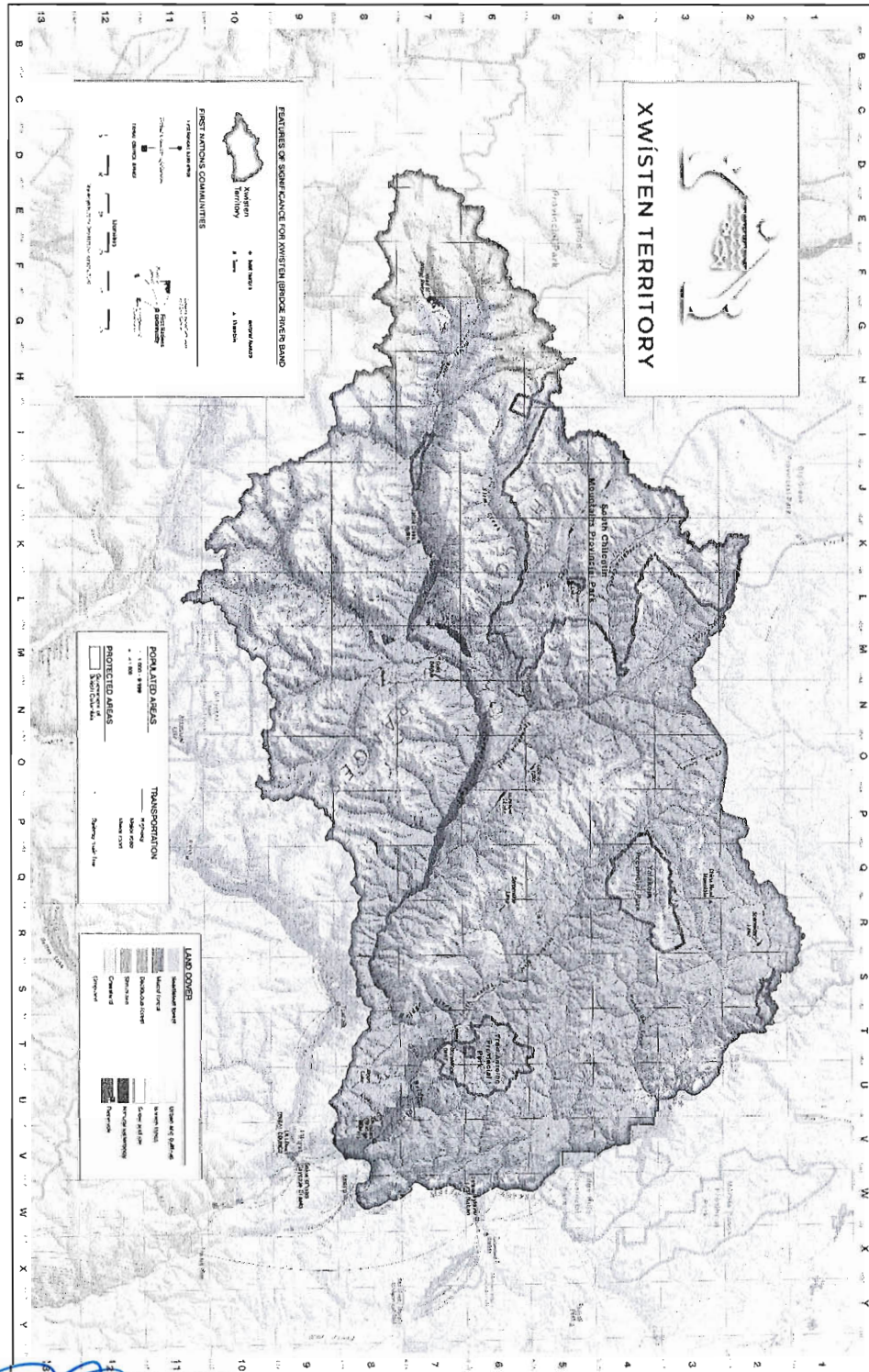
Page 12 of 16

Schedule A Gelum Exploration MYAB Map



Initials:

Schedule B Bridge River Indian Band (Xwísten) Territory Map



Initials: 

Exploration Agreement

Page 14 of 16

Schedule C ARCHAEOLOGICAL CHANCE FIND PROCEDURE

Summary

The purpose of this document is to address the possibility of archaeological deposits becoming exposed during ground altering activities within the project area and to provide protocols to follow in the case of a chance archaeological find to ensure that archaeological sites are documented and protected as required.

Archaeological sites are protected by The *Heritage Conservation Act* (HCA), whether on Provincial Crown or private land. They are non-renewable, very susceptible to disturbance and are finite in number. Archaeological sites are an important resource that is protected for their historical, cultural, scientific and educational value to the general public, local communities and First Nations. Impacts to archaeological sites must be avoided or managed by development proponents. The objectives of this 'Archaeological Chance Find Procedure' are to promote preservation of archaeological data while minimizing disruption of construction scheduling. It is recommended that due to the moderate to high archaeological potential of some areas within the project area, all on site personnel and contractors be informed of the Archaeological Chance Find Procedure and have access to a copy while on site.

Potential Impacts to Archaeological Sites

Developments that involve excavation, movement, or disturbance of soils have the potential to impact archaeological materials, if present. Activities such as road construction, land clearing, and excavation are all examples of activities that may adversely affect archaeological deposits.

Relevant Legislation

The *Heritage Conservation Act* (HCA) automatically protects all archaeological sites, whether on Provincial Crown or private land, that predate AD 1846. Burial sites and rock art sites are protected regardless of age.

A permit is required for any subsurface investigation of an archaeological site or investigation with the intent to locate a site. The provincial government agency responsible for administering the HCA, issuing permits, and maintaining a database of recorded archaeological sites is the Archaeology Branch (Ministry of Tourism, Sport and the Arts). Disturbance and/or removal of artifacts from an archaeological site may result in penalties.

Remedies and Penalties

The *Heritage Conservation Act* provides for heritage inspection or investigation orders, temporary protection orders, civil remedies and penalties to limit contraventions. These powers provide:

- the Province with the ability to inspect a site or halt work to prevent site alteration, and the Courts with the ability to issue an injunction to restrain contravention of the Act, or where there has been a breach of the Act, impose penalties of not more than:
- a fine of \$50,000 and 2 years imprisonment for an individual
- a fine of not more than \$1,000,000 for a corporation
- a fine of \$50,000 or 2 years imprisonment for an employee, officer, director or agent of the corporation.

Initials: 

Archaeological Chance Find Procedure

If you believe that you may have encountered any archaeological materials, stop work in the area and follow the procedure below:

- All construction activity in the vicinity of the remains is to cease immediately.
- The find location will be recorded, and all remains will be left in place.
- The project archaeologist and Archaeology Branch will be contacted.
- Potential significance of the remains will be assessed and mitigative options will be identified.
- If the significance of the remains is judged to be sufficient to warrant further action and they cannot be avoided, then the project archaeologist in consultation with the Archaeology Branch and representatives of local First Nation communities will determine the appropriate course of action.
- In the case of human remains, if the remains are assessed to be archaeological, then the Archaeology Branch and local First Nations will be consulted to determine how to handle them. Options could include avoidance or respectful removal and reburial. The RCMP and/or coroner will also be notified of find.
- If human remains are encountered and they are not archaeological, then the RCMP will be contacted immediately.

Archaeology Branch Contacts

Ray Kenny, Manager Phone: 250-952-4306

Al Mackie, Heritage Resource Specialist Phone: 250-952-4063

Initials: 