

OPTION AGREEMENT

BETWEEN

VOYAGEUR MINERAL EXPLORERS CORP.

- and -

MCILVENNA BAY OPERATING LTD.

DATED as of November 25, 2024

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THIS OPTION AGREEMENT dated as of the 25th day of November, 2024 (the “**Effective Date**”)

BETWEEN:

VOYAGEUR MINERAL EXPLORERS CORP., a corporation incorporated under the laws of the Province of Manitoba

(the “**Optionor**”)

AND:

MCILVENNA BAY OPERATING LTD., a corporation incorporated under the laws of the Province of British Columbia

(the “**Optionee**”)

WHEREAS the Optionor is the legal and recorded owner of the Mineral Rights listed and described in Schedule “A”, which are located in the Province of Saskatchewan (the “**Property**”);

AND WHEREAS the Optionor has agreed to grant the Optionee the sole, exclusive and irrevocable option to acquire an undivided legal and beneficial interest in the Property, subject to the terms and conditions set out in this Agreement;

AND WHEREAS the Optionee wishes to be granted an option to acquire an interest in the Property;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE 1
DEFINITIONS INTERPRETATION**

1.1 Definitions

In this Agreement the following words, phrases and expressions shall have the following meanings:

- (a) *[Redacted: Commercially sensitive information]*
- (b) “**Affiliate**” shall have the meaning attributed to it in the *Securities Act* (Ontario);
- (c) “**Agreement**” means this Option Agreement, including the recitals and Schedules hereto, as the same may, from time to time, be supplemented or amended;
- (d) “**Applicable Securities Laws**” means, collectively, the applicable securities laws of each relevant province or territory of Canada, as amended from time to time, and the respective regulations and rules made and forms prescribed thereunder, together with all applicable and legally enforceable published policy statements, blanket orders, rulings and notices of the securities commissions of the relevant jurisdictions, as well as the published policies and rules of the Exchange;

- (e) **“Arbitration”** has the meaning ascribed thereto in Section 12.10;
- (f) **“Arbitrator”** has the meaning ascribed thereto in Section 12.10(a);
- (g) **“Business Day”** means a day, other than a Saturday, a Sunday or a statutory holiday in the Provinces of Ontario or Saskatchewan;
- (h) **“Cap”** has the meaning ascribed thereto in Section 10.2(a)(iii);
- (i) **“Change of Control Transaction”** has the meaning ascribed thereto in Section 7.1(c);
- (j) **“Common Shares”** means the common shares in the capital of the Public Parent;
- (k) **“Complaint”** has the meaning ascribed thereto in Section 12.10(a);
- (l) **“Confidential Information”** means this Option Agreement, including its contents and the fact of its existence, the Data, all information and data concerning or derived from Exploration, any communications between the Parties in connection with the Option, this Option Agreement or the transactions contemplated thereby;
- (m) **“Claims”** means any direct or indirect demands, claims, notices of violation, notices of probable violation, filings, investigations, administrative proceedings, actions, causes of action, suits, other legal proceedings, judgments, assessments, damages, deficiencies, taxes, penalties, fines, obligations, responsibilities, liabilities, losses (other than loss of profits), payments, charges, costs and expenses of any kind or character (whether or not asserted during the term of this Agreement, and whether known or unknown, fixed or unfixed, conditional or unconditional, based on theories of contract, tort, strict liability or otherwise, liquidated or unliquidated, secured or unsecured, accrued, absolute or contingent), including penalties and interest on any amount payable as a result of any of the foregoing, any reasonable legal and other professional fees, costs and expenses incurred in connection with investigating or defending any Claim, and all amounts paid in settlement of a Claim, but excluding, except to the extent included in Claims made or brought by third parties against an Indemnified Party, indirect, incidental, special and punitive damages;
- (n) **“Claim Notice”** has the meaning ascribed thereto in Section 10.1(e)(ii);
- (o) **“Closing Date”** has the meaning ascribed thereto in Section 4.3;
- (p) **“Control”** of a person means possession, directly or indirectly, of the power to direct or cause direction of management and policies of such person through ownership of voting securities, contract, voting trust or otherwise. For greater certainty:
 - (i) ownership or control in the following circumstances shall be deemed to be sufficient to Control such person:
 - A. a person Controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that

may be cast to elect directors of the body corporate are beneficially owned by that person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;

- B. a person Controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and that person is generally able to direct the business and affairs of the entity; and
 - C. a general partner of a limited partnership Controls the limited partnership;
- (ii) a person who Controls a person is deemed to Control any entity that is directly or indirectly Controlled, or is deemed to be Controlled, by such second person; and
 - (iii) for the purposes of Section 1.1(p)(i)A and Section 1.1(p)(i)B, a person is deemed to beneficially own:
 - A. any securities of the entity that are beneficially owned by that person; and
 - B. any securities of the entity that are beneficially owned by any entity directly or indirectly Controlled by that person,

and the terms “**Controls**” and “**Controlled**” have corresponding meanings;

- (q) “**Data**” means material scientific and technical data owned or hereafter acquired by the Optionor and pertaining to the Property, including maps, surveys, drill hole cores, channel samples, other surface and underground samples, drill hole logs, channel sample logs, other surface and underground sampling data, assay results, geological, geochemical, geophysical, metallurgical, environmental and hydrological data, interpretations, exploration and development plans, reports, records, studies and models;
- (r) “**Deficiency Deposit**” means the deficiency payment or deposit for claim or lease required to be paid to the Ministry pursuant to Section 71 of *The Mineral Tenure Registry Regulations* (Saskatchewan) for any assessment work period required to maintain the Property in good standing;
- (s) “**Defending Party**” has the meaning ascribed thereto in Section 10.1(e)(iv)A;
- (t) “**Dispute**” has the meaning ascribed thereto in Section 12.10;
- (u) “**Due Diligence**” has the meaning ascribed thereto in Section 2.1(a);
- (v) “**Effective Date**” has the meaning set out in the preamble;
- (w) “**Eligible Transferee**” means a person that meets all of the following qualifications:

- (i) neither it nor any of its Affiliates, nor any shareholder holding more than 10% of the issued and outstanding equity securities of it or any of its Affiliates is a Sanctioned Person; and
 - (ii) it or its Ultimate Control Person (A) has a direct and primary listing of its equity securities on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, the London Stock Exchange, the Australian Securities Exchange, the Johannesburg Stock Exchange or the Tokyo Stock Exchange or any of their successors or (B) has its domicile, management headquarters or presence of substantial assets in the United States of America, Canada, Western Europe, Australia, South Africa or Japan or other jurisdictions with an equivalent rule of law environment and ability to enforce judgements;
- (x) **“Encumbrance”** means any mortgage, charge, easement, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, conditional sale, deemed or statutory trust, pre-emptive right, royalty, restrictive covenant or other encumbrance of any nature, other than Permitted Encumbrances;
- (y) **“Environmental Claim”** means any administrative, regulatory or judicial action, suit, demand, demand letter, directive, claim, Encumbrance, lien, notice of non-compliance or violation, investigation or proceeding arising out of, based on or relating in any way to: (i) any Environmental Damage or the investigation or clean-up thereof; (ii) the presence or Release of any Hazardous Substance in the environment; or (iii) any Environmental Law or any Permit issued under any such Environmental Law;
- (z) **“Environmental Damage”** means damage or threatened damage to the air, soil, surface waters, ground water or other natural resources on, about or in the general vicinity of the Property;
- (aa) *[Redacted: Commercially sensitive information]*
- (bb) **“Environmental Laws”** means all applicable Laws and the requirements of all Permits relating to environmental matters, including those relating to the abatement of pollution, the protection of the environment, the protection of public health and safety from environmental hazards; the management, storage or control of Hazardous Substances; the Release or threatened Release of Hazardous Substances into the environment (including land, ambient air, surface water and ground water), site reclamation, the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of Hazardous Substances, the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings, and the reclamation or restoration of any land or property;
- (cc) **“Exchange”** means, (i) in respect of the Public Parent, the Toronto Stock Exchange or any other stock exchange on which the Common Shares or any other voting shares of the Public Parent are listed at any given time and (ii) or in respect of the Optionor, the Canadian Securities Exchange or any other stock exchange on which the voting shares of the Optionor are listed at any given time;

- (dd) **“Exploration”** means every kind of work done by or under the direction of the Optionee on or in respect of the Property which the Optionee, may, provided it is done in material compliance with applicable Laws (including Environmental Laws), in its sole discretion, deem appropriate to determine the presence, location, quantity and value of Minerals contained in, on or under the Property, to determine the feasibility of developing and constructing a mine or extracting Products or to assess the environmental condition of the Property;
- (ee) **“Final Payment”** has the meaning ascribed thereto in Section 4.2(b);
- (ff) **“General Conveyance”** has the meaning ascribed thereto in Section 4.4(a)(ii);
- (gg) **“Governmental Authority”** means any federal, provincial, state, municipal, or other local government or quasi-governmental or private body exercising any statutory, regulatory (including any stock exchange or other securities exchange), expropriation or taxing authority under the authority of any of the foregoing governments or any Laws and includes any ministry, department, commission, bureau, board, administrative or other agency or regulatory body or instrumentality thereof, and any judicial, quasi-judicial, arbitration or administrative court, tribunal, commission, board or panel acting under the authority of any of the foregoing persons or any Laws;
- (hh) **“Hazardous Substance”** means any substance which is, or is deemed to be, alone or in any combination, hazardous, hazardous waste, toxic, radioactive, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Law;
- (ii) **“Indemnified Party”** means the Party entitled to indemnification under Section 10.1;
- (jj) **“Indemnifying Party”** means the Party obligated to provide indemnification under Section 10.1;
- (kk) **“Indemnitee”** means, with respect to a Party entitled to indemnification under Section 10.1, such Party’s Affiliates and such Party’s and its Affiliates’ directors, officers, employees, contractors, consultants, lenders, agents and representatives;
- (ll) **“Initial Payment”** has the meaning ascribed thereto in Section 4.2(a);
- (mm) **“Initial Payment Date”** has the meaning ascribed thereto in Section 4.2(a);
- (nn) **“Laws”** means all federal, provincial, state, municipal and local: constitutions; statutes; codes; ordinances; decrees; rules; regulations; by-laws; treaties; judicial, arbitral, administrative, departmental or regulatory judgements, orders, directives, decisions, rulings or awards; policies; voluntary restraints; guidelines; general principals of common law and equity; and any provisions of such Laws, binding on or affecting the person referred to in the context in which such word is used, including Applicable Securities Laws and Environmental Laws; and **“Law”** means anyone of such Laws;

- (oo) **"Market Price"** means the volume weighted average trading price of the Common Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding (A) the date of the Option Exercise Notice or (B) the Initial Payment Date, as applicable;
- (pp) **"Minerals"** means any and all ores (and concentrates derived therefrom) and minerals, precious and base, metallic and non-metallic, in, on, at or under the Property which may lawfully be explored for, mined and sold pursuant to the Mineral Rights which comprise the Property and other instruments of title under which any part of the Property is held;
- (qq) **"Mineral Rights"** means prospecting licences, exploration licences, mining leases, mining licences, mineral concessions and other forms of mineral tenure or other rights to Products, or to work upon lands for the purpose of searching for, developing or extracting Products under any forms of mineral title recognized under the laws applicable in Saskatchewan or any subdivision thereof, whether contractual, statutory or otherwise, or any interest therein;
- (rr) **"Ministry"** means the Saskatchewan Ministry of Energy and Resources;
- (ss) **"Net Smelter Return"** has the meaning ascribed thereto in Schedule "C";
- (tt) **"Net Smelter Royalty"** means the Optionor's right to receive payment from the Optionee of that percentage of the Net Smelter Return derived from Products produced from the Property as set out in the Royalty Agreement;
- (uu) **"Notice of Intention"** has the meaning ascribed thereto in Section 10.1(e)(ii);
- (vv) **"Option"** has the meaning ascribed thereto in Section 4.1;
- (ww) **"Option Exercise Deadline"** has the meaning ascribed thereto in Section 4.2(b);
- (xx) **"Option Exercise Notice"** has the meaning ascribed thereto in Section 4.2(c);
- (yy) **"Option Payments"** has the meaning ascribed thereto in Section 4.2(b);
- (zz) **"Optionee"** has the meaning set out in the preamble hereto, and includes its successors and permitted assigns;
- (aaa) **"Optionor"** has the meaning set out in the preamble hereto, and includes its successors and permitted assigns;
- (bbb) **"Parties"** means the parties to this Agreement and their respective successors and permitted assigns which become Parties pursuant to this Agreement;
- (ccc) **"Permits"** means any permit, license, authorization, approval, decree, concession, claim, registration, notice or other evidence of authority of any Governmental Authority;

- (ddd) **“Permitted Encumbrances”** means:
- (i) encumbrances arising by operation of Law in connection with, or to secure the performance of, bids, tenders, contracts, leases, statutory obligations, surety bonds or appeal bonds, expropriation proceedings or the costs of litigation;
 - (ii) inchoate or statutory liens for taxes or rents not at the time due;
 - (iii) inchoate or statutory liens for overdue taxes, assessments, governmental charges or utilities, the validity of which is being contested in good faith;
 - (iv) reservations, limitations, conditions or exceptions contained in the original grants of the Property from the Crown;
 - (v) easements, restrictions or covenants that run with the Property and are registered against the Property, provided that they have been complied with;
 - (vi) rights of way for, or reservations or rights of others relating to, railways, sewers, water lines, gas lines, pipelines, electric lines, telegraph and telephone lines and other similar utilities, products or services or zoning by-laws, ordinances or other restrictions as to the use of real property, which do not in the aggregate materially impair the use of the Property for the purposes contemplated herein or otherwise impair the right or prevent the ability to transfer the Property (or any part thereof) or an interest therein;
 - (vii) aboriginal or First Nations claims to title or other aboriginal or First Nation rights or interests in and to any part of the Property;
 - (viii) rights reserved to or vested in any Governmental Authority to control or regulate any of the Purchased Assets in any manner; and
 - (ix) minor discrepancies in the legal description of the Property (or any part thereof) or any adjoining real property which would be disclosed in an up-to-date survey and any registered easements and registered restrictions or covenants that run with the title to the Property;
- (eee) **“Product”** means all ores, concentrates, minerals (precious, base and industrial) or other mineral resources produced from the Property and which are found in, on or under the Property and may lawfully be explored for, mined and sold pursuant to the Mineral Rights and other instruments of title under which the Property is held;
- (fff) **“Property”** has the meaning ascribed thereto in the preamble hereto, and includes the perimeter of such Mineral Rights;
- (ggg) **“Public Parent”** means the direct or indirect parent company of the Optionee that has a direct and primary listing of its equity securities on an Exchange;

- (hhh) **“Purchased Assets”** means all of the Optionor’s right, title and interest in and to the assets listed in Schedule “D”;
- (iii) **“Recipient”** has the meaning ascribed thereto in Section 5.1;
- (jjj) **“Release”** means releasing, issuing, discharging, spraying, injecting, abandoning, depositing, spilling, leaking, seeping, pouring, emitting, emptying, dumping, leaching, migrating, dispensing, dispersal, disposing, and exhausting, and when used as a noun, has a correlative meaning;
- (kkk) **“Royalty Agreement”** means the agreement to be executed by the Parties on the Closing Date in the form attached hereto as Schedule “C”;
- (lll) **“Sales Taxes”** has the meaning ascribed thereto in Section 5.1;
- (mmm) **“Sanctioned Person”** means:
 - (i) any person that is sanctioned under any economic or trade sanction, regulation, statute or official embargo measure imposed by the United Nations or the Laws of Canada, the United States of America, the United Kingdom, Australia or a European Union member state; or
 - (ii) a person organized or resident in a sanctioned country under the Laws of Canada, the United States of America, Australia, the United Kingdom or a European Union member state;
- (nnn) **“Share Payment”** has the meaning ascribed thereto in Section 4.6(a);
- (ooo) **“Share Payment Conditions”** has the meaning ascribed thereto in Section 4.6(a);
- (ppp) **“Supplier”** has the meaning ascribed thereto in Section 5.1;
- (qqq) **“Trading Day”** means any day on which the Exchange is opened for trading; and
- (rrr) **“Ultimate Control Person”** means, with respect to a person, the person who ultimately Controls such first person, whether directly or indirectly through Affiliates.

1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided:

- (a) the words “hereof”, “herein”, “hereto” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision hereof or recital or Schedule hereto;
- (b) all references in this Agreement to a designated “Article”, “Section” or other subdivision, recital or “Schedule” are references to the designated Article, Section or other subdivision of, or recital or Schedule to, this Agreement;
- (c) the division of this Agreement into Articles, Sections and other subdivisions, recitals or Schedules, the inclusion of a table of contents and the insertion of

headings and captions are for convenience of reference only and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;

- (d) all references to currency in this Agreement are to the lawful money of Canada and all amounts to be calculated or paid pursuant to this Agreement are to be calculated and paid in the lawful money of Canada;
- (e) a reference to a statute in this Agreement includes all regulations or rules made thereunder, all amendments thereto in force from time to time, and any statutes, regulations or rules that supplement or supersede such statute, regulations or rules;
- (f) a reference to an instrument (including any Mineral Right) includes such instrument as may be amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof;
- (g) words importing the singular include the plural and vice versa;
- (h) words importing gender include all genders;
- (i) words importing persons include individuals, partnerships, limited partnerships, joint ventures, syndicates, sole proprietorships, companies or corporations with or without share capital, unincorporated associations, societies, trusts, trustees, executors, administrators or other personal representatives, Governmental Authorities and self-regulating organizations, bodies or entities, however designated or constituted;
- (j) the word “or” is not exclusive;
- (k) the word “including” is not limiting, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto;
- (l) if any date on which an action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day; and
- (m) all references to “approval”, “authorization” or “consent” in this Agreement mean written approval, authorization or consent.

1.3 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Governing Law

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.6 Severability

If any provision of this Agreement is or shall become illegal, invalid or unenforceable, in whole or in part, the remaining provisions shall nevertheless be and remain valid and subsisting and such remaining provisions shall be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

1.7 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge, the Optionor or the Optionee, as applicable, confirms that it has made due and diligent inquiry (including of its appropriate directors, officers and employees) as it considers necessary as to the matters that are the subject of such representation or warranty.

1.8 Schedules

The Following Schedules form an integral part of this Agreement:

Schedule "A"	Property
Schedule "B"	Form of Exercise Notice
Schedule "C"	Form of Royalty Agreement
Schedule "D"	Purchased Assets
Schedule "E"	Form of Bring-Down Certificate of Optionor
Schedule "F"	Form of Bring-Down Certificate of Optionee
Schedule "G"	Allocation of Consideration

Schedule "H" **Error! Reference source not found.** *[Redacted:
Commercially sensitive information]*

ARTICLE 2 DUE DILIGENCE

2.1 Due Diligence

- (a) Between the Effective Date and the Closing Date, the Optionee shall have the right to conduct such due diligence investigations as it deems relevant or necessary in connection with the Purchased Assets and the Property (the “**Due Diligence**”).
- (b) The Optionor shall provide the Optionee with full and unrestricted access to all Data and other material information and documents relating to the Property and shall otherwise provide such cooperation to the Optionee as the Optionee may reasonably require in connection with the Due Diligence.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Optionor

The Optionor hereby represents and warrants to the Optionee that:

- (a) it validly exists as a corporation in good standing pursuant, as of the Effective Date, to the Laws of Manitoba;
- (b) it has the corporate power and capacity to carry on its business, to hold an interest in the Purchased Assets, to enter into this Agreement and all documents and agreements contemplated by this Agreement to which it will be a party and to perform its obligations under this Agreement and all documents and agreements contemplated by this Agreement to which it will be a party;
- (c) this Agreement and all documents and agreements contemplated by this Agreement to which the Optionor will be a party, their execution and delivery and the performance by the Optionor of its obligations hereunder and thereunder have been duly and validly authorized by all necessary corporate action on the Optionor’s part;
- (d) this Agreement has been duly executed and delivered by the Optionor and constitutes a legal, valid and binding agreement enforceable against the Optionor in accordance with its terms;
- (e) the execution and delivery of this Agreement and the documents and agreements contemplated by this Agreement to which the Optionor will be a party, and the performance by the Optionor of its obligations hereunder and thereunder, do not and will not conflict with, result in the breach of, constitute a default under, or result in the creation of any Encumbrance under, the provisions of:
 - (i) the constating documents of the Optionor;
 - (ii) any shareholders’ or directors’ resolution of the Optionor;
 - (iii) any Law applicable to the Optionor; or

- (iv) any agreement, arrangement, commitment, understanding or other instrument of any kind or nature to which the Optionor is a party or by which the Optionor or the Purchased Assets may be bound or to which the Optionor or the Purchased Assets may be subject;
- (f) the Optionor is the sole legal and beneficial owner of the Purchased Assets, with good and marketable title to the Purchased Assets free and clear of all Encumbrances;
- (g) the Optionor has disclosed or made available to the Optionee, prior to the Effective Date, all documents in its possession with respect to easements, restrictions or covenants that run with the Property;
- (h) all assessment work, Deficiency Deposits and tax payments required for the Optionor to hold the Mineral Rights which comprise the Property have been timely filed or paid;
- (i) other than this Agreement, as set out in the title opinion, applicable Laws, and, as of the Closing Date, the Royalty Agreement, to the Optionor's knowledge, there are no agreements, arrangements, options, commitments or understandings, oral or written, to grant or convey any interest in any part of the Purchased Assets, to pay any royalties or make any other payments in the nature of rent or royalty with respect to any part of the Purchased Assets or any Minerals or otherwise in relation to the Property or the sale of any Minerals nor, to the Optionor's knowledge, have any third parties entered into any agreements, arrangements, commitments or understandings, whether oral or written, in relation to the Purchased Assets or the sale of any Minerals existing at, in, on or under, or to be extracted from, the Property, and there are no restrictions on the ability of the Optionor to use, transfer or exploit the Purchased Assets or any right or interest therein (including a transfer to the Optionee contemplated in this Agreement), except pursuant to applicable Laws;
- (j) to the Optionor's knowledge, there is no adverse claim against or challenge to the Optionor's beneficial or legal ownership of or registered title to the Property, nor, to the Optionor's knowledge, are there any facts or circumstances that would reasonably be expected to give rise thereto or to adversely affect the title to or right to explore or develop the Property;
- (k) to the Optionor's knowledge, other than the Permitted Encumbrances, ongoing assessment work or tax payments that are required for the Optionor to maintain the Mineral Rights which comprise the Property in good standing, there are no rents, royalties, taxes, fees or other monies payable or required to be paid to any person or Governmental Authority with regards to all or any part of the Purchased Assets;
- (l) the Optionor has not currently granted any person, other than the Optionee, access to or any right in any part of the Property or the right to conduct exploration or any other operations on the Property, subject to applicable Laws;
- (m) no consent or approval by, or filing with, any third party or Governmental Authority is required for the execution, delivery or performance of this Agreement by the

Optionor or for the transfer by the Optionor of any interest in the Purchased Assets other than (A) requisite filings with the Exchange, (B) filings and registrations with the relevant Governmental Authorities necessary to process and register the transfer of the legal title to the Property to the Optionee, (C) filings with the relevant Governmental Authorities necessary to register this Agreement against title to the Property or (D) as otherwise required by this Agreement;

- (n) the Optionor has not received any notice, and has no knowledge, of any proposal to terminate or vary the terms of or rights attaching to any of the Property or Mineral Rights which comprise the Property from any Governmental Authority, or of any challenge to the Optionor's right, title or interest in any of the Property or Mineral Rights which comprise the Property;
- (o) as of the Effective Date, there are no pending or, to the Optionor's knowledge, threatened claims, proceedings or other actions taken by or on behalf of any native, aboriginal, First Nations or indigenous persons or communities with respect to the assertion of any land claims or other rights or interests with respect to lands included in, or any other part of, the Property;
- (p) Schedule "A" (A) as of the Effective Date, sets out the accurate descriptions of the Mineral Rights which comprise the Property and (B) as of the Closing Date, will set out the accurate descriptions (except the good standing date) of the Mineral Rights which comprise the Property;
- (q) there has been no act or omission by the Optionor which could by notice, or lapse of time, or by both notice and lapse of time, result in a breach, termination, abandonment, forfeiture, relinquishment or other premature termination of the Optionor's rights or title to any of the Mineral Rights which comprise the Property;
- (r) the Optionor has the right and authority to permit the Optionee access to and the right to enter upon the Property for purposes of conducting Exploration;
- (s) the Optionor has not employed any broker or finder and has not incurred any liability for any brokerage fees, commissions, or finders' fees in connection with the transactions contemplated by this Agreement for which the Optionee or any of the Optionee's Affiliates will or may have any responsibility whatsoever;
- (t) there are no actions, suits, claims, proceedings, litigation or investigations pending or, to the Optionor's knowledge, threatened, nor are any judgments outstanding and unsatisfied against the Optionor, relating to the Purchased Assets or any part thereof, whether at law or in equity, or in arbitration, or before or by any Governmental Authority. To the Optionor's knowledge, there are no facts or circumstances upon which any such action, suit, claim, proceeding, litigation or investigation could be based;
- (u) to the Optionor's knowledge, all assessment and exploration work on the Property up to the Effective Date that has been conducted by the Optionor and, to the knowledge of the Optionor, by any other person on the Optionor's behalf, has been conducted in accordance with sound mining, environmental and other applicable mining industry standards and practices and in compliance with the terms and

provisions of any applicable leases, permits, contracts and other agreements and authorizations pertaining to the Property;

- (v) to the Optionor's knowledge, *[Redacted: Commercially sensitive information]*, no part of the Property lies within any protected area, rescued area, reserve, reservation or reserved area or other area designated by any Governmental Authority, that would impair the development of a mining project thereon;
- (w) to the Optionor's knowledge, there are no pending or threatened Environmental Claims in respect of the Property, nor have any activities of or on behalf of the Optionor on the Property been in violation of any applicable Environmental Law, regulations or regulatory prohibition or order, and the Property is in compliance with such Environmental Laws, regulations, prohibitions and orders;
- (x) to the Optionor's knowledge, *[Redacted: Commercially sensitive information]*, there has been no Release of any Hazardous Substance from, on, in or under the Property, except in compliance with Environmental Laws;
- (y) to the Optionor's knowledge, neither the Optionor nor any operator on behalf of the Optionor has any outstanding liabilities relating to the presence, Release, storage or use of Hazardous Substances on, in or under the Property;
- (z) the Optionor is registered for GST/HST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and its GST/HST number is valid and in good standing and is as follows: 101147429; and
- (aa) the Optionor has not purposely or knowingly withheld from the Optionee any information which would reasonably be expected to render any of the information disclosed to the Optionee to be misleading in any material respect.

3.2 Representations and Warranties of Optionee

The Optionee hereby represents and warrants to the Optionor that:

- (a) it validly exists as a corporation in good standing pursuant, as of the Effective Date, to the Laws of British Columbia;
- (b) it has the corporate power and capacity to carry on its business, to enter into this Agreement and all documents and agreements contemplated by this Agreement to which it will be a party, and to perform its obligations under this Agreement and all documents and agreements contemplated by this Agreement to which it will be a party;
- (c) this Agreement and all documents and agreements contemplated by this Agreement to which the Optionee will be a party, their execution and delivery and the performance by the Optionee of its obligations hereunder and thereunder have been duly and validly authorized by all necessary corporate action on the Optionee's part;

- (d) this Agreement has been duly executed and delivered by the Optionee and constitutes a legal, valid and binding agreement enforceable against the Optionee in accordance with its terms;
- (e) the execution and delivery of this Agreement and all documents and agreements contemplated by this Agreement to which the Optionee will be a party, and the performance by the Optionee of its obligations hereunder and thereunder do not and will not conflict with, result in the breach of, constitute a default under, or result in the creation of any Encumbrance under, the provisions of:
 - (i) the constating documents of the Optionee;
 - (ii) any shareholders' or directors' resolution of the Optionee;
 - (iii) any Law applicable to the Optionee; or
 - (iv) any agreement, arrangement, commitment, understanding or other instrument of any kind or nature to which the Optionee is a party or by which the Optionee may be bound or to which the Optionee may be subject;
- (f) the Optionee has not employed any broker or finder and has not incurred any liability for any brokerage fees, commissions, or finders' fees in connection with the transactions contemplated by this Agreement for which the Optionor or any of the Optionor's Affiliates will or may have any responsibility whatsoever;
- (g) there are no actions, suits, claims, proceedings, litigation or investigations pending or, to the knowledge of the Optionee, threatened, nor are any judgments outstanding and unsatisfied against the Optionee, whether at law or in equity, or in arbitration, or before or by any Governmental Authority that would materially impair the Optionee's ability to perform its obligations pursuant to this Agreement. To the Optionee's knowledge, there are no facts or circumstances upon which such action, suit, claim, proceeding, litigation or investigation could be based; and
- (h) the Optionee is registered for GST/HST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and its GST/HST number is valid and in good standing and is as follows: 775052608.

3.3 Survival

- (a) The Parties acknowledge and agree that the representations and warranties set out in this Article 3 shall not merge with any deed, conveyance, transfer instrument or other agreement giving effect to this Agreement and shall survive the execution of this Agreement and the consummation of the transactions contemplated hereby, as set out in Section 8.2.
- (b) The representations and warranties of the Optionor and the Optionee set out in Sections 3.1 and 3.2, respectively, shall be true and correct in all respects as of the Closing Date as if made at and as of such date (except for the representations and warranties made as of a specified date, which representations and warranties shall be true and correct as of such specified date).

ARTICLE 4 GRANT AND EXERCISE OF OPTION

4.1 Grant of Option

The Optionor hereby gives and grants to the Optionee the sole, exclusive and irrevocable option (the “**Option**”) to acquire from the Optionor a 100% legal and beneficial interest in the Purchased Assets, free and clear of all Encumbrances (the “**Option**”).

4.2 Exercise of Option

The Optionee may exercise the Option at its sole discretion by:

- (a) subject to Section 4.6, making a cash payment in the amount of \$1,000,000 (the “**Initial Payment**”) to the Optionor on the 15th day following the execution of this Agreement (the “**Initial Payment Date**”);
- (b) subject to Section 4.6, making a cash payment in the amount of \$10,000,000 (the “**Final Payment**” and, collectively with the Initial Payment, the “**Option Payments**”) to the Optionor not later than on the fifth anniversary of the Initial Payment Date (the “**Option Exercise Deadline**”);
- (c) delivering to the Optionor, not later than the Option Exercise Deadline, a written notice confirming (i) the satisfaction of the conditions set out in this Section 4.2 and (ii) the decision of the Optionee to exercise the Option (the “**Option Exercise Notice**”), which notice shall be substantially in the form attached hereto as Schedule “B”; and
- (d) granting a 2% Net Smelter Royalty to the Optionor, pursuant to and in accordance with the terms of the Royalty Agreement.

4.3 Option Closing

Upon delivery of the Option Exercise Notice, the Parties shall cooperate with each other and shall use their commercially reasonable efforts to facilitate and cause the consummation of the Option and the execution and delivery of the documents and agreements specified in Section 4.4 not later than 15 days following delivery of the Option Exercise Notice (the “**Closing Date**”).

4.4 Closing Deliveries

- (a) On or prior to the Closing Date, the Optionor shall execute and deliver, or cause to be delivered, to the Optionee:
 - (i) the Royalty Agreement, duly executed by the Optionor;
 - (ii) a general conveyance, in form and substance satisfactory to the Parties, acting reasonably, evidencing the sale, transfer and conveyance by the Optionor to the Optionee, of all of the Optionor’s right, title and interest in the Purchased Assets, free and clear of all Encumbrances other than the

- Royalty Agreement (the “**General Conveyance**”), duly executed by the Optionor;
- (iii) a bring-down certificate executed by a senior officer of the Optionor dated as of Closing Date, in the form attached as Schedule “E”;
 - (iv) an updated title opinion from the Optionor’s counsel with respect to the Mineral Rights comprising the Property, which opinion shall be in form and substance acceptable to the Optionee, acting reasonably; and
 - (v) such other agreements, documents and instruments as may reasonably be required by the Optionee to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Optionee, acting reasonably.
- (b) On or prior to the Closing Date, the Optionee shall execute, deliver or cause to be delivered to the Optionee:
- (i) the Final Payment;
 - (ii) the Royalty Agreement, duly executed by the Optionee;
 - (iii) the General Conveyance, duly executed by the Optionee;
 - (iv) a bring-down certificate executed by a senior officer of the Optionee dated as of Closing Date, in the form attached as Schedule “F”; and
 - (v) such other agreements, documents and instruments as may reasonably be required by the Optionor to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Optionor, acting reasonably.
- (c) On the Closing Date, the Optionor shall, at the Optionee’s cost, make all filings and registrations with the relevant Governmental Authorities necessary to process and register the transfer of the legal title to the Property to the Optionee, free and clear of all Encumbrances other than the Royalty Agreement, for which the Optionor shall make all filings and registrations with the relevant Governmental Authorities to evidence such on title to the Property, and shall deliver to the Optionee all such other documents as may be necessary in order to register legal title to the Property in the name of the Optionee.

4.5 Option Expiry

If the Optionee does not deliver the Option Exercise Notice to the Optionor on or before the Option Exercise Deadline, the Option shall become null and void and shall have no further force or effect. The Initial Payment is non-refundable and, unless otherwise provided in this

Agreement, it shall not be returned to the Optionee in the event that the Optionee does not deliver the Option Exercise Notice to the Optionor on or before the Option Exercise Deadline.

4.6 Payment in Shares

- (a) The Optionee may cause the Public Parent to satisfy the Initial Payment and/or the Final Payment by issuance of Common Shares to the Optionor at a deemed price per Common Share that is equal to the Market Price (the “**Share Payment**”), provided that all of the following conditions (collectively, the “**Share Payment Conditions**”) are satisfied at the time of such issuance:
- (i) the Common Shares shall be listed on an Exchange in Canada or the United States of America;
 - (ii) the Public Parent shall have obtained the requisite approval of the proposed Share Payment from the Exchange, if required by the rules and policies of the Exchange;
 - (iii) the Public Parent shall not be in default of any Applicable Securities Laws;
 - (iv) the issuance of the Common Shares will not result in the Optionor becoming an “insider” (as such term is defined under Applicable Securities Laws) of the Public Parent;
 - (v) the market capitalization of the Public Parent is at least *[Redacted: Amount]*; and
 - (vi) the Public Parent shall not be subject to any insolvency, bankruptcy or liquidation proceedings.
- (b) In the event that the Optionee elects to satisfy the Final Payment by issuance of Common Shares, the Optionee shall indicate such intention in the notice of intention to exercise the Option delivered pursuant to Section 4.3, in which case (i) the Option Exercise Notice shall also include the calculation of the applicable Market Price and (ii) in addition to the closing deliveries of the Optionee set out in Section 4.4(b), the Optionee shall deliver to the Optionor, on or before the Closing Date, a duly executed officer’s certificate of the Optionee certifying that all of the Share Payment Conditions have been satisfied.

ARTICLE 5 TAXES AND ALLOCATION

5.1 Sales Taxes

All amounts payable by the recipient of a supply of property or services under this Agreement (the “**Recipient**”) to the supplier of such property under this Agreement (the “**Supplier**”) do not include any goods and services, harmonized sales, value-added, sales, use, consumption, multi-staged, personal property, customs, excise, stamp, transfer, or similar taxes, duties or charges, (collectively, “**Sales Taxes**”) and all Sales Taxes are the responsibility and for the account of the Recipient. If the Supplier is required by law or by administration thereof to collect any applicable Sales Taxes from the Recipient, the Recipient shall pay such Sales Taxes

to the Supplier concurrent with the payment of any consideration payable pursuant to this Agreement, unless the Recipient qualifies for an exemption from any such applicable Sales Taxes, in which case the Supplier shall accept, in lieu of payment of such applicable Sales Taxes, delivery by the Recipient of such certificates, elections or other documentation required by law or the administration thereof to substantiate and effect the exemption claimed by the Recipient.

5.2 Allocation

The amount of the consideration payable to the Optionor pursuant to Section 4.1 shall be allocated among the Purchased Assets in the manner set out in Schedule "G". The allocation of the consideration shall be binding on the Parties, and the Parties shall report the transaction described herein in a manner entirely consistent with Schedule "G" and shall not take any position contrary thereto in the filing of their tax returns or in the course of any audit by any Governmental Authority, tax review or tax proceeding relating to such tax returns, except to the extent required by applicable Laws.

ARTICLE 6 RIGHTS AND COVENANTS PRIOR TO EXERCISE OF THE OPTION

6.1 Deliveries

Not later than 30 days following the execution of this Agreement, the Optionor shall deliver to the Optionee all Data and other material documents in its possession pertaining to the Property to allow the Optionee to conduct the Due Diligence.

6.2 Optionee's Rights

During the term of this Agreement and subject to applicable Laws and the maintenance by the Optionee of insurance coverage appropriate for the nature and scope of the Exploration activities to be conducted on the Property but not exceeding the insurance coverage that the Optionee maintains with respect to its other properties, the Optionee and its Affiliates, employees, contractors, consultants, lenders, agents and representatives shall have the right:

- (a) to enter upon the Property at the Optionee's sole risk;
- (b) to manage and carry out such Exploration activities on the Property as the Optionee determines in its sole discretion but in accordance with applicable Laws, and the Optionee shall not be required or expected to guarantee the commencement, carrying out or completion nor the results of any Exploration, and the Optionor shall not be entitled to direct any Exploration activities by the Optionee or, except to the extent permitted by Section 6.3(c), to access the results of such activities;
- (c) to bring and install on the Property and remove from time to time such buildings, plant, machinery, equipment, tools, appliances, camp facilities and supplies as the Optionee may deem, in its sole discretion, to be advisable to carry out Exploration on the Property; and
- (d) to remove from the Property and dispose of reasonable quantities of rock and Minerals, including surface samples, drill core samples, underground samples or

channel samples, and to transport and handle the same for the purpose of testing, grading, processing or assaying.

6.3 Optionee's Covenants

The Optionee shall, during the term of this Agreement:

- (a) conduct all Exploration on the Property in a good and workmanlike manner in accordance with generally accepted mining industry practice and in material compliance with all applicable Laws. Furthermore, the Optionee shall immediately notify the Optionor in the event of any Releases of any Hazardous Substance in the environment which occur as a result of the Optionee's activities on, in, under or in respect of the Property and which are in violation of Environmental Laws or which could give rise to liabilities pursuant to Environmental Laws. Notwithstanding the foregoing, in the event that the Optionor, as owner of the Property, becomes subject to any liability pursuant to Environmental Laws or otherwise which result from the Optionee's activities on, in, under or in respect of the Property, as finally determined by the applicable Governmental Authority or a court of competent jurisdiction, and the cause of such liability is not rectified by the Optionee, to the extent required by applicable Law, within 15 Business Days following the receipt from the Optionor of a written notice thereof to the full and complete satisfaction of the Optionor, acting reasonably, then the Optionor shall have the right terminate this Agreement as set out in Section 8.1(c);
- (b) comply with the provisions of all agreements or instruments of title under which the Property is held and which have been provided to it by the Optionor;
- (c) subject to Applicable Securities Laws, provide such documents and information as may be requested by the Optionor, acting reasonably, and other reasonable cooperation to the Optionor in connection with the filing by the Optionor of all necessary affidavits of assessment work and other filings required to maintain the Property in good standing, in connection with the Optionee's Exploration;
- (d) not cause any Encumbrance to be placed upon or against the Property or any part thereof, provided that if the Optionee, in good faith, disputes the validity or amount of any claim or liability asserted for work performed by it or on its behalf on the Property, it shall not be required to pay the same until the amount and validity thereof have been finally determined;
- (e) use its commercially reasonable efforts to ensure that its representations and warranties set out in Section 3.2 (except for the representations and warranties made as of a specified date) remain true and correct in all material respects as of the Closing Date; and
- (f) within *[Redacted: Number]* days after December 31 and June 30 of each year, send to the Optionor a written notice providing details with respect to the Exploration completed by the Optionee and results thereof from the Effective Date to such date, provided that the Optionee shall not be obligated to include in such notice and details any material undisclosed information which would be required to be disclosed under Applicable Securities Laws before such information has

been publicly disclosed, but upon the public disclosure of such information, the Optionee shall promptly provide such information to the Optionor.

6.4 Optionor's Covenants

- (a) The Optionor shall, during the term of this Agreement:
- (i) pay all claim maintenance and similar fees, any claim rental payments and other payments to any Governmental Authority required by Laws to hold and maintain the Property that may become due with respect to the Property and take all other actions as are necessary to maintain the Property in good standing under applicable Laws;
 - (ii) not permit the Property to lapse, or relinquish, drop or abandon the Property, unless the Optionor provides the Optionee with at least 30 days' prior written notice thereof. If the Optionee, after receiving such notice, requests the Optionor in writing to do so, the Optionor shall transfer the Property to the Optionee or its nominee at no cost;
 - (iii) ensure that no Encumbrance that is reasonably within the Optionor's control (other than the registration of this Agreement against title to the Property) is placed on or affects its legal or beneficial interest in the Property;
 - (iv) pay all fees, taxes, assessments and other charges levied by Governmental Authorities in respect of the Property as required to maintain the Property in good standing;
 - (v) deliver to the Optionee all new Data pertaining to the Property promptly after such Data becomes available to the Optionor;
 - (vi) use its commercially reasonable efforts to ensure that its representations and warranties set out in Section 3.1 (except for the representations and warranties made as of a specified date) remain true and correct in all material respects as of the Closing Date;
 - (vii) immediately notify the Optionee if the Optionor becomes aware that any of the Optionor's representations and warranties set out in Section 3.1 ceases to be true and correct in any material respect or if the Optionor becomes aware of any information, facts, events or circumstances which, if available on the Effective Date, would make any of the Optionor's representations and warranties set out in Section 3.1 untrue or incorrect in any material respect;
 - (viii) immediately notify the Optionee if the Optionor becomes aware of the occurrence of any facts, events or circumstances which would have made any of the Optionor's representations and warranties set out in Section 3.1 and given as of the Effective Date untrue or incorrect in any material respect if such facts, events or circumstances had occurred prior to the Effective Date; and

- (ix) deliver or cause to be delivered to the Optionee, concurrently with the execution of this Agreement, a title opinion from the Optionor's counsel with respect to the Mineral Rights comprising the Property, which opinion shall be in form and substance acceptable to the Optionee, acting reasonably.

(b) *[Redacted: Commercially sensitive information]*

6.5 Option Agreement Only

Nothing in this Agreement, nor any expenditure made in connection with this Agreement on the Property, nor the conduct of any Exploration in connection with this Agreement on the Property shall be construed as obligating the Optionee or any of its Affiliates to exercise the Option, undertake any Exploration, incur any expenditures or to make any payments not explicitly required to be made under this Agreement.

ARTICLE 7 ASSIGNMENT OF INTEREST

7.1 Assignment

- (a) Except as otherwise provided herein:
 - (i) neither Party shall sell, transfer or assign this Agreement or any of its rights, title or interest therein, in whole or in part; and
 - (ii) the Optionor shall not sell, transfer or assign any of its rights or legal or beneficial right, title or interest in the Purchased Assets,

without the prior written consent of the other Party, which consent shall not be unreasonably withheld, it being understood that such consent shall be considered to be reasonably withheld if the proposed transferee is not an Eligible Transferee.

- (b) Notwithstanding Section 7.1(a), the Optionee may, without the Optionor's consent, assign this Agreement or any of its rights, title or interest therein, in whole or in part to an Affiliate, subject to the Affiliate entering into an agreement, in form and substance satisfactory to the Optionor, acting reasonably, to be bound by this Agreement.
- (c) Nothing in this Agreement shall prevent the acquisition of control of either Party by any person other than a Sanctioned Person by way of a take-over bid or other similar transaction, the sale by the Party of all or substantially all of its assets and business, or the acquisition, amalgamation, arrangement, merger or combination of the Party by, with or into any person other than a Sanctioned Person (each such transaction, a "**Change of Control Transaction**"). For clarity, no consent by a Party shall be required to a Change of Control Transaction in respect of the other Party and no Change of Control Transaction shall result in a violation of Section 7.1(a), provided, however, that if this Agreement or the Property are assigned by the Optionor to any person in connection with the Change of Control Transaction, such person shall, as a condition to such assignment, undertake to the Optionee in writing to be bound by this Agreement to the same extent as the Optionor.

ARTICLE 8 TERMINATION

8.1 Termination

This Agreement shall terminate upon the earlier of:

- (a) the Optionee giving written notice of termination to the Optionor at any time prior to the Closing Date;
- (b) the Optionee giving written notice of termination to the Optionor if any of the representations and warranties of the Optionor set out in Section 3.1 is no longer true and correct such that the failure of such representation and warranty to be true and correct would be material to the Property (or, with respect to the representations and warranties made as of a specified date, was not true and correct as of such specified date such that the failure of such representation and warranty to be true and correct would be material to the Property as of such specified date) or if the Optionor defaults with respect to any of its covenants and agreements contained herein such that such default would be material to the Property and the Optionor fails to remedy such inaccuracy or default within 15 Business Days following the receipt from the Optionee of a written notice thereof;
- (c) the Optionor giving written notice of termination to the Optionee if any of the representations and warranties of the Optionee set out in Section 3.2 is no longer true and correct such that the failure of such representation and warranty to be true and correct would be material to the Property (or, with respect to the representations and warranties made as of a specified date, was not true and correct as of such specified date such that the failure of such representation and warranty to be true and correct would be material to the Property as of such specified date) or if the Optionee defaults with respect to any of its covenants and agreements contained herein such that such default would be material to the Property and the Optionee fails to remedy such inaccuracy or default within 15 Business Days following the receipt from the Optionor of a written notice thereof, it being understood that no breach by the Optionee of its obligations set out in Section 6.3(f) shall be deemed to be material to the Property provided that such breach is cured within 15 Business Days following the receipt by the Optionee of a written notice thereof from the Optionor;
- (d) the exercise and consummation of the Option pursuant to the terms of this Agreement; and
- (e) the Option becoming null and void pursuant to Section 4.5.

8.2 Effect of Termination

- (a) Upon termination of this Agreement pursuant to Section 8.1:
 - (i) Sections 3.1, 3.2 and 3.3(a) and Article 10 shall survive the termination and continue in full force and effect for a period of 12 months; and

- (ii) Article 9, Article 11 and Sections 12.3, 12.4, 12.5, 12.8, 12.9 and 12.10 shall survive the termination and continue in full force and effect without limitation of time; provided, however, that the Optionee shall no longer be bound by any of the confidentiality obligations and other restrictions set out in Article 9 upon termination of this Agreement pursuant to Section 8.1(d).
- (b) Upon termination of this Agreement, other than pursuant to Section 8.1(d), the Optionee shall be entitled for a period of 60 days after the date of termination of this Agreement to remove from the Property any building, plant, equipment, machinery, tools, appliances, camp facilities, supplies and other assets which were placed on the Property by or on behalf of the Optionee, and, to the extent the Optionee does not remove such items within such 60-day period, they shall, at the sole option of the Optionor, become the property of the Optionor.
- (c) Upon termination of this Agreement, other than pursuant to Section 8.1(d), the Optionee shall:
 - (i) reclaim and restore in compliance with applicable Environmental Laws any disturbance of the Property or the natural environment caused by the Optionee's activities;
 - (ii) perform all rehabilitation, reclamation or pollution abatement or control on, in, under, about or in respect of the Property which is required by applicable Environmental Laws as a result of the activities of the Optionee or its agents thereon, thereunder or in respect thereof, to the standard required in accordance with applicable Environmental Laws and approved by the appropriate Governmental Authorities;
 - (iii) discharge or cause to be discharged any Encumbrances registered against the title to the Property by the Optionee or by third parties in connection with the Exploration and take all such measures as are necessary to discharge such Encumbrances, including making any required payments to such third parties;
 - (iv) settle all outstanding commitments, expenditures and contractual obligations to third parties which it or its agents approved in connection with the Property and for which it or its agents are liable in accordance with the respective terms and conditions of such commitments and obligations if the failure to settle such commitments or obligations is reasonably expected to result in placing an Encumbrance over the Property or any other assets of the Optionor or result in any liability to the Optionor; and
 - (v) return to the Optionor all Data and, subject to Applicable Securities Laws, deliver to the Optionor all Exploration data in the Optionee's possession.

ARTICLE 9 CONFIDENTIALITY

9.1 Confidentiality of Information

Each Party shall use its commercially reasonable efforts to hold in confidence all Confidential Information. A Party may disclose Confidential Information:

- (a) to Affiliates of such Party and to directors, officers, employees, auditors, agents, advisors and consultants of such Party and its Affiliates who have a legitimate business need to know the Confidential Information, without the prior consent of the other Party; and
- (b) to any other person with the prior consent of the other Party, which consent shall not be unreasonably withheld or delayed.

9.2 Permitted Disclosure

Notwithstanding the restrictions set out in Section 9.1, Confidential Information may be disclosed by:

- (a) either Party to any public or private financing agency or institution, to any of its and its Affiliates' existing and potential investors, to any contractors, subcontractors or consultants which the disclosing Party may engage, to any third party to or in favour of which the disclosing Party may contemplate the transfer, sale, assignment, Encumbrance or other disposition of all or part of the Property or the disclosing Party's rights and obligations under this Agreement or to any person with which the disclosing Party is contemplating a merger, amalgamation, arrangement, combination, take-over bid, corporate reorganization or other similar transaction; provided, however, that in any of those cases, only such Confidential Information as the person has a legitimate business need to know shall be disclosed and the disclosing Party shall inform the person to whom disclosure is to be made of the confidential nature of such Confidential Information and shall be liable for any breaches by such person of the confidentiality obligations set out in this Article 9;
- (b) the Optionee to other third parties to the extent required or desirable in connection with Exploration or the development of the Property or otherwise to comply with the provisions of this Agreement;
- (c) *[Redacted: Commercially sensitive information]*; and
- (d) by either Party to the extent (but only to the extent) necessary in connection with any litigation or other disputes with the other Party with respect to this Agreement or any of the transactions contemplated thereby, provided that such Party shall use its commercially reasonable efforts to have the confidentiality of such information maintained.

9.3 Disclosure Required by Authorities

Notwithstanding the restrictions set out in Section 9.1, if a Party is required by Law or in response to a legitimate request to disclose Confidential Information to any Governmental Authority (other than as provided in Section 9.2), the Party so required shall, if the circumstances permit, immediately notify the other Party of the requirement and the terms thereof prior to the disclosure of the Confidential Information to such Governmental Authority. The other Party shall have the right to seek a protective order from the applicable Governmental Authority to restrict disclosure of the Confidential Information.

9.4 Press Releases

- (a) Prior to the Initial Payment Date, neither Party shall publicly disclose Confidential Information in a press release or other disclosure document except to the extent the disclosure is required by Applicable Securities Laws, in which case the disclosing Party shall be required to use its commercially reasonable efforts to give to the other Party prior notice of the required disclosure, including the form and content of the proposed disclosure, and a reasonable opportunity for the other Party to review and comment on the proposed disclosure. For the avoidance of doubt, the Optionor shall issue a press release forthwith following the Effective Date, which press release shall be reviewed and approved by the Optionee, acting reasonably.
- (b) After the Initial Payment Date, if either Party wishes to publicly disclose Confidential Information in a press release or other disclosure document, it shall notify the other Party of such intention and the form and content of the disclosure proposed to be included in such press release or disclosure document at least 48 hours prior to issuing or filing such press release or disclosure document and shall obtain approval (acting reasonably) of the other Party of the form and content of the proposed disclosure, which approval shall not be unreasonably withheld or delayed; provided, however, that to the extent the disclosure is required by Applicable Securities Laws, the Party shall only be required to use its commercially reasonable efforts to give prior notice of the required disclosure to the other Party and a reasonable opportunity for the other Party to review and comment on the disclosure.

ARTICLE 10 INDEMNIFICATION

10.1 Indemnification

- (a) Each Party shall indemnify and save harmless the other Party from and against all Claims made or brought against such Party or which such Party suffers or incurs, directly or indirectly, as a result of or in connection with any breach of any representation, warranty, covenant or agreement by the other Party.
- (b) The Optionor shall indemnify and save the Optionee and its Indemnitees harmless from any Claims (including, for clarity, any Environmental Claims) made or brought against the Optionee or any of its Indemnitees by third parties (including any Governmental Authorities) relating to the Property, except to the extent arising as

a result of any exploration, operations or other activities conducted by or on behalf of the Optionee on the Property (including, but not limited to, Exploration).

- (c) The Optionee shall indemnify and save the Optionor and its Indemnitees from:
 - (i) any Claims (including, for clarity, any Environmental Claims) made or brought against the Optionor or any of its Indemnitees by third parties (including any Governmental Authorities) arising from the Optionee's or its Affiliates' conducting Exploration on the Property;
 - (ii) any Claims arising from injury to the person or property of the Optionee or any of its Indemnitees incurred during the course of any visit to the Property as set out in Section 6.2 (except Claims caused by fraud, gross negligence, wilful act or wilful omission of the Optionor or any of its Affiliates, employees, agents, contractors or representatives); and
 - (iii) any Claims arising from injury to the person or property of the Optionor or any of its Indemnitees caused an act or an omission to act by the Optionee or any of its Affiliates, employees, agents, contractors or representatives during the course of any visit to the Property as set out in Section 6.2.
- (d) If a Claim is instituted or asserted by a third party against an Indemnified Party, the Indemnified Party shall promptly notify the Indemnifying Party of such Claim, together with a reasonable description thereof. Failure to promptly provide such notice shall not relieve the Indemnifying Party of any of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced thereby. With respect to any Claim by a third party against the Indemnified Party, the Indemnifying Party shall be afforded the opportunity, at its own reasonable expense, to defend or settle the claim if it utilizes counsel reasonably satisfactory to the Indemnified Party and promptly commences the defense of such claim and pursues such defense with diligence; provided, however, that the Indemnifying Party shall secure the consent of the Indemnified Party to any settlement, which consent shall not be unreasonably withheld. The Indemnified Party may participate in the defense of any claim at its own expense, and until the Indemnifying Party has agreed to defend such claim, the Indemnified Party may file any motion, answer or other pleading or take such other action as it deems appropriate to protect its interests or those of the Indemnifying Party.
- (e) Notwithstanding Section 10.1(d), but without prejudice to the Indemnified Party's right to indemnification pursuant to this Article 10, the defence of Claims against the Indemnified Party relating to the Property or any part thereof, shall be conducted in accordance with the following provisions:
 - (i) the Indemnified Party shall immediately provide a written notice (the "**Claim Notice**") to the Indemnifying Party of any pending or threatened Claims by third parties against the Indemnifying Party of which it becomes aware and which relate to the Property or any part thereof, whether at law or in equity, or in arbitration, or before or by any Governmental Authority, and regardless of the facts or circumstances upon which any such Claim could be based;

- (ii) within 10 Business Days from the date the Claim Notice is delivered to the Indemnifying Party pursuant to Section 10.1(e)(i), the Indemnifying Party shall notify the Indemnified Party whether it intends to defend the Claim (the “**Notice of Intention**”);
- (iii) if the Indemnifying Party is unable or unwilling to defend the Claim, the Indemnified Party shall have the right, but not the obligation, to defend the Claim or, if the Optionee is the Indemnified Party, terminate this Agreement without any further obligations and shall deliver to the Indemnifying Party a written notice setting out its intention to terminate this Agreement or defend the Claim within 10 Business Days from the date it receives the Indemnifying Party’s Notice of Intention;
- (iv) if a Party elects to defend the Claim pursuant to Section 10.1(e)(ii) or Section 10.1(e)(iii):
 - A. except as set out in Section 10.1(b) or Section 10.1(c)(i), such Party (the “**Defending Party**”) shall not be liable to the other Party if it is unsuccessful in, withdraws from, or discontinues its defense of the Claim; and
 - B. the other Party shall execute all documents and shall take such other actions as are necessary to assist the Defending Party in its efforts to defend the Claim; and
- (v) if the Indemnified Party elects to defend the Claim pursuant to Section 10.1(e)(iii), any costs incurred by it in defending the Claim shall be deducted from any amounts or payments which may be or become due or payable to the Indemnifying Party hereunder.

10.2 Limitation of Liability

- (a) Notwithstanding anything to the contrary set out in this Agreement, a Party’s obligation to indemnify and hold the other Party harmless shall be limited as follows:
 - (i) for the purposes of computing the aggregate amount of losses incurred by the Indemnified Party, the amount of the losses in respect of a Claim shall be deemed to be an amount equal to, and any indemnity payments by the Indemnifying Party shall be limited to, the amount of losses that remains after deducting therefrom any third party insurance and any indemnity, contributions or other similar payments previously paid to the Indemnified Party by any third party with respect thereto;
 - (ii) in any case where the Indemnified Party recovers from third parties any amount in respect of a matter with respect to which the Indemnifying Party has fully indemnified the Indemnified Party pursuant to this Agreement, the Indemnified Party shall promptly pay over to the Indemnifying Party the amount so recovered except to the extent that such amount has already been deducted in calculating the indemnity payment made by the Indemnifying Party to the Indemnified Party hereunder (after deducting

therefrom the full amount of the expenses incurred by the Indemnified Party in procuring such recovery), but not in excess of the amounts previously so paid by the Indemnifying Party to or for the Indemnified Party in respect of such matter; and

- (iii) if the Optionor is the Indemnifying Party, its aggregate liability for indemnification pursuant to this Article 10 shall not exceed 100% of the aggregate Option Payments actually received by the Optionor (the “**Cap**”), provided that the Cap shall not apply in the case of fraud, bad faith, gross negligence or willful misconduct. If any Option Payment was made in Common Shares, then for the purposes of calculating the Cap, such Option Payment shall be equal to: *[Redacted: Commercially sensitive information]*
- (b) The Indemnified Party shall take all reasonable steps to mitigate all losses, including availing itself of any defences, limitations, rights of contribution, claims against third parties and other rights at law or equity, and shall provide to the Indemnifying Party such evidence and documentation of the nature and extent of the loss as may be reasonably requested by the Indemnifying Party. The Indemnified Party’s reasonable steps include the reasonable expenditure of money to mitigate or otherwise reduce or eliminate any loss for which indemnification would otherwise be due under this Article 10, and the Indemnifying Party shall reimburse the Indemnified Party for the Indemnified Party’s reasonable expenditures in undertaking the mitigation of such loss, together with interest thereon from the date of payment to the date of reimbursement.

ARTICLE 11 NOTICE

11.1 Notice

Any notice, direction or other communication regarding the matters contemplated by this Agreement must be in writing and must be delivered personally, sent by courier or transmitted by electronic mail, as follows:

- (a) If to the Optionee:

McIlvenna Bay Operating Ltd.
409 Granville Street West, Suite 904
Vancouver, British Columbia V6C 1T2

Attention: *[Redacted: Name]*
Email: *[Redacted: Email address]*

with a copy to:

[Redacted: Name]
Email: *[Redacted: Email address]*

and a copy to:

[Redacted: Name]

Email: *[Redacted: Email address]*

(b) If to the Optionor:

Voyageur Mineral Explorers Corp.
141 Adelaide Street West, Suite 301
Toronto, Ontario M5H 3L5

Attention: *[Redacted: Name]*

Email: *[Redacted: Email address]*

or at such other address as may be given by such person to the other Party in writing from time to time.

A notice is deemed to be delivered and received: (i) if delivery personally, on the date of delivery if delivered prior to 4:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (ii) if sent by same-day courier, on the date of delivery if delivered prior to 4:00 p.m. (recipient's time) on a Business Day and otherwise on the next Business Day; (iii) if sent by overnight courier, on the next Business Day; or (iv) if transmitted by electronic mail, on the Business Day following the date of confirmation of transmission by the originating electronic mail. Either Party may change its address for service from time to time by notice given in accordance with the foregoing provisions.

ARTICLE 12 GENERAL

12.1 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

12.2 Amendment

This Agreement may not be amended or modified except by an instrument in writing duly executed on behalf of each of the Parties.

12.3 Waiver

A consent to or waiver of any breach of default by any Party of any or all of its obligations under this Agreement by the other Party:

- (a) shall not be valid and enforceable unless it is in writing and stated to be a consent or waiver pursuant to this Agreement;

- (b) may not be treated as a consent to or waiver of any other breach or default of the same or any other obligation;
- (c) shall not constitute a general waiver under this Agreement; or
- (d) shall not eliminate or modify the need for a specific consent to or waiver of any other breach or default.

12.4 Enurement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as provided in Article 7, this Agreement and the right, duties and obligations of any Party hereunder may not be assigned by any Party without the prior written consent of the other Party and otherwise any attempt to assign the rights, duties or obligations hereunder without such consent shall be of no force or effect.

12.5 Expenses and Fees

Regardless of whether the transactions contemplated by this Agreement are ultimately completed and, except as otherwise provided in this Agreement, each Party shall bear all of its own costs and expenses (including legal fees and travel costs) incurred in connection with this Agreement and the transactions contemplated by this Agreement.

12.6 Further Assurances

The Parties agree to promptly do, make, execute, deliver or cause to be done, made, executed or delivered all such further acts, documents, instruments and things as the other Party hereto may reasonably require for the purpose of giving effect to this Agreement.

12.7 No Prior Representations

No Party has relied on any representation, arrangement, understanding or agreement, whether written or oral, express or implied, statutory or otherwise, with respect to the subject matter of this Agreement, except as specifically set out herein.

12.8 No Implied Covenants

There are no implied covenants contained in this Agreement.

12.9 No Third Party Beneficiaries

Each Party intends that this Agreement shall not benefit or create any right or cause any action in or on behalf of any person other than the Parties hereto and no person other than the Parties hereto shall be entitled to rely on the provisions hereof.

12.10 Dispute Resolution

If any difference or dispute arises between the Parties under this Agreement (a "**Dispute**"), the Parties agree that they shall undertake good faith efforts to resolve such Dispute. If the Parties have not resolved the Dispute within a period of 10 Business Days, the Dispute shall be referred to the Parties' respective senior executives or their designates who shall attempt in good faith to resolve such Dispute. If within the next following 30 days the Dispute shall not have been resolved

to the satisfaction of the Parties, any Party may refer the Dispute for settlement by binding arbitration pursuant to the *Arbitration Act, 1991* (Ontario) (the “**Arbitration**”). A Dispute shall not be made the subject matter of an action in a court of law or equity by any Party and the award of the Arbitrator shall be final and binding on the Parties, and there shall be no appeal of the award of the Arbitrator on any ground, including any appeal on a question of law, a question of fact or a question of mixed fact and law, except that any Party may apply to a court of competent jurisdiction for an interim measure of protection, for any order for equitable relief which the Arbitrator does not have the jurisdiction to provide or for the enforcement of an arbitration award. The following procedural rules shall apply to any Arbitration:

- (a) the Arbitration shall be commenced by delivery of a written complaint (the “**Complaint**”) which shall describe the Dispute. The Arbitration shall be conducted before a single arbitrator (an “**Arbitrator**”). The Parties shall agree to the appointment of an Arbitrator within 60 days of service of the Complaint and if the Parties cannot agree, an Arbitrator, who is independent of the Parties and qualified by education and experience to resolve the Dispute, shall be appointed upon the application pursuant to the *Arbitration Act, 1991* (Ontario);
- (b) the place of the Arbitration shall be Toronto, Ontario or such other place as the Parties involved in the Arbitration may agree;
- (c) each Party shall be entitled to present evidence and argument to the Arbitrator;
- (d) the Arbitrator, once appointed, shall receive the submissions of the Parties involved in the Arbitration and shall render a decision within 30 days after the conclusion of the hearing;
- (e) the Arbitrator shall be empowered to order money damages in compensation for a Party’s actual damages, specific performance or other appropriate relief to cure a breach;
- (f) the decision of the Arbitrator shall be rendered in writing with all reasonable expedition and shall be final and binding upon the Parties;
- (g) the costs and expenses of the Arbitrator shall be borne by the Parties in such proportions as the Arbitrator may determine to be appropriate, and the Parties shall bear such costs and expenses incurred in any such proceeding as may be awarded in the discretion of the Arbitrator; and
- (h) it shall be a condition of the appointment of any Arbitrator that the Arbitrator and the Parties shall maintain in strict confidence all information concerning the existence of the Arbitration, all awards in the Arbitration, all documents, the transcripts of the proceedings and other materials and all information disclosed by or on behalf of the Parties in the Arbitration and shall not use the same or allow the same to be used for any purpose collateral to the Arbitration, save and to the extent (A) that disclosure may be required of a Party by legal duty or stock exchange requirement or to enforce an award in *bona fide* legal proceeding before a competent court or (B) as permitted with respect to Confidential Information by Sections 9.1, 9.2(a) (except disclosure to contractors, subcontractors or consultants), 9.2(c), 9.2(d), 9.3 or 9.4 (and the respective provisions of such sections shall apply to such disclosure, *mutatis mutandis*), and, at the request of

the Party that provided any documents or other printed materials, the Arbitrator shall return all originals and any copies of such documents and printed materials.

[Signature page follows.]

THIS AGREEMENT has been executed by the Parties on the date first set out above.

VOYAGEUR MINERAL EXPLORERS CORP.

Per: [Redacted: Signatory]
Name: [Redacted: Name]
Title: [Redacted: Title]

MCILVENNA BAY OPERATING LTD.

Per: [Redacted: Signatory]
Name: [Redacted: Name]
Title: [Redacted: Title]

SCHEDULE "A"
PROPERTY

[Redacted: Commercially sensitive information]

SCHEDULE "B"
FORM OF EXERCISE NOTICE

[Redacted: Commercially sensitive information]

SCHEDULE "C"
FORM OF ROYALTY AGREEMENT

[Redacted: Commercially sensitive information]

SCHEDULE "D"
PURCHASED ASSETS

[Redacted: Commercially sensitive information]

SCHEDULE "E"
FORM OF BRING-DOWN CERTIFICATE OF OPTIONOR

[Redacted: Commercially sensitive information]

SCHEDULE "F"
FORM OF BRING-DOWN CERTIFICATE OF OPTIONEE

[Redacted: Commercially sensitive information]

SCHEDULE "G"
ALLOCATION OF CONSIDERATION

[Redacted: Commercially sensitive information]

SCHEDULE "H"
[REDACTED: COMMERCIALY SENSITIVE INFORMATION]

[Redacted: Commercially sensitive information]