

PROPERTY PURCHASE OPTION AGREEMENT

THIS AGREEMENT made the 2nd day of January, 2024 (the “**Effective Date**”)

BETWEEN:

Geomap Exploration Inc., a company incorporated under the laws of British Columbia having a registered address at 1341 Hope Road, North Vancouver, BC V7P 1W6

(“**Vendor**”)

AND:

Rare Earth Element Corp., a company incorporated under the laws of British Columbia having an address at 1930 - 1177 W Hastings Street, Vancouver, BC V6E 3T4

(“**Purchaser**”)

WHEREAS:

- A. Vendor owns certain mining claims called the Wing Lake Property consisting of two contiguous mining claims located in Northern Saskatchewan, which are outlined in Schedule “A” attached hereto (the “**Vendor Properties**”).
- B. The parties wish to enter into an option agreement granting to Purchaser the exclusive right to acquire an undivided 100% percent of the right, title and interest of Vendor in and to the Vendor Properties on the terms and conditions set forth in this Agreement.

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

1. INTERPRETATION

1.1 In this Agreement:

- (a) “**Business Day**” means any day, other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Vancouver, British Columbia are not open for business during normal banking hours;
- (b) “**Commercial Production**” means the operation of the Vendor Properties or any portion of the Vendor Properties as a producing mine and the commercial production of Mineral Products from the Vendor Properties (excluding bulk sampling, pilot plant or test operations);
- (c) “**Current Market Price**” of the common shares, at any date, means the weighted average of the trading price per common share, for each day there was a closing price, for the five consecutive trading days ending three trading days prior to such

date, on the stock exchange upon which the common shares are listed and on which the greatest volume of trading occurs during such five consecutive trading day period or, if on such date the common shares are not listed on any stock exchange, then the price fixed by the directors of the Purchaser;

- (d) “**Dollars**” means legal currency of Canada;
- (e) “**Environmental Claims**” means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, or proceedings relating in any way to any Environmental Laws or any permit issued under any Environmental Laws, including, without limitation:
 - i. any and all claims by government or regulatory authorities for enforcement, clean-up, removal, response, remediation or other actions or damages under any applicable Environmental Law; and
 - ii. any and all claims by any third-party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from hazardous materials, including any release of those claims, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment;
- (f) “**Environmental Laws**” means all requirements of the common law, civil code, or of any environmental, health or safety statutes of any agency, board or governmental authority including, but not limited to, those relating to (i) noise, (ii) pollution or protection of the air, surface water, ground water or land, (iii) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal or transportation, (iv) exposure to hazardous or toxic substances or (v) the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings and the reclamation or restoration of lands;
- (g) “**Going Public Transaction**” means (i) a listing of the common shares of the Purchaser on a stock exchange; (ii) the acquisition of the Purchaser by an existing company listed on a stock exchange, such that the resulting effect is that holders of the common shares of the Purchaser receive shares in the capital of such company or the public company resulting from such acquisition; (iii) the assignment or transfer of all or substantially all of the assets or undertaking of the Purchaser to an existing company listed on a stock exchange in a transaction pursuant to which the Purchaser receives shares in the capital of such company and such shares are subsequently distributed to the holders of the common shares of the Purchaser; or (iv) any other type of transaction whatsoever which results in the holders of common shares of the Purchaser receiving shares of a company listed on a stock exchange in exchange for, or as a distribution in respect of, their common shares in the capital of the Purchaser;
- (h) “**Mineral Products**” means any and all mineral products derived from operating the Vendor Properties as a mine;
- (i) “**NSR Royalty**” means the royalty of 1.5% percent of net smelter returns from Commercial Production of Mineral Products, as more particularly described in the Terms and Conditions of Net Smelter Returns Royalty, Schedule “B” attached hereto, and as may be reduced pursuant to Section 4.2 hereof; and

- (j) “**Vendor Properties**” means those mineral claims described in Schedule “A” of this Agreement.

- 1.2 In this Agreement, all dollar amounts are expressed in lawful currency of Canada.
- 1.3 The titles to the respective Articles are used for convenience only and are not a part of this Agreement.
- 1.4 Words importing the singular number will include the plural and vice-versa, and words importing the masculine gender will include the feminine and neuter genders and vice-versa, and words importing persons will include firms, partnerships, and corporations.

2. REPRESENTATIONS AND WARRANTIES

2.1 Purchaser represents and warrants to Vendor that:

- (a) it is a body corporate duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) it has obtained all corporate authorizations for the execution and performance of this Agreement and neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;
- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of laws of any jurisdiction applicable or pertaining thereto or of its constating documents; and
- (e) it is, or will be prior to acquiring any undivided interest in the Vendor Properties hereunder, lawfully authorized to hold the Vendor Properties under the laws of the jurisdiction in which the Vendor Properties are situated.

2.2 Vendor represents and warrants to Purchaser that:

- (a) it is a body corporate duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction, and no proceedings are pending for, and the Vendor is unaware of any basis for the institution of any proceedings for, the dissolution or winding up of the Vendor or the placing of the Vendor into bankruptcy or subjecting the Vendor to any other laws governing the affairs of insolvent corporations;
- (b) it has full power and authority to carry on its business, to hold the Vendor Properties and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement and to perform its obligations hereunder and thereunder;
- (c) it has obtained all authorizations for the execution, delivery and performance of this Agreement and neither the execution and delivery of this Agreement nor any of the

agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by, or constitute a default or result in the creation of an encumbrance under, any agreement to which it is a party;

- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining to the Vendor or the Vendor Properties or of its constating documents;
- (e) this Agreement constitutes a legal, valid, and binding obligation of the Vendor enforceable against the Vendor in accordance with the terms of this Agreement, subject only to laws generally affecting creditors' rights and to principles of equity;
- (f) the mineral claims comprising in the Vendor Properties have been duly registered under applicable law and are fully and accurately described in Schedule "A", are presently in good standing under applicable law and will remain in good standing under applicable law up to and including the expiry dates set forth in Schedule "A", and are free and clear of all liens, charges, encumbrances, claims, rights or interest of any person save and except the NSR Royalty to be granted herein (upon the Purchaser completing the purchase hereunder);
- (g) Vendor has paid all taxes, assessments, rentals, levies and other payments relating to the Vendor Properties required to be paid to any federal, provincial or municipal government instrumentality and has met all work requirements to be met to maintain the Vendor Properties in good standing, and, in each case, no default has been alleged in respect thereto;
- (h) Vendor is the recorded and beneficial owner of a 100% undivided interest in and to the Vendor Properties and has exclusive possession of the Vendor Properties;
- (i) Vendor has the exclusive right to enter into this Agreement and to explore the Vendor Properties and all necessary authority to dispose of an undivided 100% percent interest in and to the Vendor Properties in accordance with the terms of this Agreement;
- (j) the mineral claims comprising the Vendor Properties confer upon the Vendor exclusive prospecting rights to the Vendor Properties and the exclusive right to explore the Vendor Properties, and the Vendor holds all permits, licenses, registrations and applications required to hold the Vendor Properties;
- (k) no person, firm or corporation has any proprietary or possessory interest in the Vendor Properties other than Vendor, and no person, firm or corporation is entitled to any royalty or other payment in the nature of rent or royalty on any minerals, ores, metals or concentrates or any other such products removed from the Vendor Properties;
- (l) there is no adverse claim or challenge against or to the ownership of or title to the Vendor Properties, or any portion thereof, nor to the knowledge of the Vendor is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase all or any part of the Vendor Properties, or any interest therein;

- (m) there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, pending or threatened, which directly or indirectly relate to or affect the Vendor Properties, or the interests of Vendor therein, nor is Vendor aware of any facts or circumstances that would lead it to suspect that the same might be initiated or threatened;
- (n) there are no aboriginal land claims over the area on which the Vendor Properties are located, whether current, pending or threatened, nor is the Vendor aware of any facts or circumstances that would lead it to suspect that the same might be initiated or threatened;
- (o) no hazardous materials or other materials used on or generated by the use of the Vendor Properties have been or are currently placed, used, stored, treated, manufactured, disposed of, released, discharged, spilled or emitted on or from the Vendor Properties in violation of any Environmental Laws or in a manner that may result in any Environmental Claim;
- (p) there are no obligations or commitments for reclamation, closure or other environmental corrective, clean up or remediation action directly or indirectly relating to the Vendor Properties, nor is there any liabilities in respect of the Vendor Properties under any Environmental Laws;
- (q) Vendor has not received from any government instrumentality any notice of or communication relating to any actual or alleged Environmental Claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Vendor Properties or any operations carried out on the Vendor Properties; and
- (r) Vendor will upon request promptly make available to Purchaser all information in its possession or control relating to work done on or regarding the Vendor Properties.

2.3 The representations and warranties set out in this Article 2 are conditions on which the parties have relied in entering into this Agreement and will survive the execution of this Agreement and the acquisition of any interest in the Vendor Properties by Purchaser, and each party will indemnify and save the other party and its directors, officers, shareholders, agents and representatives harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by the other party and contained in this Agreement.

3. SALE AND PURCHASE

3.1 Subject to the terms and conditions of this Agreement, Vendor hereby irrevocably grants to Purchaser the sole and exclusive right to acquire an undivided 100% percent right, title and interest in and to the Vendor Properties, free and clear of all encumbrances, which option shall be, and shall be deemed to be, exercised in full upon the Purchaser completing the following:

(a) **Event Related Payments**

- (i) Making a cash payment of \$100,000 within five (5) Business Days of the Effective Date;
- (ii) Making a cash payment of \$100,000 within ten (10) Business Days of the delivery by the Vendor to the Purchaser of a technical report for the Vendor Properties which (A)

- complies with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, (B) reflects exploration work completed on the Vendor Properties within the most recent 36 months with a total cost of at least \$150,000 and (c) which recommends further exploration on the Vendor Properties with a budget for the first phase of at least \$250,000 (the “**Technical Report**”); and
- (iii) Subject to the receipt of all necessary regulatory and stock exchange approvals, and compliance with applicable securities laws, and subject to adjustment in accordance with Section 3.6, issuing 150,000 common shares in its capital to the Vendor upon the delivery by the Vendor to the Purchaser of the Technical Report.
- (b) **Year 1**
- (i) Making a cash payment of 50,000 on or before the date that is one (1) calendar year after the Effective Date;
- (ii) Subject to the receipt of all necessary regulatory and stock exchange approvals, and compliance with applicable securities laws, and subject to adjustment in accordance with Section 3.6, issuing 150,000 common shares in its capital to the Vendor on or before the date that is one (1) calendar year after the date of the first Going Public Transaction undertaken, or implemented with respect to, the Purchaser following the Effective Date; and
- (iii) Funding exploration work on the Vendor Properties totalling at least \$110,000 on or before the date that is one (1) calendar year after the Effective Date.
- (c) **Year 2**
- (i) Making a cash payment of \$50,000 on or before the date that is two (2) calendar years after the Effective Date;
- (ii) Subject to the receipt of all necessary regulatory and stock exchange approvals, and compliance with applicable securities laws, and subject to adjustment in accordance with Section 3.6, issuing 200,000 common shares in its capital to the Vendor on or before the date that is two (2) calendar years after the date of the first Going Public Transaction undertaken, or implemented with respect to, the Purchaser following the Effective Date; and
- (iii) Funding exploration work on the Vendor Properties totalling at least \$250,000 (for the avoidance of doubt, this amount shall include the \$110,000 required to be incurred on or before the first anniversary of the Effective Date, and shall not be in addition to such amount) on or before the date that is two (2) calendar years after the Effective Date.
- (d) Upon the Vendor making each of the payments and share issuances, and funding the exploration expenditures on the Vendor Properties in accordance with Sections 3.1(a), (b) and (c), and following the transfer of the Vendor Properties to the Purchaser in accordance with Section 3.2 (“**Completion**”), the Purchaser shall grant the NSR Royalty to Vendor on the terms and subject to the conditions set out in Schedule “B” attached hereto.
- 3.2 Upon the satisfaction of the obligations as set out in Sections 3.1(a), (b) and (c), the Purchaser will have earned an undivided 100% percent right, title and interest in and to the Vendor Properties, free and clear of all encumbrances (aside from the NSR Royalty). Promptly following the satisfaction of the obligations as set out in Sections 3.1 (a), (b) and (c) (and in any event, no later than 5 Business Days following notice from the Purchaser to the Vendor that this has occurred), the Vendor will deliver to the Purchaser all necessary documents in registrable form in order to validly and effectively transfer legal and beneficial title to the Vendor Properties to the Purchaser

free and clear of all encumbrances, which the Purchaser will be entitled to register accordingly, subject to the Purchaser's grant to the Vendor of the NSR Royalty on the Vendor Properties.

- 3.3 The Purchaser must notify the Vendor no less than 60 days prior to forfeiture to the Crown of any of the mining claims listed in Schedule A, in which case the Vendor shall be given a first right to purchase the claims proposed to be forfeited prior to forfeiture.
- 3.4 The Purchaser has the right to accelerate all payments, share issuances and expenditures set forth in Section 3.1.
- 3.5 This Agreement is for an option only and except as specifically provided otherwise, nothing herein contained will be construed as obligating the Purchaser to do any acts, issue any shares, or make any payments hereunder, and any act or acts, the issuing of any shares and the making of any payment or payments as may be made hereunder will not be construed as obligating the Purchaser to do any further act or issue any shares or make any further payment or payments.
- 3.6 The Purchaser's obligation to issue common shares pursuant to Sections 3.1(a)(iii), 3.1(b)(ii) and 3.1(c)(ii) is subject to adjustment from time to time, as follows:

- (a) if and whenever at any time from the date hereof and prior to the issuance of common shares pursuant to Section 3.1(a)(iii), 3.1(b)(ii) and/or 3.1(c)(ii) the Purchaser:
- i. subdivides its outstanding common shares into a greater number of common shares;
 - ii. consolidates its outstanding common shares into a smaller number of common shares; or
 - iii. issues common shares or securities exchangeable for or convertible into common shares ("**Convertible Securities**"), to the holders of all or substantially all of the outstanding common shares by way of a stock distribution, stock dividend or otherwise,

any of such events in these clauses (i), (ii) and (iii) being called a "**Common Share Reorganization**", the number of common shares issuable by the Purchaser pursuant to Section 3.1(a)(iii), 3.1(b)(ii) and/or 3.1(c)(ii) (to the extent such common shares were not previously issued by the Purchaser prior to the date of the Common Share Reorganization) shall be adjusted immediately after the effective date of the subdivision or consolidation or on the record date for the issue of common shares or Convertible Securities by way of a stock distribution, stock dividend or otherwise by multiplying the number of common shares theretofore issuable by a fraction, the numerator of which is the total number of common shares outstanding immediately after such effective or record date, or, in the case of the issuance of Convertible Securities, the total number of common shares outstanding immediately after such date plus the total number of common shares issuable upon conversion or exchange of such Convertible Securities, and the denominator of which is the total number of common shares outstanding immediately prior to the applicable effective or record date.

- (b) if and whenever at any time from the date hereof and prior to the issuance of common shares pursuant to Section 3.1(a)(iii), 3.1(b)(ii) and/or 3.1(c)(ii), there is a reclassification or redesignation of the common shares of the Purchaser outstanding at any time or change or exchange of such common shares into or for other shares or

into other securities (other than a Common Share Reorganization), including a take-over of the Purchaser whereby all of the common shares of the Purchaser are acquired by a corporation or other entity in exchange for shares or other securities of that corporation or entity, or a consolidation, plan of arrangement, amalgamation or merger of the Purchaser with or into any other corporation or other entity (other than a consolidation, plan of arrangement, amalgamation or merger which does not result in any reclassification or redesignation of the outstanding common shares of the Purchaser or a change of the common shares of the Purchaser into other shares), or a sale or conveyance of the property or assets of the Purchaser as an entirety or substantially as an entirety (any such event being herein called a “**Capital Reorganization**”), the Vendor shall be entitled to receive and shall accept, in lieu of the common shares otherwise issuable by the Purchaser pursuant to Section 3.1(a)(iii), 3.1(b)(ii) and/or 3.1(c)(ii), to the extent such common shares were not previously issued by the Purchaser prior to the date of the Capital Reorganization, the kind and number of shares or other securities or property that the Vendor would have been entitled to receive on such Capital Reorganization, if, on the record date or the effective date thereof, as the case may be, the holder has been the registered holder of the number of common shares issuable pursuant to Section 3.1(a)(iii), 3.1(b)(ii) or 3.1(c)(ii), as the case may be.

- (c) in the event that the Purchaser, after the date hereof, shall take any action affecting the common shares, other than action described in Section 3.6(a) or Section 3.6(b), which, in the opinion of the Purchaser and the Vendor, each acting reasonably, requires the adjustment of the number of common shares remaining issuable hereunder, the number of common shares remaining issuable shall be adjusted in such manner, if any, and at such time, as the Purchaser and the Vendor may agree, subject in all cases to such stock exchange or other regulatory approval as may be required.
- (d) such adjustments to the number of common shares issuable pursuant to Sections 3.1(a)(iii), 3.1(b)(ii) and/or 3.1(c)(ii) shall be successive whenever any of the aforementioned events occur, to the extent such common shares remain unissued, with any stock dividend being deemed to have occurred on the record date for the stock dividend; however, no adjustment in the number of common shares or other securities issuable by the Purchaser hereunder shall be required unless the adjustment would result in a change of at least 1% in the number of common shares or other securities issuable hereunder, provided, however, that any adjustments that, except for the provisions of this Section 3.6(d) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.
- (e) any common shares owned by or held for the account of the Purchaser shall be deemed not to be outstanding for the purposes of calculating the number of outstanding common shares under this Section 3.6.
- (f) to the extent that any Convertible Securities are not converted into or exchanged for common shares, the number of common shares issuable pursuant to Sections 3.1(a)(iii), 3.1(b)(ii) and/or 3.1(c)(ii) (to the extent such common shares remain unissued), shall be readjusted based on the number of common shares actually issued on the conversion or exchange of such Convertible Securities.
- (g) no adjustment in the number of common shares issuable pursuant to Sections 3.1(a)(iii), 3.1(b)(ii) and/or 3.1(c)(ii), shall be made in respect of any event described

in this Section 3.6, other than pursuant to Section 3.6(a)i. and Section 3.6(a)ii., if the holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the holder had been issued the common shares prior to or on the effective date or record date of such event, subject in all cases to such stock exchange or other regulatory approval as may be required.

- (h) for greater certainty, the adjustments in this Section 3.6 are intended to be prospective and not retrospective and, as such, the occurrence of an event described in this Section 3.6 following the issuance of common shares pursuant to Section 3.1(a)(iii), 3.1(b)(ii) or 3.1(c)(ii) shall not require the retrospective adjustment of the number or kind of common shares previously issued pursuant to any such Section.

4. NSR ROYALTY

- 4.1 Following Completion, on commencement of Commercial Production from the Properties, Purchaser will pay to Vendor the NSR Royalty, on the terms and subject to the conditions described in Schedule "B" attached hereto.
- 4.2 At any time following Completion, the Purchaser has the irrevocable right to repurchase from the Vendor 1% of the NSR Royalty for \$1,000,000, thereby reducing the NSR Royalty held by the Vendor to 0.5%, and, upon such repurchase, the terms and conditions described in Schedule "B" attached hereto will be deemed to be amended to reflect the reduction in the NSR Royalty to 0.5%.

5. COVENANTS OF VENDOR

- 5.1 Forthwith upon execution of this Agreement by the parties, Vendor will deliver to Purchaser copies of such technical and geological information pertaining to the Vendor Properties in its possession or control as Purchaser may reasonably request.

6. OPERATOR

- 6.1 The Purchaser will be the operator of the Vendor Properties (the "**Operator**") under this Agreement. As the Operator, the Purchaser shall have full right, power and authority to do everything necessary or desirable to determine the manner of exploration and development of the Vendor Properties and, without limiting the generality of the foregoing, the right, power and authority to:
 - (a) regulate access to the Vendor Properties, subject only to the right of the representatives of the Vendor to have access to the Vendor Properties at all reasonable times and on reasonable notice, for the purpose of inspecting work being done thereon but at their own risk and expense, provided that such inspection does not unduly interfere with any work being carried out by or on behalf of the Purchaser, and further provided that the Vendor shall comply with all applicable safety regulations and policies during such inspection;
 - (b) employ and engage such employees, agents and independent contractors as the Operator may consider necessary or advisable to carry out its duties and obligations hereunder and to delegate any of its powers and rights to perform its duties and obligations hereunder;
 - (c) execute all documents, deeds and instruments, do or cause to be done all such acts and things and give all such assurances as may be necessary to maintain good and valid title to the Vendor Properties and the Vendor hereby irrevocably appoints the

Operator its true and lawful attorney to give effect to the foregoing and hereby agrees to indemnify and hold the Operator harmless from any and all costs, losses or damage sustained or incurred by the Operator directly or indirectly as a result of its exercise of its powers except where those powers have been exercised by the Operator in bad faith or with gross negligence; and

- (d) conduct such title examination and cure such title defects as may be advisable in the reasonable judgment of the Operator.

6.2 During the term of this Agreement, the Operator will have:

- (a) all powers and authorities necessary or desirable to enable it to carry out or procure the carrying out of all operations; and
- (b) without limiting Section 6.2(a), the sole and exclusive right to:
 - i. enter in, under or upon the Vendor Properties and to conduct the operations and related activities on the Vendor Properties;
 - ii. exclusive and quiet possession of the Vendor Properties;
 - iii. carry out surface and underground exploration on the Vendor Properties for Mineral Products, including, without limitation, conducting geological, geochemical and geophysical surveys and drilling programs, and collecting bulk samples for metallurgical test work;
 - iv. apply for and hold all permits, licenses, and other approvals deemed necessary or appropriate by the Purchaser in connection with the conduct of exploration activities;
 - v. bring upon and erect upon the Vendor Properties, buildings, plant, machinery, and equipment as it may deem advisable;
 - vi. remove from the Vendor Properties and dispose of reasonable quantities of Mineral Products for the purpose of obtaining assays or making other tests; and
 - vii. do such prospecting, exploration, development, or other mining work on and under the Vendor Properties as considered necessary or desirable.

7. CONDITIONS PRECEDENT

7.1 The obligations of Purchaser under this Agreement are subject to the completion of all necessary filings with any securities regulatory authority or stock exchange, and approval of the Purchaser's obligations under this Agreement by such securities regulator authority or stock exchange, if required.

8. EXPENSES OF PARTIES

8.1 Each party to this Agreement will bear their own expenses in respect of this transaction.

9. NOTICE

9.1 Any notice, direction or other communication required or permitted to be given under this Agreement will be in writing and will be given by personal delivery or by prepaid registered or certified mail or by facsimile or other form of communication, in each case addressed as follows:

(a) if to Purchaser:

Rare Earth Element Corp.

1930 – 1177 W Hastings Street Vancouver, BC V6E 3T4

Attention: Aman Parmar

Email: [REDACTED]

Phone: [REDACTED]

(b) if to Vendor:

GEOMAP EXPLORATION INC.

1341 Hope Road, North Vancouver, BC V7P 1W6

Attention : Afzaal Pirzada

Email : [REDACTED]

Phone: [REDACTED]

Any notice, direction or other communication will, if delivered, be deemed to have been given and received on the day it was delivered, and if mailed, be deemed to have been given and received on the third business day following the day of mailing, except in the event of disruption of the postal services in which event notice will be deemed to be received only when actually received, and if sent by facsimile or other form of communication, will be deemed to have been given or received on the next business day following the date on which it was so sent.

9.2 Any party may at any time give to the other party notice in writing of any change of address of the party giving such notice and from and after the giving of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purpose of giving notice under this Agreement.

10. GENERAL

10.1 Headings

The headings to the respective sections herein will not be deemed part of this Agreement but will be regarded as having been used for convenience only.

10.2 Further Assurances

The parties hereto agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.

10.3 Payment

All references to monies hereunder will be in Canadian funds except where otherwise designated. All payments to be made to any party hereunder will be mailed or delivered to such party at its address for notice purposes as provided herein, or for the account of such party at such bank or banks in Canada as such party may designate from time to time by written notice. Such bank or banks will be deemed the agent of the designating party for the purpose of receiving, collecting and receiving such payment.

10.4 Enurement

This Agreement enures to the benefit of and is binding upon the parties hereto and their respective successors and permitted assigns.

10.5 Terms

The terms and provisions of this Agreement will be interpreted in accordance with the laws of British Columbia.

10.6 Entire Agreement

This Agreement constitutes the entire agreement between the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether verbal or written, express or implied, statutory or otherwise between the parties with respect to the subject matter herein.

10.7 Time of Essence

Time is of the essence in this Agreement.

10.8 Severability

If any one or more of the provisions or stages contained herein is declared invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

10.9 Enforcement of Agreement

The covenants, promises, terms and conditions contained herein will be binding upon the parties jointly and severally and may be enforced by each as against each other *inter se*.

10.10 Assignment

Subject to the terms and conditions of Schedule "B", in the case of the NSR Royalty, neither party shall transfer or otherwise dispose of all or any part of its rights or interests under this Agreement without the prior written consent of the other party, such consent not to be arbitrarily or unreasonably withheld.

10.11 Force Majeure

If the Purchaser is at any time prevented or delayed in complying with any provisions hereof by reason of strikes, lock-outs, labour shortages, power shortages, fuel shortages, fires, wars, insurrection, terrorist activities, global pandemics or epidemics, inability to gain or maintain surface access, acts of God, governmental regulations restricting normal operations, shipping delays or any other extraordinary reason or reasons beyond the control of the Purchaser, the time limited for the performance by the Purchaser of its obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay. The Purchaser shall promptly give written notice to the Vendor of the particulars of the reasons for any prevention or delay under this section and shall take all reasonable steps to remove or remedy, as applicable, the cause of such prevention or delay as soon as reasonably practicable, and shall give notice to the Vendor as soon as such cause ceases to subsist. The Purchaser, when asserting force majeure, will provide regular, and not less than monthly, updates in writing to the Vendor of the status of the force majeure and the efforts to remove or remedy, as applicable, the cause of such prevention or delay.

11. CONFIDENTIAL INFORMATION

- 11.1 Except with the prior written consent of the other party, which consent may not be arbitrarily or unreasonably withheld, each party to this Agreement shall keep confidential all books, records, files and other information supplied to it or its representatives by the other party or obtained by it or its representatives in connection with this Agreement or in respect of the activities carried out on the Vendor Properties by any party, or related to the sale of Mineral Products, including all analyses, reports, studies or other documents which contain information from, or otherwise reflects such books, records, files or other information (“**Confidential Information**”). The parties shall use their reasonable commercial efforts to ensure that their agents do not disclose, divulge, publish, transcribe, or transfer such Confidential Information, in whole or in part, without the prior written consent of the other party, which consent may not be arbitrarily or unreasonably withheld, and maintain the confidentiality of such Confidential Information. Notwithstanding the foregoing, following Completion, the Purchaser shall cease to be bound by the foregoing restrictions.
- 11.2 If any Confidential Information is required to be publicly disclosed pursuant to applicable securities or corporate laws or the policies or rules of a securities exchange, the party required to make such disclosure may make such disclosure provided that it provides the non-disclosing party with at least two (2) Business Days’ prior notice of such disclosure, or as much notice as reasonably possible in the event that two (2) Business Days’ notice is not possible, along with a written copy of such proposed disclosure, and in good faith considers any comments the non-disclosing party may have on such proposed disclosure.
- 11.3 The obligations of confidentiality and non-disclosure in Sections 11.1 and 11.2 shall not apply to information:
- (a) created or developed independently by the non-disclosing party without reference to information disclosed by the disclosing party as evidenced by written or other tangible records;
 - (b) which is in the public domain before disclosure to the non-disclosing party, or which becomes in the public domain thereafter otherwise than as a result of a breach by the non-disclosing party of its obligations of confidentiality under this Agreement;
 - (c) known to the non-disclosing party without any confidentiality restriction in favour of the disclosing party, before it is disclosed by the disclosing party, as evidenced by written or other tangible records; or

- (d) which is received by the non-disclosing party from a third party who is not under any obligation to the disclosing party to maintain the confidentiality of such information.

12. TERMINATION

12.1 This Agreement shall terminate upon either of the following events:

- (a) upon the failure of the Purchaser to make a payment to the Vendor or a share issuance required by and within the time limit prescribed by subparagraphs 3.1 (a), (b) or (c); or
- (b) in the event that the Purchaser gives 30 days' written notice to the Vendor of the termination of this Agreement.

12.2 Upon termination of this Agreement under sub-paragraph 12.1, the Purchaser shall:

- (a) complete and deliver to the Vendor in a form satisfactory for filing, sufficient assessment work on the Vendor Properties to maintain the Vendor Properties in good standing for a period of at least one year from the date of termination;
- (b) turn over to the Vendor copies of all maps, reports, sample results, contracts and other data and documentation in the possession of the Purchaser or, to the extent within the Purchaser's control, in the possession of its agents, employees or independent contractors, with respect to its operations on the Vendor Properties; and
- (c) ensure that the Vendor Properties (to the extent disturbed by the Purchaser's operations on the Vendor Properties) are in a safe condition and comply with all environmental and safety standards imposed by any duly authorized regulatory authority.

12.3 Upon termination of this Agreement under sub-paragraph 12.1, the Company shall vacate the Vendor Properties within a reasonable time after such termination, but shall have the right of access to the Vendor Properties for a period of six months thereafter for the purpose of removing its chattels, machinery, equipment and fixtures.

12.4 Section 4, Section 8, Section 9, Section 10, Section 11 and this Section 12 shall not merge on completion, termination or expiration of this Agreement, but shall continue in full force and effect after any completion, termination or expiration of this Agreement for the period, if any, specified herein and, if no period is specified, indefinitely, as shall any other provision of this Agreement which expressly or by implication from its nature is intended to survive the completion, termination or expiration of this Agreement.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year written on the first page.

PURCHASER: RARE EARTH ELEMENT CORP.

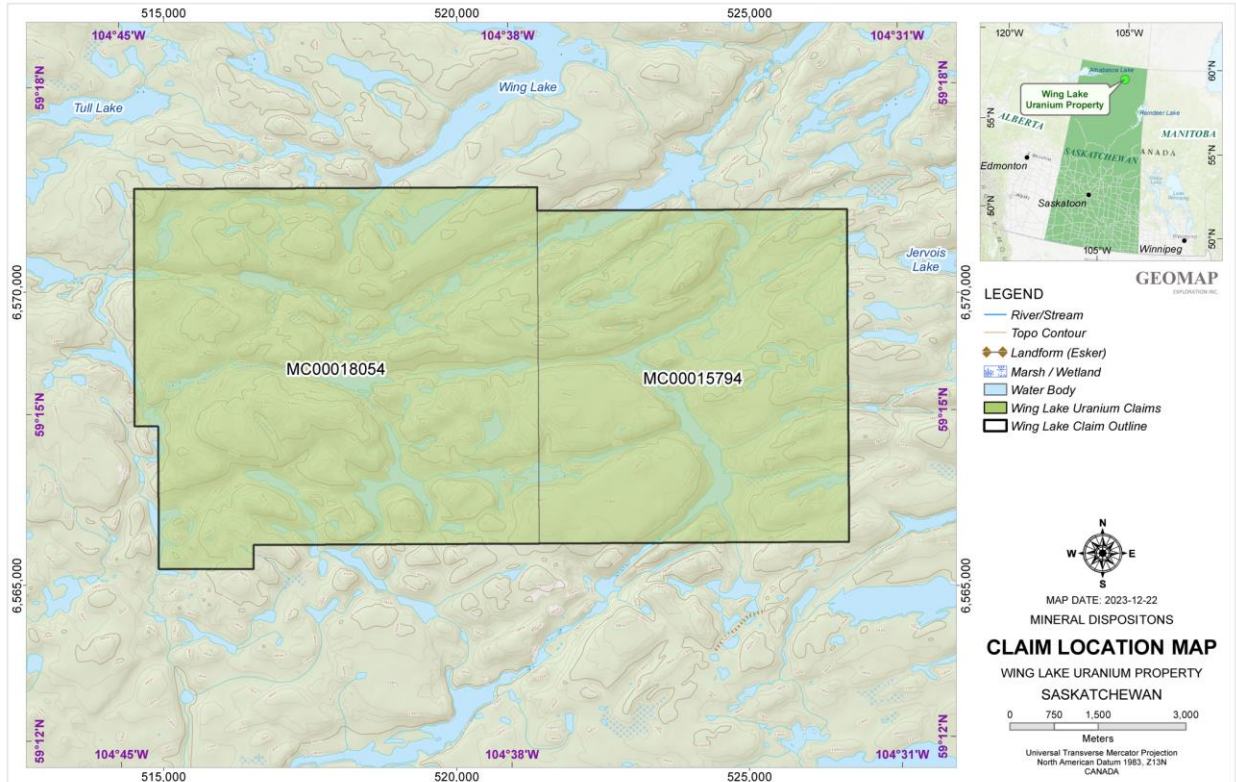
Per: "Aman Parmar"
Authorized Person

VENDOR: GEOMAP EXPLORATION INC.

Per: "Afzaal Pirzada"
Authorized Person (Afzaal Pirzada)

SCHEDULE "A"

| Disposition # | Title Type | Issue Date | Status | Good to Date | Area (ha) |
|---------------|---------------|------------|--------|--------------|-----------|
| MC00015794 | Mineral Claim | 1/10/2022 | Active | 04/09/2024 | 2998.566 |
| MC00018054 | Mineral Claim | 12/20/2023 | Active | 03/20/2026 | 4167.986 |
| | | | | Total Area | 7,166.552 |



SCHEDULE "B"

Terms and Conditions of Net Smelter Returns Royalty

1. Upon commencing Commercial Production, Purchaser will pay Vendor the NSR Royalty, upon the terms and subject to the conditions set forth below.

The term "**Net Smelter Returns**" means the actual proceeds received by Purchaser from any mint, smelter, refinery or other purchaser from the sale of ores, valuable minerals, industrial minerals, gems or precious stones, metals (including bullion) or concentrates (collectively "**Product**") produced from the Vendor Properties and sold or proceeds received from an insurer in respect of Product, after deducting from such proceeds the following charges to the extent that they were not deducted by the Purchaser in computing payments:

- (a) smelting and refining charges (including assaying and sampling costs specifically related to smelting or refining);
- (b) penalties, smelter assay costs and umpire assay costs;
- (c) cost of freight and handling of ores, metals or concentrates from the Vendor Properties to any mint, smelter, refinery, or other purchaser;
- (d) marketing costs;
- (e) costs of insurance in respect of Product;
- (f) customs duties, severance tax, royalties, mineral taxes or the like payable in respect of the Product; and
- (g) sales, use, gross receipts, severance, and other taxes, if any, payable with respect to severance, production, removal, sale or disposition of the Product, but excluding any taxes on net income.

2. If smelting or refining are carried out in facilities owned or controlled, in whole or in part, by Purchaser, charges, costs and penalties for such operations means the amount Purchaser would have incurred if those operations were carried out at facilities not owned or controlled by Purchaser then offering comparable services for comparable products on prevailing terms.

3. The NSR Royalty will be:

- (a) calculated and paid to the Holder (as defined below) on a quarterly basis within 60 days after the end of each quarter of the financial year for the mine (an "**Operating Year**"), based on the Net Smelter Returns for such quarter;
- (b) each payment of NSR Royalty will be accompanied by an unaudited statement indicating the calculation of the NSR Royalty in reasonable detail and the holder (the "**Holder**") of the NSR Royalty will receive, within three months of the end of each Operating Year, an annual summary unaudited statement (an "**Annual Statement**") showing in reasonable detail the calculation of the NSR Royalty for the last completed Operating Year and showing all credits and deductions added to or deducted from the amount due to the Holder;

- (c) the Holder will have 45 days from the time of receipt of the Annual Statement to question its accuracy in writing and, failing such objection, the Annual Statement will be deemed to be correct and unimpeachable;
- (d) if the Annual Statement is questioned by the Holder, and if those questions cannot be resolved between the Purchaser and the Holder, the Holder will have 12 months from the date of receipt of the Annual Statement to have the Annual Statement audited by an auditor reasonably acceptable to the Purchaser, which will initially be at the expense of the Holder;
- (e) the audited Annual Statement will be final and determinative of the calculation of the NSR Royalty for the audited period and will be binding on the parties and any overpayment of NSR Royalty will be deducted by the Purchaser from the next payment of NSR Royalty and any underpayment of NSR Royalty will be paid forthwith by the Purchaser;
- (f) the costs of the audit will be borne by the Holder if the Annual Statement was accurate within 1% or overstated the NSR Royalty payable by greater than 1% and will be borne by the Purchaser if the Annual Statement understated the NSR Royalty payable by greater than 1%. If the Purchaser is obligated to pay for the audit, it will forthwith reimburse the Holder for its documented, direct audit costs;
- (g) the Holder or his representative will be entitled to examine, on reasonable notice and during normal business hours, all books and records that are reasonably necessary to verify the payment of the NSR Royalty to it from time to time, provided however that such examination must not unreasonably interfere with or hinder the Purchaser's operations or procedures and that the Holder maintains the strict confidentiality of any information which it receives from such examination; and
- (h) if the Purchaser's interest in the Vendor Properties becomes a net smelter returns royalty, the Purchaser's accounting and reporting obligations to the Holder under this section 3 will be limited to the delivery of the documentation that the Purchaser receives from the operator of the Vendor Properties in respect of the payment by such operator of net smelter returns to the Purchaser.

4. The determination of the NSR Royalty is based on the premise that production will be developed solely from the Vendor Properties. If the Vendor Properties and one or more other properties are incorporated in a single mining project and metals, ores or concentrates pertaining to each are not readily segregated on a practical or equitable basis, the allocation of actual proceeds received and deductions therefrom will be negotiated between the parties and, if the parties fail to agree on such allocation, the matter will be referred to arbitration pursuant to Section 5 of this Schedule "B". The arbitrator will make reference to this Agreement and this Schedule "B" and to practices used in mining operations that are of a similar nature. The arbitrator will be entitled to retain any independent mining consultants as he considers necessary. The decision of the arbitrator will be final and binding on the parties.

5. Any matters in these Terms and Conditions which are to be settled by arbitration will be subject to the following:

- (a) any matter required or permitted to be referred to arbitration pursuant to these Terms and Conditions will be determined by a single arbitrator to be appointed by the parties;
- (b) any party may refer any such matter to arbitration by written notice to the other party and, within 10 days after receipt of the notice, the parties will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator unless such person agrees in writing to act;

- (c) if the parties cannot agree on a single arbitrator as provided in subparagraph (b), either party may submit the matter to arbitration (before a single arbitrator) in accordance with the *Commercial Arbitration Act* (British Columbia) (the “Act”); and
- (d) except as specifically provided in this paragraph, an arbitration under this Agreement will be conducted in accordance with the Act. The arbitrator will fix a time and place in Vancouver, British Columbia for the purpose of hearing the evidence and representations of the parties and he will preside over the arbitration and determine all questions of procedure not provided for under the Act or this paragraph. After hearing any evidence and representations that the parties may submit, the arbitrator will make an award in writing and deliver one copy of the award to each party. The decision of the arbitrator will be made within 45 days after his appointment, subject to any reasonable delay due to unforeseen circumstances. The expense of the arbitration will be paid as specified in the award. The parties agree that the award of the single arbitrator will be final and binding upon each of them and will not be subject to appeal.

6. The holding of the NSR Royalty will not confer upon the Holder any legal or beneficial interest in the Vendor Properties. The right to receive a percentage of Net Smelter Returns as and when due is and will be deemed to be a contractual right only. The right to receive a percentage of Net Smelter Returns as and when due will not be deemed to constitute the Holder the partner, agent or legal representative of the Purchaser.

7. The Purchaser may, if it is the operator of the Vendor Properties, but will not be under any duty to, engage in price protection (hedging) or speculative transactions such as futures contracts and commodity options in its sole discretion covering all or part of production from the Vendor Properties and, except in the case where Products are actually delivered and a sale is actually consumed under such price protection or speculative transactions, none of the revenues, costs, profits or losses from such transaction will be taken into account in calculating Net Smelter Returns or any interest therein; provided, however, that if the Purchaser delivers Product under a price protection or speculative program where the proceeds derived therefrom are less than those that would have been received had the Product been sold at the spot price in effect at the time of sale, the NSR Royalty payable to the Holder will be based on such spot price.

8. The Holder may convey or assign all or any undivided portion of the NSR Royalty, in full or payable either for a stated term of years or up to a specified dollar amount, provided that such assignment will not be enforceable against the Purchaser until the assignee has delivered to the Purchaser a written and enforceable undertaking to be bound by these Terms and Conditions.

The Purchaser may transfer, sell, assign or otherwise dispose of all or any portion of its interest in the Vendor Properties provided that such disposition will not be effective as against the Holder until the Purchaser has delivered to the Holder a written and enforceable undertaking agreeing to be bound and to pay the NSR Royalty, to the extent of the interest disposed of, in accordance with these Terms and Conditions. In the event of a conveyance or assignment to an arm's length third party who has executed the required undertaking, the Holder acknowledges and agrees that the Purchaser shall be released from all obligations in respect of that portion of the NSR Royalty conveyed or assigned to such third party.

9. The operator of the Vendor Properties, whether or not it is the Purchaser, will be entitled to:
- (a) make all operational decisions with respect to the methods and extent of mining and processing of Products produced from the Vendor Properties;
 - (b) make all decisions relating to sales of such Products produced; and

- (c) make all decisions concerning temporary or long-term cessation of operations on the Vendor Properties.

10. All capitalized terms not defined in this Schedule “B” have the meaning given to them in the Agreement to which these Terms and Conditions form Schedule “B”.

11. For greater certainty, the provisions of Article 11 of the Agreement shall apply to any information provided by the Purchaser to the Holder or its representatives, or obtained by the Optionor or its representatives, pursuant to the terms hereof.