

PROPERTY OPTION AGREEMENT

made between

FIRETAIL RESOURCES LIMITED

And

YORK HARBOUR METALS INC.

June 5, 2024

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PROPERTY OPTION AGREEMENT

THIS AGREEMENT made as of the 5th day of June, 2024 (the "**Effective Date**").

BETWEEN:

FIRETAIL RESOURCES LIMITED., a corporation existing under the laws of Australia

(the "**Optionee**")

AND:

YORK HARBOUR METALS INC., a corporation existing under the laws of the Province of British Columbia

(the "**Optionor**")

WHEREAS:

- A. The Optionee and Optionor entered into letter of intent dated May 3, 2024 (the "**LOI**") with respect to the Option of the Property (each as defined below);
- B. The Optionor has all right, title and interest in and to the Property (defined below) located in the Province of Newfoundland and Labrador; and
- C. The Optionee wishes to explore the Property and to acquire an option to earn an interest therein;

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the terms and conditions set out herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties (defined below) agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, except as otherwise defined herein, the following capitalized words and phrases when used herein have the following meanings:

43-101 means National Instrument 43-101 of the Canadian Securities Administrators.

Aboriginal Group includes any Indian or Indian band, first nation, aboriginal person or people, native person or people, indigenous person or people, Metis person or people and any person representing, or purporting to represent, any of the foregoing.

Affiliate means, in respect of a Party hereto, a corporation with which that Party is affiliated within the meaning of the *Business Corporations Act* (BC), and includes a partnership or joint venture over which a Party exercises control.

Anniversary means the same date as the Effective Date in any subsequent calendar year.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange.

ASX Listing Rules means the listing rules of the ASX.

Business Day means any day other than Saturday, Sunday or any other day on which banking institutions in Perth, Australia; Vancouver, British Columbia or St. John's, Newfoundland and Labrador are not open for business.

Carried Interest means an undivided beneficial interest in the Property, expressed as a percentage, the holder of which is not responsible for any funding requirements to advance or maintain the Property and whose interest remains constant irrespective of any other interest holder's beneficial interest in the Property.

Closing means the completion of the Transaction contemplated herein.

Closing Date means the date on Closing takes place.

Commencement of Commercial Production means:

- (a) if a mill is located on the Property, the last calendar day of a period of 40 consecutive calendar days in which, for not less than 30 calendar days, the mill processed ore from the Property at 60% of its rated concentrating capacity, or
- (b) if a mill is not located on the Property, the last day of a period of 30 consecutive calendar days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues,

but any period of time during which ore or concentrate is shipped from the Property for testing purposes, a bulk sample or during which milling operations are undertaken as initial tune-up, will not be taken into account in determining the date of Commencement of Commercial Production.

Corporations Act means the Australian *Corporations Act 2001* (Cth).

Consideration Shares means the Shares to be issued by the Optionee in order to exercise the Option under Article 6.

Effective Date has the meaning ascribed to it in the Recitals of this Agreement.

Earned Interest means the Participating Interest acquired by the Optionee upon full or partial exercise of the Option pursuant to the terms hereof.

Encumbrance means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, royalty, restrictive covenant or other encumbrance of any nature.

Expenditures means all costs and expenses of whatever kind or nature spent or incurred by or on behalf of the Optionee from the Effective Date in the conduct of exploration and development activities on or in relation to the Property including, without limitation:

- (a) in holding the Property in good standing (including any monies expended as required to comply with applicable Laws and regulations, such as for the completion and submission of assessment work and filings required in connection therewith), in curing title defects and in acquiring and maintaining surface and other ancillary rights;
- (b) in making payments or expenditures required or advisable under any instruments governing the Property;
- (c) in preparing for and in the application for and acquisition of environmental and other permits necessary or desirable to commence and complete exploration and development activities on the Property;
- (d) in doing geophysical and geological surveys, drilling, assaying and metallurgical testing, including costs of assays, metallurgical testing and other tests and analyses to determine the quantity and quality of Minerals, water and other materials or substances;
- (e) in the preparation of an Exploration Program and reporting as to the results thereof, including any Exploration Program for the preparation of a Feasibility Study or other evaluation of the Property;
- (f) in acquiring facilities or the use thereof and for all parts, supplies and consumables;
- (g) for salaries and wages, including actual labour overhead expenses for employees assigned to exploration and development activities;
- (h) travelling expenses and fringe benefits (whether or not required by Law) of all persons engaged in work with respect to and for the benefit of the Property, including for their food, lodging and other reasonable needs;
- (i) payments to contractors or consultants for work done, services rendered or materials supplied;
- (j) all taxes levied against or in respect of the Property or activities thereon and the cost of insurance premiums and performance bonds or other security; and
- (k) a charge equal to the percentage set out below of all Expenditures referred to in clauses (a) to (i) above for unallocable overhead and head office expenses of the Optionee and all other expenses relating to supervision and management of all work done with respect to and for the benefit of the Property which will be equal to: (i) 10% during any Exploration Program; (ii) 5% during any advanced

Exploration Program; and (iii) 3% during Feasibility Study, mine construction and production.

Exploration Program means all exploration work conducted on the Property before any indicated mineral resource or measured mineral resource are established in accordance with the JORC Code.

Feasibility Study has the meaning ascribed to that term in the JORC Code, as of the Effective Date.

Governmental Entity means (i) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

Independent Expert means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

Independent Expert's Report means the independent expert's report to be prepared by the Independent Expert in connection with the Transaction.

Initial Cash Payment has the meaning ascribed to it in Section 6.2(a).

Initial Consideration Shares has the meaning ascribed to it in Section 6.2(a).

Joint Venture means the joint venture formed in accordance with Section 6.2 and Article 9.

Joint Venture Agreement means the joint venture agreement in the form attached as Schedule C to be entered into between the Optionor and the Optionee on the exercise of the Option in full or the termination of the Option where the Optionee has acquired an Earned Interest.

JORC Code means the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Law means, with respect to any person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

Majority Interest means a Participating Interest of 50.1% or greater in the Property.

Material Adverse Effect means any fact or state of facts, circumstance, change, effect, occurrence or event which individually or in the aggregate is, or individually or in the aggregate could reasonably be expected to: (i) with respect to Optionor, be material and adverse to the Property including the status or terms of (or rights attaching to) the Property, or the ability of the owner of the Property to exploit it; (ii) with respect to the Optionee, be

material and adverse to the business of the Optionee taken as a whole; or (iii) prevent, or materially delay or hinder Optionor or Optionee, as applicable, from performing its obligations under this Agreement; provided, however, that no fact or state of facts, circumstance, change, effect, occurrence or event arising from or relating to any of the following shall be deemed to constitute a Material Adverse Effect, or shall be taken into account in determining whether a Material Adverse Effect has occurred:

- (a) any change or condition generally affecting the mining industry;
- (b) the state of the securities, credit, banking, capital or commodity markets in general;
- (c) any change relating to the rate at which any currency can be exchanged for any other currency;
- (d) general political, economic or financial conditions, including in Australia, Canada or the United States;
- (e) any adoption, implementation, change or proposed change in applicable Laws or accounting standards (or in any interpretation of applicable Laws or accounting standards);
- (f) any natural disaster or general outbreak of illness;
- (g) any terrorist attack, armed hostilities, military conflicts, or any governmental responses to any of the foregoing; or
- (h) the announcement or execution of this Agreement or anything required or expressly permitted by this Agreement or the Transaction,

except, in the case of subsections (a), (e), (f), (g) or (h) where such fact or state of facts, circumstance, change, effect, occurrence or event has a materially disproportionate effect on the Property or the Optionor, as applicable, taken as a whole, relative to other comparable properties, operations or companies, as applicable in the mining industry generally, then those effects are excluded from the matters contemplated in subsections (a), (e), (f), (g) or (h) (as applicable) only to the extent of such disproportionate effect and not in their entirety.

MCR means the Mineral Claims Recorder for the Province of Newfoundland and Labrador.

Minerals means any and all minerals, and concentrates or metals derived therefrom, including without limitation all precious, base and industrial minerals 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.

Mineral Rights means the mineral claims, leases, tenures and other rights to minerals, or to work upon lands for the purpose of searching for, developing or extracting minerals under any forms of mineral title recognized under the Laws of Newfoundland and Labrador or any subdivision thereof, whether contractual, statutory or otherwise.

NSR means, subject to Closing occurring and the Optionee having acquired at least a 49% Earned Interest in the Property, the 2% net smelter returns royalty to be granted by the

Optionee to the Optionor on Closing, and otherwise in accordance with the terms and conditions set out in the Royalty Agreement attached as Schedule D.

Operations means every kind of work done, or activity performed by or on behalf of the Optionee on or in respect of the Property, including investigating, prospecting, exploring, analysing, property maintenance, sampling, assaying, preparation of reports, estimates and studies (including feasibility studies), filing assessment work, surveying, rehabilitation, reclamation and environmental protection, and any management and administration necessary to conduct the foregoing work or activities.

Option has the meaning ascribed in Section 3.1 hereof.

Option Period means the period during which the Option remains in effect under this Agreement.

Optionee means Firetail Resources Limited or any person to whom the Option has been transferred as permitted under the conditions herein.

Optionee Shareholder Meeting means the meeting of Optionee shareholders convened for the purposes of seeking approval for the issue of the Consideration Shares to the Optionor under and for the purposes of Item 7 of section 611 of the Corporations Act.

Optionor means York Harbour Metals Inc. or any person to whom the Property has been transferred during the Option Period under the conditions herein.

Ordinary Course means, with respect to an action taken by Optionor, that such action is consistent with the past practices of Optionor and is taken in the ordinary course of the normal day-to-day operations of the business of Optionor.

Outside Date means Augst 31, 2024.

Participating Interest means an undivided beneficial interest in the Property, expressed as a percentage, the holder of which is responsible for any funding requirements to advance or maintain the Property.

Party means a party to this Agreement and **Parties** shall mean the Optionor and the Optionee.

Permitted Encumbrances means the Encumbrances applicable to the Property as listed in Schedule B.

Pre-Feasibility Study has the meaning ascribed to that term in the JORC Code, as of the Effective Date.

Property means the Mineral Rights and locations described in Schedule A, together with any renewal of any of such Mineral Rights and any other form of successor or substitute title therefore.

Shares means fully paid ordinary shares in the capital of the Optionee.

Transaction means, collectively, the transactions contemplated by this Agreement in relation to the Option of the Property by the Optionee, and the sale of the Property by Optionor, as contemplated herein.

TSXV means the TSX Venture Exchange.

WBN Parties means Dustin Keats, Wesley Keats, Robert Keats, Grassroots Prospecting and Prospect Generation Inc. United Gold Inc., G2B Gold Inc. J Fahmy Consulting Inc. and Newton Bell Holdings.

1.2 Included Words

This Agreement will be read with such changes in gender or number as the context requires.

1.3 Headings

The headings to the articles, sections, subsections or clauses of this Agreement are inserted for convenience only and are not intended to affect the construction hereof.

1.4 References

Unless otherwise stated, a reference herein to a numbered or lettered article, section, subsection, clause or schedule refers to the article, section, subsection, clause or schedule bearing that number or letter in this Agreement. A reference to "this Agreement", "hereof", "hereunder", "herein" or words of similar meaning, means this Agreement including the schedules hereto, together with any amendments thereof.

1.5 Currency

All dollar amounts expressed herein, unless otherwise specified, refer to lawful currency of Canada.

1.6 Knowledge

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

1.7 Schedules

The following schedules are attached to and incorporated in this Agreement by this reference:

Schedule A	Property Description
Schedule B	Permitted Encumbrances
Schedule C	Joint Venture Agreement
Schedule D	Royalty Agreement

1.8 Governing Law

Except for matters of title to the Property or its assignment or transfer, which will be governed by the Laws in force in the Province of Newfoundland and Labrador, this Agreement will be construed according to and governed by the Laws in force in the Province of British Columbia and, except where matters are expressed herein to be subject to arbitration, the courts of British Columbia will have exclusive jurisdiction to hear and determine all disputes arising hereunder. Nothing contained in this Section 1.8 is intended to affect the rights of a Party to enforce a judgement or award outside of the Provinces of Newfoundland and Labrador or British Columbia.

1.9 Severability

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

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Mutual Representations and Warranties

Each Party represents and warrants to the other Party hereto that:

- (a) it is a body corporate duly incorporated or continued and duly organized and validly subsisting under the Laws of its organizational jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement;
- (c) neither the execution and delivery of this Agreement nor the consummation of the Transaction hereby contemplated 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 do not violate or result in the breach of the Laws of any jurisdiction applicable to a Party or pertaining thereto or of its organizational documents;
- (e) all corporate authorizations have been obtained for the execution of this Agreement and for the performance of its obligations hereunder; and
- (f) this Agreement constitutes a legal, valid and binding obligation of the Party enforceable against it in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

2.2 Optionor's Representations and Warranties

The Optionor represents and warrants to the Optionee that:

- (a) the Mineral Rights comprised in the Property, and any Permitted Encumbrances in relation thereto, are properly and accurately described in Schedule A and Schedule B;
- (b) each of the Mineral Rights comprised in the Property is in good standing under the Laws of the Province of Newfoundland and Labrador as to the incurring of expenditures and the payment of taxes or other monies to the expiry dates shown in Schedule A, and all work in relation to the Property that is eligible for credit under the Laws of Province of Newfoundland and Labrador has been properly and accurately filed;
- (c) the Mineral Rights comprised in the Property have been duly and validly staked and recorded or otherwise properly and legally acquired;
- (d) it is the registered holder of each of the Mineral Rights listed in Schedule A as shown therein and, except for the Permitted Encumbrances, is free and clear of all Encumbrances, and the Optionor is in exclusive possession of such Mineral Rights;
- (e) other than the Permitted Encumbrances, there are no outstanding agreements or options to acquire or purchase any of the Mineral Rights comprised in the Property, no person has any royalty or other interest whatsoever in production therefrom, and there is no adverse claim or challenge (including, without limitation, any aboriginal land claim) against or to the ownership of or title to any of the Mineral Rights described in Schedule A, nor to the best of its knowledge is there any basis therefor;
- (f) all payments to be made and obligations to be fulfilled by the Optionor as of the Effective Date pursuant to any applicable Laws and regulations have been made or fulfilled, there has been no notice given of default or notice of an intention to abandon property or any other notice contemplated thereunder to be given by the Optionor, and the Optionor has not waived or postponed any of its rights thereunder;
- (g) there are no rights of first refusal, back in rights, bump up rights, abandonment rights or other rights, options or elections under any instrument or agreement which would affect the Optionor's right, title and interest in and to the Property;
- (h) the Optionor has received no notice and has no knowledge of any proposal to terminate or vary the terms of or rights attaching to any of the Mineral Rights described in Schedule A from any Governmental Entity;
- (i) no proceedings are pending for and the Optionor is not aware of any basis for the institution of any proceedings leading to the dissolution or winding-up of the Optionor or the placing of it into bankruptcy or subject to any other Laws governing the affairs of insolvent persons;
- (j) there are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to any of the Property or the conduct of the business related thereto, nor to the Optionor's knowledge have any activities on the Property been in violation of any environmental Law, regulations or regulatory prohibition or order, and to the

Optionor's knowledge, conditions on and relating to the Property are in compliance with such Laws, regulations, prohibitions and orders;

- (k) the Optionor has advised the Optionee of all of the material information relating to the mineral potential of the Mineral Rights of which it has knowledge; and
- (l) to the Optionor's knowledge, there is no fact or circumstance known to the Optionor which has not been disclosed to the Optionee which would render any of the foregoing representations and warranties untrue, incomplete or otherwise misleading.

2.3 Survival of Representations and Warranties

The representations, warranties and covenants contained in this Agreement are conditions on which the Parties have relied in entering into this Agreement and will survive the execution hereof and the acquisition of any interest in the Property by the Optionee hereunder. Each Party will indemnify and save the other 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 them and contained in this Agreement. A Party may waive any of such representations, warranties, covenants, agreements or conditions in whole or in part at any time without prejudice of its right in respect of any other breach of the same or any other representation, warranty, covenant, agreement or condition.

ARTICLE 3 GRANT OF OPTION ON CLOSING

3.1 Grant of Option

Effective as of the Closing, the Optionor shall grant to the Optionee the sole and exclusive right and option, in accordance with the provisions of Article 6, to acquire up to an undivided 80% right, title and interest in and to the Property, free and clear of all Encumbrances except for the Permitted Encumbrances described in Schedule B (the "**Option**").

ARTICLE 4 COVENANTS RELATED TO CLOSING OF THE GRANT OF THE OPTION AND TERMINATION PRIOR TO CLOSING

4.1 Conduct of Business Prior to Closing

The Optionor covenants and agrees that, during the period from the Effective Date until the earlier of the Closing Date and the time that this Agreement is terminated prior to Closing in accordance with its terms, except with the express prior written consent of the Optionee, as required or permitted by this Agreement, the Optionor shall:

- (a) conduct its business in the Ordinary Course and maintain and preserve the Property and perform and comply with all of its obligations under all contracts and authorizations;

- (b) maintain its interest in the Property in good standing under applicable Laws, perform all work required to be performed under applicable Laws, pay all taxes, royalties, fees, expenditures and other payments required to be paid or make any necessary tax, governmental and other filings required in respect to the Property in a timely fashion;
- (c) not sell, dispose of, grant any interest in or transfer possession of all or any portion of the Property or any interest therein;
- (d) not grant or permit to exist any Encumbrances on its rights to the Property, other than Permitted Encumbrances;
- (e) not enter into any contract or any other transaction that could affect any of the Property; or
- (f) not agree, commit or enter into any understanding to take any action set out in subsections (c), (d), (e), or (f) of this Section.

4.2 Certain Covenants of the Optionor Relating to the Transaction

- (a) The Optionor shall perform all obligations required or desirable to be performed by the Optionor under this Agreement, co-operate with the Optionee in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transaction and, without limiting the generality of the foregoing, the Optionor shall:
 - (i) use commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction;
 - (ii) in a timely manner, provide the Optionee with all information known to the Optionor and its associates which is necessary or desirable, including any information requested by ASIC, in connection with the preparation of the notice of meeting and explanatory statement required for the purposes of seeking Optionee shareholder approval under Item 7 of section 611 of the Corporations Act;
 - (iii) obtain and maintain all third party or other consents (including from Governmental Entities), waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations, including the required consents and approvals required to be obtained by Optionor, that are (A) necessary in connection with the Transaction, (B) required to be obtained in relation to any of the Property, or (C) required in order to maintain any contracts, leases, authorizations, licenses or other authorizations in respect of the Property in full force and effect up to the Closing, in each case, on terms that are reasonably satisfactory to the Optionee, and without committing the Optionee or the Optionor to pay any additional consideration or incur any liability or obligation without the prior written consent of the Optionee;

- (iv) in connection with the preceding Section 4.2(a)(ii), the Optionor shall: (A) prior to the Closing, prepare all requisite notification letters (and provide copies to the Optionee) to be submitted to each applicable Governmental Entity confirming the Transaction and, where applicable, requesting approval for the transfer to the Optionee or issuance, as applicable of all transferrable authorizations relating to the Property; and (B) provide the Optionee with all material correspondence made by Optionor or received by Optionor with respect to the required consents and approvals;
 - (v) effect all necessary registrations, filings and submissions of information required by Governmental Entities relating to the Transaction and coordinating and cooperating with the Optionee with respect thereto;
 - (vi) oppose, lift or rescind any injunction, restraining order or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transaction and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Transaction or this Agreement; and
 - (vii) not take any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Transaction.
- (b) The Optionor shall promptly notify the Optionee in writing of:
- (i) any Material Adverse Effect or any fact or state of facts, circumstance, change, effect, occurrence or event which could reasonably be expected to have a Material Adverse Effect; and
 - (ii) any notice or other communications from any person or any Governmental Entity relating to or involving or otherwise adversely affecting the Property or that relate to this Agreement or the Transaction.

4.3 Certain Covenants of the Optionee Relating to the Transaction

- (a) The Optionee shall perform all obligations required or desirable to be performed by the Optionee under this Agreement, co-operate with the Optionor in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transaction and, without limiting the generality of the foregoing, the Optionee shall:
- (i) use commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction;
 - (ii) obtain and maintain all third-party or other consents (including from Governmental Entities), waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations, including the required

consents and approvals required to be obtained by the Optionee, that are (A) necessary in connection with the Transaction or (B) required to be obtained in relation to the issuance of the Consideration Shares to the Optionor;

- (iii) oppose, lift or rescind any injunction, restraining order or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transaction and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Transaction or this Agreement;
- (iv) not take any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Transaction; and
- (v) promptly notify the Optionor in writing of any Material Adverse Effect or any fact or state of facts, circumstance, change, effect, occurrence or event which could reasonably be expected to have a Material Adverse Effect.

4.4 Access to Information and Property

From the Effective Date until the Closing Date, unless this Agreement is terminated prior to Closing in accordance with its terms, subject to Law, the Optionor shall, and shall cause its representatives to, in respect of the business, operations, assets, properties and related rights comprising and relating to the Property, afford the Optionee and its representatives such access as the Optionee may reasonably request during regular business hours of the Optionor, including for the purpose of environmental site assessments, environmental compliance audits and health and safety audits, facilitating post-Closing business planning and indemnification purposes, to its representatives, properties, books, records and contracts, and shall make available to the Optionee all data and information as the Optionee may reasonably request with respect thereto. Without limiting the foregoing, the Optionor shall, upon the Optionee's reasonable request, facilitate discussions between the Optionee and any third party from whom consent may be required in respect of the Transaction. Investigations made by or on behalf of the Optionee, whether under this Section or otherwise, will not waive, diminish the scope of, or otherwise affect any representation or warranty made by the Optionor in this Agreement.

4.5 Public Communications Prior to Closing

- (a) Subject to the terms of this Agreement and Section 4.5(b), below, no announcement or communication (each, an "**Announcement**") concerning the existence or content of this Agreement and the Transaction shall be made by the Optionor or the Optionee without prior written approval of the other Party, such consent not be unreasonably withheld.
- (b) Section 4.5(a) does not apply to any Announcement if, and to the extent that such is required by any Governmental Entity (or the rules thereof) to which the Optionor or the Optionee, as applicable, is subject, provided that the Optionor or the Optionee, as applicable, shall, to the extent permitted by applicable Laws and

so far as is reasonably practical, inform the other of such requirement and the information required to be disclosed, consult with the other as to possible steps to avoid or limit the disclosure, take such of those steps as the other may reasonably require and, where the disclosure is to be made by way of public Announcement, make reasonable efforts to agree to the wording of the Announcement with the other in advance.

- (c) It is acknowledged and agreed that, upon execution of this Agreement, the Optionee will be required to make an Announcement to the ASX regarding the grant of the Option, including (without limitation):
- (i) details of the Transaction, including the name of the Optionor; and
 - (ii) the material terms of this Agreement, the Joint Venture Agreement, and the Royalty Agreement,

in order to comply with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

- (d) It is acknowledged and agreed that, upon execution of this Agreement, the Optionor will be required to make an Announcement, by way of a news release, regarding the grant of the Option, including (without limitation):
- (i) details of the Transaction, including the name of the Optionee; and
 - (ii) the material terms of this Agreement, the Joint Venture Agreement, and the Royalty Agreement,

in order to comply with its continuous disclosure obligations under applicable Law.

4.6 Required Consents and Approvals

To the extent applicable, on and after the Closing Date, until such time as the required consents and approvals have been obtained, to the extent permitted by Law, the Optionor shall hold any contract or authorization which relates to the required consents and approvals in trust for the benefit of the Optionee and the covenants and obligations thereunder shall be fully performed by the Optionor and, from and after the Closing, all benefits and obligations existing thereunder shall be for the account of the Optionee.

4.7 Termination prior to Closing

- (a) This Agreement may be terminated prior to the Closing Date:
- (i) by the mutual written agreement of the Parties;
 - (ii) by either the Optionor or the Optionee if:
 - (A) the Closing does not occur on or prior to the end of the day on the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 4.7(a)(ii)(A) if the failure of the Closing to so occur has been caused by, or is a result of, a breach

by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants under this Agreement; or

- (B) after the Effective Date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Transaction illegal or otherwise permanently prohibits or enjoins the Optionor or the Optionee from consummating the Transaction, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate this Agreement pursuant to this Section 4.7(a)(ii)(B) has used its commercially reasonable efforts to appeal such Law (provided such Law is an order, injunction, judgment, decree or ruling) or otherwise have it lifted or rendered non-applicable in respect of the Transaction;

(iii) by the Optionee if:

- (A) a breach of any representation or warranty or failure to perform any covenant on the part of the Optionor under this Agreement occurs that would cause any condition in Section 5.2 not to be satisfied, and such breach or failure is incapable of being cured or is not cured by the Outside Date;
- (B) the Optionor is in breach or default of any of its obligations or covenants set forth in Section 4.1 or Section 4.2; or
- (C) after the Effective Date of this Agreement, there has occurred a Material Adverse Effect with respect to the Property; or

(iv) by the Optionor if:

- (A) a breach of any representation or warranty or failure to perform any covenant on the part of the Optionee under this Agreement occurs that would cause any condition under Section 5.3 not to be satisfied, and such breach or failure is incapable of being cured or is not cured by the Outside Date;
- (B) the Optionee is in breach or default of any of its obligations or covenants set forth in Section 4.3; or
- (C) after the Effective Date of this Agreement, there has occurred a Material Adverse Effect with respect to the Property.

- (b) The Party desiring to terminate this Agreement pursuant to Section 4.7(a) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

**ARTICLE 5
CONDITIONS TO CLOSING
AND CLOSING**

5.1 Mutual Conditions Precedent

- (a) The Parties are not required to complete the Transaction unless the following conditions are satisfied on or as of the Closing Date, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties (excluding subsections 5.1(a)(iii),(iv) and (vi)):
- (i) **Illegality.** No Law is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins either of the Parties from consummating the Transaction.
 - (ii) **Required Consents and Approvals.** The required consents and approvals shall have been obtained in form and substance satisfactory to the Parties, acting reasonably.
 - (iii) **Optionee Shareholder Approval.** The Optionee obtaining the approval of its shareholders under and for the purposes of (without limitation) Item 7 of section 611 of the Corporations Act to issue the Consideration Shares to the Optionor.
 - (iv) **Independent Expert's Report.** The Independent Expert provides a report to the Optionee that concludes that the issue of the Consideration Shares to the Optionor is fair and reasonable to non-associated Optionee shareholders and the Independent Expert not withdrawing or adversely modifying or qualifying that conclusion prior to the date of the Optionee Shareholder Meeting.
 - (v) **Exchange Approval.** If approval is required in accordance with the policies of the TSXV or the ASX, the TSXV or the ASX, as applicable, shall have conditionally approved the disposition of the Property by the Optionor, the purchase of the Property by the Optionee, and the issuance of the Consideration Shares by the Optionee to Optionor, subject only to compliance with the requirements of the TSXV and the ASX, as applicable.
 - (vi) **Registrable Confirmation.** the Optionee and the WBN Parties enter into a registrable confirmation registered with the MCR which confirms, to the satisfaction of the Optionee in its absolute discretion:
 - (A) the entitlements owing to the Royalty Holders as set out in Schedule B; and
 - (B) that no other entitlements are owing to the WBN Parties, other than is set out in Schedule B.
 - (vii) **Termination.** This Agreement shall not have been terminated pursuant to Section 4.7.

- (b) The condition in section 5.1(a)(iii) (*Optionee Shareholder Approval*) is for the benefit of both Parties and cannot be waived.
- (c) The condition in section 5.1(a)(iv) (*Independent Expert's Report*) is for the benefit of the Optionee and may only be waived with the written consent of, the Optionee.
- (a) The condition in section 5.1(a)(vi) (*Registrable Confirmation*) is for the benefit of the Optionee and may only be waived with the written consent of, the Optionee.

5.2 Additional Conditions Precedent to the Obligations of the Optionee

The Optionee is not required to complete the Transaction unless each of the following conditions is satisfied on or as of the Closing Date, which conditions are for the exclusive benefit of the Optionee and may only be waived, in whole or in part, by the Optionee in its sole discretion:

- (a) **Representations and Warranties.** The representations and warranties of the Optionor set forth in this Agreement that are qualified by materiality or Material Adverse Effect qualifications shall be true and correct in all respects and all other representations and warranties of the Optionor set forth in this Agreement shall be true and correct in all material respects except where any failures or breaches of representations and warranties would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in each case, as of the Closing Date as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be accordingly true and correct as of such earlier date; and the Optionor shall have delivered a certificate confirming same to the Optionee, executed by a senior officer of the Optionor (without personal liability), addressed to the Optionee and dated the Closing Date.
- (b) **Performance of Covenants.** The Optionor has fulfilled or complied in all material respects with each of the covenants and obligations of the Optionor contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and the Optionor has delivered a certificate confirming same to the Optionee, executed by a senior officer of the Optionor (without personal liability), addressed to the Optionee and dated the Closing Date.
- (c) **No Material Adverse Effect.** There shall not have occurred a Material Adverse Effect with respect to the Property or the Optionor.
- (d) **No Legal Action.** There is no action or proceeding pending in Canada to prohibit or restrict the Transaction or prohibit or restrict the ownership or operation by the Optionee or its Affiliates of the Property.
- (e) **Mining Property.** The Optionor shall have a good and registered title to the Property, free and clear of all Encumbrances except Permitted Encumbrances and the Property shall be in good standing as of the Closing Date.

- (f) Deliveries to the Optionee. The Optionor shall have delivered, or caused to be delivered, to the Optionee the following in form and substance satisfactory to the Optionee, acting reasonably:
- (i) the certificates referred to in Section 5.2(a) and Section 5.2(b);
 - (ii) certified copies, dated the Closing Date, of (i) the articles and by-laws of the Optionor; and (ii) the resolutions of the board of directors of the Optionor approving the entering into of this Agreement and the Transaction contemplated hereby;
 - (iii) a Certificate of Status with respect to the Optionor issued by the Province of British Columbia, Ministry of Government Services;
 - (iv) a Certificate of Good Standing with respect to the Optionor issued by the Registrar of Companies for the Province of Newfoundland and Labrador;
 - (v) Certificates of Good Standing issued by the MCR in respect of each of the Mineral Rights;
 - (vi) an originally executed copy of a transfer instrument in standard form, duly executed by the Optionor in front of a notary or commissioner of oaths, to transfer the 49% Earned Interest for the Mineral Rights to the Optionee in accordance with the Mineral Act (the “**Transfer Instruments**”) in the transfer registry of the MCR;
 - (vii) any other conveyances, transfers, assignments, consents and other documents necessary or reasonably required to transfer legal and beneficial title to the Property with good and marketable title, free and clear of all liens, charges and Encumbrances, other than the Permitted Encumbrances; and
 - (viii) all original copies of the records and books in possession of Optionor relating to its business.

5.3 Additional Conditions Precedent to the Obligations of the Optionor

The Optionor is not required to complete the Transaction unless each of the following conditions is satisfied on or as of the Closing Date, which conditions are for the exclusive benefit of the Optionor and may only be waived, in whole or in part, by the Optionor in its sole discretion:

- (a) Representations and Warranties of the Optionee. The representations and warranties of the Optionee set forth in this Agreement that are qualified by materiality or Material Adverse Effect qualifications shall be true and correct in all respects and all other representations and warranties of the Optionee set forth in this Agreement shall be true and correct in all material respects except where any failures or breaches of representations and warranties would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, in each case, as of the Closing Date as if made on and as of such date except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be

accordingly true and correct as of such earlier date; and the Optionee shall have delivered a certificate confirming same to Optionor, executed by a senior officer of the Optionee (without personal liability), addressed to the Optionor and dated the Closing Date.

- (b) Performance of Covenants of the Optionee. The Optionee has fulfilled or complied in all material respects with each of the covenants and obligations of the Optionee contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and the Optionee has delivered a certificate confirming same to the Optionor, executed by a senior officer of the Optionee (without personal liability), addressed to Optionor and dated the Closing Date.
- (c) No Material Adverse Effect. There shall not have occurred a Material Adverse Effect with respect to the Optionee.
- (d) No Legal Action. There is no action or proceeding pending in Canada to prohibit or restrict the Transaction.
- (e) Deliveries by the Optionee. The Optionee shall have delivered or caused to be delivered to the Optionor the following in form and substance satisfactory to Optionor, acting reasonably:
 - (i) the certificates referred to in Section 5.3(a) and Section 5.3(b);
 - (ii) subject to subsections 5.1(a)(iii) and (iv), issue the Initial Consideration Shares to the Optionor (or its nominee) as directed by the Optionor in writing (where such direction must be provided not less than 5 Business Days before the Closing Date); and
 - (iii) payment by wire transfer or other immediately available funds of the Initial Cash Payment to the bank account nominated in writing by the Optionor no later than 5 Business Days prior to the Closing Date.

5.4 Closing Procedures

- (a) On Closing, the Parties shall take all steps required to cause the immediate registration of this Agreement in the Confidential Registry maintained by the MCR and the Transfer Instruments in the Transfer and Mortgage Registry maintained by the MCR.

5.5 Post-Closing Procedures

- (a) Subject to subsections 5.1(a)(iii) and (iv), as soon as practicable following the Closing Date, the Optionee must in respect to the Initial Consideration Shares:
 - (i) apply to ASX for official quotation of the Initial Consideration Shares by the lodgement of an Appendix 2A on the ASX market announcements platform;
 - (ii) deliver a holding statement to the Optionor (or its nominee) in respect of the Initial Consideration Shares;

- (iii) enter the Optionor (or its nominee) into its register of members as the registered holder of the Initial Consideration Shares; and
- (iv) lodge a cleansing statement with ASX under section 708A(6) of the Corporations Act within 5 Business Days of the Initial Consideration Shares being issued, or in circumstances where it cannot lodge a cleansing statement, the Optionee must as soon as practicable and, in any event, within 15 Business Days of the Initial Consideration Shares being issued lodge a 'cleansing prospectus' pursuant to section 708A(11) of the Corporations Act. The Optionor acknowledges and agrees that the Initial Consideration Shares will be subject to a holding lock until such time as the cleansing prospectus is issued by the Company pursuant to this section.

5.6 Notice and Cure Provisions

- (a) Each Party will give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Closing Date, of any event or state of facts which occurrence or failure would, or would be reasonably like to:
 - (i) cause any of the representation or warranties of such Party contained herein to be untrue or inaccurate in any material respect between the date hereof and the Closing Date;
 - (ii) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party hereunder prior to the Closing Date; or
 - (iii) result in the failure to satisfy any of the conditions precedent in favour of the other Party hereto contained in Sections 5.1, 5.2 or 5.3 as the case may be.
- (b) A Party may not exercise any termination rights arising under this Agreement unless such Party has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties and other related matters which the Party delivering such notice is asserting as the basis for the exercise of the termination right. If any such notice is delivered and the Party receiving such notice is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the Party delivering such notice may not terminate this Agreement until the earlier of the Outside Date and the expiration of a period of ten (10) Business Days from the date such notice was delivered to the other Party.

ARTICLE 6 GRANT OF OPTION

6.1 Grant of Option

Effective as of the Closing, the Optionor shall grant to the Optionee the Option.

6.2 Exercise of Option

Subject to subsections 5.1(a)(iii) and (iv), the Option shall be exercisable by the Optionee in whole or in part:

- (a) on or before the Closing Date, paying to the Optionor \$200,000.00 AUD (“**Initial Cash Payment**”) and issuing to the Optionor 100,000,000 Consideration Shares (“**Initial Consideration Shares**”), upon which occurrence the Optionee shall be deemed to have acquired a 49% Earned Interest;
- (b) within 10 Business Days following the first Anniversary of the Closing Date, paying to the Optionor \$100,000.00 AUD, issuing to the Optionor 25,000,000 Consideration Shares and having completed a total of 5 kilometres of drilling on the Property, upon which occurrence the Optionee shall be deemed to have acquired an additional 11% Earned Interest;
- (c) within 10 Business Days following the second Anniversary of the Closing Date, paying to the Optionor \$100,000.00 AUD, issuing to the Optionor 25,000,000 Consideration Shares and having completed a of a total of 7.5 kilometres of drilling on the Property, upon which occurrence the Optionee shall be deemed to have acquired an additional 10% Earned Interest; and
- (d) within 10 Business Days following the third Anniversary of the Closing Date, paying to the Optionor \$100,000.00 AUD, issuing to the Optionor 25,000,000 Consideration Shares and having completed a total of 10 kilometres of drilling on the Property, upon which occurrence the Optionee shall be deemed to have acquired an additional 10% Earned Interest.

Upon satisfaction of each of the conditions set out in Section 6.2(a), (b) and (c), the Option will be deemed to be exercised for the stated percentage of Earned Interest in such Section and such Earned Interest shall automatically vest in the Optionee. Upon satisfaction of the final condition in Subsection (d), the Option will be deemed to be fully exercised, and an undivided 80% right, title and interest in and to the Property will automatically vest in the Optionee.

Upon the exercise of the Option in full, (a) the Optionor and the Optionee will be deemed to have formed the Joint Venture based upon the Participating Interests set out in Section 9.2 and shall execute the Joint Venture Agreement.

Subject to Closing occurring, the Optionor shall be deemed to have granted the NSR to the Optionor on Closing and the Optionee and Optionor shall execute the Royalty Agreement.

6.3 Excess Expenditures and Time Requirements.

- (a) Excess kilometres of drilling from any one year can be carried forward by the Optionee and applied to the next calendar year.
- (b) The failure to make any payment, issue any Consideration Shares or incur any drilling on or prior to the dates set out in Section 6.2 (each a “**Default**”) will terminate the Option, provided however that in the case of a Default, the Optionor shall provide written notice of such Default to the Optionee, and the

Optionee shall have 30 days to cure the Default. If the Default is cured within such 30-day period, the Option will not terminate.

- (c) The Optionee may, in its sole discretion, accelerate the exercise of the Option in whole or in part by completing early payment of the required cash payments, issuance of any Consideration Shares and completion of drilling on the Property.

6.4 Termination of Option Prior to Full Exercise

- (a) Once granted, the Option shall terminate:
 - (i) by mutual written agreement of the Parties;
 - (ii) subject to Sections 6.3(b) and 6.5 hereof, upon the Optionee failing to complete drilling obligations, incur or make any payment or to issue the Consideration Shares, which must be incurred or made or issued, as applicable, to exercise the Option as required by this Agreement;
 - (iii) at any other time, by the Optionee giving 30 days' notice of such termination to the Optionor; or
 - (iv) immediately, if the Optionor is in breach of any other provisions of this Agreement and fails to rectify the breach within 30 days after written notice of such breach from the Optionee.
- (b) If the Option is terminated prior to the full exercise thereof:
 - (i) the Optionee shall have earned that Earned Interest acquired by it prior to such termination and such Earned Interest shall be remain vested in the Optionee;
 - (ii) the Optionor and the Optionee will be deemed to have formed the Joint Venture based upon the applicable Participating Interests set out in Section 9.2 earned as of the termination date and both parties shall execute the Joint Venture Agreement, with the holder of the Majority Interest entitled to act as the operator of the Joint Venture, unless otherwise agreed by the Parties;
 - (iii) if it holds less than a Majority Interest, the Optionee shall execute and deliver an originally executed copy of a Transfer Instrument in standard form, duly executed by Optionee in front of a notary or commissioner of oaths, to transfer the Mineral Rights comprised in the Property to the Optionor in accordance with the *Mineral Act* (NL) in the transfer registry of the MCR;
 - (iv) the Optionee shall leave in good standing for a period of at least one year from the termination of the Option Period those Mineral Rights comprising the Property;
 - (v) if it holds less than a Majority Interest, the Optionee shall at the Optionor's request remediate the Property at the Optionee's costs to a standard

agreed between the Optionor and the Optionee or that would meet the reclamation standards to return the Property to the Crown;

- (vi) if it holds less than a Majority Interest, the Optionee shall deliver or make available at no cost to the Optionor within 90 calendar days of such termination, all drill core, copies of all reports, maps, assay results and other relevant technical data compiled by, prepared at the direction of, or in the possession of the Optionee with respect to the Property and not theretofore furnished to the Optionor;
 - (vii) the Optionor will have the option of requiring the Optionee to remove all drill core and racks and boxes containing drill core from the Property at the Optionee's expense; and
 - (viii) the Optionee will vacate the Property within a reasonable time after termination, but the Optionee will have a right of access to the Property for a period of 120 days thereafter for the sole purpose of performing the obligations contained in this Section, and shall have the right to access the Property to the extent necessary to discharge its obligations pursuant to this Section, provided that the Optionee shall indemnify and save harmless the Optionor from any claim arising in connection with such activities resulting from action of the Optionee or any personnel thereof during their access to the Property.
- (c) If the Option is terminated otherwise than upon the full exercise thereof, the Optionee shall be responsible for ensuring that an assessment report is filed with the Government of Newfoundland and Labrador detailing not less than one year of completed assessment work for each Mineral Rights comprising the Property. Further, in the case of such early termination, the Optionee shall have the right, within a period of 180 calendar days following the end of the Option Period, to remove from the Property any equipment, and all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Property by or on behalf of the Optionee.
- (d) For greater certainty, the completion of drilling, the issuance of Consideration Shares and the making of option payments set forth in this Article are within the sole discretion of the Optionee, who may elect at any time to terminate the Option with no obligation to incur further Expenditures except as required by Section 6.4(b)(ii). However, any obligation of the Optionee to make cash payments to the Optionor or issue Consideration Shares to the Optionor prior to the effective date of a permitted termination in accordance with Section 6.4(a) shall be required to be satisfied and the termination of the Option shall not extinguish such obligations or any other any liability or claim that accrued prior to the termination of the Agreement.

6.5 Expenditure Statement and Audit

The Optionee shall provide an itemized statement of Expenditures, including copies of invoices for all Expenditures, and any other pertinent information in sufficient detail to explain the Expenditures as the Optionor may reasonably request. The statement of Expenditures incurred in any period together certified to be correct by an officer of the Optionee shall be conclusive evidence of the making of such Expenditures unless within 60 days of receipt of such

statement together with all back up documentation reasonably requested by the Optionor, the Optionor delivers a written objection to the statement to the Optionee. If the Optionor delivers a written objection within such 60 day period, then the Optionor shall be entitled to request that an independent auditor appointed by agreement of the Optionor and the Optionee, audit the Expenditures provided for in the statement of Expenditures that is the subject of the written objection, and:

- (a) if the auditors determine that the statement of Expenditures is accurate within two (2%) percent of actual Expenditures or that actual Expenditures incurred exceed the statement of Expenditures by more than two (2%) percent of those stated, then the costs of the audit will be borne by the Optionor, and the excess Expenditures will be credited towards the cash payments or number of Shares required to be issued to exercise the Option (calculated by the number of Shares multiplied by the deemed price thereof), at the election of the Optionee; or
- (b) if the auditors determine that the statement of Expenditures overstates Expenditures (whether by inclusion of ineligible costs, inflation of costs or for any other reason) by greater than a two (2%) percent margin, then the costs of the audit will be borne by the Optionee (and shall not be an eligible Expenditure) and whatever the overstatement, only the actual Expenditures so determined will constitute Expenditures for the purposes of Article 6, as applicable.

If any such determination results in a deficiency in the amount of Expenditures required to be incurred under Article 6, then the Optionee, at its sole election, may pay to the Optionor within 30 days after such determination the amount equal to the shortfall in Expenditures or it may credit and incur an additional amount of Expenditures equal to the shortfall in Expenditures within 60 days thereafter or such longer period as agreed by the Optionor acting reasonably and such additional amount shall be deemed to satisfy such shortfall in Expenditures.

The auditors' determination of Expenditures will be final and determinative of the amounts stated in the statement in question, and will not be subject to arbitration hereunder.

ARTICLE 7 NSR

7.1 NSR

Subject to Closing occurring, the Optionee will grant the NSR to the Optionor on Closing, being equal to 2% of net smelter returns, on the terms and conditions as set out in this Section and in the Royalty Agreement set out in Schedule D.

ARTICLE 8 OPTION PERIOD RIGHTS AND OBLIGATIONS

8.1 Optionee's Right of Entry

Throughout the Option Period, the Optionee and its employees, agents and independent contractors will have the exclusive rights provided under the Mineral Rights to:

- (a) enter the Property for the purposes of mineral exploration thereon;

- (b) have exclusive and quiet possession of such Mineral Rights; and
- (c) carry out exploration, development and evaluation activities including, without limitation, the removal of Minerals.

The Optionee's rights pursuant to this Section 8.1 will at all times be subject to any restrictions that may be required by applicable Laws or by any Governmental Entity. Without limiting the foregoing, the Optionee's rights to enter upon the Property or to erect upon the Property such structures or other facilities as may be necessary or advisable to carry out exploration, development and evaluation shall be subject to obtaining all necessary consents, permits or approvals under applicable Laws.

8.2 Optionor's Right of Entry

Throughout the Option Period, the Optionor and its employees, agents and independent contractors will have the right, upon not less than 5 Business Days' advance written notice to the Optionee, to enter the Property for the purpose of inspecting the work being undertaken by the Optionee, provided however that such inspection shall not interfere with work being carried out by or on behalf of the Optionee.

8.3 Optionee's Obligations

The Optionee is obligated during the Option Period:

- (a) to keep the Property in good standing by the doing and filing of all necessary work and by the doing of all other acts and things and making all other payments which may be necessary in that regard and, in doing so, to conduct all work on or with respect to the Property, in a manner consistent with good mining practice and in compliance with all applicable Laws and instruments governing the Property;
- (b) to keep the Property free and clear of all Encumbrances arising from its Operations (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by the Optionee) and will proceed with all diligence to contest and discharge any such lien that is filed;
- (c) subject to section 8.2, to permit the directors, officers, employees and designated consultants and agents of the Optionor, at their own risk, access to the Property at all reasonable times, provided that to the maximum extent permitted by Law the Optionor will indemnify the Optionee against and save it harmless from all costs, claims, liabilities and expenses that the Optionee may incur or suffer, directly or indirectly, as a result of any injury (including injury causing death) to any director, officer, employee, designated consultant or agent of the Optionor while on the Property except to the extent that any such costs, claims, liabilities or expenses result from the Optionee's negligence or wilful misconduct;
- (d) to deliver to the Optionor quarterly reports on or before 30 days following the end of each fiscal quarter, or such shorter period of time as reasonably required by the Optionor to address any disclosure requirements as mandated under applicable securities Laws, disclosing any significant technical data learned or obtained in connection with work in respect of the Property, as well as a breakdown of Expenditures incurred in carrying out such work;

- (e) to deliver to the Optionor reports for annual periods, disclosing any significant technical data learned or obtained in connection with work in respect of the Property, as well as a breakdown of Expenditures incurred in carrying out such work, on or before 60 days following the Optionee's financial year end;
- (f) to maintain true and correct books, accounts and records of Expenditures;
- (g) to receive, handle, use, store, treat, ship and dispose of any and all environmental contaminants (as established from time to time by applicable legislation or regulation or by-law) in strict compliance with all applicable environmental, health or safety Laws, regulations, order or approvals and will remove prior to the lapse or termination of the Option, from and off the Property all environmental contaminants;
- (h) not release into the environment, or deposit, discharge, place, or dispose of, on or near the Property any hazardous or toxic materials, substances, pollutants, contaminants or wastes as a result of the exploration activities conducted by it;
- (i) not use the Property, nor permit any other person to use any of the licenses as a landfill or waste disposal site;
- (j) conduct all Operations in a manner consistent with good exploration, engineering and mining practice and in compliance in all material respects with any applicable laws, rules, orders and regulations, including the carrying and maintaining of liability insurance on employees, all laws and regulations regarding reclamation, protection of the environment or human health, and applicable environmental laws with respect to the Property; and
- (k) be responsible for reclamation of those areas disturbed by the Optionee's activities and will post any operating and reclamation bonds required by regulatory agencies for work on the Property (including paying all costs with respect to the foregoing).

8.4 Emergency Expenditures

During the Option Period, the Optionor shall not be required to incur any Expenditures with respect to the Property. Notwithstanding any other provision of this Agreement, the Optionor will be entitled to incur as Expenditures all costs and expenses necessary to preserve or protect life, limb, property or the environment in respect of the Property in the course of exploration or development activities or to maintain the Property in good standing where the Optionee has failed to do so. The Optionor's rights to incur Expenditures hereunder are in addition to and not in substitution for the Optionee's right to terminate as set out in Section 6.4 hereof. Any reasonably and properly incurred Expenditures made by the Optionor pursuant to this Section must be fully reimbursed by the Optionee in order for the Optionee to earn its 80% interest in the Property, provided always that the Optionee shall not be required to reimburse for any amount in excess of the aggregate maximum Expenditures required under this Agreement.

8.5 Abandonment of Property

The Optionee may surrender or abandon any Mineral Rights comprised in the Property, provided that notice of such proposed abandonment is given to the Optionor, who may elect, by notice to the Optionee within 30 days after the surrender or abandonment notice, to retain

Mineral Rights at its own cost. The Optionee must leave the Property in good standing for a period of at least one year from notice of the Optionee's intention to abandon or surrender any Mineral Rights and must remediate the Property at the Optionee's costs to a standard agreed between the Optionor and the Optionee or that would meet the reclamation standards to return the Property to the Crown. Failing such election, the Mineral Rights may be abandoned or surrendered as proposed by the Optionee. Following a transfer or abandonment under this Section, the Mineral Rights so transferred or abandoned will thereafter cease to form part of the Property and will no longer be subject to this Agreement, save and except with respect to such obligations or liabilities of the Optionor or the Optionee as have accrued to the date of such transfer or abandonment.

8.6 Reclamation

The Optionee will be responsible for reclamation of all disturbances caused by any of the Operations to the extent required by applicable laws or industry standards, and to the extent possible, the Optionee will conduct reclamation concurrently with any such disturbance. Notwithstanding any termination of this Agreement, the Optionee agrees to undertake reclamation and closure monitoring of the Property to the extent required by all applicable laws and permits.

8.7 Indemnification of the Optionor

The Optionee will indemnify the Optionor and its personnel from and against any claim made or brought by any person against the Optionor or its personnel which arises as a consequence of:

- (a) any act or omission of the Optionee or its personnel in the performance of the Operations; or
- (b) the breach of, or failure to comply with, any applicable law by the Optionee or its personnel in the performance or purported performance of Operations.

Notwithstanding the foregoing, the Optionee will not be required to indemnify the Optionor with respect to any claims arising from environmental matters related to the Property which predate the Closing Date or which otherwise arise as a result of the Optionor's actions. For greater certainty, the Optionee will be required to indemnify the Optionor with respect to any claims arising from environmental matters related to the Property which arise as a result of the Optionee's actions or Operations.

8.8 Indemnification of the Optionee

The Optionor will indemnify and save the Optionee harmless from and against any claim suffered or incurred by the Optionee arising directly or indirectly from any operations or activities conducted in or on the Property by the Optionor prior to the date of execution of this Agreement.

8.9 Obligation to Inform

During the term of this Agreement, each Party will, and will cause its Affiliates to:

- (a) promptly deliver to the other Party any notice, demand or other material communication relating to any of the Property that it or any of its Affiliates receive; and

- (b) obtain the prior written consent of the other Party (which consent will not be unreasonably withheld or delayed) to the sending by it or its Affiliates of any notice, demand or other material communication relating to the Property to any person, including any adjacent property owner or any Governmental Entity.

ARTICLE 9 FORMATION OF JOINT VENTURE

9.1 Formation of Joint Venture

The Joint Venture shall be deemed to be formed in accordance with Section 6.2 or Section 6.4(b)(ii), as the case may be, and shall be governed by the terms and conditions of the Joint Venture Agreement.

9.2 Initial Interests

Upon the formation of the Joint Venture on exercise of the Option in full in accordance with Section 6.2, the Optionee will have a Participating Interest of 80% and the Optionor will have a Carried Interest of 20% until the completion of a Pre-Feasibility Study.

In the event that the Joint Venture is formed in accordance with Section 6.4(b)(ii), the Optionee and Optionor will have initial, actual and deemed expenditures as follows:

	Section 6.2(a)		Section 6.2 (b)		Section 6.2(c)		Section 6.2(d)	
Party	%	Deemed Expenditures	%	Deemed Expenditures	%	Deemed Expenditures	%	Deemed Expenditures
Optionee	49%	\$0	60%	\$0	70%	\$0	80%	\$0
Optionor	51%	\$0	40%	\$0	30%	\$0	20%	\$0

The Parties acknowledge and agree that the initial actual and deemed Expenditures of the Joint Venture are calculated on a total amount of cash payments, estimated Expenditures and agreed Consideration Share value to the date of calculation of Participating Interest.

Further the Parties agree that if the Optionee makes Expenditures in excess of those required by this Agreement, such additional Expenditures shall not increase the Optionee's Participating Interest nor reduce the Optionor's Participating Interest as of the relevant calculation date.

9.3 Joint Venture Operator

The operator under the Joint Venture Agreement will be determined in accordance with the terms of the Joint Venture Agreement.

9.4 Existing Liabilities and Royalties

The Optionee acknowledges and agrees that the Property is subject to a royalty as set forth on Schedule B.

ARTICLE 10 TRANSFERS

10.1 Limitations on Transfers

During the Option Period, (i) the Optionee shall not transfer or assign, directly or indirectly, its rights or obligations under this Agreement to another party without the prior written consent of the Optionor (not to be unreasonably withheld, delayed or conditioned), and (ii) the Optionor may transfer any part of its interest in the Mineral Rights (at all times such interest subject to the Option) and this Agreement to another party without consent of the Optionee provided that the party agrees in writing to be bound to all of the rights and obligations of the Optionor hereunder.

ARTICLE 11 FORCE MAJEURE

11.1 Events

Notwithstanding any other provisions contained herein, a Party will not be liable for its failure to perform any of its obligations under this Agreement due to a cause solely beyond its control including, but not limited to: acts of God, pandemics, epidemics, fire, flood, explosion, strikes, lockouts or other industrial disturbances; Laws, rules and regulations or orders of any duly constituted court or Governmental Entity; or protests, demonstrations or other events causing work stoppages by environmental lobbyists, Aboriginal Group (in this Article 11, each an "Intervening Event").

11.2 Effect of Intervening Events

All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event described in Section 11.1.

11.3 Obligation to Remove Intervening Events

A Party relying on the provisions of this Article 11 will take all reasonable steps to eliminate any Intervening Event and, if possible, will perform its obligations under this Agreement as far as practical, but nothing herein will require such Party to settle or adjust any labour dispute or to question or to test the validity of any Law, rule, regulation or order of any duly constituted court or Governmental Entity or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

11.4 Giving Notice

A Party relying on the provisions of this Article 11 will give notice to the other Party forthwith upon the occurrence of the Intervening Event and forthwith after the end of the period of delay when such Intervening Event has been eliminated or rectified.

ARTICLE 12 CONFIDENTIAL INFORMATION

12.1 Confidential Information

Except as specifically otherwise provided for herein, the Parties will keep confidential all data and information respecting this Agreement and the Property and will refrain from using it other than for the activities contemplated hereunder or publicly disclosing it unless required by Law or by the rules and regulations of any Governmental Entity having jurisdiction, or with the written consent of the other Party, such consent not to be unreasonably withheld.

12.2 Fraudulent or Negligent Disclosure

The Optionor will not be liable to the Optionee nor will the Optionee be liable to the Optionor for the fraudulent or negligent disclosure of information by any of its employees, servants or agents, provided that the Optionor or the Optionee, as the case may be, has taken reasonable steps to ensure the preservation of the confidential nature of such information.

12.3 Information in Public Domain

The provisions of this Article 12 do not apply to information which is or becomes part of the public domain other than through a breach of the terms hereof.

12.4 Request to Disclose

Where a request is made for permission to disclose confidential information hereunder, a reply thereto will be made within 2 Business Days after receipt of such request unless earlier disclosure is required by applicable Law, failing which the Party requesting will be entitled to disclose such information in the limited circumstances specified in such request as if such consent had been given.

12.5 News Release

The Parties will consult with each other prior to issuing any news release or other public statement regarding the Property or the activities of the Optionee or the Optionor with respect thereto. In addition, each Party will obtain prior approval from the other Party, which approval shall not be unreasonably withheld, conditioned or delayed, before issuing any news release or public statement using the other Party's name or the names of any of the other Party's assignees or of any of the officers, directors or employees of the other Party or of its assignees, unless disclosure is required by applicable Law or the policies of any stock exchange, in which case the disclosing Party shall give a reasonable opportunity to the non-disclosing Party to make reasonable comments on such news release.

Subsequent to the Closing Date, all information and data concerning or derived from mining or Mineral exploration work on the Property shall be confidential and, except to the extent required by Law or by regulation of any Governmental Entity, shall not be disclosed to any person other than a Party's professional advisors or an Affiliate without the prior written consent of the other Party or Parties, which consent shall not be unreasonably withheld. Notwithstanding the forgoing, for so long as any Party (or its parent company) is a publicly traded entity it is acknowledged and agreed that such Party may disclose any information about the Property (on an individual basis or aggregated with information or disclosure on the Optionee's other properties) as is necessary or desirable to comply with disclosure obligations

applicable to such Party and such disclosure may be made without the prior written consent of, or notification to, the other Party.

ARTICLE 13 ARBITRATION

13.1 Single Arbitrator

Any matter in dispute hereunder will be determined by a single arbitrator to be appointed by the Parties.

13.2 Prior Notice

Any Party may refer any such matter to arbitration by written notice to the other Party and, within 15 Business Days after receipt of such notice, the Parties will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act.

13.3 No Agreement

If the Parties cannot agree on a single arbitrator as provided in Section 13.2, or if the person appointed is unwilling or unable to act, either Party may submit the matter to arbitration before a single arbitrator in accordance with the *Arbitration Act* (British Columbia) (in this Article the “**Act**”).

13.4 Conduct of Arbitration

Except as specifically provided in this Article 13, an arbitration hereunder 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 such Act or this Article 13. After hearing any evidence and representations that the Parties may submit, the arbitrator will make an award and reduce the same to writing and deliver one copy thereof to each of the Parties. 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 award of the single arbitrator will be final and binding upon each of the Parties.

ARTICLE 14 ACTIVITIES AND INTERESTS

14.1 Other Activities and Interests

This Agreement and the rights and obligations of the Parties hereunder are strictly limited to the Property. Each Party shall have the free and unrestricted right to enter into, conduct and benefit from business ventures of any kind whatsoever, whether or not competitive with the activities undertaken pursuant hereto, without disclosing such activities to the other Party or inviting or allowing the other to participate including, without limitation, involving Mineral Rights adjoining the Property.

ARTICLE 15 NOTICE

15.1 Method

All notices, payments and other required communications (in this Article, a “**Notice**”) to either Party will be in writing, and will be addressed as follows:

(a) If to the Optionor at:

Attention: President
York Harbour Metals Inc.
Suite 1518 – 800 West Pender Street
Vancouver, BC V6C 2V6

Email to: criercapital@yahoo.com

With a copy which shall not constitute notice by email to: vhlus@cwilson.com

(b) if to the Optionee at:

Attention: Executive Chairman
Firetail Resources Limited
T2, 64-68 Hay Street
Subiaco, WA 6008

Email to: brett@firetailresources.com.au

With a copy which shall not constitute notice by email to:
shaun.hardcastle@hamiltonlocke.com.au

All Notices will be given: (i) by personal delivery to the Party, (ii) by electronic communication capable of producing a printed transmission, (iii) by registered or certified mail, return receipt requested, or (iv) by overnight or other express courier service. All notices will be effective and will be deemed delivered: on the date of receipt at the principal address if received during normal business hours, and, if not delivered during normal business hours, on the next Business Day following delivery; if delivered by electronic communication, if sent prior to 4:00 p.m. (Pacific time) on a Business Day, on such Business Day, or, if not, on the next Business Day; and if delivered solely by mail on the next Business Day after actual receipt.

15.2 Amending Addresses

Either Party may at any time and from time to time notify the other Party in accordance with this Article 15 of a change of address or email address, to which all Notices will be given to it thereafter until further notice in accordance with this Article 15.

ARTICLE 16 GENERAL

16.1 Entire Agreement

This Agreement and the exhibits hereto constitutes the entire agreement among the Parties and supersedes and replaces any preliminary or other agreement or arrangement, whether oral or written, express or implied, statutory or otherwise heretofore existing among the Parties in respect of the subject matter of this Agreement including, without limitation, the LOI. This Agreement may not be amended or modified except by an instrument in writing signed by each of the Parties.

16.2 No Waiver

No consent or waiver expressed or implied by either Party in respect of any breach or default by the other Party in the performance by such other of its obligations hereunder will be deemed or construed to be a consent to or a waiver of any other breach or default.

16.3 Further Assurances

The Parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement or to record wherever appropriate the respective interests from time to time of the Parties in the Property.

16.4 Manner of Payment

All payments to be made to any Party may be made by wire transfer, certified cheque or bank draft 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 purposes of receiving, collecting and receipting such payment.

16.5 Assignment

The Optionee may assign all or part of its obligations under this Agreement to any third party (in this article, an “**Assignee**”) without consent of the Optionor (but upon notice) on condition that the Assignee agrees to execute an acknowledgement to be bound by the terms hereof insofar as the Optionor’s rights hereunder are concerned.

16.6 Enurement

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

16.7 Special Remedies

Each of the Parties agrees that its failure to comply with the covenants and restrictions set out in Section 6.2, Section 8.5, Article 10, Article 12 or Article 13 would constitute an injury and cause damage to the other Party impossible to measure monetarily. Therefore, in the event of any such failure, the other Party will, in addition and without prejudice to any other rights and remedies that it may have at Law or in equity, be entitled to injunctive relief restraining, enjoining

or specifically enforcing the provisions of Section 6.2, Section 8.5, Article 10, Article 12 or Article 13, as the case may be, and any Party intending to breach or which breaches the provisions of Section 6.2, Section 8.5, Article 10, Article 12 or Article 13 hereby waives any defence it may have in Law to such injunctive or equitable relief.

16.8 Time of the Essence

Time is of the essence in the performance of each obligation under this Agreement.

16.9 Registration of Agreement

Either Party shall have the right to register this Agreement in any applicable public records registries of Newfoundland and Labrador in which it is required or customary to register agreements pertaining to land and/or Mineral Rights.

16.10 Regulatory Approval

This Agreement and all schedules attached hereto are subject to all applicable regulatory approval, if required.

16.11 Counterparts

This Agreement may be executed in any number of counterparts and each counterpart, when so executed and delivered, shall be deemed to be an original and all such executed counterparts taken together shall constitute one and the same instrument. Notwithstanding the above each Party covenants that it shall promptly deliver an originally executed and notarized signature page to the other Party for purposes of registration of the Agreement in the confidential registry maintained by the MCR.

[Execution page follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED by
YORK HARBOUR METALS INC. in the
presence of :

YORK HARBOUR METALS INC.

"Manveer Sall"

Per:

"Blair Naughty"

Notary Public or Commissioner of Oaths
(affix seal)

Name: Blair Naughty
Title: CEO and President

I have authority to bind the Corporation

SIGNED, SEALED AND DELIVERED by
FIRETAIL RESOURCES LIMITED in the
presence of :

FIRETAIL RESOURCES LIMITED

"Agostino (Gus) Irdi"

Per:

"Brent Grosvenor"

Notary Public (affix seal)

Name: Brent Grosvenor
Title: Executive Chairman

I have authority to bind the Corporation

**SCHEDULE A
PROPERTY DESCRIPTION**

License #	# of Claims	Issued	Renewal Date	Next Report	Expenditures Required
026228M	25	2/08/2018	2/08/2028	1/10/2025	\$30,000.00 by 2034/08/02
026561M	2	12/11/2028	13/11/2028	12/01/2026	\$2,400.00 by 2034/11/12
026938M	1	7/03/201	7/03/2029	6/05/2025	\$900.00 by 20234/03/07
031681M	4	14/12/2020	24/12/2025	12/02/2025	\$800.00 by 2031/12/14
031682M	124	14/12/2020	14/12/2025	12/02/2026	\$27,420.00 by 2026/12/14
033541M	33	29/10/2021	29/10/2026	30/12/2024	\$9,173.95 by 29/10/2024

100% of the legal and beneficial interest in all mining information relating to the Property where applicable, including:

- (a) all surveys, maps, plans, geophysical plots (including magnetics and EM) and diagrams of the Property and adjacent areas;
- (b) all drill samples and ores, drilling locations and logs from drilling conducted on the Property or adjacent areas;
- (c) all assays, reports, microprobe data, sample and visible grain count listings, geological, geochemical and petrographic samples and reports of or with respect to ores extracted from or located upon the Property or adjacent areas; and
- (d) all papers, notes, advices and reports extracted or compiled from or based upon the documents and items referred to above and all other data, specification records (in whatever form), reports, accounts and other documents or things and knowledge (whether reduced to writing or not) relating to the Property or adjacent areas, including, for the avoidance of doubt, all electronic formats of the same.

**SCHEDULE B
PERMITTED ENCUMBRANCES**

License #	# of Claims	Royalty Holder	NSR
026228M	25	Grassroots Prospecting & Prospect Generation Inc. United Gold Inc. G2B Gold Inc.	0.5% ⁽¹⁾
026561M	2		
026938M	1		
031681M	4		
031682M	124		

(1) The Optionor initially granted a 2% net smelter royalty to the above-mentioned Royalty Holders pursuant to a mineral property option agreement dated February 26, 2021. On May 9, 2022, the Optionor exercised its buy-back option to acquire 1.5% of the net smelter royalty from the Royalty Holders in exchange for 1,500,000 common shares of the Optionor, such that the Vendors now have the right, interest and title to not more than 0.5% net smelter royalty.

**SCHEDULE C
JOINT VENTURE AGREEMENT**

[see attached]

JOINT VENTURE AGREEMENT

made between

YORK HARBOUR METALS INC.

and

FIRETAIL RESOURCES LIMITED

_____, 20__

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Appendix 1 – PROPERTY

Appendix 2 – ACCOUNTING PROCEDURE

Appendix 3 – NSR ROYALTY

JOINT VENTURE AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, 20__

BETWEEN:

YORK HARBOUR METALS INC., a corporation organized under the laws of British Columbia;

("York Harbour")

AND:

FIRETAIL RESOURCES LIMITED., a corporation organized under the laws of Australia;

("Firetail")

WHEREAS:

- A. Under the Option Agreement, York Harbour granted the Option to Firetail to acquire up to an 80% Interest in the Property; and
- B. The Option Agreement contemplated that the parties enter into this Agreement to govern their joint ownership of and joint venture in relation to the Property upon the terms and conditions contained herein upon the due establishment of a Joint Venture in accordance with the terms and conditions in the Option Agreement;

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

1. INTERPRETATION

1.1 In this Agreement the following capitalized terms will have the following meanings:

- (a) "**Accounting Procedure**" means the accounting procedure attached to and forming part of this Agreement as Appendix 2.
- (b) "**Affiliate**" means, in respect of a party hereto, a corporation with which that party is affiliated within the meaning of the *Business Corporations Act* (BC) and includes a partnership or joint venture over which a party exercises control.
- (c) "**Additional Property**" means any Mineral Rights acquired in whole or in part within the Area of Interest and which become a part of the Property as contemplated in Article 28.
- (d) "**Area of Interest**" means all lands within a three kilometre radius from the outside boundaries of the Property as they exist as of the Operative Date. The Area of Interest will apply to the boundaries of the Property upon the acquisition of new ground.

- (e) **“Assets”** means, except for the Property, all assets of the Joint Venture including, without limitation, plant, infrastructure, mining equipment, vehicles, spares, tools and other equipment, the Joint Account and any other bank accounts, contracts and contract rights and other real or personal property which is owned or held by the Participants, or held by the Operator or any other party on their behalf, in connection with any Mine or the Operations.
- (f) **“Business Day”** means any day other than Saturday, Sunday or any day on which banking institutions in Perth, Australia; Vancouver, British Columbia or St. John’s, Newfoundland and Labrador are not open for business.
- (g) **“Carried Interest”** means an Interest in the Property, expressed as a percentage, the holder of which is not responsible for any funding requirements to advance or maintain the Property and whose Interest remains constant irrespective of any other Interest holder’s Interest in the Property.
- (h) **“Costs”** means all costs and expenses whatsoever, direct or indirect (including, without limitation, the administrative fee for the Operator permitted under paragraph 3 of Appendix 2), properly incurred with respect to Operations and recorded by the Operator in accordance with this Agreement.
- (i) **“Deemed Expenditures”** means the amount of deemed expenditures allocated to any Participant as determined in accordance with Article 4.
- (j) **“Exploration Period”** means the period from the date hereof to the date of a Production Notice.
- (k) **“Feasibility Study”** has the meaning ascribed to that term by the JORC Code, as of the date hereof.
- (l) **“Free Carry Period”** has the meaning given in Section 4.3.
- (m) **“Interest”** means an undivided beneficial interest in the Property and the other Assets under this Agreement, expressed as a percentage. For greater certainty, any Interest as set out herein does not include the NSR Royalty as granted to York Harbour pursuant to the Royalty Agreement and such NSR Royalty is not subject to the terms and conditions of this Agreement.
- (n) **“Joint Account”** means the bank account or bank accounts of the Joint Venture maintained by the Operator to which the Participants’ contributions to Costs, insurance proceeds and any other Joint Venture revenues are deposited and from which all Costs authorized hereunder for payment are paid.
- (o) **“Joint Venture”** means the joint venture between the Participants pursuant to this Agreement.
- (p) **“JORC Code”** means the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

- (q) **“Management Committee”** means the committee established pursuant to Section 5.1.
- (r) **“Mine”** means a mine developed to extract Minerals from the Property.
- (s) **“Mine Closure Plan”** means a plan submitted to the Participants by the Operator pursuant to Section 16.2 respecting the permanent closure of a Mine.
- (t) **“Mine Maintenance Plan”** means a plan submitted to the Participants by the Operator pursuant to Section 16.1 for the suspensions of Operations in relation to a Mine.
- (u) **“Mineral Rights”** means mineral claims, mining leases and other rights to Minerals.
- (v) **“Minerals”** means any and all minerals, including ores, and concentrates or metals derived therefrom, containing precious, base, industrial or other minerals 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.
- (w) **“NSR Royalty”** means the net smelter returns royalty as set out in Appendix 3.
- (x) **“Non-Operator”** means any Participant who is not the Operator.
- (y) **“Operating Program”** means an annual plan and budget for Operations and includes any Mine Maintenance Plan or Mine Closure Plan approved pursuant to Article 16.
- (z) **“Operating Year”** means, unless the Management Committee approves any other period, a calendar year, except that the first Operating Year is the period from the Operative Date to the end of the first calendar year following the Operative Date.
- (aa) **“Operations”** means every kind of work done or activity performed by or on behalf of the Participants on or in respect of the Property to carry out or complete work contemplated by an Operating Program, or as otherwise directed by the Management Committee, or pursuant to a mandatory program contemplated in Section 8.6, including, without limitation, investigating, prospecting, exploring, bulk sampling and developing; property maintenance; preparing reports, estimates and studies; designing, equipping, improving and surveying; construction; mining; milling and other processing; rehabilitation, reclamation, and environmental protection; and further including the management and administration necessary to conduct any such work or activity.
- (bb) **“Operations Plan”** means a 5-year plan for Operations, or any such other period of time as the majority of the Management Committee may approve otherwise from time to time.
- (cc) **“Operative Date”** means the date upon which the Joint Venture becomes effective as set forth in the Option Agreement.

- (dd) **“Operator”** means the Participant acting as the operator of the Joint Venture pursuant to Article 6.
- (ee) **“Option”** means the option granted to Firetail under the terms of the Option Agreement.
- (ff) **“Option Agreement”** means the Option Agreement dated on or around June 3, 2024 between York Harbour and Firetail.
- (gg) **“Participant”** means a party to this Agreement that has an Interest.
- (hh) **“Pre-Feasibility Study”** has the meaning ascribed to that term by the JORC Code, as of the date hereof.
- (ii) **“Pre-Feasibility Study Date”** means the date that the Pre-Feasibility Study is complete and delivered to the Operator.
- (jj) **“Prime Rate”** means the weighted average of the rates of interest per annum for the period of calculation as stated by The Royal Bank of Canada, main branch, Vancouver, British Columbia, as being charged by it on Canadian dollar demand loans to its most creditworthy domestic commercial customers.
- (kk) **“Production Notice”** has the meaning ascribed to that term in Section 10.7(a).
- (ll) **“Products”** means Minerals extracted from the Property.
- (mm) **“Project Manager”** means the project manager appointed by the Operator pursuant to Section 7.2.
- (nn) **“Property”** means the Mineral Rights described in Appendix 1 and any other form of mineral tenure which succeeds such Mineral Rights by way or renewal, replacement, conversion or otherwise.
- (oo) **“Proportionate Share”** means, for any Participant, that share which is equal to its Interest, expressed as a percentage.
- (pp) **“Related Party Transaction”** means any transaction involving a Participant (or any Affiliate or associate of a Participant).
- (qq) **“Royalty Agreement”** means the royalty agreement between York Harbour and Firetail entered into on the date hereof which grants the YH NSR Royalty to York Harbour.
- (rr) **“YH NSR Royalty”** means the net smelter returns royalty granted to York Harbour in the Royalty Agreement.

1.2 The words "Article", "Section", "Appendix" "herein", "hereto" and "hereunder" refer to this Agreement. The words "the Agreement" or "this Agreement" include this joint venture agreement including every Appendix hereto, all of which are incorporated into and form part of this Agreement.

- 1.3 The headings and captions herein and the emphasis of the defined terms have been inserted for convenience of reference and are to be disregarded in construing the Agreement. This Agreement will be read with such changes in gender or number as the context requires.
- 1.4 The following appendixes are attached hereto and incorporated in this Agreement:
- (a) Appendix 1 – Property
 - (b) Appendix 2 – Accounting Procedure
 - (c) Appendix 3 – NSR Royalty

2. MUTUAL REPRESENTATIONS AND WARRANTIES

- 2.1 Each Participant represents and warrants to the other Participants hereto that:
- (a) it is a body corporate duly incorporated or continued and duly organized and validly subsisting under the laws of its organizational jurisdiction;
 - (b) it has full power and authority to carry on its business and to enter into this Agreement;
 - (c) neither the execution and delivery of this Agreement nor the consummation of the transactions hereby contemplated 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 do not violate or result in the breach of the laws of any jurisdiction applicable to the Participant or pertaining thereto or of its organizational documents;
 - (e) all corporate authorizations have been obtained for the execution of this Agreement and for the performance of its obligations hereunder; and
 - (f) this Agreement constitutes a legal, valid and binding obligation of the Participant enforceable against it in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

3. FORMATION OF THE JOINT VENTURE

- 3.1 Upon the full satisfaction of all conditions to the formation of a Joint Venture as set out in the Option Agreement, the Participants agree to thereafter associate and participate in the Joint Venture for the purposes of:
- (a) exploring the Property for Minerals and, if feasible, developing a Mine;
 - (b) so long as it is technically, economically and legally feasible, operating a Mine and exploiting the Minerals extracted from the Property; and
 - (c) any other activity in connection with or incidental to any of the foregoing.

- 3.2 The rights and obligations of each Participant will be in every case several and not joint or joint and several, the intent being that the Participants will hold their respective Interests as tenants in common.
- 3.3 The parties hereto have not created a partnership and nothing contained in this Agreement will constitute any party the partner, agent or legal representative of any other party. No party will have any authority to act for, or to assume any obligation or responsibility on behalf of, any other party except as otherwise expressly provided herein.
- 3.4 Without limiting the generality of Section 3.3, the Participants confirm that each of them has the right:
- (a) to mine and market Minerals from sources other than the Property and to market its share of any Minerals from a Mine other than a Mine on the Property, all in competition with the other Participants; and
 - (b) to keep solely for its own purposes and not disclose to the other Participants information and data relating to Mineral Rights outside the Area of Interest.

4. INTERESTS

- 4.1 Except as otherwise provided in this Agreement, the Participants will bear their respective Proportionate Share of all Costs and all liabilities arising under this Agreement and will own the Property and Assets in proportion to their respective Interests.
- 4.2 On the Operative Date, the respective Interests of the Participants as determined in accordance with the Option Agreement, is as follows:

<u>Participant</u>	<u>Interest</u>	<u>Deemed Expenditures</u>
York Harbour	20%	\$0.00
Firetail	80%	\$0.00

provided that if Firetail earns less than an 80% Interest in the Property as of the Operative Date, then the respective Interests of the Participants as of the Operative Date will be as determined in accordance with Section 6.2 of the Option Agreement and the Deemed Expenditures for each of the Participants will be set at \$0.00.

- 4.3 If Firetail earns an 80% Interest under the Option Agreement, the Participants agree that, from the Operative Date up until the Pre-Feasibility Study Date (the "Free Carry Period"), all Costs incurred by the Joint Venture shall be borne by Firetail and York Harbour's 20% Interest will be a Carried Interest.
- 4.4 If Section 4.3 applies, the Deemed Expenditures of each of the Participants shall be recalculated upon the expiry of the Free Carry Period to include the Costs incurred by Firetail commencing on the Operative Date and ending on the date of the expiry of the Free Carry Period on a deemed basis with Firetail being deemed to have contributed 80% of such Costs and York Harbour deemed to have contributed 20% of such Costs. Deemed

Expenditures calculated under this Section 4.4 shall be the starting place for any dilution or adjustment that takes place after the expiry of the Free Carry Period.

- 4.5 From the Operative Date, or the expiry of the Free Carry Period (if applicable), the Interests of the Participants may be subject to adjustment from time to time pursuant to Sections 8.11, 9.4 and 10.8. A Participant's Interest which is reduced as a result of dilution shall be calculated and expressed as a percentage by:

(A) dividing:

(i) the sum of (1) the Deemed Expenditures of the reduced Participant (2) the total of all of the reduced Participant's actual contributions under Articles 8, 9 and 10, as applicable, and (3) the amount, if any, the reduced Participant actually contributed to the current Operating Program, not included in Section 4.5(A)(2); BY

(ii) the sum of (1), (2) and (3) above for all Participants; AND

(B) multiplying the result by 100.

The amount of the reduction in the reduced Participant's Interest shall be allocated among the other Participants who funded their Proportionate Share or more of any Operating Program.

The Participants agree that York Harbour's Interest cannot be reduced pursuant to this Section 4.5 to below 20% unless and until the Firetail has satisfied the cash payment and share issue obligations set out in Sections 6.2(c) and 6.2(d) of the Option Agreement and completed the Pre-Feasibility Study.

- 4.6 Any adjustment to a Participant's Interest need not be evidenced during the term of this Agreement by the execution and delivery of any instrument, but each Participant's Interest shall be shown in the accounting records of the Operator for the Joint Venture, and any adjustments thereto, including any reduction of a Participant's Interest shall be made monthly or as otherwise applicable.
- 4.7 The Mineral Rights comprised in the Property will be held in the name of the Operator in trust for the benefit of the Joint Venture and on behalf of the Participants in proportion to their Interests. Any Participant, at any time upon reasonable request of any other Participant including in respect of a financing of such Participant, shall execute any acknowledged instruments necessary to evidence such adjustments in a form sufficient for filing and recording in Newfoundland and Labrador.

5. MANAGEMENT COMMITTEE

- 5.1 A Management Committee will be established on or forthwith after the Operative Date. The Management Committee will have the exclusive right and authority to:
- (a) consider and approve Operations Plan and Operating Program, and any amendments to those that are approved;

- (b) review and approve all exploration, mining, milling, financial and other reports on the Operations;
 - (c) consider and approve abandonment or surrender, or any amendments to or waivers in respect of, any Mineral Rights which are comprised in the Property;
 - (d) review and approve the annual mineral resource and reserve estimates prepared by the Operator;
 - (e) review and approve all material agreements with respect to Operations;
 - (f) consider and approve changes in the Accounting Procedure;
 - (g) cause the Participant which is the Operator to be removed as Operator in the events described in Section 6.3, and, in that event, or if the Participant which is the Operator resigns as contemplated in Section 6.2, to select another Participant to become Operator; and
 - (h) establish and modify its own rules of procedure in a manner not inconsistent with this Agreement.
- 5.2 Except as modified by the next sentence, Article 9, or Article 11, each Participant will, upon notice to the other Participants, have the right to appoint 2 representatives to the Management Committee (for a total of 4 representatives on the Management Committee). Notwithstanding the foregoing, a Participant, or any valid successor Participant thereof, will have the right to appoint only 1 representative to the Management Committee if and for so long as a Participant or any valid successor Participant thereof, holds less than a 15% Interest but more than a 5% Interest (for a total of 3 representatives on the Management Committee). Each Participant may appoint an alternate representative to act in the absence of any of its representatives and any alternate representative so acting will be deemed to be that Participant's representative in respect of the matter upon which he acts. Each Participant may change its representatives and any alternate representatives at any time. Notice of any appointment or change will be given to the other Participants.
- 5.3 There will be a Management Committee meeting at least once every 6 months and, in any event, within 14 days of being requested in writing to do so by a representative of any Participant.
- 5.4 The Operator will cause notices of Management Committee meetings to be given to all representatives at least 7 days before the time appointed for the meeting, specifying the time and place of, and the agenda for, each meeting.
- 5.5 Notice of a Management Committee meeting may be waived if each Participant is represented at the meeting by at least one of its representatives and all the representatives present at the meeting agree upon the waiver and upon the proposed agenda.
- 5.6 A quorum for any Management Committee meeting will be present if one representative of each Participant is present in person or participating by telephone or other electronic means. If a quorum is present at the meeting, the Management Committee will be

competent to exercise all of the authorities, powers and discretions bestowed upon it under this Agreement. No business other than the election of a chairperson and the adjournment or termination of the meeting will be transacted at any meeting unless a quorum is present at the commencement of the meeting but the quorum need not be present throughout the meeting. If within half an hour from the time appointed for a meeting, a quorum is not present, the meeting will, at the election of those representatives who are present:

- (a) be dissolved; or
 - (b) be adjourned to the same place but on a date and at a time, to be fixed by the chairperson of the meeting before the adjournment, which will be not less than 5 days following the date for which the meeting was called. Notice of the adjourned meeting will be given to the representatives of all Participants forthwith after the adjournment of the meeting. If at the adjourned meeting, a quorum is not present within half an hour from the time appointed, the representative or representatives present and entitled to attend and vote at the meeting will constitute a quorum.
- 5.7 No material item of business will be transacted at a Management Committee meeting unless the item appears on the agenda or at least one representative of each Participant is present and those representatives unanimously agree to the item being added to the agenda.
- 5.8 Except with respect to decisions requiring unanimity hereunder, the Management Committee will decide every matter submitted to it by simple majority (including election of its chairperson) with the representative or representatives of each Participant being entitled to cast one vote for each of its representatives on the Management Committee.
- 5.9 In addition to those matters requiring unanimity as set out in Sections 5.7, 5.13, 8.7, 11.3, 15.1, 16.2 and paragraph 2.8 of Appendix 2, the Participants agree that the Management Committee may not make a decision about, take action on or implement a Related Party Transaction without the approval of all members of the Management Committee. In the event any matter submitted for approval at the Management Committee receives an equal number of vote(s) from the representatives of each Participant, the party acting as the Operator at that time shall be entitled to cast an additional, determinative vote.
- 5.10 The Operator will require the Project Manager to act as, or appoint another person to act as, secretary for the Management Committee meeting. The secretary for the meeting will take minutes of that meeting and will circulate copies of the minutes, signed by the chairperson and secretary, to each representative within 14 days after the meeting. All minutes of meeting shall include the names of the Management Committee members in attendance and document all formal action taken by the Management Committee. Meeting minutes are deemed to be correct unless notice of errors, omissions or objections are received by the Operator within 30 days of the date the minutes were circulated to the members of the Management Committee.
- 5.11 Any decision made by obtaining the consent in writing of either (i) all members of the Management Committee, or (ii) a President or other specified senior executive level representative of each Participant will be as valid as a decision made at a duly called and held meeting of the Management Committee.

- 5.12 Each Participant will bear the expenses incurred by its representatives in attending meetings of the Management Committee.
- 5.13 The Management Committee may establish such other rules of procedure, not inconsistent with this Agreement, as the Management Committee deems fit providing that any rules of procedure must be unanimously approved by the Management Committee.

6. OPERATOR

- 6.1 Unless Firetail earns an 60% Interest in the Property as of the Operative Date, York Harbour will be the initial Operator. The initial Operator will continue as the Operator until such time as it resigns as Operator as contemplated in Section 6.2, is removed as Operator pursuant to Section 6.3 or if the Operator's Interest in the Property falls below 50%.
- 6.2 The Operator may resign from acting as Operator hereunder on at least 90 days' notice to the Non-Operator.
- 6.3 The Management Committee may determine, from which vote the representatives of the Operator must abstain, to remove the Operator as Operator hereunder upon giving not less than 30 days' notice to the Operator thereof and effective on the date designated by the Management Committee, if:
- (a) the Operator makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver for all or substantially all of its property, or files a petition in bankruptcy or for a reorganization under the appropriate bankruptcy legislation, or is adjudicated bankrupt or insolvent;
 - (b) a court order is entered, without the consent of the Operator:
 - (i) appointing a receiver or trustee for all or substantially all of its property; or
 - (ii) approving a petition in bankruptcy or for a reorganization pursuant to the appropriate bankruptcy legislation or for any other judicial modification or alteration of the rights of creditors; or
 - (c) the Operator fails to perform a material obligation imposed upon it under this Agreement and such failure continues for a period of 60 days after notice from another Participant demanding performance.
- 6.4 If the Operator resigns pursuant to Section 6.2 or is removed pursuant to Section 6.3, then the Management Committee will forthwith appoint the Non-Operator or its nominee as Operator hereunder effective upon the resignation or removal.
- 6.5 Upon the Operator ceasing to be operator hereunder, it will forthwith deliver to the new Operator custody of the Assets including, without limitation, the Joint Account and all other bank accounts maintained by it as Operator and all books and records pertaining to the Joint Venture and to Operations which it prepared or maintained in its capacity as Operator. The new Operator will assume all of the rights, responsibilities, duties, and status of the prior Operator hereunder, but will have no obligation to hire any of the employees of the prior Operator.

- 6.6 For the convenience of the Participants and the efficient conduct of Operations, the Operator will act as the agent of the Joint Venture for the following purposes:
- (a) to engage the Project Manager and the other senior (supervisor level and above) employees required in connection with Operations as the Management Committee may approve;
 - (b) to engage all other employees necessary for Operations as the Project Manager may select and on terms he may approve, consistent with the current Operating Program;
 - (c) to enter into agreements for the purchase of materials, supplies and services in connection with Operations, as may be approved by the Operator;
 - (d) to apply in its name for permits, authorizations and other approvals required from any government or governmental or regulatory authority, as may be necessary or advisable in connection with Operations and that cannot or cannot conveniently be held in the name of the Joint Venture or the Participants jointly;
 - (e) to hold title to the Assets, as contemplated in Section 4.7; and
 - (f) to do all other things which it is directed to do in writing by the Management Committee.
- 6.7 The authority of the Operator will be strictly limited to the matters set forth in this Article, and it will not be authorized nor will it act or hold itself out to be agent for the Joint Venture or for any Non-Operator nor make any commitments on behalf of the Joint Venture or any Non-Operator unless specifically permitted by this Agreement or directed in writing by the Management Committee.

7. DUTIES OF OPERATOR

- 7.1 The Operator will be required to ensure that all Operations are conducted in accordance with the terms and conditions of Operating Programs approved by the Management Committee and in connection therewith will, in advance if reasonably possible, notify the Management Committee of any material change in Operations and of any anticipated event that may have a material effect upon Operations.
- 7.2 The Operator will appoint a project manager to conduct the day-to-day management and supervision of Operations (the "**Project Manager**"). The Project Manager will be authorized to do or cause to be done, under the direction of the Operator, all things necessary or advisable to carry out any Operations Plan and Operating Program approved by and other directions of the Management Committee.
- 7.3 The Operator will have the following specific duties and obligations:
- (a) to maintain all books of accounts and other records of the Joint Venture and prepare and file all returns of the Joint Venture which may be required;
 - (b) to prepare and submit an Operations Plan for the approval of the Management Committee as contemplated in Article 11;

- (c) to prepare and submit for the approval of the Management Committee an Operating Program for each Operating Year as contemplated in Sections 8.1 and 8.2;
- (d) to implement, at the expense and on behalf of the Joint Venture, using such contractors, if any, as the Operator deems appropriate, any approved Operating Program;
- (e) to the extent there are funds in the Joint Account, to pay all Costs properly incurred promptly as and when due;
- (f) to comply with the provisions of all agreements or instruments of title under which the Assets are held;
- (g) to perform such assessment work or make payments in lieu thereof and pay such rentals, taxes or other payments and do all such other things as may be necessary to maintain the Property in good standing, including, without limitation, staking and re-staking Mineral Rights, and applying for Mineral Rights, property rights and other rights to and interests in Minerals;
- (h) to keep the Property and Assets free of all liens and encumbrances (other than those which are permitted pursuant to this Agreement) arising out of Operations and, in the event of any lien being filed, to proceed with diligence to contest and discharge the same;
- (i) to obtain and maintain all permits, approvals, consents, waivers and permissions as may be necessary or advisable to carry out any Operations Plan and any approved Operating Program, whether from government, regulatory authority or otherwise;
- (j) to obtain and maintain or cause any contractor engaged hereunder to obtain and maintain, during any period in which active work is carried out hereunder, such insurance as may be specified by the Management Committee from time;
- (k) to perform its duties and obligations hereunder in accordance with sound and safe mining and engineering practices and in compliance with all federal, provincial and municipal laws, bylaws, ordinances, rules, regulations, orders and permits or other approvals, consents waivers and permissions as are applicable to the Property, any Mine or Operations;
- (l) to, at the expense of the Joint Venture, maintain the accounts of the Joint Venture in accordance with the Accounting Procedure and, as to matters for which provision is not made in the Accounting Procedure, in accordance with accounting practices generally accepted in the mining industry in Canada;
- (m) to maintain as the Joint Account one or more segregated bank accounts with a Canadian chartered bank to which all contributions of the Participants, insurance proceeds and other Joint Venture revenues and no other amounts will be deposited, and from which all Costs and no other accounts will be paid;

- (n) to keep the Management Committee advised of all Operations by submitting in writing to the members of the Management Committee: (i) quarterly progress reports that include statements of Costs and comparisons of such Costs to the adopted budget, (ii) periodic summaries of data acquired, (iii) copies of reports concerning Operations, (iv) detailed final reports within 150 days after completion of each Operating Program, which shall include comparisons between actual and budgeted Costs and comparisons between objectives and results of each Operating Program, and (v) such other reports as any member of the Management Committee may reasonably request;
- (o) at all reasonable times, to provide the Management Committee or other representatives of a Participant upon the request of such Participant's representative on the Management Committee, access to and the right to inspect and, at such Participant's cost and expense, take copies of the existing data and all maps, drill logs and other drilling data, core, pulps, reports, surveys, assays, analyses, production records and reports, concentrate transpiration and smelter records and reports, technical, accounting and financial records, and other business information;
- (p) to the extent required by applicable law, to prepare an environmental compliance plan for all Operations consistent with the requirements of all applicable laws and applicable contractual obligations and shall include in each Operating Program sufficient funding to satisfy the financial assurances requirements of any applicable law or contractual obligation pertaining to environmental compliance;
- (q) to undertake all such other activities reasonably necessary to fulfil the foregoing, and to implement the policies, objectives, procedures, methods and actions determined by the Management Committee; and
- (r) to provide all other information and/or reports on any matters related to the Joint Venture as is reasonably requested by a Participant.

7.4 Further the Operator shall use reasonable efforts to:

- (a) purchase or otherwise acquire all material, supplies, equipment, water, utility and transportation services required for Operations, such purchase and acquisitions to be made to the extent reasonably possible on the best terms available, taking into account all of the circumstances; and
- (b) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions.

7.5 The Operator shall have the right to carry out its responsibilities hereunder through agents, Affiliates or independent contractors but for certainty, the Operator shall remain liable for any acts or omission of such agents, Affiliates or independent contractors and shall require such other parties to comply with the terms of this Agreement, all applicable law and to the standard required by the Operator hereunder.

7.6 The Operator shall discharge its duties under this Agreement and conduct all Operations in a good, workmanlike and efficient manner, in accordance with sound mining and other applicable industry standards and practices, and in accordance with the laws and with the

terms and provisions of leases, licenses, permits, contracts and other agreements pertaining to the Assets and the Property.

8. OPERATING PROGRAMS

- 8.1 Forthwith after the Operative Date, the Operator will prepare and submit the first Operating Program for consideration by the Management Committee.
- 8.2 Following the first Operating Year as contemplated in Section 8.1, the Operator will submit an Operating Program to the Management Committee for each succeeding Operating Year no later than 30 days prior to commencement of each succeeding Operating Year.
- 8.3 The term of an Operating Program will not exceed 1 year unless the Management Committee otherwise approves by majority decision.
- 8.4 Every Operating Program will contain a description in reasonable detail of the proposed Operations for the period covered and estimates of all Costs to be incurred. The Operator will be entitled to include in any Operating Program a Cost allowance of up to 10% for contingencies.
- 8.5 Subject to Section 8.6, all activities of the Joint Venture will be conducted in accordance with an approved Operating Program.
- 8.6 If at any time there is no approved Operating Program and circumstances require the Operator to incur Costs on behalf of the Joint Venture in order to maintain the Mineral Rights comprised in the Property, to maintain the Assets or secure other Assets, to satisfy contractual or other obligations imposed by law, to prevent waste or to protect life and property (in this Section called "non-discretionary costs"), the Operator will forthwith propose a program (in this Section called a "mandatory program") to incur those non-discretionary costs and provide each Participant with a copy thereof. The mandatory program will be deemed to be an Operating Program approved by the Management Committee and each of the Participants will be required to participate therein and to contribute its Proportionate Share of the non-discretionary costs incurred within 10 Business Days of the receipt of the Operator's invoice therefor, failing which Section 8.10 will apply. Non-discretionary costs will be deemed to be Costs for all purposes of this Agreement.
- 8.7 The Operator will immediately notify the Management Committee of any anticipated material departure from an approved Operating Program. Cost overruns in excess of 10% of the aggregate Costs approved in the current Operating Program will be for the account of the Operator, unless unanimously approved by the Management Committee.
- 8.8 The Operator will invoice each Participant for any Operating Program in which such Participant has elected or is required to participate under Section 9.1 or Section 10.5 for its Proportionate Share of Costs or advances for Costs in accordance with the Accounting Procedure.
- 8.9 Payments from the Participants (including the Operator) will be deposited in one or more of the Joint Accounts.

- 8.10 If any Participant (in this Article 8, the "defaulting party") fails to pay on time any amount invoiced with respect to Costs for an Operating Program in which it has elected or is required to participate, then the Operator may by written notice demand payment. If payment of the entire defaulted amount is not made within the period of 15 Business Days after receipt of such notice then the Operator will notify the Participants. Each Participant not in default may elect, by notice to the other Participants within a further 30-day period, to advance the amount of the defaulted payment on behalf of the defaulting party, in which case Section 8.11 will apply. If no Participant elects to advance the amount of the defaulted payment then the Operating Program will be deemed to have been withdrawn. The Operator may then propose another Operating Program.
- 8.11 If there is a default by a Participant in the payment of its Proportionate Share of Costs for an Operating Program and another Participant has elected pursuant to Section 8.10 to advance the amount in default, then the defaulting Participant will have no further right to contribute to that Operating Program and its Interest will be reduced and the advancing Participant's Interest will be increased from time to time on a standard basis as set out in Section 4.5. A Participant whose Interest has been reduced under this Section 8.11 will be entitled to receive details of and to contribute to future Operating Programs to the extent of its then Interest but only if its Interest is more than 5%. A Participant whose Interest has been reduced to 5% or less will have its Interest converted to the NSR Royalty in accordance with Article 12, with no further opportunity or obligation to participate in or contribute to any Operating Program.
- 8.12 Each party hereby waives the provisions of applicable laws to the extent permitted by such laws, as may be necessary to give effect to the rights of the Participants against the defaulting party pursuant to this Article 8.
- 8.13 Notwithstanding the provisions of this Article 8, the parties hereby expressly agree that York Harbour, and its successors and permitted assigns, have a Carried Interest during the Free Carry Period (if applicable). For greater certainty, York Harbour is not at any time required to contribute to any Costs that arise during the Free Carry Period and York Harbour's obligations to contribute and potential dilution for failure to contribute shall only commence for Operating Program Costs that arise after the expiry of the Free Carry Period.

9. EXPLORATION PROGRAMS

- 9.1 For any Operating Program for Operations during the Exploration Period that is approved by the Management Committee, each Non-Operator will, within 30 days after such approval (or, if a Participant's Proportionate Share of the Costs of the Operating Program proposed exceeds \$250,000 within 60 days after such approval), give written notice to the Operator as to whether it will participate in and contribute its Proportionate Share of the Costs of that Operating Program. The Operator, by its approval of an Operating Program for Operations during the Exploration Period, is deemed to have elected to participate in and contribute to such Operating Program. If a Participant does not give notice within the relevant period after approval of an Operating Program, then it will be deemed to have elected not to contribute to that Operating Program.

- 9.2 If a Participant elects or is deemed to have elected not to contribute to an Operating Program contemplated under Section 9.1, then the Operator will forthwith give written notice thereof to any Non-Operator other than the non-contributing Participant. Each of the Operator and such Non-Operator will be entitled to elect, within 30 days of receipt of the Operator's notice, to increase its contributions by the amount of the shortfall, or if more than one so elects, then in accordance with its Proportionate Share. If, after the operation of this Section 9.2, Costs of the proposed Operating Program are not fully committed, then such Operating Program will be deemed to be withdrawn. The Operator may thereafter propose another Operating Program.
- 9.3 If any Operating Program contemplated in Section 9.1 is suspended or terminated prematurely such that the Costs incurred under the Operating Program so suspended or terminated are less than 85% of the Costs originally proposed, then the Operator will forthwith notify the other Participants. Any Participant which elected or was deemed to have elected not to contribute to that Operating Program will be entitled to contribute its Proportionate Share of the Costs incurred on that Operating Program by payment thereof to the Operator within 30 days after receipt of the notice.
- 9.4 If a Participant elects or is deemed to have elected not to contribute to the Costs of any Operating Program contemplated in Section 9.1, the Interest of that Participant will be decreased and the Interest of each Participant contributing in excess of its Proportionate Share of the Costs of such Operating Program will be increased on a standard basis as set out in Section 4.5, subject to Section 9.6.
- 9.5 A Participant whose Interest has been reduced under this Article 9 but is still greater than 5% will be entitled to receive details of and to contribute to future Operating Programs contemplated in Section 9.1 to the extent of its then Interest.
- 9.6 A Participant whose Interest has been reduced under this Article 9 to 5% or less will have its Interest converted to the NSR Royalty in accordance with Article 12, with no further opportunity or obligation to participate in or contribute to any Operating Program.
- 9.7 Notwithstanding the provisions of this Article 9, the parties hereby expressly agree that York Harbour, and its successors and permitted assigns, have a Carried Interest during the Free Carry Period (if applicable). For greater certainty, York Harbour is not at any time required to contribute to any Costs that arise during the Free Carry Period and York Harbour's obligations to contribute and potential dilution for failure to contribute shall only commence for exploration program Costs that arise after the expiry of the Free Carry Period.

10. FEASIBILITY STUDY AND PRODUCTION NOTICE

- 10.1 The Management Committee may, at any time during the Exploration Period, approve an Operating Program that contemplates that a Feasibility Study be prepared. Notwithstanding the approval of such an Operating Program, the Management Committee may determine that an Operating Program for other Operations also be approved pursuant to Article 9 and carried out either in conjunction with or independently of the Operating Program involving a Feasibility Study.

- 10.2 If an Operating Program involving a Feasibility Study is approved, then the Operator will promptly undertake the Feasibility Study, which will contain a detailed examination of the feasibility of bringing a Minerals deposit on the Property into commercial production by establishment of a Mine. The Feasibility Study will include an initial Operations Plan for the Mine. Forthwith upon its completion the Operator will submit the Feasibility Study to the Management Committee for its approval.
- 10.3 The Operator will call a Management Committee meeting to consider the Feasibility Study for a date no sooner than 60 days after the Feasibility Study was delivered to the Management Committee or such earlier date as all such representatives thereof agree.
- 10.4 The Management Committee will consider each Feasibility Study submitted to it and may approve the Feasibility Study, with such modifications or subject to such conditions, if any, as it considers necessary or desirable, and recommend that a Mine be established and brought into production in accordance with the final Feasibility Study so approved. Forthwith after such approval the Operator will give notice (in this Article, the "production recommendation") to each of the Participants setting forth the Management's Committee's recommendation, together with a copy of the final Feasibility Study so approved.
- 10.5 Each Participant will, within 120 days after receipt of the production recommendation, give notice to the other Participants as to whether it elects to contribute its Proportionate Share of the Costs to develop a Mine in accordance with the approved Feasibility Study. If a Participant does not give notice within such period it will be deemed to have elected not to contribute.
- 10.6 If any Participant elects or is deemed to have elected not to contribute to Costs as provided in Section 10.5, then the other Participants may elect, by notice to the Operator within 30 days after the earlier of the non-contributing Participant's notice and the expiry of the 120 day notice period referred to in Section 10.5, to increase their contributions to the relevant Costs by the amount that the non-contributing Participant has declined to contribute or, if more than one Participant so elects, then in proportion to their respective Interests.
- 10.7 Forthwith after the operation of Sections 10.5 and 10.6, the Operator will give notice to the Participants indicating either that Costs:
 - (a) are fully committed, in which case the notice (in this Agreement called the "**Production Notice**") will state that the Participants have agreed to establish and bring a Mine into production in conformity with the Feasibility Study approved by the Management Committee; or
 - (b) are not fully committed, in which case the notice will state that the production recommendation is thereby withdrawn.
- 10.8 If elections are made so that Costs to develop a Mine in accordance with the approved Feasibility Study are fully committed then, notwithstanding any modifications of the Feasibility Study thereafter, the Interest of the non-contributing Participant will be decreased and the Interest of each Participant contributing in excess of its Proportionate Share of such Costs will be increased in accordance with Section 4.5, subject to Section 10.11.

- 10.9 The Management Committee will be entitled, at any time after the withdrawal of a production recommendation, to approve another or a revised Feasibility Study and cause another production recommendation to be issued.
- 10.10 A Participant that elected or was deemed to have elected not to contribute under Section 10.5 forfeits the right to contribute to all subsequent Costs and the right to participate in any further Operating Program.
- 10.11 A Participant whose Interest has been reduced under this Article 10 to 5% or less will have its Interest converted to the NSR Royalty in accordance with Article 12, with no further opportunity or obligation to participate in or contribute to any Operating Program.
- 10.12 Notwithstanding anything else herein contained, the Management Committee, at the time of approving any Feasibility Study, may decide that part or all of the Property outside the geographical limits of the properties necessary or advisable for the proposed Mine and Operations in relation thereto will be treated separately as an exploration area and a separate joint venture. At the time of making such a decision, the Management Committee will apportion the Costs incurred up to the date of the decision between the proposed Mine area and the exploration area, and the Participants will be deemed to have entered into a new joint venture agreement upon the terms and conditions of this Agreement mutatis mutandis. The Interests of the Participants in the Mine area and the exploration area will thereafter be separate and distinct Interests so that contributing to or failure to contribute to the exploration joint venture will not operate to alter the Interests of the Participants hereunder, or vice versa.
- 10.13 For greater certainty, the parties hereby expressly agree that York Harbour, and its successors and permitted assigns, have a Carried Interest during the Free Carry Period (if applicable) and are required to contribute to any Costs of a Feasibility Study or that arise after the expiry of the Free Carry Period.

11. OPERATIONS PLAN

- 11.1 The Operations Plan contained in the approved Feasibility Study will constitute the first approved Operations Plan for the Mine.
- 11.2 From time to time as circumstances dictate, the Operator will submit a new Operations Plan for consideration by the Management Committee to replace the Operations Plan then in effect.
- 11.3 The term of an Operations Plan will not exceed 5 years unless unanimously approved by the Management Committee.
- 11.4 Every Operations Plan will contain for the period covered a description in reasonable detail of the proposed Operations together with a statement showing anticipated Costs to be incurred, and will include appropriate sensitivity analyses for principal cost categories.
- 11.5 The Management Committee will review any Operations Plan submitted and, if it deems fit, approve the Operations Plan with such modifications, if any, as the Management Committee deems desirable.

- 11.6 Any Operating Program submitted to the Management Committee Plan will be consistent with any Operations Plan then in effect.

12. EFFECT OF NON-PARTICIPATION

- 12.1 If at any time prior to the Operative Date a Participant has its Interest reduced to 5% or less as contemplated in Sections 8.11, 9.6 or 10.11, it will be deemed to have surrendered, assigned and conveyed its Interest to the other Participant or, if more than one, then in proportion to their respective Interests.
- 12.2 Upon any assignment and conveyance pursuant to Section 12.1, the Participant whose Interest is deemed to have been surrendered, assigned and conveyed (in this Article called the "royalty holder") will cease to be a party and will cease to have any further right or Interest under this Agreement and, except as to the YH NSR Royalty and any payment of the NSR Royalty to which the royalty holder may be entitled, all obligations or liabilities of the other Participants to the royalty holder under this Agreement terminate. The royalty holder, in consideration of the surrender, assignment and conveyance of its Interest, will be entitled to receive by way of royalty 0.5% of the net smelter returns from the Property, as and when produced in accordance with the NSR Royalty as set out in Appendix 3. Each Participant will severally calculate and cause to be paid to the royalty holder in the manner provided in Appendix 3 to this Agreement, 0.5% of the net smelter returns of Products derived from its Proportionate Share of Minerals produced from the Property.
- 12.3 The transfer, assignment and surrender by a Participant of its Interest as contemplated in Section 12.1 will not operate so as to relieve that Participant from any obligations (other than the payment of the invoices in relation to which its Interest is being reduced), accrued yet unsatisfied to the date of surrender nor from its obligations with respect to the payment of its Proportionate Share, based upon the Interest surrendered, of any Costs of rehabilitation and reclamation as at the date of surrender.
- 12.4 Any decision to place any of the Property into production will be in the sole discretion of the Participants, who will be under no obligation to the royalty holder in that regard and who will, if any of the Property is placed into production, have the unfettered right as against the royalty holder, to suspend, curtail or terminate Operations as they in their sole discretion may determine.

13. CASH CALLS AND CONTRIBUTIONS

- 13.1 If Section 4.3 applies, the Participants agree that this Section 13 only applies on and from the expiry of the Free Carry Period.
- 13.2 The Operator will invoice each Participant for its Proportionate Share of Costs in accordance with the Accounting Procedure, crediting to each its Proportionate Share of any Joint Venture revenues for a given period, as well as any funds on hand. The Participants will pay such invoices as required under the Accounting Procedure and the Operator will deposit all such payments into the Joint Account.
- 13.3 If the Operator suspends or prematurely terminates an Operating Program, then any funds advanced by a Participant in excess of that Participant's Proportionate Share of Costs actually incurred in connection with that Operating Program will be credited toward and

applied to that Participant's Proportionate Share of the Costs to be incurred during the subsequent period.

- 13.4 All Costs incurred hereunder will be for the account of the Participant or Participants who have elected or are required to contribute to Costs at the time that such Costs are incurred, in proportion to their respective Interests, and each Participant on whose behalf any Costs have been incurred will be entitled to claim all tax benefits, write-offs and deductions with respect thereto.

14. MINE FINANCING

- 14.1 Except as expressly permitted hereunder, no Participant will at any time place any lien, pledge, mortgage, lease, sublease, charge or other encumbrance on the whole or any part of its Interest without the prior consent of the other Participant.

- 14.2 The contributions of the Participants toward Costs will be individually and separately provided by them.

- 14.3 Solely in order to secure loans to meet their respective contributions toward Costs, the Participants will each be entitled to pledge, mortgage, charge or otherwise encumber, as security for financing their respective contributions, their respective Interest, provided that security will not be given by any Participant unless the proposed pledgee, mortgagee or holder of the charge or encumbrance (in this Section called the "bank") is a bank or other type of recognized financial institution and the bank first undertakes in writing with the other Participant, in a form reasonably satisfactory to its counsel and binding upon the bank, that:

(a) the bank will not enter into possession or institute any proceedings for foreclosure or partition of an encumbering Participant's Interest and that the security will be subject to the provisions of this Agreement;

(b) the bank's remedies under that security will be limited to the sale of the whole (but only of the whole) of the encumbering Participant's Interest held under that security to the other Participant or, if the other Participant declines to purchase then by a sale at a public auction to be held after 90 days' prior notice to the other Participant; provided, however, that, as a condition of sale, the purchaser will, prior to completing the purchase, deliver to each of the Participants notice, in a form reasonably satisfactory to their respective counsel, that the purchaser:

(i) assumes all the obligations of the encumbering Participant in connection with this Agreement; and

(ii) will be bound by this Agreement.

- 14.4 The Operator will have the right, exercisable by notice to the Non-Operator within 30 days after any production recommendation under Article 10, to fund or arrange project financing for all or a portion of the Costs to develop a Mine in accordance with the approved Feasibility Study, provided that such project financing is on competitive terms. If the Operator so elects and the Non-Operator elects to contribute pursuant to Section 10.5, then the Operator will advance pro rata out of such project financing the Non-Operator's Proportionate Share of Costs together with its own Proportionate Share of Costs, after the

Participants have directly contributed the remainder of their respective Proportionate Shares of Costs. If required to secure such project financing, the Non-Operator will grant to the financier (together with the Operator) a first charge over and security interest in its Interest and its Proportionate Share of the Assets, the Property, the Minerals produced from the Property, and in the proceeds therefrom.

15. MARKETING OF PRODUCTION

- 15.1 Unless otherwise unanimously agreed by the representatives of all Participants then on the Management Committee, the Participants will sell or dispose of their respective shares in the Products through the Joint Venture and make such arrangements in connection therewith as they deem mutually advisable, without in any way causing them to be deemed to be in partnership. The proceeds from such joint sales shall be to the account of the Participants in accordance with their respective Interests or as they otherwise might agree in writing.
- 15.2 The Operator shall procure and negotiate on behalf of the Participants such contracts as are required, deposit the proceeds from such sales in the Joint Account to the extent applicable under the terms of this Agreement and distribute the surplus proceeds to the Participants in accordance with their respective Interests.

16. SUSPENSION AND TERMINATION OF OPERATIONS

- 16.1 The Operator may, at any time subsequent to the Operative Date, on at least 30 days' notice to all Participants, recommend that the Management Committee approve the suspension of Operations. The Operator's recommendation will include a plan and budget (the "**Mine Maintenance Plan**") which describes, in reasonable detail, the activities to be performed to maintain the Property and the Assets during the period of suspension and the Costs to be incurred. If the Management Committee approves the proposed Mine Maintenance Plan, with or without modifications, the Mine Maintenance Plan so approved will be deemed to be an approved Operating Program hereunder and will suspend any approved any Operating Program then in effect. For greater certainty, the Participants will be committed to contribute their respective Proportionate Shares of the Costs incurred in connection with the Mine Maintenance Plan. The Management Committee may cause Operations to be resumed at any time, in which event any suspended Operating Program will be reinstated, with such modifications as the Management Committee may approve, or replaced with a new Operating Program, as the Management Committee may determine.
- 16.2 The Operator may, at any time following a period of at least 90 days during which Operations have been suspended, upon at least 30 days' notice to all Participants, recommend that the Management Committee approve the permanent termination of Operations. The Operator's recommendation will include a plan and budget (the "**Mine Closure Plan**") which describes, in reasonable detail, the activities to be performed to close the Mine and reclaim the Property and the estimated Costs to implement the Mine Closure Plan. The Management Committees may, with the unanimous approval of all of its members, approve the proposed Mine Closure Plan, with or without modifications.

- 16.3 If the Management Committee approves the Mine Closure Plan, then:
- (a) the Mine Closure Plan will be deemed to be an approved Operating Program and will supersede and replace any approved Operating Program (including any Mine Maintenance Plan) then in effect;
 - (b) the Operator will be required to:
 - (i) implement the Mine Closure Plan, whereupon each Participant will be committed to pay its Proportionate Share of the Costs required to implement that Mine Closure Plan;
 - (ii) sell and dispose of the Property and the Assets, subject to Section 16.4;
 - (iii) carry out the obligations in relation to the closure as may be required applicable environmental, mining and other laws; and
 - (iv) report to the Participants upon the completion of the Mine Closure Plan and the other obligations pursuant to this Section.
- 16.4 The disposal price for the Property and the Assets will be the best price obtainable and the net revenues, if any, therefrom will be distributed to the Participants in proportion to their respective Proportionate Shares.
- 16.5 If the Management Committee does not approve the Mine Closure Plan, the Operator will maintain Operations in accordance with a Mine Maintenance Plan approved pursuant to Section 16.1.

17. INSPECTIONS AND REPORTING

- 17.1 At all times during the subsistence of this Agreement those persons who have been authorized by a Participant, by prior notice to the Operator, will, at that Participant's sole risk and expense and at reasonable intervals and times, have access to such portions of the Property, the Assets and the Operations (for greater certainty, including such technical records and other factual engineering data and information relating to the Property in the possession of the Operator) as the Participant may have authorized.
- 17.2 The Operator will furnish each Participant with quarterly progress reports on Operations and with a final report on conclusion of each Operating Program. Each quarterly report will be supported with such technical and other data, information and reports as are appropriate to reflect the Operations for the period. Each quarterly and final report will include a presentation comparing Costs incurred to those planned according to the approved Operating Program. The final report will show all the Operations conducted or performed during the Operating Year and any revenues and Costs experienced, and will be accompanied by the Operator's discussion and analysis of the results of Operations and the financial condition of the Joint Venture.
- 17.3 In addition to the reporting requirements under Section 17.2, the Operator will keep the Participants properly informed in a timely manner of every material change or development affecting Operations, the Property, the Assets or the Joint Venture, and will

provide such additional reports, studies and analyses relating to Operations as the Management Committee may require.

18. INDEMNIFICATION

- 18.1 Subject to Section 18.2, each Non-Operator will indemnify and save the Operator harmless from and against any loss, liability, claim, demand, damage and expense in connection with loss of life, personal injury or damage to property (including, without limiting the generality of the foregoing, legal fees) arising out of any acts or omissions of the Operator or its officers, employees or agents, contractors, licensees and invitees. There shall be no requirement to indemnify the Operator for any loss, liability, claim, demand, damage or expense covered by the insurance of the Operator or of the Joint Venture. Any obligation of a Non-Operator to indemnify the Operator shall be limited to an amount equal to the higher of (i) the Non-Operator's current Interest in the Joint Venture and (ii) the amount of any insurance held by the Non-Operator which covers such loss, liability, claim, demand damage or expense.
- 18.2 The Operator will not be indemnified nor held harmless by the Non-Operators for its negligence or wilful misconduct or that of its officers, agents or employees.
- 18.3 An act or omission of the Operator done or omitted to be done at the direction, or with the concurrence, of the Management Committee will be deemed not to be negligence or wilful misconduct.
- 18.4 The obligation of each Non-Operator to indemnify and save the Operator harmless pursuant to Section 18.1 will be in proportion to its respective Interest as at the date that the loss of life, personal injury or damage to property occurred.
- 18.5 The Operator will indemnify and save the Non-Operators harmless from and against any loss, liability, claim, demand, damage and expense in connection with loss of life, personal injury or damage to property (including, without limiting the generality of the foregoing, legal fees) arising out of the Joint Venture, which is caused by its negligence or wilful misconduct or that of its officers, agents or employees or which exceeds the Non-Operators' proportionate Interests.
- 18.6 Each Participant shall indemnify, defend and hold harmless the other Participant and each such Participant's directors, officers, employees and attorneys, or Affiliates from and against any and all loss, liability, claim demand, damage and expense arising out of or relating to:
- (a) any unauthorized act or assumption of liability by such Participant, or any of this directors, officers, employees, or agents done or undertaken, or apparently done or undertaken, on behalf of the other Participant, except pursuant to the authority expressly granted herein or as otherwise agreed in writing by the Participants;
 - (b) any breach of such Participants representations and warranties set forth in this Agreement; or
 - (c) any breach by such Participant of any covenant or other obligation contained in this Agreement caused by or attributable to such Participant's wilful misconduct or negligence.

- 18.7 The Participants will indemnify and hold the members and former members of the Management Committee harmless from and against any and all loss, liability, claim demand, damage and expense including any amount paid to settle an action or satisfy a judgment reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she has been made a party by reason of being or having been a member of the Management Committee, provided:
- (a) he or she acted honestly and in good faith with a view to the best interest of the Joint Venture; and
 - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his conduct was lawful.
- 18.8 The Operator will not be liable to the Non-Operators nor will any Non-Operator be liable to the Operator or any other Non-Operator in contract, tort or otherwise for special, indirect or consequential damages, including, without limiting the generality of the foregoing, loss of profits or revenues.

19. INSURANCE

- 19.1 The Operator will place and maintain with a reputable insurer or insurers such insurance as the Management Committee in its discretion deems advisable in order to protect the Participants. The Operator will, upon the written request of any Participant, provide it with evidence of that insurance.
- 19.2 Notwithstanding Section 19.1 each Participant may purchase, at its own expense, any other insurance for its own protection that it wishes.

20. FORCE MAJEURE

- 20.1 Notwithstanding any other provisions contained herein, a Participant will not be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its control including, but not limited to: pandemics, epidemics, acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances; laws, rules and regulations or orders of any duly constituted court or governmental authority; non-availability of materials or transportation; or protests, demonstrations or other events causing work stoppages by environmental lobbyists or an aboriginal group (in this Article each an "**Intervening Event**").
- 20.2 All time limits imposed by this Agreement (other than for the payment of monies) will be extended by a period equivalent to the period of delay resulting from an Intervening Event.
- 20.3 A Participant relying on the provisions of this Article 20 will take all reasonable steps to eliminate any Intervening Event and, if possible, will perform its obligations under this Agreement as far as practical, but nothing herein will require such Participant to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted court or governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

20.4 A Participant relying on the provisions of this Article 20 will give notice to the other Participants forthwith upon the occurrence of the Intervening Event. Such notice shall include the basis of force majeure claim, anticipated length of delay, and description of predicted impact of the Intervening Event on Operations, production and Costs. The Participant shall give further notice forthwith after the end of the period of delay when such Intervening Event has been eliminated or rectified.

21. RIGHT OF FIRST REFUSAL

21.1 None of the Participants will pledge, grant security over, sell, assign, or in any other manner dispose of or attempt to dispose of all, or any portion, of its Interest except as expressly permitted in Article 14, in this Article 21 or in Article 22.

21.2 A Participant is prohibited from disposing of any of its Interest or any of its rights under this Agreement except if such disposition:

- (a) includes its entire Interest together with its entire interest in this Agreement; and
- (b) occurs when such Participant is not in default of any of its covenants and agreements herein contained, but provided that a failure to contribute or a decision not to contribute to Costs of any Operating Program shall not constitute a default hereunder;

and has been made in accordance with Section 21.3 or is exempted under Section 21.5.

21.3 A Participant wishing to sell or dispose of its Interest (in this Article 21 called the "**Disposing Participant**") may sell or dispose of all, but not less than all, of its Interest (the Interest being hereinafter in this Article 21 called the "**Holding**"):

- (a) in the manner set out in Section 21.4 to the Participants who elect to purchase the Holding (if more than one then in proportion to their respective Interests); or
- (b) to an Affiliate of the Disposing Participant; provided that the sale of the Holding to an Affiliate will be subject to the Affiliate entering into an agreement with the other Participants whereby it agrees to be bound by the provisions of this Agreement; and provided further that the sale of the Holding will not relieve the Disposing Participant of its obligations under this Agreement.

21.4 A Disposing Participant will prior to disposing of the Holding other than to an Affiliate, first enter into a definitive agreement with a third party purchaser setting out the terms of sale of the Holding which shall be a sale for a cash consideration and which provides for the intended disposal of the Holding to be expressly made subject to the rights in this Section 21, but upon such other terms and conditions as the Disposing Participant deems fit. The Disposing Participant shall provide the other Participants with notice enclosing a copy of the definitive agreement and if, within 30 days of receipt of such notice from the Disposing Participant, none of the other Participants elect to purchase the Holding (if more than one Participant, then in proportion to their respective Interests) upon the terms and conditions set out in the definitive agreement, then the Disposing Participant will be free to dispose of that Holding pursuant to the definitive agreement at any time within 4 months after expiry of the 30 day notice period but only on terms and conditions stated in the definitive agreement. Any sale of the Holding to the third party will be subject to the third party

entering into an agreement to be bound to the provisions of this Agreement, in form satisfactory to counsel for the Operator acting reasonably. Any Holding not disposed of by the Disposing Participant as aforesaid will remain subject to the provisions of this Section.

21.5 Section 21.4 does not apply to:

- (a) a disposition by a Participant of all of its Interest in the Property and a transfer or assignment of all its rights under this Agreement to an Affiliate thereof, provided that such Affiliate first assumes and agrees to be bound by the terms of this Agreement and agrees with each other Participant in writing to retransfer such Interest to the transferor before ceasing to be an Affiliate of such transferor;
- (b) an amalgamation or corporate reorganization involving a Participant which has the effect in law of the amalgamated or surviving corporation possessing all the property, rights and interests and being subject to all the debts, liabilities and obligations of each amalgamating or predecessor corporation; or
- (c) a sale, forfeiture, charge, withdrawal, transfer or other disposition or encumbrance which is otherwise specifically required or permitted under this Agreement.

21.6 Upon a Participant or a third party acquiring the Disposing Participant's Holding, the Participant or the third party will be deemed to have contributed the Costs contributed to the date of the acquisition by the Disposing Participant.

21.7 Unless the prior written approval of the Participant other than the Disposing Participant has been given to the sale or other disposition to an Affiliate of the Disposing Participant (which approval will not be unreasonably withheld), the Disposing Participant remains liable for its obligations hereunder notwithstanding such disposition.

22. DRAG-ALONG RIGHT

22.1 If, at any time, any Participant holding at least a 75% Interest (the "**Controlling Participant**") approves a bona fide sale of such Controlling Participant's Interest to a third party, non-Affiliated person (in this Article, the "**Third Party**"), then the Controlling Participant shall have the right, exercisable upon 30 days' notice given to each other Participant (the "**Minority Participants**") to require the Minority Participants to sell their Interest pursuant to the approved terms of the sale of the Controlling Participant's Interest. The price payable by the Third Party to the Minority Participants shall be the proportionate to the price paid for the Controlling Participant's Interest.

22.2 The sale of the Interests pursuant to Section 22.1 shall take place not earlier than 30 days after the notice given to the Minority Participants.

22.3 Notwithstanding any of the provisions of this Agreement, any sale of Interests pursuant to this article 22 shall not be subject to the provisions of Article 21.

23. GENERAL PROVISIONS REGARDING PURCHASE AND SALE

23.1 Unless otherwise specifically provided for herein or as may be otherwise agreed by the parties to such transaction, in the event of any sale by a Disposing Participant under Article

21 or a selling Participant under Article 22 (for purposes of this Article, the “**Exiting Participant**”) of all or any of the Exiting Participant’s Interest pursuant to this Agreement to any other Participant:

- (a) such sale shall be on terms whereby the Exiting Participant warrants that the Exiting Participant has: (i) good and marketable title to the Interest being sold free from any option or refusal right, voting trust, pledge, hypothecation, mortgage, lien, charge, encumbrance, secured interest or other right or interest of any person other than by or pursuant to this Agreement; and (ii) full right, power and authority to complete, and is otherwise entitled to complete, the sale of the Interest;
- (b) if the Exiting Participant is selling all of the Exiting Participant’s Interest, the Exiting Participant shall deliver a certified cheque or bank draft in payment of all amounts then owing by the Exiting Participant to the other Participants in accordance with this Agreement, a resignation of the Exiting Participant’s nominee(s) (if any) to the Management Committee and a release by the Exiting Participant and the Exiting Participant’s nominee(s) (if any) in favour of the other Participants releasing them from any and all claims which the Exiting Participant or such nominee(s) may have against them with respect to any matter or thing arising as a result of the Exiting Participant or the Exiting Participant’s nominee(s) being a member of the Management Committee or anything arising under this Agreement (except for any claims which might arise out of the sale transaction);
- (c) the Exiting Participant shall also deliver to the purchaser original executed copies of all such documents and instruments as may be required to effect the transfer of the Interest against receipt by the Exiting Participant of payment in full of the purchase price; and
- (d) payment of the purchase price shall be made in full by way of wire transfer, certified cheque or bank draft.

For greater certainty, the parties acknowledge and agree that where a sale transaction involves more than one purchaser, the purchasers in such sale transaction are not jointly liable for the payment of the purchase price for the Interest sold by the Exiting Participant, but are only liable for their proportionate share thereof. The parties acknowledge that the completion of any sale transaction shall be subject, in any event, to the receipt of all necessary governmental and regulatory consents and approvals to the transfer of the Interest contemplated thereby.

24. INVENTIONS AND TECHNICAL DATA

- 24.1 All inventions developed by, or acquired for the benefit of the Joint Venture, the cost of which is included as a Cost under this Agreement, will be the property of the Participants. Each Participant hereby grants to the other Participant for use by the latter and its Affiliates in their own operations and in the Joint Venture a non-exclusive, world-wide, royalty-free licence under any patents which issue on those inventions, which licence will survive the termination of this Agreement.
- 24.2 Information, knowledge, data, technical records, engineering trade secrets, maps, plans and drawings (hereinafter collectively referred to as “technical data”), developed or acquired in the course of Operations will be jointly owned by the Participants and may be

used without payment of royalties by each of them and their Affiliates in their own operations and in the Joint Venture. Each Participant and its Affiliates will maintain as confidential and not disclose technical data to third parties without the written consent of the Participants before 10 years after the date that the former Participant withdraws from this Agreement or this Agreement terminates; provided that this obligation will not apply to:

- (a) technical data which is or becomes part of the public domain other than through a breach of this Agreement;
- (b) technical data already in the possession of a Participant or its Affiliates prior to receipt thereof from any other Participant or its Affiliates or development under this Agreement;
- (c) technical data lawfully received by a Participant or an Affiliate from a third party not under a binder of secrecy;
- (d) technical data independently developed by one or more employees of a Participant or an Affiliate who did not have access to information developed or acquired under this Agreement; and
- (e) technical data required to be disclosed by law, by regulation of any securities commission or stock exchange, or in connection with the filing of any prospectus, statement of material facts, registration statement, management information circular, or other similar documents by either Participant or any of its Affiliates.

24.3 A Participant or its Affiliates may disclose technical data to potential purchasers of its Interest or to third parties, without consent of the Operator or other Participants, to allow the latter to conduct services or provide financing for the disclosing Participant or its Affiliates, provided that the Participant ensures that that third party has entered into a confidentiality agreement and non-disclosure agreement with the Participant.

25. CONFIDENTIALITY AND PUBLIC STATEMENTS

25.1 Except as specifically otherwise provided for herein, the Participants will keep confidential all data and information respecting this Agreement and the Property and will refrain from using it other than for the activities contemplated hereunder or publicly disclosing unless required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction or with the written consent of the other Participant, such consent not to be unreasonably withheld. Notwithstanding the foregoing, for so long as the Operator (or its parent company) is a publicly traded entity it is acknowledged and agreed that the Operator may disclose any information about the Property (on an individual basis or aggregated with information or disclosure on the Operator's other properties) as is necessary or desirable to comply with disclosure obligations applicable to the Operator and such disclosure may be made without the prior written consent of, or notification to, the other Participant.

25.2 No Participant will be liable to any other Participant, for the fraudulent or negligent disclosure of information by any of its employees, servants or agents, provided that the subject Participant has taken reasonable steps to ensure the preservation of the confidential nature of such information.

- 25.3 The provisions of this Article 25 do not apply to information which is or becomes part of the public domain other than through a breach of the terms hereof.
- 25.4 Where a request is made for permission to disclose confidential information hereunder, a reply thereto will be made within 7 Business Days after receipt of such request, failing which the Participant requesting will be entitled to disclose such information in the limited circumstances specified in such request as if such consent had been given.
- 25.5 The Participants will consult with each other prior to issuing any press release or other public statement regarding the Property or the activities of the respective Participants with respect thereto. In addition, each Participant will obtain prior approval from the other Participant before issuing any press release or public statement using the other Participant's name or the names of any of the other Participant's assignees or of any of the officers, directors or employees of the other Participant or of its assignees.

26. NOTICES

- 26.1 All invoices, bills, notices, consents, demands, statements and reports (collectively, in this Article called a "communication") under this Agreement will be in writing and may be delivered by hand or sent by electronic transmission. A communication will be effective if it is addressed as set forth in this Article or as any Participant hereafter may from time to time specify by notice to the other, and if delivered by hand will be effective upon receipt or if transmitted electronically will be effective on the Business Day next following the date of transmission unless it can be shown that such communication was not actually received by the addressee.
- 26.2 The address and other communication particulars for York Harbour are as follows:

Attention: President
York Harbour Metals Inc.
Suite 1518 – 800 West Pender Street
Vancouver, BC V6C 2V6
Email to: criercapital@yahoo.com

- 26.3 The address and other communication particulars for Firetail are as follows:

Attention: Executive Chairman
Firetail Resources Limited
T2, 64-68 Hay Street
Subiaco, WA 6008
Email to: brett@firetailresources.com.au

27. AGREEMENT TERMINATION AND SURRENDER

- 27.1 Except as contemplated in Section 27.2, this Agreement will terminate:
- (a) by agreement of all Participants having an Interest;

- (b) if one Participant acquires a 100% of the Interest (including by the surrender of the other Participants Interests pursuant to Section 12.1); or
 - (c) upon the acceptance by the Management Committee of the Operator's report following the completion of a Mine Closure Plan provided that other duties of the Operator in relation thereto have been fulfilled as contemplated in Section 16.3.
- 27.2 Any Participant may at any time upon notice, withdraw from this Agreement by surrendering its entire Interest to the other Participants in accordance with this Section. A Participant that wishes to withdraw (in this Section called the "withdrawing party") will give notice of surrender to the other Participants, which notice of surrender will:
- (a) indicate a date for surrender not less than 3 months after the date on which the notice is given;
 - (b) contain an undertaking that the withdrawing party will:
 - (i) satisfy its Proportionate Share, based on its then Interest, for all amounts chargeable to it in respect of Operations performed prior to the date of surrender;
 - (ii) pay its Proportionate Share, based on the Interest which it surrendered on the date of surrender, of the Costs of rehabilitation and of reclamation of the Property; and
 - (iii) maintain the confidentiality obligations set forth in Article 25 as if was continuing as a Participant; and
 - (c) include with it a release in writing, in form acceptable to counsel for the other Participant, releasing the other Participant from all claims and demands hereunder, except for those which arose or accrued or were accruing due on or before the date of surrender.
- 27.3 A Participant to whom a notice of surrender has been given as contemplated in Section 27.2 may elect, by notice given within 90 days to the withdrawing party, to accept the surrender or to join in the surrender. The withdrawing party will execute and deliver all such documents as are required to convey its Interest to the Participants that elect to accept the surrender, if more than one then in proportion to their respective Interests. If all of the Participants join in the surrender, the Joint Venture will terminate after completion of a Mine Closure Plan in accordance with Section 16.3, with the party which was the Operator being obligated to continue as Operator to effect the termination and the Participants being obligated to fund their respective Proportionate Shares of the Costs incurred.
- 27.4 Upon the surrender of its entire Interest as contemplated in this Article, the withdrawing party will be relieved of all obligations and liabilities hereunder except for those contemplated in Section 27.2(b).
- 27.5 Notwithstanding any termination of this Agreement, the provisions of Article 25 and Sections 29.7 and 29.9 to 29.12 will survive, together with any other provisions necessary for the interpretations thereof.

28. AREA OF INTEREST

- 28.1 Provided that Firetail has earned no less than a 80% Interest in the Property as of the Operative Date, then no Participant will acquire, nor will it permit any Affiliate to acquire, any Mineral Rights located wholly or in part within the Area of Interest unless they are made subject to the terms of this Agreement and the acquiring party (or, if an Affiliate of a Participant has completed the acquisition, then such Participant, in either case hereafter referred to as the “acquiring party”) complies with the provisions of this Article.
- 28.2 Forthwith upon completing an acquisition of Mineral Rights located wholly or in part within the Area of Interest, the acquiring party will give notice thereof to the other Participant, setting out the location of the Mineral Rights and all information known to the acquiring party and its Affiliates about such mineral interests, the costs of acquisition and all other pertinent details relating thereto.
- 28.3 Upon receipt of the notice under Section 28.2, the notified Participant will have a period of 30 days to elect, by notice to the acquiring party, to include such Mineral Rights in the Property and make them subject to the terms of this Agreement. Upon such election such Mineral Rights will constitute Additional Property for inclusion in the Property thereafter for all purposes of this Agreement.
- 28.4 The acquiring party will be reimbursed from the Joint Account for the acquisition costs that it or its Affiliate has incurred, and the acquisition costs for any Additional Property will be deemed to constitute Costs hereunder approved by the Management Committee. As set out in Section 0, if Mineral Rights are acquired during the Free Carry Period (if applicable), any related Costs will be borne by Firetail but shall be shared on a deemed basis for purposes of calculating each Participant’s Deemed Expenditure with Firetail being allocated 80% of such Costs and York Harbour being allocated 20% of such Costs.
- 28.5 If, within the 30-day period referred to in Section 28.3, the notified Participant does not give the notice referred to in Section 28.3, then it will be deemed to have consented to the exclusion of the Mineral Rights in question from the Area of Interest, which may thereafter be held or dealt with by the acquiring party or its Affiliate free of any obligation to the Joint Venture or otherwise under this Agreement.
- 28.6 Each of the Participants will execute and deliver or cause to be executed and delivered such further documents and instruments and give such further assurances as the other may reasonably require to evidence and give effect to any acquisition, registration or transfer of Mineral Rights contemplated in this Article 28.
- 28.7 Non-compliance with the provisions of this Article 28 by an Affiliate of a Participant will constitute a default under this Agreement by such Participant unless such Participant can satisfy the other Participant that the Affiliate was acting independently and at arm's length, without information from or direction by the affiliated Participant and that such affiliated Participant could not reasonably have enforced compliance with the terms hereof by its Affiliate in the circumstances.

29. MISCELLANEOUS

- 29.1 Each of the Participants waives any right to partition of its Interest in any of the Property and the Assets and no Participant will seek or be entitled to such partition whether by way of physical partition, judicial sale or otherwise.
- 29.2 The waiver by a Participant of any breach of this Agreement will only be binding upon that Participant if evidenced in writing and executed by that Participant. Any waiver will extend only to the particular breach so waived and will not limit any rights with respect to any future breach.
- 29.3 An amendment or variation of this Agreement will be binding upon a Participant only if evidenced in writing executed by that Participant.
- 29.4 Each Participant will be entitled to receive its Proportionate Share of any funds received under any available governmental programs or other exploration/development expenditure assistance programs.
- 29.5 Time is of the essence of this Agreement.
- 29.6 This Agreement will enure to the benefit of and be binding upon the Participants and their respective successors and permitted assigns.
- 29.7 Except for matters of title to the Property or its assignment or transfer, which will be governed by the laws in force in the Province of Newfoundland and Labrador, this Agreement will be governed by and interpreted in accordance with the laws of British Columbia and the federal laws of Canada therein. Each of the Participants agrees to submit and attorn to the jurisdiction of the courts of British Columbia on any actions commenced between the Participants or any of them, subject to Sections 29.8 through 29.12 below.
- 29.8 If any controversy, dispute, claim, question or difference arises with respect to this Agreement or its performance, enforcement, breach, termination or validity, the matter will be settled or resolved according to the following arbitration provisions.
- 29.9 Any matter in dispute hereunder will be determined by a single arbitrator to be appointed by the Participants.
- 29.10 Any Participant may refer any such matter to arbitration by written notice to the other Participant and, within 10 Business Days after receipt of such notice, the Participants will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act.
- 29.11 If the Participants cannot agree on a single arbitrator as provided in Section 29.9, or if the person appointed is unwilling or unable to act, any Participant may submit the matter to arbitration before a single arbitrator in accordance with the *Arbitration Act* (British Columbia) (in this Article the "**Act**").
- 29.12 Except as specifically provided in this Article 28, an arbitration hereunder 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

Participants and he will preside over the arbitration and determine all questions of procedure not provided for under such Act or this Article 28. After hearing any evidence and representations that the Participants may submit, the arbitrator will make an award and reduce the same to writing and deliver one copy thereof to each of the Participants. 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 award of the single arbitrator will be final and binding upon each of the Participants.

- 29.13 This Agreement and all appendices attached hereto are subject to all applicable regulatory approval, if required.
- 29.14 This Agreement constitute the entire agreement between the parties with respect to the Joint Venture and terminates and replaces all prior agreements either written, oral or implied, between York Harbour and Firetail with respect to the Joint Venture, including without limitation, effective as of the Operative Date, replacing and superseding the provisions of the Option Agreement with respect to the Joint Venture. For greater certainty, York Harbour and Firetail acknowledge and agree that there is a separate Royalty Agreement between them and such Royalty Agreement is separate from this Agreement and has no impact on or relationship to the NSR Royalty as set out herein.
- 29.15 This Agreement may be executed in any number of counterparts and each counterpart, when so executed and delivered, shall be deemed to be an original and all such executed counterparts taken together shall constitute one and the same instrument. Notwithstanding the above each Party covenants that it shall promptly deliver an originally executed and notarized signature page to the other Party for purposes of registration of the Agreement in the confidential registry maintained by the Mineral Claims Recorder (Newfoundland and Labrador).

[Execution page follows]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED by **YORK HARBOUR METALS INC.**
YORK HARBOUR METALS INC. in the
presence of:

Per:

Notary Public or Commissioner of Oaths
(affix seal)

Name:
Title:

I have authority to bind the Corporation

SIGNED, SEALED AND DELIVERED by **FIRETAIL RESOURCES LIMITED**
FIRETAIL RESOURCES LIMITED in the
presence of:

Per:

Notary Public or Commissioner of Oaths
(affix seal)

Name:
Title:

I have authority to bind the Corporation

APPENDIX 1

PROPERTY

License #	# of Claims	Issued	Renewal Date	Next Report	Expenditures Required
026228M	25	2/08/2018	2/08/2028	1/10/2025	\$30,000.00 by 2034/08/02
026561M	2	12/11/2028	13/11/2028	12/01/2026	\$2,400.00 by 2034/11/12
026938M	1	7/03/201	7/03/2029	6/05/2025	\$900.00 by 20234/03/07
031681M	4	14/12/2020	24/12/2025	12/02/2025	\$800.00 by 2031/12/14
031682M	124	14/12/2020	14/12/2025	12/02/2026	\$27,420.00 by 2026/12/14
033541M	33	29/10/2021	29/10/2026	30/12/2024	\$9,173.95 by 29/10/2024

Note 1: The renewal dates are the dates on which 5-year License Renewal Fees are due to the NL Department of Industry, Energy and Technology. Map Staked Licenses are issued for a term of 5 years and every 5 years have to be renewed. The details of maintaining map staked licenses are published on the NL Department of Industry, Energy and Technology website at www.gov.nl.ca/iet.

Note 2: The licenses are located on 1:50,000 Scale National Topographic Series Map Sheets 12B/08 & 12A/05.

Note 3: This Appendix 1 is to be updated on the Operative Date to describe the Mineral Rights as of the Operative Date.

APPENDIX 2

ACCOUNTING PROCEDURE

ARTICLE 1 GENERAL PROVISIONS

1.1 DEFINITIONS

The following definitions are additional to those contained elsewhere in the Joint Venture Agreement (the "**Agreement**") and are included to assist in clarification of the Accounting Procedure.

- (a) "**Advanced Exploration Program**" means all exploration work conducted on the Property, or Additional Property, after completion of the Exploration Program until the time when all material information is provided to a third party consultant to prepare a Feasibility Study.
- (b) "**Exploration Program**" means all exploration work conducted on the Property, or any Additional Property, before any indicated mineral resource or measured resource are established in accordance with the JORC Code.
- (c) "**Fixed Assets**" means those Assets which consists of plant and equipment acquired for the Operations.
- (d) "**Material**" means those Assets which consist of materials, equipment and supplies acquired for the Operations.
- (e) "**New Price**" means the current price of new Material from a reputable supplier from whom the Material is normally available.
- (f) "**Operating Account**" means the account or accounts maintained by the Operator showing the amounts paid and received as a result of the Operations.
- (g) "**Operation and Maintenance**" means operation and maintenance of the Property, any Mine and the Assets in accordance with the Agreement and applicable Feasibility Studies and Operating Programs.

1.2 GENERAL ACCOUNTING RECORDS

The Operator will maintain detailed and comprehensive cost accounting records in accordance with this Accounting Procedure and with applicable accounting standards in accordance with International Financial Reporting Standards, including general ledgers, supporting and subsidiary journals, invoices, cheques and other customary documentation, sufficient to provide a record of Costs and periodic statements of financial position. These records will be retained for the duration of the period allowed to the parties for audit or the period necessary to comply with tax or other regulatory requirements. The records will reflect all obligations, advances and credits of the parties.

1.3 OPERATING STATEMENTS

1.3.1 The Operator will provide an operating statement to each Non-Operator on or before the last day of each month commencing with the month following that in which a Production Notice is given showing the Non-Operator's Proportionate Share of Costs for the preceding month. Operating statements will include the following:

- (a) Fixed Assets acquired with a value of \$50,000 or more per item;
- (b) ordinary charges and credits summarized by appropriate classifications of the nature thereof;
- (c) other unusual charges and credits, in reasonable detail; and
- (d) a summarized trial balance for the Joint Venture.

1.3.2 During the period prior to the giving of a Production Notice, the Operator will provide an operating statement showing the Costs incurred under such of items (a), (b), and (c) above as are applicable and the Non-Operator's Proportionate Share thereof. These statements will be provided at such intervals as the Operator may decide.

1.4 PAYMENTS

Each Non-Operator will pay bills from the Operator within 30 days after receipt thereof.

1.5 ADVANCES

1.5.1 Not less than 5 days prior to the first day of each month, the Operator may bill each Non-Operator for its Proportionate Share of an advance equal to the forecast Costs for that month plus or minus an amount equal to any adjustment in the Costs recorded in any previous month. Not later than the first day of the month to which the advance relates, or, if the first day of the month is not a Business Day, then on the next succeeding day that is a Business Day, each Non-Operator will remit the advance so requested.

1.5.2 The amount of any advance billed in accordance with paragraph 1.5.1 may be increased to include a special advance if authorized by the Management Committee or if the Costs for the relevant month are expected by the Operator to exceed the forecast Costs for the month as a result of the acceleration in the incidence of Costs provided for in any Feasibility Study or Operating Program but previously forecast to arise in a subsequent month.

1.5.3 All advances from the Participants (including the Operator) will be deposited in one or more of the Joint Accounts maintained pursuant to the Agreement.

1.6 UNPAID ACCOUNTS

If payment of any bill or request for advances is not made within the time stipulated in paragraph 1.4 or 1.5, applicable provisions of the Agreement with respect to unpaid accounts will apply.

1.7 RIGHT TO PROTEST OR QUESTION BILLS

Payment of the Operator's bills will not prejudice the right of Non-Operator to protest or question the correctness thereof. All statements rendered to a Non-Operator will conclusively be presumed to be true and correct after 24 months following the end of the calendar year to which the statement relates, unless within the said 24-month period, the Non-Operator takes written exception thereto and makes claim on the Operator for adjustment. The provisions of this paragraph will not prevent adjustments resulting from physical inventory of Material.

1.8 AUDITS

1.8.1 Unless the Management Committee approves any other annual period, the auditors of the Operator will conduct an annual audit of the Operations on a calendar year basis and within 120 days after the end of each calendar year.

1.8.2 In addition, each Non-Operator, upon notice in writing to the Operator, will have the right to audit the Operator's accounts and records maintained for the Operating Account for any Operating Year within the 24-month period next following the end of the Operating Year. A request for such an audit will be reasonable so as to minimize administrative problems for the Operator. Any claims of discrepancies disclosed by an audit will be made in writing to the Operator within the 24-month period next following the end of the Operating Year. Cost of such an audit will be borne by the requesting Non-Operator.

1.9 RECORDS

The Operator will maintain records of Material in such a manner as to enable an effective reconciliation of any physical inventory with the Operating Account.

1.10 INCONSISTENCY WITH AGREEMENT

If any of the provisions of this Appendix are inconsistent with the other provisions of the Agreement, the other provisions of the Agreement will control.

ARTICLE 2 DIRECT CHARGES

All Costs paid by the Operator will be for the Operating Account, including but not limited to:

2.1 MAINTENANCE OF MINING AND SURFACE RIGHTS

All lease, rental and licensing fees and other similar payments required to maintain the Property.

2.2 LABOUR

- (a) Salaries and wages of the Operator's employees engaged in the conduct of Operations at the Property or elsewhere, for that proportion of the employee's time spent on the Operations;

- (b) Holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are for the Operating Account as provided under subparagraph 2.2(a); and
- (c) The expenses of employees referred to in subparagraph 2.2(a) paid by the Operator or for which they may be reimbursed in accordance with the Operator's usual expense account practices, including reasonable travel and living expenses.

2.3 EMPLOYEE BENEFITS

- (a) Compulsory - Assessments or contributions imposed by governmental authority which are applicable to salaries and wages for the Operating Account.
- (b) Non-Compulsory - Employer contributions to established plans for employee group life insurance, hospitalization, retirement, savings and other plans of a like nature, applicable to the Operator's labour for the Operating Account, which will be chargeable at the Operator's actual cost by way of percentage assessment or otherwise.

2.4 MATERIAL

Costs of Material purchased or furnished by the Operator for use in the Operations. So far as it is reasonably practicable and consistent with efficient and economical operation, only such Material will be purchased for or transferred to the Property as may be required for the conduct of the Operations.

2.5 SERVICES

With respect to services provided for the Operations:

- (a) all expenditures for services incurred under contracts entered into by Operator with contractors for that proportion of the service provider's time spent on the Operations.
- (b) charges for utility and other work and services procured from outside sources including transportation costs of personnel or Material for that proportion of the service reasonably related to Operations.

2.6 DAMAGES AND LOSSES TO ASSETS AT THE PROPERTY

Costs of repair or replacement of Assets or repairs to any Mine or work on the Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident or other causes and not covered by insurance proceeds. The Operator will furnish each Non-Operator written notice of damages or losses incurred as soon as practicable after any such damage or loss has been discovered.

2.7 OFFICES

Reasonable and customary Costs of operating the office at any Mine.

2.8 LITIGATION, JUDGEMENTS AND CLAIMS

Litigation, judgements, settlement of claims and other legal costs (collectively, the “**Litigation Costs**”) in the event the Operator is named as a defendant or third party to a court proceeding, administrative or regulatory proceeding or hearing, so long as such Litigation Costs primarily relate to the Operator carrying out the Operations. For greater certainty, the Operator will not be permitted to commence and initiate, and will not be permitted to receive Costs for, Litigation Costs, unless unanimously agreed upon by the Management Committee.

2.9 TAXES

Taxes, rates, levies and assessments of every kind and nature (exclusive of income taxes and mining taxes based on income) paid for the Operating Account.

2.10 INSURANCE

Premiums paid for insurance required to be carried by the Operator, together with all Litigation Costs or other Costs incurred and paid in settlement of any losses, claims, damages, judgements and other expenses, including legal services, not recovered from an insurer.

2.11 ECOLOGICAL AND ENVIRONMENTAL

Requirements, whether statutory or otherwise, relating to the ecology or environment at the Property and costs of related studies.

2.12 AUDIT OF OUTSIDE SERVICES

Costs of audits of contractor services.

2.13 FINANCING

Interest or financing charges incurred by the Operator for the Operating Account.

2.14 HEARINGS AND ENQUIRIES

All expenses associated with preparation of supporting material for and providing testimony before governmental hearings or boards of enquiry associated with obtaining approvals to start, continue, alter, suspend or discontinue Operations.

2.15 OTHER EXPENDITURES

Any reasonable direct expenditure, other than expenditures which are covered by the foregoing provisions, incurred by the Operator for the necessary and proper conduct of Operations.

ARTICLE 3 INDIRECT CHARGES

3.1 OPERATOR’S FEES

The Operator will be entitled to include in Costs a charge for management supervision and corporate administration for which no direct charge is otherwise included in Costs, equal to:

(i) 10% of Costs during any Exploration Program; (ii) 5% during any Advanced Exploration Program; (iii) 3% during feasibility, Mine construction and production; (iv) 3% during the period that Operations are suspended under a Mine Maintenance Plan; and (v) 5% during the period that a Mine Closure Plan is effective.

3.2 FEE ADJUSTMENTS

Notwithstanding the foregoing, it is hereby declared to be the intention of the parties that by acting as Operator a party should not realize any substantial profits or suffer any losses. The percentage charges for management supervision and corporate administration as set out above will therefore be reviewed annually by the Management Committee and, if proved to be excessive or insufficient, will be adjusted.

ARTICLE 4 PRICING OF MATERIAL PURCHASES

4.1 TRANSFERS AND DISPOSITIONS

The Operator will make proper and timely charges and credits for all Material movements affecting the Property. All sales of Material, the original Cost of which is greater than \$50,000 will be subject to approval by the Management Committee. All other disposals of Materials will be at the discretion of the Operator.

4.2 PURCHASES

Material purchased will be charged at the price paid by the Operator after deduction of all discounts received. Credit for Material returned to vendor will be for the Operating Account when adjustment has been received by the Operator.

4.3 TRANSFERS AND DISPOSITIONS

New Material furnished to the Property or transferred from the Property by the Operator or any party, unless otherwise agreed to by the Management Committee, will be priced at the cost to the Operator or such party. Used Material furnished to the Property or transferred from the Property by the Operator or any party, will be valued at fair market value.

APPENDIX 3

NSR ROYALTY

[see NSR Royalty Agreement attached setting out the terms of the NSR Royalty]

**SCHEDULE D
ROYALTY AGREEMENT**

[see attached]

NET SMELTER RETURNS ROYALTY AGREEMENT

THIS AGREEMENT made as of _____, 2024

BETWEEN:

FIRETAIL RESOURCES LIMITED, a corporation existing under the laws of Australia

("Firetail");

AND:

YORK HARBOUR METALS INC., a corporation existing under the laws of British Columbia

("York Harbour");

WHEREAS:

- A. As of the date hereof, Firetail has a 49% ownership interest in the Property (as hereafter defined) and York Harbour has a 51% ownership interest in the Property;
- B. Firetail and York Harbour, as grantors, have agreed to grant a net smelter returns royalty over their interests in the Property to York Harbour, as grantee, on the terms and conditions set out herein.

NOW THIS AGREEMENT WITNESSES THAT for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Parties agree as follows:

1. **DEFINITIONS AND INTERPRETATION**

Where used in this Agreement, the following terms have the meanings ascribed to them as follows:

- 1.1. "**Affiliate**" of a Party means any Person that directly or indirectly controls, or is controlled by or is under common control with, a Party. The term "**control**" as used herein means the rights to the exercise of, directly or indirectly, more than 50% of the voting rights attributable to the shares or ownership interests of the controlled entity.
- 1.2. "**Allowable Deductions**" means the following, in each case determined without duplication but only and to the extent actually incurred and paid by the Grantor in respect of production of Mineral Products:
 - 1.2.1. all actual costs, tolling charges, representation expenses, metal losses, umpire charges, expenses, penalties, fees and other expenses and charges of any nature whatsoever that are paid or incurred by the Grantor (after the milling of the Mineral Products) for or in connection with smelting, refining, beneficiation processes, mineral treatment or other procedures whether deducted from the sales revenue and/or are charged against the Grantor to produce Mineral Products from the Property;

- 1.2.2. all actual costs, expenses and charges of any nature whatsoever that are paid or incurred by the Grantor and whether deducted from the sales revenue and/or are charged against the Grantor (after the milling of the Mineral Products) for or in connection with transportation (including insurance, shipping, freight, stockpiling, storage, warehousing, handling, port, demurrage, delay and forwarding expenses and transaction taxes) of Mineral Products away from the Property to a smelter or refinery or other place of mineral treatment or beneficiation and from there to the place or places of storage and sale to the ultimate purchaser;
- 1.2.3. sales, use and gross receipts taxes, customs duties, severance, value added taxes and other taxes and governmental charges, if any, payable with respect to the sale, processing, transportation, or disposition of Mineral Products that are paid or incurred by the Grantor with respect to the Mineral Products, but excluding:
 - 1.2.3.1.any taxes based on the gross or net income of the Grantor;
 - 1.2.3.2.any business or franchise taxes of the Grantor; and
 - 1.2.3.3.any taxes based on the value of the Property and any improvements thereon including any ad valorem taxes;
- 1.2.4. actual costs and fees of sales, insurance, consignment, agency fees and sales brokerage, and any discounts or rebates given to customers for off-specification or damaged product that are paid and/or incurred by the Grantor (after the milling of the Mineral Products) with respect to Mineral Products shipped from the Property; and
- 1.2.5. all Permitted Treatment Costs.
- 1.3. **“Annual Forecast Report”** means a written report, in relation to a fiscal year, with respect to the Property, including with reasonable detail a forecast, based on the current development or mine plan as applicable, of the quantity of Minerals expected to be produced during such fiscal year on a month-by-month basis and over the remaining life of the mine on a year-by-year basis, including:
 - 1.3.1. the amount and a description of planned operating and capital expenditures;
 - 1.3.2. types, tonnes and grade of Minerals, to be mined;
 - 1.3.3. types, tonnes and grade of Minerals, to be stockpiled; and
 - 1.3.4. with respect to the processing facilities, the types, tonnes and grade of Minerals to be processed and expected recoveries.
- 1.4. **“Annual Operational Report”** means a written report in relation to a fiscal year with respect to the Property, to be prepared by or on behalf of the Grantor, which shall, in reasonable detail, include all of the information pertaining to the construction, commissioning or operations contained in annual reports prepared and provided to the board of directors of the Grantor or any of its Affiliates and, to

the extent not contained in such reports, will also contain, in reasonable detail for such year:

- 1.4.1. types, tonnes and grade of Minerals mined;
 - 1.4.2. types, tonnes and grade of Minerals stockpiled;
 - 1.4.3. with respect to the processing facilities, the types, tonnes and grade of Minerals processed and recoveries;
 - 1.4.4. the quantity of all Minerals contained in the material processed during such year, but not delivered to a third party payor by the end of such year;
 - 1.4.5. the quantity of all Minerals produced and delivered to and paid for by a third party payor, and the names and addresses of each such third party payor;
 - 1.4.6. the credit/payment to the Royalty Holder and/or estimated credit/payment to the Royalty Holder with respect to Mineral Products on account of the Net Smelter Returns Royalty;
 - 1.4.7. reconciliation between any estimated credit/payment specified in an Annual Operational Report pursuant to subsection 1.4.6 for a preceding year and the final credit/payment;
 - 1.4.8. the amount and a description of operating and capital expenditures;
 - 1.4.9. a statement setting out the mineral reserves and mineral resources (by category) prepared in accordance with the JORC Code (with the assumptions used, including cut-off grade, metal prices and metal recoveries);
 - 1.4.10. a review of the development or operating activities for the year and a report on any material issues or departures from that contemplated by the development or mine plan, as applicable as of the first day of the fiscal year;
 - 1.4.11. variances from projected operating and capital expenditures and any actual or expected adverse impact on development or production or recovery of Minerals, whether as to quantity or timing, together with the details of the plans to resolve or mitigate such matters;
 - 1.4.12. if applicable, the percentage completion compared to the initial development plan of the major elements of construction and the anticipated date of commencement of commercial production, if it has not yet then occurred; and
 - 1.4.13. details of any material health or safety violations and/or material violations of any applicable laws (including environmental laws).
- 1.5. **“ASX”** means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
 - 1.6. **“ASX Listing Rules”** means the listing rules of the ASX.

- 1.7. **“Average Spot Price”** for any applicable calendar quarter means:
- 1.7.1. in respect of gold, the arithmetic average of the London PM Fix Price for every day of the applicable calendar quarter on which the London Bullion Dealers Association fixes a spot price for an ounce of gold in United States dollars;
 - 1.7.2. in respect of other precious metals, the arithmetic average of the price of metal quoted on the London Metals Exchange in the Metals Bulletin, for every day of the applicable calendar quarter on which the price of the metal is so quoted; and
 - 1.7.3. in respect to any other Mineral, the arithmetic average of the price of such Mineral on each Business Day of the applicable calendar quarter, where such price is arrived at using the industry standard in Canada for establishing the average spot price of any other such Mineral.
- 1.8. **“Business Day”** means any day other than a Saturday, Sunday or other day on which Canadian chartered banks are closed for business in Perth, Australia, Vancouver, British Columbia or St. John’s, Newfoundland and Labrador.
- 1.9. **“Corporations Act”** means the Australian *Corporations Act 2001* (Cth).
- 1.10. **“IFRS”** means International Financial Reporting Standards.
- 1.11. **“Effective Date”** means, subject to closing occurring under the Property Option Agreement, the earlier of (i) the date of this Agreement, and (ii) the date on which the Property was acquired by the Grantor pursuant to the terms of the Property Option Agreement.
- 1.12. **“Encumbrances”** means any mortgage, charge, pledge, lien, licence, claim, privilege, security interest, royalty or other encumbrance, right or interest attaching to or affecting property, whether registered or unregistered, and whether arising by agreement, statute or otherwise under applicable Laws.
- 1.13. **“Governmental Authority”** means any federal, provincial or local governmental entity, quasi-governmental authority, court, commission, board, bureau, agency or instrumentality, or any regulatory, administrative or other department or agency, or any political or other subdivision, department or branch of any of the foregoing.
- 1.14. **“Grantor”** means collectively Firetail and York Harbour and their respective successors and permitted assigns.
- 1.15. **“Gross Proceeds”** means in respect of an applicable calendar quarter the aggregate of:
- 1.15.1. the gross proceeds received by the Grantor from the sale (whether immediate or for future delivery) during the applicable calendar quarter of all Mineral Products extracted from the Property where the sale is effected on an arms-length basis on normal commercial terms; and

- 1.15.2. if sales are effected on any other basis than on an arms-length basis on normal commercial terms, or if Mineral Products extracted from the Property are disposed of otherwise than by sale (whether immediate or for future delivery) during the applicable calendar quarter, the Average Spot Price multiplied by the quantity of the Mineral Products extracted from the Property so sold or otherwise disposed of during the applicable calendar quarter.
- 1.16. **“Joint Venture Agreement”** means a joint venture agreement to be entered into between the parties to the Property Option Agreement on the exercise of the option in the form attached to the Property Option Agreement.
- 1.17. **“JORC Code”** means the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
- 1.18. **“Law”** or **“Laws”** means all applicable past, present and future federal, provincial and local laws (statutory or common), rules, ordinances, treaties, regulations, judgments, decrees, or other valid governmental restrictions. Laws shall also include the decisions and authority of any Governmental Authority having jurisdiction and all applicable judicial and administrative and regulatory decrees pertaining thereto including licences and permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature.
- 1.19. **“London PM Fix Price”** for a day means the spot price in United States dollars per troy ounce of gold fixed in the afternoon by the London Bullion Dealers Association on that day.
- 1.20. **“Material Adverse Effect”** means any fact or state of facts, circumstance, change, effect, occurrence or event which individually or in the aggregate is, or individually or in the aggregate could reasonably be expected to: (i) be material and adverse to the Property; (ii) with respect to the Grantor, be material and adverse to the business of the Grantor taken as a whole; or (iii) prevent, or materially delay or hinder the Grantor, from performing its obligations under this Agreement; provided, however, that no fact or state of facts, circumstance, change, effect, occurrence or event arising from or relating to any of the following shall be deemed to constitute a Material Adverse Effect, or shall be taken into account in determining whether a Material Adverse Effect has occurred:
- 1.20.1. any change or condition generally affecting the mining industry;
 - 1.20.2. the state of the securities, credit, banking, capital or commodity markets in general;
 - 1.20.3. any change relating to the rate at which any currency can be exchanged for any other currency;
 - 1.20.4. general political, economic or financial conditions, including in Australia, Canada or the United States;

- 1.20.5. any adoption, implementation, change or proposed change in applicable Laws or accounting standards (or in any interpretation of applicable Laws or accounting standards);
- 1.20.6. any natural disaster or general outbreak of illness;
- 1.20.7. any terrorist attack, armed hostilities, military conflicts, or any governmental responses to any of the foregoing; or
- 1.20.8. the announcement or execution of this Agreement or anything required or expressly permitted by this Agreement,

except, in the case of subsections 1.20.1, 1.20.5, 1.20.6, 1.20.7 or 1.20.8 where such fact or state of facts, circumstance, change, effect, occurrence or event has a materially disproportionate effect on the Property or the Grantor, as applicable, taken as a whole, relative to other comparable properties, operations or companies, as applicable in the mining industry generally, then those effects are excluded from the matters contemplated in subsections 1.20.1, 1.20.5, 1.20.6, 1.20.7 or 1.20.8 (as applicable) only to the extent of such disproportionate effect and not in their entirety.

- 1.21. **“Mineral Licences”** means the mineral licences issued pursuant to the Mineral Act, RSNL 1990, c M-12 described in Schedule “A” hereto.
- 1.22. **“Minerals”** means any and all minerals, including all ores, mineral resources and concentrates or metals derived from them, containing precious metals, base, industrial and other minerals and that are found in, on or under the Property and may lawfully be explored for, mined and sold pursuant to the rights granted by the Mineral Rights and other instruments of title under which the Property are held.
- 1.23. **“Mineral Rights”** means the Mineral Licences and any and all other prospecting licences, mining exploration licences, mining leases, contracts of work, mining licences, mineral concessions and other forms of mineral tenure or other rights to Minerals, or to work upon lands for the purpose of exploring for, developing or extracting Minerals under any forms of mineral title whether contractual, statutory or otherwise, or any interest therein. Mineral Rights includes, and the Net Smelter Returns Royalty shall attach to, any amendments, relocations, adjustments, resurveys, additional locations or conversions of, or any renewals, amendments or other modifications or extensions of, any of the foregoing.
- 1.24. **“Mineral Products”** means all metals or Minerals extracted for use or commercial sale which are produced or extracted by or on behalf of the Grantor from the Property whether in concentrate or otherwise, including the Stockpiled Material.
- 1.25. **“Net Smelter Returns”** shall be the Gross Proceeds derived from the sale or deposition of Mineral Products less Allowable Deductions in respect of Mineral Products pertaining to such Gross Proceeds, in each case for the applicable calendar quarter.
- 1.26. **“Net Smelter Returns Royalty”** means the production royalty to be paid pursuant to this Agreement, calculated in accordance with Section 3.1 and Section 3.2.

- 1.27. **“Party”** means the Grantor or the Royalty Holder and **“Parties”** means the Royalty Holder and the Grantor collectively.
- 1.28. **“Permitted Treatment Costs”** means the costs and charges incurred by the Grantor for the production of Mineral Products in refineries, smelters, electrowinning facilities and similar facilities owned or controlled, in whole or in part, by the Grantor or its Affiliates, as such costs and charges are established on an arms-length basis based on the costs and charges including without limitation treatment charges, penalties, metals losses, and other costs and deductions that would have been incurred and have been deductible under this Agreement had such processing been carried out a facilities not owned or controlled, in whole or in part, by the Grantor or an Affiliate of the Grantor then offering comparable services for comparable products on prevailing terms for the production of Mineral Products supplied by a non-Affiliated third party having like kind, quantity, quality and grade and with appropriate adjustments for freight, and as the same is agreed by the Parties on an annual basis.
- 1.29. **“Person”** means an individual, corporation, trust, partnership, limited liability company, joint venture, unincorporated organization, firm, estate, governmental authority or any agency or political subdivision thereof, or other entity.
- 1.30. **“Prime Rate”** means at any particular time the annual rate of interest announced from time to time by The Royal Bank of Canada, main branch, Vancouver, British Columbia as a reference rate then in effect for determining floating rates of interest on Canadian dollar loans made in Canada.
- 1.31. **“Property”** means the Mineral Licences and all successor or replacement interests, including mining leases, and includes all Mineral Rights in respect thereof.
- 1.32. **“Property Option Agreement”** means the option agreement dated on or around June 3, 2024 between Firetail and York Harbour.
- 1.33. **“Quarterly Operational Report”** means a written report in relation to a fiscal quarter with respect to the Property, to be prepared by or on behalf of the Grantor, which shall, in reasonable detail, include all of the information pertaining to the construction, commissioning or operations contained in annual reports prepared and provided to the board of directors of the Grantor or any of its Affiliates and, to the extent not contained in such reports, will also contain in reasonable detail for such quarter, the information required in the Annual Operational Report.
- 1.34. **“Royalty Holder”** means York Harbour and any such other Persons who may be entitled to receive the Net Smelter Returns Royalty, from time to time, as provided for in this Agreement.
- 1.35. **“Royalty Percentage”** has the meaning ascribed to it in Section 2.1.
- 1.36. **“Trading Activities”** means any and all price hedging and price protection activities undertaken by the Grantor with respect to any Mineral Products, raw materials, interest rates or currency exchanges including without limitation, any forward sale and/or purchase contracts, spot-deferred contracts, option contracts, speculative purchases and sales of forward, futures and option contracts, both on

and off commodity exchanges. Such Trading Activities, and the profits and losses generated thereby, shall not, in any manner, be taken into account in the calculation of royalties due to the Royalty Holder, whether in connection with the determination of price, the date of sale, or the date any royalty payment is due. the Royalty Holder acknowledges that Grantor engaging in Trading Activities may result in the Grantor realizing from time to time fewer or more profits for Mineral Products than does the Royalty Holder, since the Royalty Holder's royalty is established by published prices. Similarly, the Royalty Holder shall not be obligated to share in any losses generated by any such Trading Activities with respect to the sales of any Mineral Products.

- 1.37. **"Transfer"** means any sale, grant, assignment, conveyance, encumbrance, pledge, hypothecation, abandonment or other transfer.

2. **NET SMELTER RETURNS ROYALTY**

- 2.1. **Precious Metal Net Smelter Returns Royalty.** Effective as of the Effective Date, the Grantor hereby grants to and agrees to pay to the Royalty Holder, the Net Smelter Returns Royalty equal to 2.0% (the **"Royalty Percentage"**) of Net Smelter Returns. The Net Smelter Returns Royalty is granted pursuant to the Property Option Agreement.
- 2.2. **Continue in Perpetuity.** Subject to Section 7.7, this Agreement and the Net Smelter Returns Royalty shall continue in perpetuity, it being the intent of the Parties that the Net Smelter Returns Royalty shall constitute a covenant running with the Property and all successions thereof and shall be applicable to the Grantor and its successors and assigns of the Property.
- 2.3. **Direct Real Property Interest.** The Net Smelter Returns Royalty creates a direct real property interest in the real property and constitutes a grant of a vested present interest in the Mineral Products and the Property and is a covenant running with the land and all successions thereof, whether created privately or through government action, in favour of the Royalty Holder. The Net Smelter Returns Royalty shall be applicable to the Property and binding upon the Grantor and the successors and assigns of the Property. The Royalty Holder shall have all of the rights and incidents of ownership of a non-participating royalty owner, which incidents are covenants running with the Property and include: (a) the ownership of the non-participating royalty interests which are interests in real property; (b) the right to receive, free of expenses other than those deductible in the calculation of net returns, the Net Smelter Returns Royalty payments; and (c) the obligation of the Grantor, its successors or assigns, to make the Net Smelter Returns Royalty payments, which obligation shall run with the land. The Royalty Holders, however, shall not have or claim any incidents of the fee simple ownership in the Property, which incidents include: (a) the right to enter, explore, develop or mine the Property; (b) the right to execute leases, operating agreements, or similar instruments with respect to the Property; (c) the right to share in bonus payments made as the consideration for the execution of leases or other instruments; and (d) except as expressly provided herein, the right to participate in any manner in the decisions concerning, or the conduct of, operations on the Property.
- 2.4. **Recording.** The Royalty Holder shall have the right from time to time to register or record at its election, a copy of this Agreement, or a notice or a memorandum

of this Agreement and the Net Smelter Returns Royalty, any other documents relating to or contemplated by the foregoing and any caution or other title document, against title to the Property or elsewhere, and the Grantor shall cooperate with all such registrations and recordings and provide its written consent or signature to any documents and do such other things from time to time as are necessary or desirable to effect all such registrations or recordings or otherwise to protect the interests of the Royalty Holder hereunder.

3. **COMPUTATION AND PAYMENT OF NET SMELTER RETURNS ROYALTY**

- 3.1. **Computation.** To compute the Net Smelter Returns Royalty, the Grantor shall every calendar quarter multiply the Net Smelter Returns by the Royalty Percentage for the immediately preceding calendar quarter.
- 3.2. **Payments.** When Net Smelter Returns Royalty payments are due and owing under this Agreement, Grantor shall pay to Royalty Holder a payment equal to the Net Smelter Returns Royalty computed under Section 3.1 within forty-five (45) days after the end of the calendar quarter for which such computation is made, and shall deliver with such payment a royalty statements (as described in section 3.4 below). Any overpayments or underpayments shall be corrected in the next calendar quarter following determination of such adjustment.
- 3.3. **Net Smelter Returns Royalty Statements.** Each credit/payment of the Net Smelter Returns Royalty shall be accompanied by a reasonably detailed statement explaining the manner in which the credit/payment was calculated and shall also include the following information in reasonable detail:
- 3.3.1. settlement ounces of all quarterly production of all Mineral Products;
 - 3.3.2. the prices used for the calculation of the Net Smelter Returns Royalty;
 - 3.3.3. any Allowable Deductions applied to the Net Smelter Returns Royalty;
 - 3.3.4. any other pertinent information in sufficient detail to explain the calculation of the credit/payment; and
 - 3.3.5. such other information as the Royalty Holder may reasonably request.
- Such statement shall be accompanied by copies of the relevant settlement sheets from the third party payor and invoices for all Allowable Deductions applied to the Net Smelter Returns Royalty.
- 3.4. **Accounting Principles.** All Gross Proceeds and Allowable Deductions shall be determined in accordance with IFRS as applied by the Grantor. Receipts and Allowable Deductions shall be determined by the accrual method.

4. **REPORTING; RECORDS; INSPECTIONS; AUDITS; DISPUTES**

4.1. **Reporting Obligations**

- 4.1.1. **Reports.** The Grantor shall deliver or cause to be delivered to the Royalty Holder:

- 4.1.1.1.within 30 days of the end of each fiscal quarter, a Quarterly Operational Report;
- 4.1.1.2.within 45 days after the end of each fiscal year, an Annual Operational Report; and
- 4.1.1.3.at least 45 days before the beginning of each fiscal year, an Annual Forecast Report.
- 4.1.2. **Geological Reports.** Subject to compliance with the Grantor's continuous disclosure obligations under the ASX Listing Rules and the Corporations Act, the Grantor shall promptly deliver to the Royalty Holder a copy any technical reports prepared in accordance with the JORC Code or updated mineral reserve and mineral resource estimates produced that pertain to the Property.
- 4.1.3. **Development and Mine Plans.** The Grantor shall promptly deliver to the Royalty Holder a copy of the current development plan or mine plan, as applicable, for the Property and a new copy thereof promptly upon any material amendment thereto.
- 4.1.4. **Other Notices.** The Grantor shall deliver to the Royalty Holder:
 - 4.1.4.1.promptly after the Grantor has knowledge or becomes aware thereof, written notice of all material actions, suits and proceedings before any Governmental Authority or arbitrator, pending or threatened, against or directly affecting the Property, including any actions, suits, claims, notices of violation, hearings, investigations or proceedings with respect to the ownership, use, maintenance and operation of the Property, including those relating to environmental laws;
 - 4.1.4.2.promptly after the Grantor has knowledge or becomes aware thereof, written notice of any other condition or event which has resulted, or that could reasonably be expected to result, in a Material Adverse Effect; and
 - 4.1.4.3.such other statements, lists of property and accounts, budgets, forecasts, projections, reports, or other information respecting the project as the Royalty Holder may from time to time reasonably request.

Each notice pursuant to clauses (4.1.4.1) and (4.1.4.2) above shall be accompanied by a written statement by an authorized senior officer of the Grantor setting forth all material information relating to the occurrence referred to therein, including any action which the Grantor has taken or proposes to take with respect thereto.

- 4.2. **Books and Records.** The Grantor shall ensure that the Grantor and its Affiliates each keep true, complete and accurate books and records of all material operations and activities with respect to the Property, including the mining, treatment, processing, refining, transportation and sale of Mineral Products and in

which complete entries will be made, in accordance with IFRS applied on a consistent basis, reflecting all material financial transactions of each of the Grantor and its Affiliates, including without limitation records of tonnage, volume of Mineral Products, analyses of Mineral Products, weight, moisture, assays of payable metal content and other records, as appropriate, related to the computation of Net Smelter Returns Royalty hereunder.

- 4.3. **Right to Inspect.** The Royalty Holder or its authorized representative on reasonable notice to the Grantor may enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and may inspect and copy all records and data pertaining to the computation of its interest, including without limitation such records and data that are maintained electronically. The Royalty Holder or its authorized representative shall enter the Property at the Royalty Holder's own risk and may not unreasonably hinder operations on the Property. Upon written request to the Grantor given at least thirty (30) days prior to each January 1, the Royalty Holder shall also have the right to be represented at all weighing, sampling, moisture determination and assaying during the relevant annual period, but the failure to be present shall be deemed to be a waiver in each case.
- 4.4. **Audit.** Upon not less than 10 Business Days' notice, the Royalty Holder and its authorized representatives shall be entitled, at its own cost and expense, to perform audits or other reviews and examinations of the books and records of the Grantor and any of the Grantor's Affiliates (where such Affiliates records are applicable to the calculation of the Gross Proceeds or Allowable Deductions) relevant to the payment of the Net Smelter Returns Royalty pursuant to this Agreement and to otherwise confirm compliance by the Grantor and its Affiliates with the terms of this Agreement. The Grantor shall ensure that the Grantor and its Affiliates each provide the Royalty Holder with complete access to all such books and records at each such entities offices during usual business hours. If any such audits reveal a material breach of any provision of this Agreement or that credits/payments on account of the Net Smelter Returns Royalty for any calendar year have been underpaid by more than 5.0%, the Grantor shall immediately reimburse the Royalty Holder for its costs and expenses incurred in such audit.
- 4.5. **Arbitration.**
- 4.5.1. In the event that any claim, controversy or dispute arising out of or relating to this Agreement or its breach, termination or validity, then shall such claim, controversy or dispute, upon written notice by either Party to the other, shall be finally settled according to the following arbitration provisions:
- 4.5.1.1.any matter in dispute hereunder will be determined by a single arbitrator to be appointed by the Parties;
- 4.5.1.2.any Party may refer any such matter to arbitration by written notice to the other Party and, within 10 Business Days after receipt of such notice, the Parties will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act;

4.5.1.3. if the Parties cannot agree on a single arbitrator as provided in section 4.5.1.1, or if the person appointed is unwilling or unable to act, either Party may submit the matter to arbitration before a single arbitrator in accordance with the *Arbitration Act* (British Columbia) (in this article the "Act");

4.5.1.4. except as specifically provided in this Section, an arbitration hereunder 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 the arbitrator will preside over the arbitration and determine all questions of procedure not provided for under such Act or this Section. After hearing any evidence and representations that the Parties may submit, the arbitrator will make an award and reduce the same to writing and deliver one copy thereof to each of the Parties. 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 award of the single arbitrator will be final and binding upon each of the Parties.

5. **MINING OPERATIONS AFFECTING THE NET SMELTER RETURNS ROYALTY**

5.1. **Stockpiling off Property.** The Grantor and its Affiliates may temporarily stockpile, store or place Minerals off the Property provided that the Grantor shall at all times do or cause to be done all things necessary to ensure that:

5.1.1. such Minerals are appropriately identified as to ownership and origin;

5.1.2. such Minerals are secured from loss, theft, tampering and contamination;

5.1.3. prior to stockpiling, storing or placing such Minerals off the Property, the Grantor and its Affiliates shall have entered into a written agreement in recordable form with the property owner where such stockpiling, storage or placement is to occur providing, among other things, that: (i) the Royalty Holder's rights in and to such Minerals pursuant to the Net Smelter Returns Royalty and this Agreement, insofar as they are applicable, shall continue in full force and effect notwithstanding their removal from the Property; (ii) the Royalty Holder's rights in and to such Minerals shall be the same as if the Minerals which are Precious Metals had never been removed from the Property; (iii) the Royalty Holder's rights in and to such Minerals shall have precedence over the rights to the Minerals of said property owner, as well as the creditors of said property owner; (iv) the agreement shall be irrevocable as long as the Minerals, or any part thereof, remain on said property; (v) the Royalty Holder shall have substantially similar access rights to said property as provided for in respect of the Property under this Agreement; and (vi) the Royalty Holder's rights in and to the Minerals pursuant to the Royalty and this Agreement shall otherwise be preserved; and

- 5.1.4. a security interest in such Minerals shall have been granted to the Royalty Holder and recorded, in form and substance satisfactory to the Royalty Holder.
- 5.2. **Commingling.** The Grantor shall ensure that the Grantor and its Affiliates do not process other minerals through their processing plants, or commingle such other minerals with, the Minerals mined, produced, extracted or otherwise recovered from the Property, unless (i) the Grantor or its Affiliate, as applicable, has adopted and employs generally accepted practices and procedures for weighing, determining moisture content, sampling and assaying and determining recovery factors (a “**Commingling Plan**”), such Commingling Plan to ensure the division of other minerals and the Minerals for the purpose of determining the quantum of the Minerals; (ii) the Royalty Holder shall not be disadvantaged as a result of the processing of other minerals in priority to, or concurrently with, the Minerals, or the parties, acting reasonably, shall have entered into an agreement to compensate the Royalty Holder for any such disadvantage providing for a commensurate royalty or stream interest in such other minerals or another form of compensation (a “**Compensation Agreement**”); (iii) the Royalty Holder has approved the Commingling Plan and the Compensation Agreement, such approval not to be unreasonably withheld; and (iv) the Grantor and its Affiliates keep all books, records, data, information and samples required by the Commingling Plan. The Grantor agrees to revisit the Commingling Plan and the Compensation Agreement if the Royalty Holder determines that circumstances have changed, in order to ensure that the Commingling Plan continues to provide for the accurate measurement of the Minerals and the Compensation Agreement reasonably compensates the Royalty Holder for any disadvantage.
- 5.3. **Waste Materials.** All tailings, residues, waste rock, spoiled leach materials, and other waste materials (collectively, “**waste materials**”) resulting from the Grantor and its Affiliates’ operations and activities at and on the Property shall be the sole property of the Grantor and its Affiliates, but shall remain subject to the Net Smelter Returns Royalty should the same be processed or reprocessed, as the case may be, in the future and result in the production of Minerals. Notwithstanding the foregoing, the Grantor and its Affiliates shall have the right to dispose of waste materials from the Property on or off of the Property and to commingle the same with waste materials from other properties (provided in any case that any sale of waste materials shall be subject to the Net Smelter Returns Royalty). In the event waste materials from the Property are processed or reprocessed, as the case may be, the Net Smelter Returns Royalty payable thereon shall be determined using the best engineering and technical practices then available.

6. **REPRESENTATIONS AND WARRANTIES**

The Grantor represents and warrants to and in favour of the Royalty Holder, as of the Effective Date, that:

- 6.1. the Grantor is an entity duly organized and validly existing in the jurisdiction of its incorporation and is qualified to do business and in good standing under the laws of such jurisdiction;

- 6.2. the Grantor has all necessary corporate power and authority to enter into and perform its obligations under this Agreement and to own the Property and to carry on its business as now conducted;
- 6.3. the execution and delivery of this Agreement and the performance of the Grantor's obligations under this Agreement will not conflict with or result in a breach of any terms, conditions or provisions of its charter documents or by-laws, any applicable Law, any contractual restrictions that are binding upon it or any writ, judgment, injunction, determination or award that is binding upon it;
- 6.4. the execution and delivery of this Agreement and the consummation by the Grantor of the transactions contemplated herein have been duly authorized by all necessary corporate action, and all necessary third party consents have been obtained;
- 6.5. this Agreement has been duly executed and delivered by the Grantor and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms; and
- 6.6. there are no actions, suits or proceedings pending or, to the best of the knowledge of the Grantor, threatened against or affecting the Grantor, before any court, arbitrator or Governmental Authority, that might materially adversely affect the Property or the Grantor's interest therein or challenge the validity or propriety of the transactions contemplated herein, and the Grantor is not in violation of any applicable Laws.

7. **GENERAL**

7.1. **Notices.**

- 7.1.1. All notices and other required communications (herein "**Notices**") by one Party to the other shall be in writing, and shall be addressed respectively as follows:

if to York Harbour Metals Inc.:

Attention: President
 York Harbour Metals Inc.
 Suite 1518 – 800 West Pender Street
 Vancouver, BC V6C 2V6

email to: criercapital@yahoo.com

With a copy which shall not constitute notice by email to: VHlus@cwilson.com

if to Firetail Resources Limited:

Attention: Executive Chairman
 Firetail Resources Limited
 T2, 64-68 Hay Street
 Subiaco, WA 6008

email to: brett@firetailresources.com.au

With a copy which shall not constitute notice by email to:
shaun.hardcastle@hamiltonlocke.com.au

7.1.2. All Notices shall be given (i) by personal delivery, (ii) by email, facsimile or other means of electronic communication, (iii) by registered or certified mail return receipt requested, or (iv) by commercial courier. All Notices shall be effective and shall be deemed delivered (A) if by personal delivery or by commercial courier, on the date of delivery provided that if such day is not a Business Day, on the next Business Day following delivery, (B) if by email, facsimile or other means of electronic communication, on the day of transmittal provided that if such day is not a Business Day, on the next Business Day following transmittal, and (C) if solely by mail, on the next Business Day after actual receipt. A Party may change its address by Notice to the other Party.

7.2. **Payments.** All payments to be made to the Royalty Holder under this Agreement shall be made when due by certified cheque, bank draft or wire transfer to a bank account as designated by the Royalty Holder in writing from time to time. Any payment not otherwise made when due shall bear interest at an annual rate of interest equal to the Prime Rate plus two percent (2%), which shall accrue from the date due until the date paid and the Royalty Holder shall have the right to record a lien against the Property and/or seek a prejudgement writ of attachment for additional security against unpaid royalties and take any other action permitted under this Agreement or at law, including without limitation bringing a claim for breach of contract.

7.3. **Confidentiality.**

7.3.1. Except as provided in Section 7.3.2, all information and data provided to the Royalty Holder by Grantor under the terms of this Agreement relating to the Mineral Licences shall not be disclosed by the Royalty Holder to any third Party or the public without the prior written consent of Grantor, which consent shall not be unreasonably withheld.

7.3.2. The consent required by Section 7.3.1 shall not apply to a disclosure:

7.3.2.1. by the Royalty Holder to a potential successor to all or any significant portion of its interests under this Agreement, or to a potential successor by consolidation or merger, or to a proposed joint venture or partnership in which such Royalty Holder may become a participating partner or venturer;

7.3.2.2. by the Royalty Holder to an Affiliate or representative that has a bona fide need to be informed (but subject to the obligations of confidentiality herein);

7.3.2.3. to a Governmental Authority or to the public that the Royalty Holder or the disclosing Affiliate is required by applicable Law or the rules of any stock exchange; or

7.3.2.4. made in connection with litigation or arbitration involving a Party where such disclosure is required by the applicable tribunal or is, on the advice of counsel for such Party, necessary for the prosecution of the case, but subject to prior notification to the other Party to enable such Party to seek appropriate protective orders.

7.3.3. Prior to any disclosure described in Section 7.3.2.1, such third Party shall first agree to protect the confidential information from further disclosure to the same extent as the Parties are obligated under this Section 7.3.

7.3.4. Notwithstanding anything contained in this Agreement to the contrary, a Party shall not disclose pursuant to this Agreement any geological, engineering or other data to any third Party without disclosing the existence and nature of any disclaimers that accompany such data and the requirements of applicable Law or regulation or rules of the applicable stock exchange for public reporting, as the case may be.

7.4. **Restricted Transfer Rights of the Grantor**

7.4.1. **Prohibited Transfers.** The Grantor may not Transfer, in whole or in part, its rights and obligations under this Agreement or all or any portion of the Property unless the transferee has first entered into an agreement agreeing to be bound by this Agreement.

7.4.2. **Effect of Prohibited Transfer.** Any Transfer made in violation of this Section shall be null and void and of no force or effect whatsoever.

7.5. **Restricted Transfer Rights of the Royalty Holder**

7.5.1. **Right of First Refusal.** If at any time the Royalty Holder desires to sell the Net Smelter Returns Royalty to any person (the "**Third Party**"), the Royalty Holder shall obtain from the Third Party a bona fide offer in writing to purchase the Net Smelter Returns Royalty for the amount set forth in the Offer (the "**Offer**"), which the Royalty Holder is ready and willing to accept. The Offer must be irrevocable for at least a period of forty-five (45) days from the date the Offer is made and must acknowledge that the consummation of same is subject to the terms of this section 7.5. The Royalty Holder shall give written notice of any Offer together with a copy of the Offer to the Grantor within ten (10) days following receipt of the Offer. The Grantor shall have the irrevocable right, exercisable by written notice given to the Royalty Holder within thirty (30) days following the Grantor's receipt of notification of the Offer to purchase the Net Smelter Returns Royalty on the terms and conditions and for the price set forth in the Offer.

7.5.2. **Change in Ownership of Right to Net Smelter Returns Payments.** No change or division in the ownership of the Net Smelter Returns Royalty, however accomplished, shall enlarge the obligations or diminish the rights of the Grantor. No change or division in the ownership of the Net Smelter Returns Royalty shall be binding on the Grantor until a certified copy of the recorded instrument evidencing the change or division in ownership has been received by the Grantor. The Grantor covenants to take any actions

reasonably requested by the Royalty Holder in order to facilitate the proper recording of this Agreement.

- 7.6. **Rule Against Perpetuities.** If an arbitrator, court or tribunal of competent jurisdiction determines that the term of this Agreement violates the rule against perpetuities, the rule against unreasonable restraints on the alienation of property or any other similar rule, then the term of this Agreement shall automatically be amended to coincide with the maximum term permitted by the rule against perpetuities, the rule against unreasonable restraints on the alienation of property or any other similar rule, as applicable, and this Agreement shall not be terminated solely as a result of such violation. The Parties irrevocably release and waive the applicability of the rule against perpetuities to the Net Smelter Returns Royalty (including in respect of Section 2.2). Each of the Grantor and the Royalty Holder agrees and covenants, for itself and its successors and assigns, that it will not commence any action or arbitration proceeding to declare the Net Smelter Returns Royalty ineffective, invalid or void based on the rule against perpetuities, and that it will not in any action or arbitration proceeding commenced by the other Party, or its successors and assigns, as applicable, assert as an affirmative defence against any claim for relief for enforcement of this Agreement that this Agreement is ineffective, invalid or void based on the rule against perpetuities.
- 7.7. **Time is of the Essence.** Time is of the essence of this Agreement and each of the terms and conditions of this Agreement.
- 7.8. **Applicable Law.** Except for matters of title to the Property or its assignment or transfer, which will be governed by the Laws in force in the Province of Newfoundland and Labrador, the terms and provisions of this Agreement shall be interpreted in accordance with the laws in force in the Province of British Columbia, excluding any conflict of law principles that would require the application of the law of any other jurisdiction.
- 7.9. **Void or Invalid Provision.** If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Agreement, and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and in no way be affected, impaired or invalidated thereby.
- 7.10. **Entire Agreement.** This Agreement constitute the entire agreement between the Parties with respect to the Net Smelter Returns Royalty and terminates and replaces all prior agreements either written, oral or implied, between the Parties with respect to the Net Smelter Returns Royalty, including without limitation effective as of the Effective Date replacing and superseding the provisions of the Property Option Agreement with respect to the Net Smelter Returns Royalty. For greater certainty, the Parties acknowledge the Joint Venture Agreement with respect mining operations of the Property which Joint Venture Agreement is separate from and has no impact on the Net Smelter Returns Royalty, except as specifically set out herein.
- 7.11. **Additional Documents.** Each Party shall do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such

assurances, as may be reasonably necessary to give effect to this Agreement at the reasonable request of the other Party.

- 7.12. **Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.
- 7.13. **Counterparts.** This Agreement may be executed in any number of counterparts and each counterpart, when so executed and delivered, shall be deemed to be an original and all such executed counterparts taken together shall constitute one and the same instrument.

[The next page is the execution page.]

IN WITNESS WHEREOF York Harbour and Firetail, as Grantor, have executed this Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED by
YORK HARBOUR METALS INC. in the
presence of :

YORK HARBOUR METALS INC.

Per:

Notary Public or Commissioner of Oaths
(affix seal)

Name:
Title:

I have authority to bind the Corporation

SIGNED, SEALED AND DELIVERED by
FIRETAIL RESOURCES LIMITED in the
presence of :

FIRETAIL RESOURCES LIMITED

Per:

Notary Public or Commissioner of Oaths
(affix seal)

Name:
Title:

I have authority to bind the Corporation

IN WITNESS WHEREOF York Harbour, as Royalty Holder, has executed this Agreement as of the date first above written.

SIGNED, SEALED AND DELIVERED by
YORK HARBOUR METALS INC. in the
presence of :

YORK HARBOUR METALS INC.

Per:

Notary Public or Commissioner of Oaths
(affix seal)

Name:
Title:

I have authority to bind the Corporation

SCHEDULE A

Mineral Licences

License #	# of Claims	Issued	Renewal Date	Next Report	Expenditures Required	
026228M	25	2/08/2018	2/08/2028	1/10/2025	\$30,000.00 2034/08/02	by
026561M	2	12/11/2028	13/11/2028	12/01/2026	\$2,400.00 2034/11/12	by
026938M	1	7/03/201	7/03/2029	6/05/2025	\$900.00 20234/03/07	by
031681M	4	14/12/2020	24/12/2025	12/02/2025	\$800.00 2031/12/14	by
031682M	124	14/12/2020	14/12/2025	12/02/2026	\$27,420.00 2026/12/14	by
033541M	33	29/10/2021	29/10/2026	30/12/2024	\$9,173.95 29/10/2024	by

Note 1: The renewal dates are the dates on which 5-year License Renewal Fees are due to the NL Department of Industry, Energy and Technology. Map Staked Licenses are issued for a term of 5 years and every 5 years have to be renewed. The details of maintaining map staked licenses are published on the NL Department of Industry, Energy and Technology website at www.gov.nl.ca/iet.

Note 2: The licenses are located on 1:50,000 Scale National Topographic Series Map Sheets 12B/08 & 12A/05.

Note 3: This Schedule A is to be updated on the Effective Date to describe the Mineral Licences as of the Effective Date.