

THIS OPTION AGREEMENT is dated as of the 14th day of September, 2017 (the "**Execution Date**").

AMONG:

ALTIUS RESOURCES INC., a corporation having an office at Suite 202, Kenmount Business Center, 66 Kenmount Road, St. John's, NL, A1B 3V7

("Altius")

AND:

MOUNTAIN LAKE MINERALS INC., a corporation having an office at 1853 Sunken Lake, RR #2, Wolfville, Nova Scotia, B4P 2R2

(the "**Optionee**")

W H E R E A S:

- A. Altius is a corporation existing under the laws of Ontario and is a wholly-owned subsidiary of Altius Minerals Corporation, a corporation existing under the laws of Alberta and listed on the Toronto Stock Exchange;
- B. Altius is the registered, legal and beneficial holder of a 100% title and interest in and to certain mineral claims known as the Moosehead Property in the Province of Newfoundland and Labrador, which claims are fully described in Schedule A attached hereto (the "**Property**");
- C. Altius wishes to grant the Optionee the exclusive right and option to acquire, subject to the reservation of the Royalty herein, a 100% title and interest in the Property and the Parties wish to enter into this Agreement to provide for such right and option and other matters relating to the exploration of the Property.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the payment by each party to the other of the sum of \$10.00 (the receipt and sufficiency of which is hereby acknowledged by each party) and of the mutual covenants and agreements contained herein the parties agree as follows:

1. **DEFINITIONS**

1.1 In this Agreement and in the Schedules and the recitals hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) "**Advance Placement**" means the private placement offering of 7,000,000 units of the Optionee (the "**Units**") at a subscription price of \$0.025 per Unit with each Unit comprising one common share of the Optionee ("**Advance Placement Share**") and one common share purchase warrant of the Optionee ("**Advance Placement Warrant**") entitling the holder to purchase one common share of the Optionee ("**Advance Placement Warrant Share**") at a price of \$0.05 for a period of two (2) years from the closing of the Advance Placement on August 16, 2017;

- (b) "**Agreement**" means this option agreement and all Schedules and all instruments supplemental hereto or in amendment or confirmation hereof;
- (c) "**Approval Date**" means the date of receipt by the Optionee of Exchange Approval;
- (d) "**Business Day**" means any day other than a Saturday, a Sunday, or a day observed as a holiday in Newfoundland and Labrador or in Nova Scotia;
- (e) "**Closing Date**" has the meaning given to such term in section 8.1;
- (f) "**Encumbrances**" means all interests, mortgages, charges, royalties, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or however arising and any rights or privileges capable of becoming any of the foregoing;
- (g) "**Environmental Laws**" means all applicable federal, provincial, municipal and local laws, statutes, ordinances, by-laws, regulations, orders, directives and decisions, rendered by any ministry, department or administrative or regulatory agency relating to the protection of the environment or pollutants, contaminants, chemicals, or industrial, toxic or hazardous wastes or substances;
- (h) "**Equity Financing**" means the sale or placement by the Optionee of shares or other equity interests of the Optionee ("**Shares**") or of any options, warrants, rights or interests exercisable for or convertible into shares or other equity interests of the Optionee ("**Rights**"), but excluding (i) the grant of incentive stock options and the issuance of any Shares upon the exercise of any such options, (ii) the issuance of Shares upon the exercise or conversion of Rights, (iii) the issuance of Shares or Rights as consideration for the acquisition of mining and related real property interests or the acquisition of shares of another resource corporation by the Optionee, (iv) Shares or Rights issued in connection with any rights offering, stock split, stock dividend, or recapitalization by the Optionee, (v) Shares or Rights issued as a bona fide commission or finder's fee approved by the Optionee's Board of Directors, or (vi) Shares or Rights issued pursuant to any shareholder rights plan adopted by the Optionee's Board of Directors;
- (i) "**Exchange**" means the Canadian Securities Exchange;
- (j) "**Exchange Approval**" means acceptance by the Exchange of the Option under the policies of the Exchange;
- (k) "**Expenditure Commitment**" has the meaning given to that term in section 5.1;
- (l) "**Expiry Date**" has the meaning given to that term in section 4.1;
- (m) "**Exploration Expenditures**" means the aggregate amount of all direct costs, outlays and expenses reasonably spent or incurred by the Optionee as Operator in accordance with good mineral industry practice in connection with the evaluation, exploration and development of the Property, including, without limitation, moneys expended in maintaining the Property in good standing and costs incurred in connection with complying with Environmental Laws, all costs relating to the securing of good relations with communities in the area surrounding the Property, including, without limitation, all costs associated with the negotiation

and implementation of any impact and benefit agreement or access agreement and any services provided in aid of consultation between aboriginal people and governmental authorities relating to operations on the Property, all insurance costs, moneys expended in doing and filing assessment work, expenses paid for or incurred in connection with any program of surface or underground prospecting, exploring, geophysical, geochemical and geological surveying, drilling, drifting, raising and other underground work, assaying and engineering, bulk sampling, environmental studies, data preparation and analysis, submissions to governmental authorities, all associated, non-recoverable sales taxes, and paying the fees, wages, salaries, travelling expenses and fringe benefits of all persons engaged in work with respect to and for the benefit of the Property;

- (n) **"Interest"** means the undivided beneficial percentage interest of a Party in the Property;
- (o) **"Interim Period"** means the period of time between the Execution Date and the date of the Title Transfer;
- (p) **"Offtake Agreement"** means any offtake, refining, smelting, brokering, marketing and/or processing agreement;
- (q) **"Operator"** means the Party acting as Operator with respect to the Property pursuant to this Agreement;
- (r) **"Option"** has the meaning given to that term in section 4.1;
- (s) **"Option Shares"** has the meaning given to that term in section 4.2(a);
- (t) **"Party"** means either of Altius or the Optionee and their successors and permitted assigns, and **"Parties"** means, together, Altius and the Optionee and their successors and permitted assigns;
- (u) **"person"** means any natural person, firm, company, governmental authority, joint venture, partnership, trust, association or other entity (whether or not having separate legal personality);
- (v) **"Private Placement"** means a private placement offering of common shares of the Optionee (the **"Private Placement Shares"**) for gross proceeds of a minimum of \$1,000,000, at a subscription price of \$0.10 per Private Placement Share or such other price per share as determined during the marketing of the Private Placement;
- (w) **"Property"** means the mining claims described in Schedule A, and any Additional Interests acquired pursuant to the provisions of section 11.2 or 11.3, or successor titles thereto;
- (x) **"Proposed royalty or Stream"** means: (i) a royalty on any Products (as defined in the Royalty Agreement); (ii) a participating interest in any Products based on production; and (iii) without limitation, any metals loan, any metals stream, any metals royalty, or any other instrument convertible into a metals loan, metals stream, or metals royalty related to production from the Property, whether or not coupled with another transaction, embodied within another transaction or disguised within another transaction. For clarity, a Proposed royalty or Stream shall

not include any hedging or Offtake Agreements that (i) are entered into in the ordinary course of business; or (ii) are a required component of a loan or debt financing, provided that such hedging or Offtake Agreements are structured in a manner consistent with normal market practice for such instruments and are not designed to circumvent transactions that would meet the definition of a Proposed royalty or Stream;

- (y) "**Royalty**" has the meaning given to that term in section 11.1 to be calculated and paid in accordance with the provisions of the Royalty Agreement;
- (z) "**Royalty Agreement**" means the royalty agreement in the form set out in Schedule C or such other form as the Parties may mutually agree;
- (aa) "**Transaction**" means the grant of the Option by Altius to the Optionee in accordance with the terms of this Agreement; and
- (bb) "**Work Program**" has the meaning given to that term in section 7.2(c).

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) all references in this Agreement to "articles", "sections" or other subdivisions or Schedules are to the designated articles, sections or other subdivisions, or Schedules of or attached to and which form a part, of this Agreement;
- (b) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section or other subdivision;
- (c) the headings are for convenience only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement;
- (d) the singular of any term includes the plural, and vice versa, the use of any term is equally applicable to any gender and, where applicable, an entity, the word "or" is not exclusive and the word "including" is not limiting (whether or not non-limiting language is used with reference thereto);
- (e) the words "written" or "in writing" include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including telex, telegraph, telecopy, facsimile or e-mail;
- (f) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- (g) a "day" shall refer to a calendar day and in calculating all time periods the first day of a period is not included and the last day is included, but if a period ends on a day which is not a Business Day, the period will be deemed to expire on the next Business Day; and

- (h) except where otherwise expressly stated, all references to "\$" or "dollars" are references to the lawful currency of the Canada.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 Altius represents and warrants to the Optionee that, as of the Execution Date:

- (a) it is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action and proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of Altius enforceable against it in accordance with its terms except that:
- (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before it by virtue of equitable or statutory powers; and
 - (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of or accelerate the performance required by any agreement to which it is a party;
- (c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of any laws applicable to it or its constating documents;
- (d) it is not a "U.S. Person" (as that term is defined in Regulation S under the United States Securities Act of 1933, as amended);
- (e) Altius is, and at the time of the Title Transfer will be, the legal, registered and beneficial owner of a 100% undivided Interest in the Property free and clear of all Encumbrances other than a 0.5% net smelter return royalty (the "**Underlying Royalty**") reserved to **[Underlying royaltyholder name redacted]** under a royalty agreement between Altius and **[Underlying royaltyholder name redacted]** dated September 7, 2017 (the "**Underlying Agreement**"). Altius has the right to grant the Option in the Property and has, and will have at the time of the Title Transfer, the right to transfer its Interest in the Property to the Optionee in accordance with the terms and conditions of this Agreement;
- (f) to the best of its knowledge, there are no aboriginal rights or interests that are currently asserted in respect of the Property, but the Optionee acknowledges the

uncertain and evolving status of aboriginal rights and land claims in Newfoundland and Labrador, which may affect the Property;

- (g) the Property is in good standing and Altius has paid all fees, taxes, assessments, rentals, levies or other payments and filed all reports and returns required to be made and filed relating to the Property, all claims comprising the Property have been duly and validly located and recorded, and no proceedings have been instituted to invalidate or assert an adverse claim or challenge against or to the ownership of title to the Property, nor, subject to section 2.1(f), is there any basis therefor, and no other person is entitled to acquire or purchase or enter into an agreement to acquire or purchase the Property or any portion thereof, and no person has any royalty or other interest whatsoever in production from or the profits earned from any part of the Property;
- (h) there exists full and free legal access on and over the surface of the areas comprising the Property, and there is no fact or condition which would result in the interference with or termination of such access;
- (i) all work carried out, or caused to be carried out, on the Property by Altius has been carried out in compliance with all applicable laws, including Environmental Laws, and neither Altius, nor, to its knowledge, any person, has received any notice of any breach of any such laws, and it has no knowledge of any facts which would lead a well-informed operator in the mining industry to believe there are any environmental liabilities associated with the Property, and there are no environmental audits, evaluations, assessments or studies relating to the Property;
- (j) there are no claims, actions, suits, judgments, litigation or proceedings of any nature concerning the Property, pending or threatened against Altius or any other person which may defeat, impair, detrimentally affect or reduce the right, title and interest of Altius in the Property or the interest therein to be acquired by the Optionee under this Agreement, including any matter seeking forfeiture of the Property, and Altius is not aware of any existing ground on which any such claim, action, suit, judgment, litigation or proceeding might be commenced with any reasonable likelihood of success;
- (k) as at the Closing Date and the date of the Title Transfer, Altius will not have taken any steps to terminate its existence and will not have received any notice or other communication from any person or governmental authority indicating that there exists any situation which could result in the termination of its existence;
- (l) no event of insolvency has occurred in relation to Altius nor is there any act which has occurred or any omission made which may result in an event of insolvency occurring in relation to Altius;
- (m) there has been no material default in any term, condition, provision, or obligation to be performed under any material contract entered into by Altius in respect of the Property, each of which is in good standing and in full force and effect, unamended;
- (n) all information known or which should be known to Altius concerning the Property which might reasonably be regarded as material to a purchaser for value of the Property has been disclosed in writing to the Optionee; and

- (o) all of the information provided by Altius to the Optionee is true and correct in all material respects.

2.2 The Optionee represents and warrants to Altius that, as of the Execution Date:

- (a) it is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action and proceedings and obtained all necessary approvals, other than Exchange Approval, if necessary, in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Optionee enforceable against it in accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and
 - (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of or accelerate the performance required by any agreement to which it is a party;
- (c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction or its constating documents;
- (d) the Optionee is a "reporting issuer" in the provinces of British Columbia, Alberta and Ontario and is not listed as a "defaulting issuer" by any securities commission in British Columbia, Alberta or Ontario, and the disclosure in each of documents filed by the Optionee under applicable securities laws on SEDAR since December 1, 2016 is accurate in all material respects, and omits no fact, the omission of which would make such disclosure misleading in light of the circumstances in which such disclosure was made, and the Optionee is in compliance in all material respects with and not in default under applicable securities laws;
- (e) its common shares are listed and posted for trading on the Exchange and it is not in material default of any of the requirements of the Exchange, the breach of which would have a material adverse effect on its common shares or the listing thereof on the Exchange; and
- (f) there are no claims, actions, suits, judgments, litigation or proceedings of any nature, pending or, to the knowledge of the Optionee, threatened, against the Optionee or any of its assets, which would or may have a material adverse effect upon the Optionee after giving effect to the Option and the Private Placement or

which prevent the completion of the Option or Private Placement, and the Optionee is not aware of any existing ground on which any such claim, action, suit, judgment, litigation or proceeding might be commenced with any reasonable likelihood of success.

- 2.3 The Optionee covenants with Altius to use reasonable commercial efforts to arrange for Exchange Approval as soon as practicable following the execution of this Agreement, if necessary.
- 2.4 The Optionee covenants with Altius that, unless otherwise agreed by Altius, the number of issued and outstanding common shares of the Optionee on a fully diluted basis will not exceed 62,931,350 on the Closing Date, including the Option Shares, the Advance Placement Shares and the Advance Placement Warrant Shares, but excluding the Private Placement Shares.
- 2.5 Each of the Parties agrees that it shall use reasonable commercial efforts to satisfy, and to cooperate with and assist the other Party to satisfy, each of the conditions in section 7 as soon as is practicable, and in any event prior to the Closing Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to complete the Transaction in accordance with the terms and conditions of this Agreement.
- 2.6 The representations, warranties and covenants herein set out are conditions on which the Parties have relied in entering into this Agreement and each of the Parties 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 or agreement made by it and contained in this Agreement. The representations and warranties set out herein shall survive for a period of three (3) years following the Execution Date (the "**Survival Period**").
- 2.7 If Exchange Approval is required, the Approval Date must occur on or before September 30, 2017 (the "**Approval Expiry Date**"). If Exchange Approval is required and the Approval Date does not occur by the Approval Expiry Date, then this Agreement will be terminated and of no further force or effect unless the Approval Expiry Date is mutually extended by the written consent of the Parties.
- 2.8 The Private Placement must be completed on or before November 15, 2017 (the "**Private Placement Completion Date**"). Notwithstanding the immediately preceding sentence, the Optionee will provide Altius evidence, on or before September 30, 2017 (the "**Private Placement Commitment Date**"), that commitments of at least \$1,000,000 in the aggregate to participate in the Private Placement have been received from prospective investors, such evidence to be satisfactory to Altius in its sole discretion, acting reasonably. If the Optionee does not provide such evidence by the Private Placement Commitment Date, or if the Private Placement is not completed by the Private Placement Completion Date, then this Agreement will be terminated and of no further force or effect unless the Private Placement Commitment Date or the Private Placement Completion Date, as applicable, is mutually extended by the written consent of the Parties.

3. **ASSOCIATION OF PARTIES**

- 3.1 Nothing contained in this Agreement will, except to the extent specifically provided hereunder, be deemed to constitute a Party a partner, an agent or legal representative of

the other Party. It is intended that this Agreement will not create the relationship of a partnership among the Parties and that no act done by any Party pursuant to the provisions hereof will operate to create such a relationship.

3.2 Except as specifically provided hereunder (including in section 11.2):

- (a) each Party will be at liberty to engage, for its own account and without duty to account to the other Party, in any other business or activity outside the Property, including the ownership and operation of any other mining permits, licenses, claims and leases wherever located;
- (b) no Party will be under any fiduciary or other duty or obligation to the other Party which will prevent or impede such Party from participating in, or enjoying the benefits of, competing endeavours of a nature similar to the business or activity undertaken by the Parties hereunder outside of the Property; and
- (c) the legal doctrines of "corporate opportunity" or "business opportunity" sometimes applied to persons occupying a relationship similar to that of the Parties will not apply with respect to participation by any Party in any business activity or endeavor outside of the Property.

4. **THE OPTION**

4.1 On the Closing Date, Altius hereby grants to the Optionee the exclusive right and option to acquire, subject to the reservation of the Royalty, a 100% Interest in the Property, free and clear of all Encumbrances other than the Underlying Royalty, in accordance with the terms of this Agreement (the "**Option**"). The Option shall be exercisable by the Optionee until the date which is 12 months after the Closing Date (the "**Expiry Date**").

4.2 In order for the Optionee to exercise the Option and acquire a 100% Interest in the Property, it must:

- (a) issue to Altius, on the Closing Date, 10,523,339 fully paid and non-assessable common shares of the Optionee (the "**Option Shares**"), which Option Shares shall be subject to a hold period not exceeding four months and one day and which Option Shares shall not be cancellable or re-callable by the Optionee for any circumstance other than the failure of Title Transfer to be completed as a result of default hereunder by Altius pursuant to section 4.3; and
- (b) incur, on or before the Expiry Date, the Expenditure Commitment set forth in section 5.1.

4.3 Upon the Optionee satisfying all of the obligations set out in section 4.2, the Optionee will be deemed to have exercised the Option and to have acquired the 100% Interest in the Property in accordance with the provisions of this Agreement, and Altius shall, upon notice from the Optionee (the "**Transfer Notice**") and provided that the Optionee has executed the Royalty Agreement, transfer title and ownership to the Property to the Optionee as provided hereunder (the "**Title Transfer**") and Altius shall deliver to the Optionee duly executed transfers of the Property in the form required under the laws of the Province of Newfoundland and Labrador in respect of the Title Transfer and a duly executed assignment in a form acceptable to the Optionee assigning the rights and obligations of Altius under the Underlying Agreement to the Optionee.

- 4.4 The Parties agree to file jointly on a timely basis following the Title Transfer a tax election, in prescribed form under the provisions of subsection 85(1) of the Income Tax Act (Canada) ("**ITA**"), at an amount equal to the amount to be determined by Altius in accordance with the limits set out in the ITA in respect of the issuance of the Option Shares.

5. **EXPLORATION EXPENDITURES**

- 5.1 It is a commitment of the Optionee and a condition of the exercise of the Option that the Optionee must, prior to the Expiry Date, incur cumulative Exploration Expenditures of at least \$500,000 (the "**Expenditure Commitment**") in connection with the Property in accordance with this Agreement. The Expenditure Commitment is a firm and binding obligation of the Optionee and is not optional.
- 5.2 It is understood that Altius may incur Exploration Expenditures on the Property after the Execution Date and that the Optionee will reimburse Altius for the cost of the Exploration Expenditures in accordance with section 10.2 and that the amount reimbursed shall be credited towards the Expenditure Commitment.

6. **FINANCINGS**

- 6.1 For a period of three (3) years following the Closing Date, which obligation shall survive the closing of the Transaction, the Optionee grants Altius the option and the right, in Altius' sole discretion, to participate in any Equity Financing on a pro rata basis as determined by reference to Altius' ownership of common shares of the Optionee on a fully diluted basis, at the same price and the same terms and conditions as offered to other investors in such Equity Financing (the "**Participation Right**"). The Optionee agrees to provide Altius with written notice of any proposed Equity Financing at least ten (10) Business Days prior to the closing of such Equity Financing. Within five (5) Business Days after receiving such written notice from the Optionee, Altius shall send written notice to the Optionee confirming whether Altius will be exercising its Participation Right in respect of such Equity Financing, which notice, if in the affirmative, shall include the number of Shares or Rights under the Equity Financing of the Optionee that Altius intends to acquire. If Altius does not provide written notice by the end of such five (5) Business Day period, then Altius shall be deemed to have rejected its right to exercise the Participation Right in respect of such Equity Financing.
- 6.2 The Optionee grants Altius the option and the right, in Altius' sole discretion, to participate in the Private Placement by subscribing for Private Placement Shares sufficient to ensure Altius holds a 19.9% equity interest in the Optionee after giving effect to the issuance of the Option Shares, which option may be exercised by Altius wholly or partially to such maximum number. The Optionee acknowledges and agrees that any obligation of Altius to purchase Private Placement Shares pursuant to the Private Placement is conditional upon other parties subscribing for the remaining balance of the minimum number of Private Placement Shares offered pursuant to the Private Placement, such subscriptions to close concurrently with Altius' subscription.

7. **CLOSING CONDITIONS**

- 7.1 The obligation of the Parties to complete the Transaction on the Closing Date shall be subject to the prior completion of the following conditions, which conditions may only be waived jointly by the Parties:

- (a) if Exchange Approval is required, the Exchange will have granted Exchange Approval;
- (b) all of the conditions of the Exchange Approval, if required, shall have been satisfied, other than those which cannot be satisfied prior to Closing;
- (c) there will not be in force any order or decree restraining or enjoining the grant of the Option;
- (d) no order, ruling or decision of any applicable regulatory authority or any other regulatory body having jurisdiction or any court will be in effect having the effect of "cease trading" or otherwise restricting any issuance or trade in the securities of the Optionee, and no proceedings for that purpose will have been instituted, pending or threatened;
- (e) the Advance Placement and the Private Placement will have closed; and
- (f) all consents, orders and approvals required, necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably.

7.2 The obligation of Altius to complete the Transaction on the Closing Date shall be subject to the prior completion of the following conditions, which conditions may be waived in whole or in part by Altius in its sole discretion on or before the Closing Date:

- (a) the Optionee shall have complied with all filing requirements of the Exchange in respect of the transactions contemplated herein and the common shares of the Optionee shall be listed for trading without restriction on the Exchange;
- (b) the Optionee has provided Altius with an exploration program and budget acceptable to Altius that has a total cost of at least \$500,000 and is to be completed within 12 months from the Closing Date (the "**Work Program**");
- (c) the representations and warranties of the Optionee contained herein are true and correct in all material respects, and will be deemed to have been made again, as of and on the Closing Date;
- (d) all covenants of the Optionee contained in this Agreement required to have been performed or complied with on or before the Closing Date have been performed or complied with; and
- (e) the Optionee has delivered or causes to be delivered to Altius the documents as set forth in section 8.3 in form satisfactory to Altius, acting reasonably.

7.3 The obligation of the Optionee to complete the Transaction on the Closing Date shall be subject to the prior completion of the following conditions, which conditions may be waived in whole or in part by the Optionee in its sole discretion on or before the Closing Date:

- (a) the representations and warranties of Altius contained herein are true and correct in all material respects, and will be deemed to have been made again, as of and on the Closing Date;
- (b) all covenants of Altius contained in this Agreement required to have been performed or complied with on or before the Closing Date have been performed or complied with;
- (c) Altius shall be the legal, registered and beneficial owner of a 100% Interest in the Property;
- (d) no material adverse change will have occurred in respect of the Property since the Execution Date;
- (e) Altius has delivered or cause to be delivered to the Optionee the documents as set forth in section 8.2 in form satisfactory to the Optionee, acting reasonably; and
- (f) the Optionee will have completed, to its reasonable satisfaction, its due diligence on the Property and have provided notice to such effect to Altius (the "**Due Diligence Notice**") by September 15, 2017. If the Due Diligence Notice is not provided by such date, the Optionee shall be deemed to have so completed its due diligence.

8. **CLOSING**

- 8.1 The closing of the Transaction (the "**Closing**") shall take place electronically at 10:00 a.m. Newfoundland time on the later of (a) the tenth (10th) day following the Approval Date, if Exchange Approval is required, and (b) November 15, 2017 or at such other time and date as may be mutually agreed by the Parties (the "**Closing Date**"), provided that if the Closing does not occur on the Closing Date due to delays in satisfying the conditions of the Exchange Approval, if applicable, the Closing Date shall be extended to a date that is reasonable in the circumstances in order to satisfy such conditions but no later than November 30, 2017.
- 8.2 At Closing, Altius shall deliver or cause to be delivered to the Optionee the following documents:
 - (a) a certificate of a senior officer of Altius (without personal liability) dated as of the Closing Date certifying that the representations and warranties of Altius contained herein are true and correct in all material respects as of the Closing Date, except to the extent that such representations and warranties relate to an earlier date, and that all covenants of Altius contained in this Agreement required to have been performed or complied with on or before the Closing Date have been performed or complied with; and
 - (b) all documents, data, maps, books, records, results and other materials related to the Property.
- 8.3 At Closing, the Optionee shall deliver or cause to be delivered to Altius the following documents:

- (a) a certificate of a senior officer of the Optionee (without personal liability) dated as of the Closing Date certifying that the representations and warranties of the Optionee contained herein are true and correct in all material respects as of the Closing Date, except to the extent that such representations and warranties relate to an earlier date, and that all covenants of the Optionee contained in this Agreement required to have been performed or complied with on or before the Closing Date have been performed or complied with; and
- (b) a share certificate representing the Option Shares.

8.4 For the 60-day period following the Closing Date, Altius shall provide the Optionee and its representatives unfettered access to all of Altius' documents, data, maps, books, records, results and other materials related to the Property for the purpose of permitting the Optionee to make copies thereof for its benefit.

9. **ACTIONS DURING INTERIM PERIOD**

9.1 During the Interim Period, Altius shall hold the Property in the ordinary course of business and in compliance with all applicable law and shall not:

- (a) dispose of, grant any interest in or encumber any of the Property;
- (b) enter into any contract or any other transaction that could materially affect the Property or Altius' Interest therein, except with the prior written consent of the Optionee;
- (c) terminate, cancel, modify or amend in any respect any contract related to the Property or take or fail to take any action that would entitle any party to a contract related to the Property to terminate, modify, cancel or amend such contract; or
- (d) agree, commit or enter into any understanding to take any action set out in paragraphs (a), (b) or (c) of this section 9.1.

10. **OPERATOR**

10.1 After the Closing Date and during the Interim Period, the Optionee will be the Operator and will carry out and manage all technical and exploration work on the Property.

10.2 After the Closing Date, the Optionee shall be solely responsible for funding Exploration Expenditures until the earlier of the termination of this Agreement and the Title Transfer, provided that it shall not be required to fund Exploration Expenditures in excess of the Expenditure Commitment unless agreed to by the Optionee. Any amounts incurred by Altius on account of Exploration Expenditures on behalf of the Optionee and not previously reimbursed shall be reimbursed by the Optionee on the last day of each calendar month during the Interim Period following the Closing Date.

10.3 The Operator will have full authority to do everything necessary or desirable in accordance with good mining practice in connection with the day-to-day exploration, development or operation of the Property or the applicable part thereof.

10.4 Without limiting the generality of section 10.3, the Operator shall have the following duties and obligations, all of which shall be at the sole cost of the Optionee:

- (a) to manage, direct and control all exploration, development and production operations in, on and under the Property, in a prudent and workmanlike manner, and in compliance with all applicable laws, rules, orders and regulations of Newfoundland and Labrador and applicable federal laws, including Environmental Laws, and to provide a healthy and safe workplace and working environment for its employees and contractors;
- (b) to secure, maintain and comply with all permits required to be maintained under applicable laws, rules, orders and regulations, including mineral exploration, provincial, municipal and environmental permits;
- (c) to perform its duties and obligations in a manner consistent with good exploration and mining practices;
- (d) to maintain, with Altius' assistance pursuant to section 10.5, the Property in good standing, including the payment of all taxes and maintenance charges;
- (e) to provide administrative and technical assistance and facilities necessary to support the exploration activities;
- (f) to permit Altius or its representatives duly appointed in writing, at its own expense and risk, access to the Property and all data derived from carrying out work on the Property;
- (g) to arrange for and maintain workers' compensation or equivalent coverage for all eligible employees engaged by it in accordance with local statutory requirements;
- (h) to obtain, maintain and keep in force during the term of this Agreement the following insurance coverage:
 - (i) commercial general liability insurance coverage against third party claims for bodily injury and property damage arising from the operations of Operator at the Property with a limit of not less than \$5 million; and
 - (ii) statutory insurance coverage and not less than \$2 million of automobile liability insurance coverage on any licensed vehicles on the Property,
 and to provide 30 days written notice to Altius prior to cancelling any such insurance; and
 - (i) to take all action and precautions reasonably necessary to protect and secure the Property.

10.5 In carrying out its exploration activities and incurring exploration, development and production costs on the Property, the Operator shall maintain in good standing all mineral claims and licences and mining leases comprising the Property by the payment of all taxes and rentals and the performance of all other actions which may be necessary in that regard and to keep such mineral claims and licences and mining leases free and clear of all Encumbrances arising from the Operator's activities thereon. During the Interim Period, Altius agrees to cooperate with, and provide reasonable assistance requested by the Optionee to, the Optionee to permit the Optionee to maintain in good standing all mineral claims and licenses and mining leases comprising the Property.

- 10.6 Notwithstanding section 17.1, in the event the Optionee fails to perform any of its obligations under Section 10.3, 10.4 or 10.5, Altius shall be entitled, in its sole discretion, to perform any such obligation.
- 10.7 During the Interim Period, the Optionee shall have the right, for a period of 90 days from reimbursement, to audit the expenses and make copies of the books of Altius which are relevant to Exploration Expenditures reimbursed by the Optionee pursuant to this Agreement.
- 10.8 Unless otherwise agreed to by the Parties, upon the Title Transfer, the rights and obligations of the Optionee and Altius under this Section 10, other than those in section 10.7, will terminate.

11. **ROYALTY AND AREA OF INTEREST**

- 11.1 Upon the Title Transfer, Altius will reserve, retain and hold a 1.5% net smelter return royalty as described in the Royalty Agreement (the "**Royalty**"). In addition, Altius will assign the Underlying Agreement to the Optionee and the Optionee shall thereafter be bound by such Underlying Agreement as if it had been originally named as a party thereto in the place and stead of Altius.
- 11.2 If at any time and from time to time prior to the termination of this Agreement, Altius stakes or acquires, directly or indirectly, any right to or interest in any mineral claims, licence or properties or other form of mineral interest within a two (2) kilometer area of interest from the outside boundaries of the Property as at the Execution Date ("**Additional Interests**"), then these Additional Interests must be offered in writing to the Optionee for an amount equal to Altius' cost to stake or acquire such Additional Interests. Such offer shall outline such costs and all details in the possession of Altius with respect to the nature of the Additional Interests and the known mineralization thereon. The Optionee will have a period of fourteen (14) days from receipt of such offer to elect upon notice in writing to Altius to acquire such properties. If the Optionee does not so elect, then Altius will have no further obligation to the Optionee in respect of such Additional Interests. If so elected, the Royalty shall apply to the Additional Interests.
- 11.3 If at any time and from time to time prior to the termination of this Agreement, the Optionee stakes or otherwise acquires, directly or indirectly, Additional Interests (collectively the "**Optionee's Additional Interests**"), then the Optionee's Additional Interests must be offered in writing and at no cost to Altius to form part of the Property subject to this Agreement and the Royalty Agreement. Such offer shall outline all details in the possession of the Optionee with respect to the nature of the Additional Interests and the known mineralization thereon. Altius will have a period of fourteen (14) days from receipt of such offer to elect upon notice in writing to the Optionee to include such Additional Interests as part of the Property subject to this Agreement and the Royalty Agreement and, in such event, the Optionee shall hold such Optionee's Additional Interests as bare trustee for Altius as part of the Property. If Altius do not so elect, then the Optionee will have no further obligation to Altius in respect of such Optionee's Additional Interests.

12. **RIGHT OF FIRST REFUSAL**

- 12.1 If at any time, including without limitation after the Closing Date, the Optionee or its affiliates (the "**Selling Party**") shall receive a bona fide written offer (the "**Third Party Offer**") from an arm's length third person (the "**Third Party**") to purchase, option or

otherwise acquire, directly or indirectly, in any manner whatsoever, a Proposed royalty or Stream, prior to accepting such Third Party Offer, the Selling Party must comply with this section 12 and must ensure that the said Third Party Offer states the price and all other pertinent terms and conditions upon which the Third Party wishes to complete the Proposed royalty or Stream and that the consideration set forth in the Third Party Offer includes only cash, or if not all cash, either securities, or a combination of cash and securities, of a publicly listed entity (the "**Third Party Share Consideration**").

- 12.2 Within five Business Days after receipt of a Third Party Offer that it wishes to accept, the Selling Party shall deliver a copy of the Third Party Offer to Altius together with the Selling Party's own offer to sell to Altius the Proposed royalty or Stream on the same terms and conditions (the "**Offer**").
- 12.3 The following shall apply only with respect to any Third Party Share Consideration set forth in the Third Party Offer. If the Third Party Offer sets forth consideration to be paid by the Third Party that is Third Party Share Consideration or a combination of cash and Third Party Share Consideration, then if Altius shall accept the Offer (in order to match the Third Party Share Consideration), at the option of Altius, on closing of the transactions contemplated in the Offer, Altius shall pay to the Selling Party:
- (a) in cash, the cash equivalent of the Third Party Share Consideration (based on the valuation for its securities provided by the Third Party in the Third Party Offer or if not stated in the Third Party Offer, then the 20 day volume weighted average trading price of the securities of such Third Party on the exchange or market with the highest trading volumes for such securities in the three months ending on the day prior to the date of the Third Party Offer) (the "**Cash Equivalent**"); or
 - (b) in fully paid and non-assessable common shares in the capital of Altius Minerals Corporation (so long as such shares are publicly traded on a national securities exchange in Canada or the United States), a number of shares equal to the quotient of the Cash Equivalent divided by the 20 day volume weighted average trading price of such common shares of Altius Minerals Corporation on the exchange or market with the highest trading volumes for such securities in the three months ending on the day prior to the date of the Third Party Offer; or
 - (c) a combination of both cash as in (a) and shares as in (b) but provided always that if the Third Party Offer is partly in cash and partly Third Party Share Consideration, Altius shall always be obligated to pay no less cash than the cash offered by the Third Party.
- 12.4 The Optionee agrees to keep Altius informed of any solicitation process for any Proposed royalty or Stream in order to provide Altius with an opportunity to commence its due diligence and evaluation activities in a timely fashion. The Optionee shall also contemporaneously deliver any and all due diligence materials (which it delivered or made available to the Third Party) to Altius.
- 12.5 Altius shall have a period of 20 days following receipt of the Offer to notify the Selling Party whether it elects to acquire the Proposed royalty or Stream at the price and on the terms and conditions set forth in the Offer. Upon receipt of the Offer, if Altius has not conducted a site visit within the 12 months preceding the date of receipt of the Offer, Altius shall have a period of 30 days to arrange and conduct a site visit and to notify the Selling Party whether it elects to acquire the Proposed royalty or Stream at the price and on the terms

and conditions set forth in the Offer. The site visit shall be conducted on a date and at a time that is mutually convenient to the Parties, each acting reasonably.

- 12.6 It is understood and agreed that at or before the said site visit, or even if Altius shall deem that a site visit is not necessary, Altius may request from the Selling Party further confidential information on the Property in the possession or under the control of the Selling Party that directly pertains to the economic analysis of the Proposed royalty or Stream and that the Selling Party shall deliver or make the same available to Altius.
- 12.7 If Altius does so elect to acquire the Proposed royalty or Stream, the transaction with respect to the Proposed royalty or Stream shall be consummated promptly but in any event not later than 30 days after notice of such election is delivered to the Selling Party by Altius. Altius and the Selling Party shall act in a reasonable and timely manner with respect to closing matters.
- 12.8 If Altius fails to elect to acquire the Proposed royalty or Stream within the time limits as stipulated in section 12.5, the Optionee and the Selling Party or any of their affiliates shall have 120 days following the expiration of such period to consummate the transaction with respect to the Proposed royalty or Stream with the Third Party at a price and on terms no more favourable to the Third Party than those offered in the Offer and in accordance with this section. If the transaction with respect to the Proposed royalty or Stream that is consummated with the Third Party includes the grant of a right of first refusal with respect to a Proposed royalty or Stream, then such right of first refusal shall at all times remain subordinate and secondary to the right of first refusal granted pursuant to this Agreement, and the right of first refusal granted pursuant to this Agreement shall be first ranking and be paramount.
- 12.9 If the Selling Party fails to consummate the transaction with respect to the Proposed royalty or Stream with the Third Party within the period set forth in section 12.8, the right of first refusal herein contained shall be deemed to be revived. Any subsequent proposal to complete a Proposed royalty or Stream shall be conducted in accordance with the procedures set forth in this section.
- 12.10 For greater certainty and without limitation, it is understood and agreed that any refusal by Altius to purchase a Proposed royalty or Stream as well as any acceptance by Altius of a Proposed royalty or Stream leading to consummation of a transaction with respect thereto shall in no way be construed as the relinquishment by Altius of the right of first refusal pursuant to this section to purchase from a Selling Party any other Proposed royalty or Stream based on Products (as defined in the Royalty Agreement) produced from the Property, it being the specific intention of the Parties that this clause and the right of first refusal granted to Altius by the Optionee shall apply to all future Proposed royalties or Streams based on Products produced from the Property.
- 12.11 Notwithstanding anything to the contrary set out herein, the aforementioned right of first refusal will not apply in respect of traditional interest bearing loans, preferred or convertible equity or to a traditional hedge or Offtake Agreement or other structure that is not a Proposed royalty or Stream. The right of first refusal is meant to capture structures entered into by the Optionee or its affiliates that a streaming company would typically enter into including without limitation, royalties, metals loans and stream-like financings, based on production from the Property.

13. SHARING OF AND CONFIDENTIAL NATURE OF INFORMATION

- 13.1 Unless required by law or a recognized stock exchange having jurisdiction, no Party will:
- (a) make any public statement or issue any press release concerning the transactions contemplated herein without the consent of the other Party, which consent shall not be unreasonably withheld;
 - (b) use any non-public information (received in any form) regarding the other Party or its assets, businesses or affairs, which such first Party may obtain or have access to during its association with the second Party, including but not limited to any information disclosed pursuant to this Agreement (the "**Confidential Information**"), other than for the purpose of the Transaction or as otherwise contemplated pursuant to this Agreement; and
 - (c) make any copies, summaries or other reproductions of any Confidential Information other than for the purpose of the Transaction or as otherwise contemplated pursuant to this Agreement.
- 13.2 Except with the prior written consent of the other Party, each Party and its respective representatives will hold all Confidential Information of the other Party in strict confidence, except such information and documents that are available to the public without breach of the confidentiality obligations set out herein or as are required to be disclosed by applicable law. Each Party will comply with any reasonable directives that the other Party may make to ensure the safeguarding or confidentiality of the other Party's Confidential Information.
- 13.3 All Confidential Information, whether in written, electronic or other form, will be destroyed or returned to the Party originally delivering the Confidential Information if the Closing of the Option is not completed.
- 13.4 Notwithstanding section 13.1(a) above, the Party making such disclosure (including, where practicable, any disclosure required by law or a recognized stock exchange having jurisdiction) will consult with the other Party prior to making any statement or press release and the Parties will use all reasonable efforts, acting expeditiously and in good faith, to agree upon a text for such statement or release which is satisfactory to each of them within two Business Days. If the Parties fail to agree upon such text, the Party making the disclosure will make only such public statement or release as its counsel advises in writing is legally required to be made or is otherwise reasonable in the circumstances.
- 13.5 The Parties further agree that this Agreement will not be provided to any third party or used other than for the activities contemplated hereunder except as required by law or by the rules and regulations of any regulatory authority or stock exchange having jurisdiction (in which case the Party being compelled to disclose such information shall to the extent practical give the other Party an opportunity to review and provide reasonable comments on the disclosure) or with the written consent of the other Party, such consent not to be unreasonably withheld. For clarification and greater certainty, it is understood and agreed that this Agreement and the Royalty Agreement shall be registered by the Optionee at the Confidential Registry maintained by the Mineral Claims Recorder for Newfoundland and Labrador.

- 13.6 Consent to disclosure of information pursuant to this section 13 will not be unreasonably withheld where a Party wishes to disclose any such information to a third party for the purpose of arranging financing, entering into a corporate transaction or for the purpose of selling its Interest or its rights as contemplated in this Agreement or the Royalty Agreement, provided that such third party first enters into a written agreement with the other Party that any such information not theretofore publicly disclosed will be kept confidential and not disclosed to others on terms satisfactory to the other Party, acting reasonably.

14. **NOTICES**

- 14.1 Any notice, direction or other instrument required or permitted to be given under this Agreement must be in writing and may be given by personal delivery of the same or by mailing the same by prepaid registered or certified mail or by sending the same by telecommunication, facsimile, e-mail or other similar form of communication, in each case addressed as follows:

- (a) If to Altius at:

Altius Resources Inc.
Suite 202, Kenmount Business Center
66 Kenmount Road
St. John's, NL
A1B 3V7 Canada

Attention: Lawrence Winter
Facsimile No.: (709) 576-3441
E-mail: lwinter@altiusminerals.com

- (b) If to the Optionee at:

Mountain Lake Minerals Inc.
1853 Sunken Lake Road, RR#2
Wolfville, Nova Scotia, B4P 2R2

Attention: Paul K. Smith
Facsimile No.: (416) 368-5344
E-mail: paul.smith@mountain-lake.com

- 14.2 Any notice, direction or other instrument will:

- (a) if delivered, be deemed to have been given and received on the day it was delivered; and
- (b) if sent by telecommunication, facsimile, e-mail or other similar form of communication, be deemed to have been given and received on the Business Day following the day it was so sent.

- 14.3 A Party may at any time give to the other Party notice in writing of any change of address of the Party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving notice hereunder.

15. **TERMINATION**

15.1 Other than the provisions of this Agreement which explicitly survive termination, this Agreement will terminate upon the occurrence of the earliest of:

- (a) the written agreement by the Parties to terminate;
- (b) the Approval Expiry Date, if Exchange Approval is required and the Approval Date does not occur by the Approval Expiry Date;
- (c) the Private Placement Completion Date, if the Private Placement has not been completed by such date;
- (d) upon notice by a Party to the other Party if any condition of Closing for the benefit of the first Party becomes incapable of being satisfied and has not been waived by such Party;
- (e) upon notice to the Defaulting Party by the other Party if the Defaulting Party fails to take reasonable steps to cure the applicable default within the 30-day period referenced in section 17.1;
- (f) if the Optionee becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, seeks protection or relief under the Companies' Creditors Arrangement Act (Canada) or under any bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal, consents to or acquiesces in the appointment of a trustee, receiver and manager, interim receiver, custodian or other person with similar powers of itself or of all or any substantial portion of its assets;
- (g) upon notice by the Optionee to Altius if Altius becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, seeks protection or relief under the Companies' Creditors Arrangement Act (Canada) or under any bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal, consents to or acquiesces in the appointment of a trustee, receiver and manager, interim receiver, custodian or other person with similar powers of itself or of all or any substantial portion of its assets; and
- (h) prior to the Closing Date, a material failure of the Optionee to comply with applicable federal, provincial, municipal or local laws, statutes, ordinances, by-laws or regulations, or any orders, directives or decisions rendered by any ministry, department or administrative or regulatory agency, which failure is not cured or rectified within any applicable grace or cure period granted under such laws or by such authority.

Upon termination of this Agreement prior to the exercise of the Option by the Optionee, the Option shall expire and except as otherwise explicitly provided for herein, this Agreement shall be of no further force and effect and the Optionee shall have no further Interest in the Property.

15.2 Sections 2.6, 13, 15, 18.5, 18.8 and 18.9 will survive the termination of this Agreement.

16. **FORCE MAJEURE**

- 16.1 Except for the obligations of the Optionee set forth in Article 4 (The Option) and Article 6 (Financings), which shall not be subject to suspension except by mutual agreement of the Parties, the obligations of a Party shall be suspended to the extent and for the period that performance is prevented by any cause, whether foreseeable or unforeseeable, beyond its reasonable control, including without limitation, labour disputes (however arising and whether or not employee demands are reasonable or within the power of the Party to grant); acts of God; laws, instructions or requests of any government, governmental entity, regulatory authority or stock exchange; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private licence, permit or other authorisation; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of Environmental Laws; action or inaction by any federal, provincial or local agency that delays or prevents the issuance or granting of any approval or authorisation required to conduct operations beyond the reasonable expectations of the Party seeking the approval or authorisation; acts of war or conditions arising out of or attributable to war, whether declared or undeclared; riot; civil strife, terrorism, insurrection or rebellion; fire, explosion, earthquake; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labour, transportation, materials, machinery, equipment, supplies, utilities or services; accidents; breakdown of equipment, machinery or facilities; actions by native rights groups, environmental groups, or other similar special interest groups; or any other cause whether similar or dissimilar to the foregoing (an "**Intervening Event**").
- 16.2 A Party relying on the provisions of section 16.1 will promptly give written notice to the other Party of the particulars of the Intervening Event and all applicable time limits imposed by this Agreement will be extended from the date of delivery of such notice by a period equivalent to the period of delay resulting from an Intervening Event.
- 16.3 A Party relying on the provisions of section 16.1 will take all reasonable steps to eliminate any Intervening Event and, if possible, will perform its obligations under this Agreement as far as commercially 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 governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion commercially impracticable. A Party relying on the provisions of section 16.1 will give written notice to the other Party as soon as such Intervening Event ceases to exist.

17. **DEFAULT**

- 17.1 Notwithstanding anything in this Agreement to the contrary, except for the obligations of the Optionee set forth in Article 4 (The Option) and Article 6 (Financings), which shall not require a notice of default, if any Party (a "**Defaulting Party**") is in default of any requirement herein set forth, the other Party will give written notice to the Defaulting Party specifying the default and the Defaulting Party will not lose any rights under this Agreement, unless within thirty (30) days after the giving of the first notice of default by the other Party the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance and if the Defaulting Party fails within such 30-day period to take reasonable steps to cure any such default, the other Party will be entitled to seek any remedy it may have on account of such default including terminating this Agreement

in accordance with section 15.1 and/or seeking the remedies of specific performance, injunction or damages.

18. **GENERAL**

- 18.1 Until the exercise of the Option hereunder, this Agreement provides for an option only and, other than the Expenditure Commitment, nothing herein contained for the exercise of the Option shall be construed as obligating the Optionee to do any acts or make any payments hereunder, and any act or acts or payments as shall be made hereunder shall not be construed as obligating the Optionee to do any further act or make any further payment. For greater certainty, regardless of whether the Option is exercised hereunder, the completion of the Private Placement is a condition to Closing.
- 18.2 The Parties will execute such further and other documents and do such further and other things as may be necessary or convenient to carry out and give effect to the intent of this Agreement.
- 18.3 Time is of the essence in the performance of this Agreement.
- 18.4 Except with the written consent of the Optionee, Altius may not assign the Property or this Agreement, or any rights or interests thereunder, to any person. Except with the written consent of Altius, this Agreement may not be assigned by the Optionee.
- 18.5 This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.
- 18.6 All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement, the Option, the Advance Placement, the Private Placement and the transactions herein contemplated shall be paid and borne by the Party incurring such costs and expenses whether or not the Advance Placement or the Private Placement closes or the Title Transfer occurs.
- 18.7 This Agreement (including the Schedules thereto) constitutes the entire agreement between the Parties and, except as hereafter set out, replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether oral or written, express or implied, statutory or otherwise, including the letter of intent dated March 17, 2017, as amended, between the Parties with respect to the subject matter herein. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.
- 18.8 If any part of this Agreement is declared or held invalid for any reason, such invalidity will not affect the validity of the remainder which shall continue in force and effect and be construed as if this Agreement had been signed without the invalid portion and the intention of the parties is that this Agreement would have been signed without reference to any portion which may, for any reason, be declared or held invalid.
- 18.9 This Agreement will be governed by and construed according to the laws of Newfoundland and Labrador and the federal laws of Canada applicable therein. The Parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Newfoundland and Labrador in respect of any dispute arising in connection with the Agreement.
- 18.10 This Agreement may only be amended by the written agreement of all the Parties.

18.11 This Agreement may be executed in one or more counterparts and electronically, each of which shall be deemed to be an original but each of which shall constitute one and the same instrument.

[signature sheet follows]

IN WITNESS WHEREOF the parties hereto have executed these presents as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
by **ALTIUS RESOURCES INC.** in the
presence of:

ALTIUS RESOURCES INC.

signed "Beth McGrath"
Notary Public for Newfoundland and
Labrador (affix seal or stamp)

By: *signed "Lawrence Winter"*
Name: **Lawrence Winter**
Title: *VP Exploration*
I have authority to bind the corporation

SIGNED, SEALED AND DELIVERED
by **MOUNTAIN LAKE MINERALS INC.**
in the presence of:

MOUNTAIN LAKE MINERALS INC.

signed "Neil Steenberg"
Notary Public for Ontario

By: *signed "Paul K. Smith"*
Name: **Paul K. Smith**
Title: *President and Chief Executive Officer*
I have authority to bind the corporation

SCHEDULE "A"

DESCRIPTION OF PROPERTY

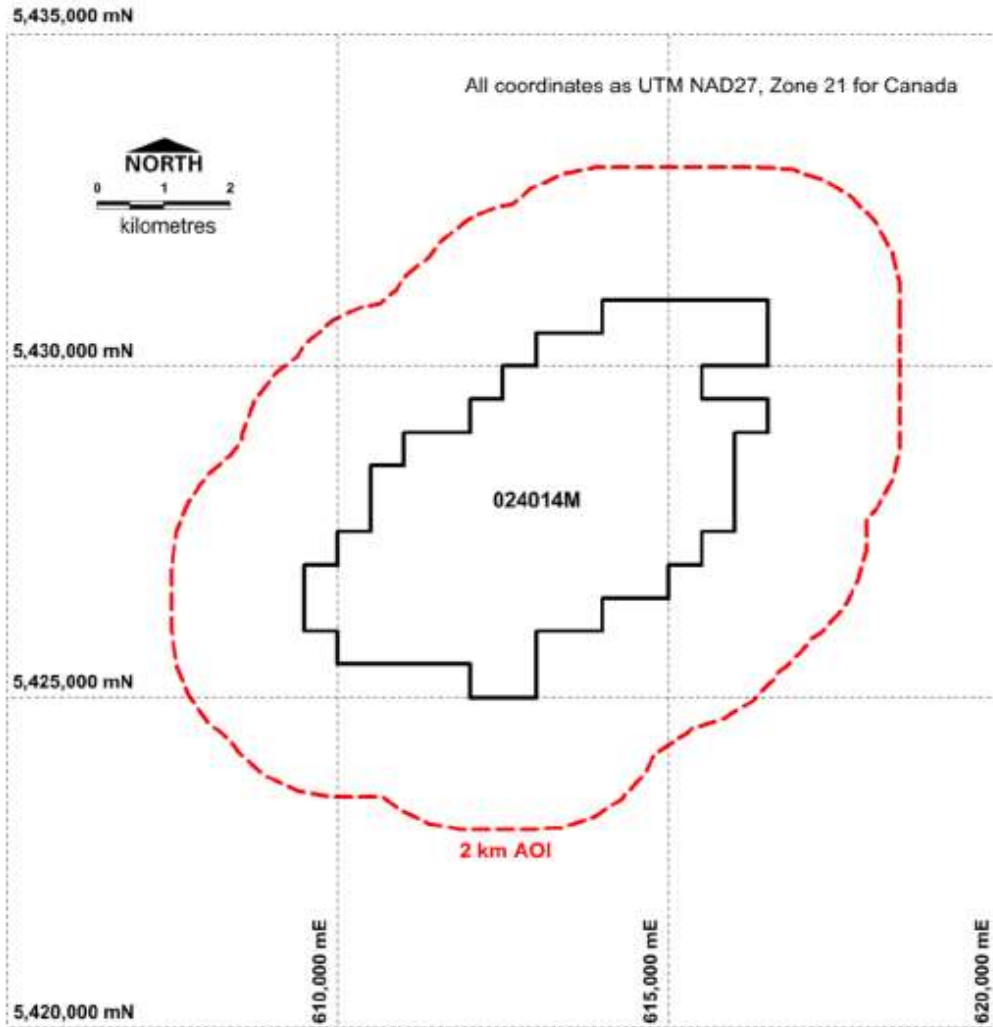
Property Name	License Number	Number of Claims	Number of Hectares
Moosehead	024014M	98	2,450

License 024014M Description:

Beginning at the Northeast corner of the herein described parcel of land, and said corner having UTM coordinates of 5 431 000 N, 616 500 E; of Zone 21; thence South 1,000 metres, thence West 1,000 metres, thence South 500 metres, thence East 1,000 metres, thence South 500 metres, thence West 500 metres, thence South 1,500 metres, thence West 500 metres, thence South 500 metres, thence West 500 metres, thence South 500 metres, thence West 1,000 metres, thence South 500 metres, thence West 1,000 metres, thence South 1,000 metres, thence West 1,000 metres, thence North 500 metres, thence West 2,000 metres, thence North 500 metres, thence West 500 metres, thence North 1,000 metres, thence East 500 metres, thence North 500 metres, thence East 500 metres, thence North 1,000 metres, thence East 500 metres, thence North 500 metres, thence East 1,000 metres, thence North 500 metres, thence East 500 metres, thence North 500 metres, thence East 500 metres, thence North 500 metres, thence East 1,000 metres, thence North 500 metres, thence East 2,500 metres to the point of beginning. All bearings are referred to the UTM grid, Zone 21. NAD27. Reserving nevertheless out of the above described area all of the land being part of: Newfoundland T'Railway Provincial Park.

SCHEDULE "B"

MAP SHOWING PROPERTY AND 2KM AREA OF INTEREST



SCHEDULE "C"

NET SMELTER RETURN ROYALTY

THIS ROYALTY AGREEMENT is dated as of the • day of •, 2017.

BETWEEN:

ALTIUS RESOURCES INC., a company validly existing under the laws of Ontario with an office at Suite 202 – Kenmount Business Centre, 66 Kenmount Road, St. John's, NL, A1B 3V7,

(hereinafter called the "Payee")

AND:

•, a company validly existing under the laws of • with an office at •

(hereinafter called the "Payor")

WITNESSETH THAT for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties hereto agree as follows:

1. Definitions and Interpretation

1.1. In this Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

- (a) "**Acquired Rights**" has the meaning assigned to it in Section 3.1.
- (b) "**Affiliate**" means any Person that directly or indirectly controls, or is controlled by or is under common control with, a Party or with whom a Party does not deal with at arm's length (as defined in the Income Tax Act (Canada)). The term "control" as used herein means the right 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.
- (c) "**Area of Interest**" means that area depicted on the map attached as Schedule B hereto.
- (d) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in Newfoundland and Labrador.
- (e) "**Commercial Production**" means any form of mining, milling, processing, concentrating, recovery or refining activity conducted with the intention of creating economic value or economic gain from deposits of Minerals contained within the Property, including the taking of Minerals from the Property for the purpose of bulk

sampling or determining the amenability of the Minerals to beneficiation processes or mining to the extent that such taking results in actual proceeds of sale.

(f) **"Deemed Receipts"** means the following:

- (i) Where Payor or any Affiliate of Payor produces or has produced any Refined Products through any smelting or refining arrangements or any other transactions that result in the return to, or credit to the account of, Payor or any Affiliate of Payor of Refined Products meeting the physical specifications for good delivery or minimum purity requirements of: in the case of copper, the London Metal Exchange ("**LME**") or the COMEX division of the New York Mercantile Exchange ("**COMEX**") (each, "**Refined Copper**"); in the case of zinc, the LME ("**Refined Zinc**"); in the case of gold, the London Bullion Market Association ("**LBMA**") ("**Gold Bullion**"); in the case of silver, the LBMA ("**Silver Bullion**"); in the case of Platinum, the LBMA ("**Platinum**"); in the case of Palladium, the LBMA ("**Palladium**"); in the case of rhodium, iridium or ruthenium, Johnson Matthey ("**Rhodium**"); and, in the case of other Products produced from Raw Products and/or Intermediate Products through subsequent smelting and/or refining and the outturned metal from which meets the relevant specifications for Refined Products that have prices regularly quoted on the LME ("**Other Refined Products**"),

then notwithstanding anything in this Agreement to the contrary, the term "**Deemed Receipts**" for such Refined Products shall be deemed to mean the net number of pounds avoirdupois of Refined Copper or Refined Zinc or troy ounces of Gold Bullion, Silver Bullion, Platinum, Palladium or Rhodium or net number of pounds avoirdupois or other relevant unit of measure for Other Refined Products, as the case may be, returned to, or credited to the account of, Payor or its Affiliates by the applicable smelter, refinery or other treatment facility in a calendar quarter, multiplied by:

- A. for Refined Copper, the average of the LME Settlement Price for Grade A Copper Cathode in the case of return of LME Grade A Copper Cathode or of the COMEX High Grade First Position Settlement price in the case of return of COMEX High Grade Copper or the equivalent, in each case for the calendar quarter in which such Refined Copper is returned or credited to the account of Payor or its Affiliates by such smelter, refinery or other treatment facility;
- B. for Refined Zinc, the average of the LME Settlement Price for special high-grade zinc for the calendar quarter in which such Refined Zinc is returned or credited to the account of Payor or its Affiliates by such smelter, refinery or other treatment facility;
- C. for Gold Bullion, the average daily mean of the Initial and Final quotations of LBMA Gold Price, for the calendar quarter in which such bullion is so returned or credited;

- D. for Silver Bullion, the average LBMA Silver Price for the calendar quarter in which such bullion is so returned or credited;
- E. for Platinum plate or ingots, the average of morning and afternoon fix LBMA Platinum Prices for the calendar quarter in which such product is so returned or credited;
- F. for Palladium plate or ingots, the average of morning and afternoon fix LBMA Palladium Prices for the calendar quarter in which such product is so returned or credited;
- G. for Rhodium, the average Johnson Matthey Rhodium Base Price for the calendar quarter in which such product is so returned or credited; and
- H. for Other Refined Products, the average LME prices for such Other Refined Product for the calendar quarter in which such Other Refined Product is so returned or credited.

In the event of any insurance proceeds payable to Payor or its Affiliates for any loss or damage to the Intermediate Products prior to receipt at the relevant refinery, smelter or other treatment facility, such insurance proceeds less any costs incurred to recover such proceeds shall be included as revenue in lieu of Deemed Receipts.

- (ii) The average price for the calendar quarter shall be determined by dividing the sum of all daily prices posted during the relevant calendar quarter by the number of days that prices were posted. The posted prices shall be obtained from Platt's Metals Daily, Metals Week or Metals Bulletin for the relevant period, or the average of such publications which publish such prices if more than one publishes relevant prices, but corrected to the official quotations of LME, COMEX or LBMA in the event of printing errors, and for other prices not published in such publications, the Wall Street Journal, Reuters, or other reliable source agreed by the Parties, or upon failure to so agree to be determined by arbitration in the manner provided herein as being an appropriate recognized pricing source by the mining industry.
- (iii) If any applicable price set forth above is not available or becomes unavailable for any reason, including the price in question becoming unavailable or being renamed, or the publications in question ceasing to publish or include such prices in its publications, the Parties shall agree upon a similar alternative method recognized in the mining industry for determining any such price, or upon failure to so agree to be determined by arbitration in the manner provided herein, with the average price for the quarter in which such price becoming no longer available being used on an interim basis pending an arbitration decision.
- (iv) If any applicable specification or definition of good delivery or applicable contract specifications for any Refined Products or Other Refined

Products utilized by the LME, COMEX, LBMA or Johnson Matthey changes, or if such exchanges, organizations or associations cease to exist or are reconstituted or replaced by a successor or replacement exchange, organization or association, the Parties shall agree upon a similar alternative method recognized in the mining industry for determining such specifications or definition, or upon failure to so agree to be determined by arbitration in the manner provided herein.

In the case where a Raw Product or an Intermediate Product is distributed or otherwise disposed of to an Affiliate of Payor and such Raw Product or Intermediate Product is converted by such Affiliate or a third Person on behalf of such Affiliate to a Refined Product meeting the standards for determining Deemed Receipts as set forth in this Section, then for purposes of calculating Deemed Receipts such Raw Product or Refined Product shall be deemed produced, and the Deemed Receipts received, by Payor in the calendar quarter in which the Raw Product or Refined Product is made available to the Affiliate by the smelter or refinery.

- (g) **"Financing Party"** means any Person who has provided or provides any form of financial assistance to Payor in bringing the Property into or in continuing or expanding Commercial Production.
- (h) **"IFRS"** means International Financial Reporting Standards, at the relevant time, applied on a consistent basis;
- (i) **"Intermediate Products"** means concentrates (including without limitation iron ore concentrate, leachates, precipitates, and other concentrates), iron ore pellets, doré, and other intermediate products, if any, produced from Raw Products, but shall not include cathode or Other Refined Products.
- (j) **"iron ore pellets"** means a product obtained by pelletizing iron ore or iron ore concentrates, suitable for iron making in blast furnaces.
- (k) **"Minerals"** means all rocks, metallic and non-metallic minerals, ore, concentrate, precious and base metals, oil, gas, elements and other materials removed or recovered from the Property through mining, milling, processing, concentrating, smelting or refining activity, including without limitation uranium, limestone, dolomite, aggregate and quarry materials.
- (l) **"Net Smelter Returns"** means all Receipts in respect of Minerals less Permissible Deductions.
- (m) **"Non-Fair Market Purchaser"** means any Person to whom Products are sold for proceeds which are not at least equal to those which would have been realized from a fair market sale to a wholly independent arms-length third party purchaser.
- (n) **"Parties"** means the parties to this Agreement, and **"Party"** means either of them, in each case together with their successors and permitted assigns.

(o) **"Permissible Deductions"** means the aggregate of the following costs and charges (to the extent not previously deducted or accrued in computing Receipts) that accrue or are paid in each quarterly period:

- (a) direct transportation and insurance costs incurred delivering Minerals or Products from the Property to the final smelting or refinement facility;
- (b) if applicable under the smelter contract, all costs of transporting and insuring the Minerals or Products from the smelter to the place of final delivery by the purchaser; and
- (c) all smelting, refining and final treatment costs, penalties and other deductions charged by the smelting or refinement facility

provided that, where a cost or expense otherwise constituting a Permissible Deduction is incurred by the Payor in a transaction with a party with whom it is not dealing at arm's length (as that term is defined in the Income Tax Act (Canada)), such costs or expenses may be deducted, but only as to the lesser of the actual cost incurred by the Payor and the lowest cost that could reasonably have been obtained if dealing at arm's length, considering the time of such transaction and under all the circumstances thereof.

(p) **"Person"** means a natural person, a corporation, company or other body corporate (with or without share capital), a partnership or limited partnership, a joint venture, an unincorporated association, a trust, a trustee, executor, administrator or other legal personal representative, a syndicate, a regulatory body or agency, a government or governmental agency, or any other legal or business entity however designated or constituted.

(q) **"Physical Product Receipts"** means:

- (i) If Raw Products or Intermediate Products are sold by Payor to a smelter, refinery, pelletization facility, steel company or other purchaser, other than an Affiliate, a Financing Party or a Non-Fair Market Purchaser, Payor's gross revenues from such sale, including revenues in the form of credits for other Products, plus the amounts of any discounts or rebates.
- (ii) If Refined Products are sold by Payor to any purchaser and the Deemed Receipts for such Refined Products cannot be calculated for purposes of payment through the application of the definition of Deemed Receipts set forth in Section 1.1(f) herein ("**Non-qualifying Refined Products**"), Payor's gross revenues from such sale, including revenues in the form of credits for other Products, plus the amounts of any discounts or rebates, excepting only for sales to an Affiliate, a Financing Party or a Non-Fair Market Purchaser.
- (iii) If Raw Products, Intermediate Products or Non-qualifying Refined Products are distributed or disposed of to an Affiliate of Payor or a Financing Party or a Non-Fair Market Purchaser, and then are sold without further processing by or for such Affiliate, Financing Party or Non-Fair Market Purchaser, the gross revenues from such sale, including revenues in the form of credits for other Products, plus the

amounts of any discounts or rebates, which shall be deemed to have been received by Payor.

- (iv) If Raw Products, Intermediate Products or Non-qualifying Refined Products are sold, distributed or otherwise disposed of to an Affiliate of Payor, a Financing Party or a Non-Fair Market Purchaser in any transaction that is not covered above (including without limitation where the Affiliate, Financing Party or Non-Fair Market Purchaser, consumes such Raw Products, Intermediate Products or Non-qualifying Refined Products in its own operations) then in such event the fair market value that would otherwise be received from a third party in an arm's length transaction for the sale of such Raw Products, Intermediate Products or Non-qualifying Refined Products, FOB (Incoterms, 2010) the port or other freight terminal from which such Products are or would normally be shipped to the purchaser. Such fair market value shall be reasonably determined by Payor on the basis of world terms available from other smelters, refineries, pelletization facilities, steel companies or other purchasers to which such Products would otherwise be shipped and processed, for like kind, quantity, quality and grade of such Products.
- (r) "**Prime Rate**" means at any particular time the annual rate of interest announced from time to time by Royal Bank of Canada, Main Branch, Toronto, Ontario as a reference rate then in effect for determining floating rates of interest on Canadian dollar loans made in Canada.
- (s) "**Products**" means Raw Products, Intermediate Products and Refined Products produced from the Property.
- (t) "**Property**" means the subsurface, mineral, exploration, mining and access rights, together with all ancillary or appurtenant rights attached or accruing thereto, with respect to those lands set forth in Schedule A annexed hereto and all lands, property and rights contained therein, including any renewals, extensions or replacements of the same issued from time to time in whole or in part, and any other property or mineral tenure that may arise from time to time in connection therewith, including for the sake of certainty any mineral lease or mineral grant, whether extending over a greater or lesser area, and any Acquired Rights.
- (u) "**Raw Products**" means ore produced from the Property in the form of run of mine ore, direct shipment ore and other similar crude or raw ore produced from the Property without further processing other than crushing.
- (v) "**Refined Products**" means Gold Bullion, Silver Bullion, Refined Copper, Refined Zinc, Platinum, Palladium, Rhodium and Other Refined Products produced from Raw Products and/or Intermediate Products through refining and/or smelting or equivalent treatment operations.
- (w) "**Receipts**" shall be the sum of Physical Product Receipts and Deemed Receipts for the applicable calendar quarter.
- (x) "**Royalty**" has the meaning assigned to it in section 2.1.

(y) "**Royalty Percentage**" has the meaning assigned to it in Section 2.1.

2. **Royalty**

- 2.1. Payor hereby acknowledges the reservation in favour of Payee, and further grants and agrees to pay to Payee, a Net Smelter Returns royalty (the "**Royalty**") in respect of the Minerals produced through Commercial Production from the Property equal to 1.5% (the "**Royalty Percentage**") of the Net Smelter Returns.
- 2.2. The Payor hereby acknowledges and confirms the reservation in favour of, and further confirms its obligation to pay to, [**Underlying royaltyholder name redacted**] a net smelter returns royalty (the "**Underlying Royalty**") equal to 0.5% of the net smelter returns, as more particularly set out in a royalty agreement between the Payee and [**Underlying royaltyholder name redacted**] dated September 7, 2017 (the "**Underlying Agreement**"), such Underlying Agreement having been assigned to the Payor by the Payee as of the date hereof.

3. **Area of Interest**

- 3.1. If at any time and from time to time Payor or any Affiliate of Payor stakes or otherwise acquires, directly or indirectly, any interest in any mining claim, licence, lease, grant, concession, permit, patent or other mineral property or tenure to minerals located wholly or partly within the Area of Interest (in addition to the Property) (collectively, "**Acquired Rights**"), such Acquired Rights shall thereupon, without any further act or formality, be included in and form part of the Property for the purposes of this Agreement and the Royalty shall be applicable thereto. Payor shall, and shall cause its Affiliate to, grant, sell, assign, transfer and convey to Payee and agree to pay, the Royalty in respect of the Acquired Rights.
- 3.2. Payor will give Notice to Payee when Acquired Rights are acquired.

4. **Computation and Payment**

- 4.1. **Royalty.** To compute the Royalty, Payor shall multiply the Net Smelter Returns by the Royalty Percentage for the calendar quarter.
- 4.2. **Payments.** When Royalty payments are due and owing, Payor shall pay to Payee the amount due within 45 days after the end of the calendar quarter for which such computation is made, and shall deliver with such payment a copy of the calculations used in connection with such payment. Any overpayments or underpayments shall be corrected in the next calendar quarter following determination of such adjustment. All payments shall be made by bank cheque delivered to the address of Payee or via wire payment to the account of Payee.
- 4.3. **Exceptions.** All Royalty payments shall be considered final and in full satisfaction of all obligations of Payor with respect thereto, unless Payee gives Payor written notice describing and setting forth a specific objection to the calculation thereof within twelve months after receipt by Payee of the statement herein provided for. If Payee objects to a particular statement as herein provided, Payee shall, for a period of 30 days after Payor's receipt of notice of such objection, have the right, upon reasonable notice and at a

reasonable time, to have Payor's accounts and records relating to the calculation of the Royalty in question audited by a chartered accountant acceptable to Payee and to Payor. If such audit determines that there has been a deficiency or an excess in the payment made to Payee such deficiency or excess shall be resolved by adjusting the next quarterly Royalty payment due hereunder, with interest as provided in Section 4.9 hereof in the case of a deficiency. Payee shall pay all costs of such audit unless a deficiency of more than 10% of the amount due is determined to exist. Payor on its own account shall pay the costs of such audit if a deficiency of more than 10% of the amount due is determined to exist. All books and records used by Payor to calculate the Royalty shall be kept in accordance with IFRS. Failure on the part of Payee to make claim on Payor for adjustment in such twelve month period shall establish the correctness and preclude the filing of exceptions thereto or making of claims for adjustment thereon.

- 4.4. Inspections. Upon not less than five (5) Business Days' notice to Payor, Payee, or its authorized agents or representatives, may, under the direction and control of Payor, enter upon all surface and sub-surface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Property, including without limitation, records and data that are electronically maintained. Payee shall also have the right to be represented at all weighing, sampling, moisture determination and assaying except to the extent that such is not permitted under any contract with a smelter or refinery.
- 4.5. Annual Report. Within 60 days following the end of each calendar year during periods of Commercial Production, Payor will provide Payee with an annual report of Minerals mined, Minerals milled or processed, recoveries, and grades, with respect to the Property during such calendar year. Such annual report shall include estimates of proposed expenditures upon, anticipated production from and estimated remaining Mineral reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mine plan or any "life of mine plan" with respect to the Property. Payor will provide Payee with a copy of any "life of mine plan", if produced, within 30 days of its approval by Payor and any changes to, or replacements of, any such "life of mine plan" or any mine plan within 30 days after such change or replacement thereof.
- 4.6. Trading Activities. Payor may, but need not, engage in forward sales, futures trading or commodity options trading, metals trading, gold loans, or any combination thereof, and other price hedging, price protection, and speculative arrangements ("**Trading Activities**") which may involve the possible delivery of base or precious metals produced from the Property. The parties acknowledge and agree that Payee shall not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Trading Activities. All profits and losses resulting from Payor engaging in Trading Activities are specifically excluded from calculations of the Royalty, it being understood by the parties that each of Payor and Payee may engage in speculative hedging trading activities for its own account.
- 4.7. Accounting Principles. All computations under this Agreement shall be determined in accordance with IFRS as applied by Payor.
- 4.8. Withholding. Payor may deduct and withhold from payments due to Payee hereunder such withholding amounts as may be required by applicable law as the same may be amended from time to time.

- 4.9. **Late Payments.** Any payment required to be made pursuant to this Agreement by Payor which is not 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.
- 4.10. **Taking in Kind.** Payee may at its option elect, upon written notice to Payor given 60 days prior to the commencement of any calendar quarter, to receive its Royalty in-kind by receiving a quantity of Refined Products, Other Refined Products or Intermediate Products, as the case may be, which is equivalent to the cash value of the Royalty otherwise payable without deduction of those Permissible Deductions, if any, that might otherwise have been applied but may be avoided by the taking in-kind. Said election shall be effective beginning with the calendar quarter following the calendar quarter in which the election to take in kind was made, and shall continue until Payee delivers written notice to Payor at least 60 days prior to the end of any calendar quarter that Payee desires to cease taking its Royalty in kind and to begin to take its Royalty in value, commencing with the succeeding calendar quarter.

5. Commingling

- 5.1. Payor shall have the right to commingle ore, concentrates, minerals and other material mined and removed from the Property from which Products are to be produced, with ore, concentrates, minerals and other material mined and removed from other lands and property; provided, however, that Payor shall calculate from representative samples the average grade thereof and other measures as are appropriate, and shall weigh (or calculate by volume) the material before commingling. In obtaining representative samples, calculating the average grade of the ore and average recovery percentages, Payor may use any procedures accepted in the mining and metallurgical industry which it believes suitable for the type of mining and processing activity being conducted and, in the absence of fraud, its choice of such procedures shall be final and binding on Payee.

6. Tailings and Waste

- 6.1. All tailings or waste material shall be the property of Payor and Payor shall have no obligation to process or extract substances therefrom. If Payor elects to extract Minerals of value therefrom and utilizes or sells the same, Payee shall receive payments in respect of the Royalty during Commercial Production of such Minerals. If Payor commingles the tailings or waste material produced from the Property with tailings and waste material not produced from the Property, Payor shall record the tonnage amount and source of such tailings and waste material prior to commingling and the Royalty payments, if any, shall be based upon the recoverable pro rata portion of the minerals in the tailings or waste material derived from the Property. The records of Payor shall be deemed conclusive as to the tailings or waste material attributable to each source.

7. Conduct of Operations

- 7.1. All decisions concerning the undertaking, methods, extent, times, procedures and techniques of any exploration, development, mining, leaching, milling, processing, extraction treatment, if any, and the materials to be introduced into the Property or produced therefrom, and except as otherwise provided in this Agreement all decisions concerning the sale or other disposition of Minerals (including, without limitation, decisions

as to buyers, times of sale, whether to store or stockpile Minerals for a reasonable length of time without selling the same) shall be made by Payor, acting reasonably and in accordance with good mining and engineering practice in the circumstances.

8. Compliance with Laws/Environmental Obligations

- 8.1. Payor will indemnify and save Payee and its Affiliates harmless from any loss, cost or liability including, without limitation, reasonable legal fees arising from a claim against Payee in respect of any failure by Payor to at all times comply with all applicable present or future federal, provincial, territorial and local laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies and guidelines relating to Payor or the Property; provided, however, Payor shall have the right to contest any of the same if such contest does not jeopardize the Property or Payee's rights thereto or under this Agreement.
- 8.2. Payor will indemnify and save Payee and its Affiliates harmless from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against Payee in respect of:
- (a) any failure by Payor to timely and fully perform all abandonment, restoration, remediation and reclamation required by all governmental authorities pertaining or related to the operations or activities of Payor on or with respect to the Property or required under this Agreement;
 - (b) Payor causing, suffering, or permitting any condition or activity at, on or in the vicinity of the Property which constitutes a nuisance; or
 - (c) any failure by Payor which results in a violation of or liability under any present or future applicable federal, territorial, provincial or local environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies or guidelines.

9. Insurance

- 9.1. Payor shall purchase or otherwise arrange at its own expense and shall keep in force at all times insurance (including, without limitation, comprehensive general public liability insurance) against claims for bodily injury or death or property damage arising out of or resulting from activities or operations on or with respect to the Property and in respect of loss, theft or destruction of severed Minerals, in such amounts as will adequately protect Payor, Payee, the Royalty, and the Property from any and all claims, liabilities and damages which may arise with respect to the Property and as will adequately protect Payor and Payee from loss, theft and destruction of severed Minerals whether on or off the Property and prior to final sale. Payee shall be named as a loss payee on all property, liability and other insurance policies held by Payor and relating to the Property, the severed Minerals or the Royalty.

10. Maintenance of Property

- 10.1. Payor shall do all things and make all payments necessary or appropriate to maintain the right, title and interest of Payor and Payee in the Property and the Minerals and to maintain the Property in good standing. Payor shall be entitled, from time to time, to abandon or

surrender or allow to lapse or expire any part or parts of any mineral claims or mining leases relating to or comprising the Property if Payor determines, acting reasonably, that such part or parts are not economically viable or otherwise have insufficient value to warrant continued maintenance, and upon any such abandonment, surrender, lapse or expiration, this Agreement shall be null and void and of no further force or effect with respect to such part or parts of the Property that are the subject of such abandonment, surrender, lapse or expiration.

- 10.2. Notwithstanding Section 10.1, Payor shall not abandon or surrender, or allow to lapse or expire, any mining claims or leases relating to or comprising part of the Property for the purpose of permitting any third party to restake such part and avoid the Royalty; and if Payor, any participant in a joint venture with Payor, or any Person with which Payor does not deal at arm's length, restakes any abandoned, surrendered or expired claims or leases relating to or comprising part of the Property, this Agreement shall include any such new claims or leases.

11. Nature of Royalty

- 11.1. The Royalty creates a direct real property interest in the Property in favour of Payee, to be satisfied in respect of any particular Minerals by the payment to Payee of the Royalty in respect thereof, and constitutes a covenant running with the Property. Any expense associated with establishing, registering or perfecting the Royalty as a real property interest shall be for the account of Payee.

12. Term

- 12.1. This Agreement shall continue in perpetuity. The Parties do not intend that there shall be any violation of the rule against perpetuities. If any right, power or interest of either party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall be deemed to terminate or expire at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

13. Change In Ownership

- 13.1. By Payor. Payor will not sell, assign or transfer the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, to any Person, or agree to do so or grant any Person an option or right to acquire the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, unless the Payor is not in default under this Agreement and the intended transferee first provides an acknowledgement in writing to Payee, in form and content to the reasonable satisfaction of Payee, that it assumes this Agreement and the obligations of Payor hereunder as if a named party in the first instance and upon such assignment, sale or transfer, the Payor shall be released from all obligations under this Agreement.
- 13.2. By Payee. Payee may sell, assign or transfer the Royalty, in whole or in part, to any Person provided that no sale, assignment or transfer shall be effective until notice is delivered to Payor and the transferee provides to Payor an acknowledgement in writing that it assumes this Agreement and the obligations of Payee. No change or division in the ownership of the Royalty, however accomplished, shall enlarge the obligations or diminish the rights of Payor. Payee covenants that any change in ownership of the Royalty shall

be accomplished in such a manner that Payor shall be required to make payments and give notice to no more than one Person.

14. General Provisions

- 14.1. Registration of Interest. Payee shall have the right from time to time to register or record notice of this Agreement and the 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 Payor 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 Payee hereunder.
- 14.2. Time. Time is of the essence of this Agreement and each of the terms and conditions of this Agreement.
- 14.3. Public Reporting. If Payee at any time wishes to make, whether voluntarily or under requirement by securities legislation, or by regulatory agencies or stock exchanges, public disclosure of information pertaining to the Royalty or the Property or this Agreement and the exploration, development and production activities on the Property, then Payor will provide to Payee in a timely fashion all such assistance and cooperation as Payee may request to meet the requirements of National Instrument 43-101, United States SEC Industry Guide 7 or similar reporting standards in any applicable jurisdictions, or the requirements imposed by stock exchanges on issuers, all as determined by Payee, including, without limitation, provision of technical reports, if available, by qualified persons addressed to Payee, certificates and consents and access to data, documents and the Property.
- 14.4. Notices. Any notices to be given to one party by the other may be sent by telecopy or may be personally delivered addressed as follows:

To Payee:

Altius Resources Inc.
Suite 202, Kenmount Business Centre
66 Kenmount Road
St. John's, NL A1B 3V7

Attention: Brian Dalton
Fax: 709-576-3441

To Payor:

•

Attention: •
Fax: •

or at such other address as any party hereto may from time to time designate by written notice to the other parties hereto and any such notice shall be deemed to have been given

and received by the party to which it is addressed on delivery if delivered and on the Business Day following transmission if telecopied.

- 14.5. No Implied Covenants. There are no implied covenants or duties on the part of Payor to Payee, whether relating to the exploration, development or mining of the Property, the marketing or sale of Products or otherwise. Without limiting the generality of the foregoing, Payor is not under any obligation to explore, develop or produce Products from the Property or to continue production once commenced and Payor has the unfettered right to suspend, curtail or terminate any such operation or activity as it in its sole discretion may determine.
- 14.6. No Fiduciary Duties. Nothing herein shall be construed to create, expressly or by implication, a fiduciary relationship or a partnership between Payor and Payee.
- 14.7. Severability. If any one or more of the provisions of this Agreement are held to be illegal, invalid or unenforceable for any reason, then such illegality, invalidity or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision or provisions had never been contained herein.
- 14.8. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Newfoundland and Labrador, and may be enforced in the courts of Newfoundland and Labrador excepting, if the Property is located in a jurisdiction other than Newfoundland and Labrador, it shall be construed, interpreted and governed in accordance with the laws of such other jurisdiction with respect to the creation, perfection, priority and enforcement of the real property interest created hereunder.
- 14.9. Binding Effect. All covenants, conditions and terms of this Agreement shall be of benefit to and run as a covenant with the Property.
- 14.10. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.
- 14.11. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
- 14.12. Counterparts. This Agreement may be executed in counterparts and delivered by facsimile or in the form of a photocopy, and each such facsimile or photocopy signature shall be deemed to be an original and all such counterparts taken together shall be deemed to be one and the same original document and notwithstanding their actual date of execution shall be deemed to be dated as of the date first above written.
- 14.13. No Merger. The parties intend that if Payee in the future ever acquires an interest in the Property in addition to those rights granted by this Agreement, title to that interest shall be deemed not to merge with the rights granted by this Agreement, and this Agreement shall continue in full force and effect. A merger of title shall occur only if Payee records in the

real estate records a memorandum of merger, expressly acknowledging that its rights under this Agreement have merged with its after-acquired interest in the Property.

15. Arbitration

15.1. All disputes, controversies, questions or claims arising out of, or in connection with, this Agreement, including the interpretation, performance, breach, termination or invalidity of it, shall be referred to and finally settled by three arbitrators appointed as follows:

- (a) either party may refer any such matter to arbitration by written notice to the other party, naming its appointee as arbitrator;
- (b) the other party shall, within 14 days of receipt of the notice, name its appointee as arbitrator; and
- (c) the two arbitrators so named shall, within 14 days of the naming of the latter of them, select and appoint a third arbitrator.

15.2. Except as specifically provided in this section, an arbitration hereunder shall be conducted in accordance with the provisions of the Arbitration Act of the Province of Newfoundland and Labrador, which provisions shall be binding upon the parties hereto with respect to the submission made under this agreement.

15.3. The seat of the arbitration shall be St. John's, Newfoundland and Labrador and the language of the arbitration shall be English.

15.4. Judgment may be entered on the arbitration award in a court of competent jurisdiction, including, without limitation a court having jurisdiction of the Property.

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

THE CORPORATE SEAL of Altius Resources Inc. was hereunto affixed in the presence of:

ALTIUS RESOURCES INC.

THE CORPORATE SEAL of
•
was hereunto affixed in the presence of:

•

SCHEDULE "A"

PROPERTY SUBJECT TO THE ROYALTY

SCHEDULE "B"
AREA OF INTEREST