

DATED JULY 20, 2023

APPIA BRASIL RARE EARTHS MINERACAO LTDA
QUOTAHOLDERS' AGREEMENT

THIS AGREEMENT is made as a deed on July 20, 2023 (this “**Agreement**”)

AMONG:

APPIA RARE EARTHS & URANIUM CORP., a corporation duly incorporated under the federal laws of Canada with a head office address of Suite 500 – 2 Toronto St., Toronto, Ontario, M5C 2B6 (“**APPIA**”);

BEKO INVEST LTD., [REDACTED], a corporation duly incorporated under the laws of the British Virgin Islands, having a place of business at [REDACTED] (“**BEKO**”)

ANTONIO VITOR JUNIOR, individual, having an address at [REDACTED] (“**Antonio**”); and

APPIA BRASIL RARE EARTHS MINERACAO LTDA, Brazil’s Taxpayer Number 42.019.578/0001-30, Rua Esmerindo Pereira, s/n, Quadra 06, Lote 02, 76.200-000, Setor Aeroporto Sul, Iporá, GO, Brazil (the “**Company**”)

WHEREAS APPIA holds 70% of the issued and outstanding Quotas in the Company and Antonio holds the remaining 30% of the issued and outstanding Quotas in the Company and there are no outstanding agreements, options or similar rights to call for the issue of Quotas or to convert any existing securities into Quotas;

AND WHEREAS BEKO is a company controlled by Antonio;

AND WHEREAS the Company holds a 100% interest in the Property and the parties wish to advance the Property through further exploration and development activities:

IT IS HEREBY AGREED as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement (including the recitals hereto) the following words and expressions have the following meanings unless the context otherwise requires:

- (a) “**70% Interest**” means the initial Quotaholder interest of APPIA in the Company subject to the provisions of Clauses 2.2, 2.5, 2.6 and 2.8;
- (b) “**Accrued Cost Base**” means the aggregate amounts paid by a Quotaholder or its Affiliates pursuant to Cash Call(s) after the JV Commencement Date;

- (c) “**Affiliate**” means, in relation to any person, any other person Controlling, Controlled by or under common Control with such first-mentioned person;
- (d) “**Annual Budget and Program**” means, for any JV Year, a written list and description of work, activities and other matters to be conducted in connection with the Property during such Contract Year and the schedule and budget related thereto setting out in reasonable detail:
 - (i) an outline of the work proposed to be undertaken and conducted in respect of the Property, specifically stating the period of time during which the work contemplated is to be carried out and performed;
 - (ii) such other matters as may be necessary to describe the work to be conducted;
- (e) “**Anti-Corruption Laws**” means the Canadian Corruption of Foreign Public Officials Act, the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, the applicable provisions of the French “Sapin II” law No 2016 1691 of 9 December 2016 (and any related regulation), the Brazilian Anti Corruption Law 12.846 of August 1, 2013 (and any related regulation), any other legislation implementing either the United Nations Convention Against Corruption or the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and any other applicable anti-bribery or anti-corruption law, rule or regulation;
- (f) “**AOI Acquirer**” has the meaning set out in Clause 6.2;
- (g) “**AOI Costs**” has the meaning set out in Clause 6.2;
- (h) “**Area of Interest**” means the area of the Property, as of the date hereof, as well as the largest area capable of being drawn when extending the perimeter of the Property, as of the date hereof, by 5 kilometers in any and all directions from any point along such perimeter;
- (i) “**Business Day**” means any day, other than a Saturday or Sunday, on which commercial banks in Toronto, Canada, in Tortola, BVI and in Palmeiras, BA, Brazil are open for business;
- (j) “**Cash Call**” has the meaning set out in Clause 3.2(a);
- (k) “**Cash Call Deadline**” has the meaning set out in Clause 3.2(d);
- (l) “**Claims Pending Approval**” has the meaning set out in clause 6.4;
- (m) “**Confidential Information**” has the meaning set out in Clause 10.2(a);
- (n) “**Contributing Quotaholder**” has the meaning set out in Clause 3.4(a)(i);

- (o) **“Control”** means the power of one or more persons together with their concert parties whether by contract or ownership of equity or voting Quotas or interests or otherwise to:
 - (i) select at least 50% of the board of directors or other supervisory management authority of a person; or
 - (ii) otherwise direct, or cause the direction of, the management or policies of a person, in each case whether directly or indirectly through a chain of entities that are “Controlled” within the foregoing meaning;
- (p) **“Deemed Cost Base”** means:
 - (i) in the case of APPIA, US\$11,250,000;
 - (ii) in the case of Antonio or a Third Party pursuant to Clause 2.10 and 2.11, US\$4,821,429;
- (q) **“Drag-Along Right”** has the meaning given to it in Clause 10.8;
- (r) **“Earn-in Period”** has the meaning given to it in Clause 2.2;
- (s) **“Effective Date”** means the date of this Agreement;
- (t) **“Encumbrance”** means any lien, charge, hypothec, pledge, mortgage, title retention agreement, covenant, condition, lease, license, security interest of any nature, royalty, exception, reservation, easement, encroachment, right of occupation, right-of-way, right-of-entry, matter capable of registration against title, option, assignment, right of pre-emption, privilege or any other encumbrance or charge or title defect or third party right or claim of any nature whatsoever, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law, or any contract to create any of the foregoing;
- (u) **“Environmental Laws”** means all requirements under applicable laws, regulations or administrative practices of any Governmental Authority concerning protection of the environment or human health and safety applicable to the Property and the Project Assets, including those relating to:
 - (i) noise;
 - (ii) pollution or protection of the air, surface water, ground water or land;
 - (iii) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal or transportation;
 - (iv) exposure to hazardous or toxic substances; or

- (v) the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings and the reclamation or restoration of lands;
- (v) **“Expenditures”** means all cash costs and expenses of whatever kind or nature incurred by the Operator (whether on its own behalf or on behalf of the Company), including:
 - (i) all costs and expenses incurred in the establishment of the Company and in connection with the preparation and filing of applications for Permits in respect of the Property;
 - (ii) payments made to maintain the Property and the Project Assets in good standing (including any monies expended as required by applicable laws, Permits, contracts, agreements, options or other instruments and costs and expenses related to the transfer of the Property to the Company) and to improve the Property and the Project Assets from time to time;
 - (iii) payments related to fees and expenses of all third party contractors and consultants engaged in work with respect to and for the benefit of the Property;
 - (iv) payments made or deposited in respect of environmental bonding and reclamation (including into any fund established for the purpose of covering potential future liabilities for environmental compliance);
 - (v) filing fees, Taxes (other than Taxes imposed on income or capital of the Operator), legal and accounting expenses, and any similar expenses in connection with the above activities; and
 - (vi) a charge consistent with industry standards for administration and overhead of the Operator relating to technical, legal, financial and other support by the Operator on the basis that the Operator shall neither make a profit nor suffer a loss thereon;
- (w) **“Feasibility Study”** means a feasibility study prepared by the Operator (or its designated Affiliate) in accordance with the terms of this Agreement that is a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production and shall include the delineation of any and all measured, indicated and inferred resources that, in the reasonable opinion of the person preparing such Feasibility Study, can be delineated from any information obtained in the preparation of such Feasibility Study;
- (x) **“Government Official”** means anyone employed by or acting on behalf of, whether on a full or part time basis, a Governmental Authority; government owned or controlled company or other entity; employees or agents of public

international organizations (such as the United Nations, World Bank and other international development organizations); political parties, political party officials and candidates for public office; and anyone else acting in an official capacity for or on behalf of a government agency or entity, including persons holding a legislative, administrative or judicial post and members of the military and police;

- (y) **“Governmental Authority”** means any domestic or foreign:
 - (i) national, regional, local or other government;
 - (ii) governmental or quasi-governmental authority of any nature, including any governmental ministry, agency, branch, department, court, commission, board, tribunal, stock exchange, regulatory agency or self-regulatory organization, bureau or instrumentality; or
 - (iii) body exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature, including the mining authorities in Brazil;
- (z) **“Insolvency Procedure”** means any step(s) taken in connection with the appointment of an administrator, liquidator, receiver or other insolvency related practitioner or officer in respect of a person including any step(s) taken by a creditor of such person to enforce security over a substantial part of their assets;
- (aa) **“Joint Venture”** means the relationship between the Quotaholders as of the JV Commencement Date as governed by the provisions of Article 3 to Article 10;
- (bb) **“Joint Venture Account”** means a trust account established pursuant to Clause 2.5 into which APPIA shall pay the applicable amount determined pursuant to Clause 2.5 to satisfy its expenditure obligations under Clause 2.2;
- (cc) **“JV Commencement Date”** has the meaning given to it in Clause 2.11;
- (dd) **“JV Quarter”** means each three month period of a JV Year, commencing on 1 January, 1 April, 1 July and 1 October;
- (ee) **“JV Year”** means a period of 12 months commencing on 1 October of each year and ending on 30 September of the subsequent year; provided, however, that the first JV Year shall be a period commencing on the JV Commencement Date and ending on 30 September immediately following the JV Commencement Date;
- (ff) **“Letter Agreement”** means the agreement dated February 28, 2023 among 3S LTDA, BEKO and APPIA;
- (gg) **“M&A”** means the memorandum and articles of association of the Company, as adopted on XX 2023 in the agreed form and as further amended in accordance with this Agreement from time to time;

- (hh) “**Management Committee**” has the meaning set out in Clause 4.4(a);
- (ii) “**Non-Contributing Quotaholder**” has the meaning set out in Clause 3.4(a);
- (jj) “**Non-Qualifying Party**” means any person that:
 - (i) has been found guilty of any breach of Anti-Corruption Laws or anti-money laundering laws, rules, regulations, decrees and/or official governmental orders of Canada, the United Kingdom, France, the United States, Brazil or any other jurisdiction in Europe, North America, South America or Australia;
 - (ii) is, or has ever been, a Restricted Person;
 - (iii) has engaged, or engages, in any activity, practice or conduct (or failure to act) which breaches or has breached any applicable Sanctions or has made any investment in or transaction with a Restricted Person; or
 - (iv) has a valuation, together with its Affiliates, of less than US\$20,000,000, when measured by reference to:
 - (A) the market capitalisation of it and its Affiliates at the date of the proposed sale or transfer referred to in Clause 10.8, where any of its or its Affiliate’s shares are listed on a public stock market in Europe, North America or Australia or otherwise;
 - (B) its and its Affiliates’ net assets, as shown in their last completed set of audited financial statements; and where a person is a Non-Qualifying Party each of its Affiliates shall similarly be considered a Non-Qualifying Party;
- (kk) “**Officers**” has the meaning set out in Clause 4.3(a);
- (ll) “**Operator**” means the person appointed as operator in accordance with, on the terms of, and with the powers set out in, Article 4 and elsewhere in this Agreement;
- (mm) “**Participating Interest**” means the Quotaholders’ respective interests in the Company, which shall be, from the JV Commencement Date, 70% as to APPIA and 30% as to Antonio or a Third Party, as applicable, and thereafter subject to adjustment in accordance with Clause 3.4;
- (nn) “**Permits**” means any licenses, leases, grants, concessions, permits, patents, authorizations, approvals or similar rights conferred by a Governmental Authority and includes any authorisations necessary to conduct drilling, exploration, prospecting and development and any related applications;

- (oo) “**person**” means any individual, estate, trust, partnership, limited liability company, corporation, association, Governmental Authority or other organization or entity of any kind whatsoever;
- (pp) “**Piggyback Right**” has the meaning given to it in Clause 10.8;
- (qq) “**Products**” means all metals, ores, concentrates, minerals, and mineral resources, including materials derived from the foregoing, produced from the Property under this Agreement;
- (rr) “**Project Assets**” means all assets of the Company at the relevant time;
- (ss) “**Property**” has the meaning as set out in Exhibit A (and any renewals, extensions or additions granted thereto from time), subject to Clause 6.4;
- (tt) “**Proportionate Share**” has the meaning set out in Clause 3.2(a);
- (uu) “**Quotaholder Loans**” has the meaning set out in Clause 3.2(c);
- (vv) “**Quotaholders**” means APPIA and Antonio (in each case only to the extent they own any Quotas at such time), and each transferee that has acquired (and at such time still owns) Quotas in accordance with the terms of this Agreement;
- (ww) “**Quotas**” means Quotas in the capital of the Company including all rights incidental or attached thereto;
- (xx) “**Receiving Party**” has the meaning set out in Clause 10.2(a);
- (yy) “**Required Operations**” has the meaning set out in Clause 4.1(b)(vi);
- (zz) “**Restricted Person**” means a person that is:
 - (i) listed on, or owned or controlled (directly or indirectly) by a person listed on, a Sanctions List;
 - (ii) located in or organised under the laws of a Sanctioned Country;
 - (iii) acting at the direction, on behalf of, or for the benefit of a person referred to in subparagraphs (i) or (ii) above; or
 - (iv) otherwise the subject of Sanctions;
- (aaa) “**ROFR**” has the meaning given to it in Clause 10.8;
- (bbb) “**Sanctioned Country**” means any country or territory as may, from time to time, be the target of comprehensive country- or territory-wide Sanctions;
- (ccc) “**Sanctions**” means any law or regulations concerning trade, economic or financial sanctions, embargoes or the ability to engage in international

transactions or take an ownership interest in assets located in a foreign country (in each case having the force of law) administered, enacted or enforced by the United Nations Security Council, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of Commerce (Bureau of Industry and Security), Canada, the United Kingdom, the European Union, or any Member State of the European Union;

- (ddd) **“Sanctions List”** means the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of Commerce (Bureau of Industry and Security) “Denied Persons List,” “Entity List” or “Unverified List”, the United States Department of State “List of Debarred Parties”, the United States Directorate of Defense Trade Controls, the Consolidated List of Persons, Groups and Entities subject to EU Financial Sanctions maintained by the European Union, or any similar list maintained and made publicly available by the United Nations Security Council or the governments and official institutions or agencies of the United States, Canada, the United Kingdom or any Member State of the European Union, in each case as amended and updated from time to time;
- (eee) **“Subsidiary”** means any entity or undertaking in respect of which the relevant parent entity or undertaking has the power to exercise Control;
- (fff) **“Tax”** means:
- (i) any applicable national, foreign, federal, provincial, territorial, state or local income, goods and services, harmonized sales, value added, corporation, land transfer, registration, stamp licence, payroll, excise, sales, use, capital, mineral, mining, property, royalty, withholding, employment, social security, environmental, customs duties, stamp, registration, alternative and add-on minimum tax payable to any Governmental Authority or other tax, levy, duty (including customs duties), fee, assessment or reassessment, including any interest, fines and penalty (including any interest with respect to such fines and penalties) and other related charges or other addition to or on any of the foregoing, whether disputed or not, imposed, collected or assessed by or under the authority of a Governmental Authority; and
 - (ii) any liability in respect of any item described in (i) above payable by reason of contract, assumption, transferee or successor liability, joint and several liability, operation of law or otherwise;
- (ggg) **“Third Party Permit”** has the meaning set out in Clause 6.2;
- (hhh) **“Transfer”** includes, whether directly or indirectly, entering into or creating:
- (i) a sale, assignment, transfer or other disposal of a beneficial or legal interest in Quotas;

- (ii) an option, conditional purchase or other future right to acquire a beneficial or legal interest in Quotas;
- (iii) any Encumbrance to subsist in respect of Quotas;
- (iv) any trust or conferring any interest of any kind in respect of Quotas;
- (v) any agreement, arrangement or understanding in respect of votes or the right to receive dividends attributable to Quotas; or
- (vi) any agreement to do any of the above or having the effect of any such transaction,

except an agreement which is conditional on full compliance with the terms of this Agreement.

1.2 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are expressed in the currency of the United States of America.

1.3 Rules of Construction

In this Agreement, unless the context otherwise requires:

- (a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article”, “Clause” or “Exhibit” followed by a number or letter refer to the specified Article, Clause or Exhibit of or to this Agreement;
- (c) the division of this Agreement into articles and Clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) the terms “party” and “the parties” refer to a party or the parties to this Agreement;
- (e) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa;
- (f) a reference to a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the date of this agreement and any subordinate legislation made under the statutory provision before or after the date of this agreement and includes any statute, statutory provision or subordinate legislation that it amends or re-enacts;

- (g) the words “include”, “includes” and “including” shall, in each case, be deemed to be followed by the words “without limitation”;
- (h) in construing this Agreement the so-called “ejusdem generis” rule does not apply and accordingly the interpretation of general words is not restricted by:
 - (i) being preceded by words indicating a particular class of acts, matters or things; or
 - (ii) being followed by particular examples;
- (i) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (j) no provision of this Agreement shall be construed adversely to a party because that party was responsible for the preparation of this Agreement or that provision;
- (k) a promise or covenant on the part of two or more persons each of whom is a party hereto shall bind them jointly and severally;
- (l) all provisions requiring a party to do something shall be interpreted as including the covenant of that party to cause that thing to be done when the party cannot directly perform the covenant but can indirectly cause that covenant to be performed, whether by an Affiliate under its control or otherwise;
- (m) time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends;
- (n) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day;
- (o) a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- (p) the contents table and headings in this Agreement are for convenience only and do not affect its interpretation; and
- (q) references to a party shall include the successors in title and permitted assignees and transferees of such party (where such assignment or transfer has taken place in accordance with the terms of this Agreement).

1.4 Applicable Law

- (a) This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual claims) shall be exclusively governed by and construed in accordance the laws of Brazil without regard to choice of laws or conflict of laws principles that would require or permit the application of the laws of any other jurisdiction.
- (b) Except as required by law, or as otherwise expressly specified herein, each of the parties hereby irrevocably attorns and submits to the exclusive jurisdiction of the courts of Brazil respecting all matters relating to this Agreement or its subject matter or formation (including non-contractual disputes or claims) and the rights and obligations of the parties hereunder.
- (c) Each of the parties hereby agrees that service of any legal proceedings relating to this Agreement may be made by delivery thereof to:
 - (i) in the case of BEKO,
 - (ii) in the case of Antonio,
 - (iii) in the case of APPIA.

1.5 Entire Agreement

- (a) This Agreement (including the Exhibits) constitutes the entire agreement between the parties with respect to the subject matter hereof and thereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. This Agreement supercedes and replaces the Letter Agreement.
- (b) There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein.

1.6 Relationship with the M&A

- (a) If there is any ambiguity or inconsistency between the terms of this Agreement and those of the M&A, the terms of this Agreement shall prevail as between the Quotaholders and the Company.
- (b) On receipt of a request in writing from another party, each party shall take all necessary action to amend any provision of the M&A which is inconsistent with this Agreement so as to remove the inconsistency or ambiguity.

1.7 Severability

If any provision of this Agreement is determined by a court or tribunal of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party.

Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

1.8 Exhibits

The Exhibits are attached to, and form part of, this Agreement.

ARTICLE 2 OBJECTS AND SCOPE

2.1 Purpose of the Company

It is intended that the purpose of the Company is to undertake the following in each case if and to the extent approved by the Management Committee:

- (a) to prepare and file all applications with the appropriate Governmental Authorities, and take all other steps necessary, to apply for or obtain all such other Permits as the Management Committee may consider necessary or desirable in connection with the Property;
- (b) to undertake exploration on the Property;
- (c) if exploration indicates the probable existence of a commercially minable resource in any part of the Property, in the opinion of the Management Committee, to carry out a Feasibility Study, including the construction and operation of a pilot plant (if necessary or desirable, in the opinion of the Management Committee) to test the feasibility of a production process;
- (d) to secure such debt finance as may be available to it to facilitate the development of the Property or any portion thereof;
- (e) to engage in the disposition of Products and related actions;
- (f) following the termination of development or mining on all or part of the Property, to undertake rehabilitation work; and
- (g) to undertake such other actions with respect to or in connection with the matters contemplated by this Agreement or as otherwise approved by the Management Committee.

2.2 Funding by APPIA to maintain 70% Interest

In order to maintain its 70% Interest, APPIA must make US\$10 million in expenditures with respect to the Property and issue 2,000,000 common shares of APPIA to BEKO within five (5) years following the Effective Date (the “**Earn-in Period**”) as follows:

- (a) on or before the first anniversary of the Effective Date, expend US\$1 million to on a drilling program (including the cost of assays, analysis, MP), for which APPIA shall have earned a 10% legal and beneficial ownership interest in the Company, after which APPIA may elect to enter into a Joint Venture or proceed to earn a further interest in the Company;
- (b) on the first anniversary of the Effective Date, issue 500,000 common shares of APPIA to BEKO;
- (c) on or before the second anniversary of the Effective Date, expend US\$3.5 million on a further drilling program (including the cost of assays, analysis, MP), for which APPIA shall have earned a further 20% legal and beneficial ownership interest in the Company to hold a 30% legal and beneficial ownership interest in the Company, after which APPIA may elect to enter into a Joint Venture or proceed to earn a further interest in the Company;
- (d) on the second anniversary of the Effective Date, issue 500,000 common shares of APPIA to BEKO;
- (e) on or before the third anniversary of the Effective Date, expend US\$3.5 million on a further drilling program plus metallurgical testing (testing leaching solutions and flotation route at pilot plant on a lab scale), for which APPIA shall have earned a further 10% legal and beneficial ownership interest in the Company to hold a 40% legal and beneficial ownership interest in the Company, after which APPIA may elect to enter into a Joint Venture or proceed to earn a further interest in the Company;
- (f) on the third anniversary of the Effective Date, issue 500,000 common shares of APPIA to BEKO;
- (g) on or before the fourth anniversary of the Effective Date, expend US\$1.5 million for a pre-feasibility study, Feasibility Study, Marketing for the Market, certifying etc., for which APPIA shall have earned a further 15% legal and beneficial ownership interest in the Company to hold a 55% legal and beneficial ownership interest in the Company, after which APPIA may elect to enter into a Joint Venture or proceed to earn a further interest in the Company;
- (h) on the fourth anniversary of the Effective Date, issue 500,000 common shares of APPIA to BEKO;
- (i) on or before the fifth anniversary of the Effective Date, provide US\$500,000 for general operations, for which APPIA shall earn a further 5% legal and beneficial ownership interest in the Company to hold a 60% legal and beneficial ownership interest in the Company; and
- (j) during the Earn-in Period, Appia shall be deemed to be the Operator and be subject to the obligations of Clause 4.1.

2.3 Grant of 1% NSR to BEKO

Upon APPIA earning a 10% legal and beneficial ownership interest in the Company pursuant to Clause 2.2(a) and issuing the shares required by Clause 2.2(b), BEKO shall be granted a 1% net smelter returns royalty (a “**1% Earn-in NSR**”) in the Property. APPIA shall have a ROFR on the terms set out in Clause 10.8 (with any necessary changes being made) to purchase the 1% Earn-in NSR.

2.4 Restrictions on APPIA common shares

Any common shares issued by APPIA to BEKO pursuant to this Quotaholders’ Agreement shall be subject to a four month and one day hold period under Canadian securities laws from the date of issuance and the shares issued shall bear a legend as follows:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE ISSUANCE].”

2.5 Acceleration of Earn-in Period

APPIA shall have the right to accelerate the expenditures and issuance of common shares set out in Clause 2.2 above in order to acquire its 60% interest in the Company in a shorter period of time than as set out herein. In addition, APPIA shall have the right to elect to enter into a Joint Venture at any time after it has earned a 10% legal and beneficial ownership interest in the Company by issuing the remaining common shares to BEKO for an aggregate of 2,000,000 common shares of APPIA and paying to the Joint Venture Account the remaining funds such that the aggregate expenditures and funds paid by APPIA equal US\$10 million and APPIA shall be deemed to have earned a 60% ownership interest in the Company provided that APPIA undertakes to complete the remainder of the expenditure requirements as set out in Clause 2.2 with the funds paid into the Joint Venture Account. Upon completion or deemed completion of the foregoing expenditures and issuance of shares, APPIA shall have earned a 60% ownership interest in the Company and APPIA shall acquire an additional 10% ownership interest in the Company pursuant to Clause 2.6.

2.6 Acquisition of 70% Interest

Within ninety (90) days following the date that APPIA has earned its 60% interest in the Company pursuant to Clause 2.5 above, it shall make a one-time payment of US\$1,250,000 in common shares of APPIA (the “**Further Shares**”) for which APPIA shall acquire a further 10% legal and beneficial ownership interest in the Company to hold its 70% Interest in the Company. The number of Further Shares to be issued shall be that number of common shares of APPIA equal to the number arrived at by dividing US\$1,250,000 by the greater of the average closing price of the common shares of APPIA as quoted on the Canadian Securities Exchange (the “**CSE**”) for the 30 trading days immediately preceding the announcement by APPIA of its intention to acquire the

further 10% interest and the discounted market price of the common shares of APPIA based on the last the closing price immediately preceding the announcement.

2.7 Issuance of common shares for resource estimate

Upon the successful completion of a report prepared in accordance with the provisions of *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* establishing a resource estimate equal to or greater than 60 million tonnes that is economically viable, APPIA shall issue to BEKO 1,500,000 common shares of APPIA.

2.8 Failure of APPIA to maintain its 70% Interest

Should APPIA fail to make some or all of the expenditures required in any year, BEKO will notify APPIA in writing of such failure, after which APPIA will have 30 days to make the required expenditure. Failure to make the expenditure within the 30 days will result in APPIA's earned interest being reduced pro rata in proportion to the amount of money actually expended by APPIA in such year. APPIA shall have the right to make additional expenditures in a subsequent year to earn the balance of the interest it would have earned had it made the entire expenditure in the previous year. If APPIA fails to expend an aggregate of US\$10 million and issue an aggregate of 2,000,000 common shares of APPIA to BEKO within the Earn-in Period, but provided that APPIA has fulfilled the obligations of Clauses 2.2(a) and (b), APPIA may, at any time during the Earn-in Period, notify BEKO that it does not intend to provide any further funding for the Company (the "**Cease Funding Notice**"). Upon delivery of the Cease Funding Notice to BEKO, APPIA shall have earned the applicable interest in the Company pursuant to the terms of Clause 2.2 (the "**Earned Interest**") and shall transfer to Antonio that number of Quotas of the Company equal to 70% minus the Earned Interest. Thereafter, APPIA shall hold the Earned Interest in the Company and Antonio shall hold 100% minus the Earned Interest in the Company. Upon delivery of the Cease Funding Notice and the adjustment in the interests of APPIA and Antonio in the Company, the parties shall use their commercially reasonable efforts to determine how to proceed with their respective interests in the Company and the Property. The provisions of Clause 10.8 shall apply, with the necessary changes made, with respect to a ROFR, the Piggyback Right and the Drag-Along Right in respect of the interests of APPIA and Antonio in the Company.

2.9 Formation of Joint Venture

Once APPIA has fulfilled the requirements of Clause 2.2 and 2.6 and maintained its 70% Interest, the parties will be associated in a joint venture for the purpose of exploring and, if warranted, developing the Property (the "**Joint Venture**") with APPIA holding a 70% interest in the Company and Antonio holding a 30% interest in the Company. APPIA shall be the operator of the Joint Venture. Upon the formation of the Joint Venture, Antonio shall make an election pursuant to Clause 2.10 and unless this Quotaholders' Agreement is terminated pursuant to Clause 2.10(b), the parties shall proceed with the Joint Venture. If a party is required to make a contribution and that party does not make its pro rata contribution to further exploration and development expenditures, that party's interest will be diluted pro rata based upon that party's deemed and actual contributions

to the Joint Venture relative to the total deemed and actual contributions to the Joint Venture by both parties as set out in Clause 3.4.

2.10 Election by Antonio

Upon the formation of the Joint Venture, Antonio shall have ninety (90) days to make one of the three following elections: (a) Antonio may elect to continue with the Joint Venture and contribute its 30% *pro rata* share of the costs of putting the Property into production pursuant to the terms of the Joint Venture (the “**Production Expenditures**”) which election shall be a binding obligation to contribute its 30% *pro rata* share of the Production Expenditures, subject to standard dilution for non-contribution as set out in Clause 3.4; or (b) Antonio may elect to sell all, but not less than all, of its interest in the Company subject to the ROFR referred to in Clause 10.8 in favour of APPIA. If APPIA exercises the ROFR, this Quotaholders’ Agreement shall be terminated. If APPIA is a Declining Party, it may exercise its Piggyback Right or allow the Third Party to acquire the interest of Antonio subject to the obligation of the Third Party to be bound by the terms of this Quotaholders’ Agreement and contribute its 30% *pro rata* share of the Production Expenditures, which election shall be a binding obligation to contribute its 30% *pro rata* share of Production Expenditures, subject to standard dilution for non-contribution as set out in Clause 3.4; or (c) Antonio may elect to have APPIA fund its 30% *pro rata* share of Production Expenditures (the “**Antonio Production Expenditures**”) pursuant to the terms of the Joint Venture subject to the right of APPIA to be reimbursed for 150% of the Antonio Production Expenditures out of the proceeds otherwise payable to Antonio once the Property is in production before any payments are made to Antonio.

2.11 JV Commencement Date

If Antonio elects to continue under Clause 2.10(a) (the “**Antonio Election to Continue**”) or a Third Party acquires the interest of Antonio in the Company under Clause 2.10(b) (the “**Third Party Acquisition Date**”), then upon either the receipt of the Antonio Election to Continue or on the Third Party Acquisition Date, the Joint Venture shall commence (“**JV Commencement Date**”) and the provisions of Article 3 to Article 10 shall apply. If Antonio makes an election under Clause 2.10(c), APPIA shall be obligated to make all expenditures in respect of the Joint Venture, subject to the provisions of Clause 2.10(c), the JV Commencement Date shall be deemed to have occurred and the provisions of Article 3 to Article 10 shall apply with the necessary changes being made.

ARTICLE 3 ANNUAL BUDGET AND PROGRAM; FUNDING

3.1 Annual Budget and Program

The Operator shall prepare and deliver to the Management Committee for approval an Annual Budget and Program for each JV Year by no later than 15 August; provided that the Annual Budget and Program for the first JV Year shall be delivered within 30 days following the JV

Commencement Date. The Management Committee shall consider in good faith any comments of Antonio or the Third Party, as applicable, in respect of any Annual Budget and Program, but shall have ultimate decision making power with respect to the Annual Budget and Program.

3.2 Cash Calls

- (a) The Operator may submit to each Quotaholder a statement in the form set out in Exhibit B (a “**Cash Call**”) requesting that each Quotaholder provide funds for Expenditures in respect of an Annual Budget (or otherwise in accordance with this Agreement) in proportion to its Participating Interest (its “**Proportionate Share**”).
- (b) The Operator may submit a Cash Call to the Quotaholders:
 - (i) not earlier than 14 days before the last day of each JV Quarter in respect of the cash requirements for the next JV Quarter; or
 - (ii) at any time provided that, in the opinion of the Operator, there are emergency or other non-routine circumstances which make it necessary or desirable for the Company to raise funds as a matter of urgency including for any Required Operations.
- (c) Any Cash Call shall specify whether the Quotaholders shall fund the Expenditures through loans to the Company (“**Quotaholder Loans**”) or a subscription for new Quotas, or a combination of both, as determined by the Operator. Where the Operator specifies that a Cash Call is to be funded through a combination of Quotaholder Loans and Quotas, the Cash Call shall specify the percentage of each (and the same percentage shall apply to both Quotaholders). The terms of any proposed Quotaholder Loans shall be specified in the Cash Call, provided that:
 - (i) the interest rate for Quotaholder Loans shall be 0% per annum unless both Quotaholders agree otherwise; and
 - (ii) such loans shall only be repayable by the Company following commercial production on a *pari passu* basis.
- (d) On or before the date that falls 10 Business Days after receipt of any Cash Call (the “**Cash Call Deadline**”), each of Antonio or the Third Party, as applicable, and APPIA shall pay to the Company its Proportionate Share of the Cash Call amount.

3.3 Deemed Cost Base

As of the JV Commencement Date, the Deemed Cost Base shall apply for each party to the Joint Venture subject to adjustment as set out herein.

3.4 Funding After the JV Commencement Date

- (a) As of the JV Commencement Date, if a Quotaholder (a “**Non-Contributing Quotaholder**”): (x) elects not to contribute all of its Proportionate Share of any Cash Call, or (y) elects to participate in a Cash Call but fails to duly make payment of the relevant amount, then:
- (i) the other Quotaholder (the “**Contributing Quotaholder**”) shall be entitled to elect, by written notice to the Operator, to:
 - (A) contribute the funds that the Non-Contributing Quotaholder elected not to contribute or did not contribute (as applicable);
 - (B) reduce the Cash Call and Annual Budget, and adjust the relevant Program to the sum that the Contributing Quotaholder is willing to contribute; or
 - (C) elect that the Cash Call in question be withdrawn;
 - (ii) if the Cash Call is not withdrawn, the Non-Contributing Quotaholder’s Participating Interest shall be subject to dilution (through the issuance of Quotas and/or Quotaholder Loans to the Contributing Quotaholder, at the election of the Contributing Quotaholder) and the Quotaholders’ Participating Interests shall be adjusted so that they equal:
 - (A) in the case of the Non-Contributing Quotaholder, the figure (rounded to four decimals) obtained by dividing:
 - (I) the sum of:
 - (1) its Deemed Cost Base;
 - (2) that Quotaholder’s Accrued Cost Base; and
 - (3) the amount, if any, that such Quotaholder contributes; by
 - (II) the sum of (1), (2) and (3) above for both Quotaholders; and then multiplying the result by 100; and
 - (B) in the case of the Contributing Quotaholder, the figure (rounded to four decimals) obtained by subtracting the Non-Contributing Quotaholder’s Participating Interest, as recalculated pursuant to Clause 3.4(a)(ii)(A), from 100%;
 - (iii) where required, Quotaholder Loans shall be transferred between the parties so as to ensure that they are held in proportion to their Participating Interests; and

- (iv) any Quotas shall be issued, converted or transferred, by the Company or as between the parties, so as to ensure that they are held in proportion to the parties' applicable Participating Interests.
- (b) A party whose interest is diluted to 10% or less shall immediately be converted to a 1% net smelter returns royalty ("**1% Dilution NSR**") with the remaining party's interest converted to a 100% interest in the Company subject to payment of the 1% Dilution NSR and the 1% Earn-in NSR. The remaining party will have a ROFR on the terms set out in Clause 10.8 (with any necessary changes being made) to purchase the 1% Dilution NSR.

ARTICLE 4 OPERATOR; GOVERNANCE

4.1 Operator

- (a) The parties agree that APPIA shall be (and is hereby) engaged by the Company to be the Operator as of the JV Commencement Date, unless and until replaced or the Operator resigns in accordance with the terms of this Agreement.
- (b) Subject to the terms and conditions set out herein, the Operator and its delegates shall have full authority to manage the affairs and direct all activities in respect of the Company, the Property and to effect such other matters approved by the Management Committee. Without limiting the generality of the foregoing, the powers and duties of the Operator and its delegates shall include:
 - (i) implementing all Annual Budgets and Programs including:
 - (A) acquiring or providing all materials, supplies, machinery, equipment and services required therefor; and
 - (B) securing all Permits as necessary or appropriate therefor;
 - (ii) providing to the non-Operator:
 - (A) quarterly reports indicating the status of the work being conducted with respect to the Property (when active operations are being undertaken);
 - (B) reports within 60 days subsequent to the end of each Annual Budget and Program summarizing significant information acquired or learned as a result of such Annual Budget and Program and a statement of Expenditures incurred in respect thereof; and
 - (C) subsequent to the commencement of commercial production, monthly production statements, if any, produced from the

Property, together with any mill or other metal recovery facility in storage;

- (iii) permitting each Quotaholder at all reasonable times, but at its sole risk and expense, to inspect or observe operations and to have access to the Property including:
 - (A) the Operator's books, records and accounts relating to the Property;
 - (B) samples of all cores and cuttings obtained from test holes (but only at the place where the same are located);
 - (C) copies of all maps, logs, geophysical and geochemical data and surveys and other information including interpretative data (without liability to the Operator therefor); and
 - (D) copies of all assay and analysis reports;
- (iv) where directed by the Management Committee, to cause the Company to:
 - (A) make all necessary applications and filings to convert the Property to an alternative form or forms of mineral tenure; and
 - (B) obtain specific insurance coverage protecting the parties from third party claims;
- (v) maintaining:
 - (A) accurate and complete books, records and accounts in respect of the Property in accordance with applicable law and accounting principles generally accepted internationally; and
 - (B) all contracts or arrangements entered into by the Operator for the provision of services or materials, or the sale of Products;
- (vi) performing all operations and expenditures of any kind required to maintain ongoing production operations or be performed or incurred to maintain and keep the Property and any other material assets in good standing and free of default under any agreement or any governmental or regulatory laws, rules or regulations, and free of all third party liens (except for any arising in the ordinary course), and shall include, without limitation, any financial assurances required to be posted for environmental rehabilitation purposes by statute or regulation (collectively the "**Required Operations**"), including, where applicable, causing the Company to:

- (A) pay when due all Taxes, charges and assessments in respect of the Property;
- (B) prepare and file all government reports or notices required to be filed in respect of the Property, including quarterly program reports; and
- (C) diligently contest and discharge any lien that is filed in respect of any assets owned by the Company;

provided, however, that, where practicable, the Operator shall anticipate Required Operations and outline and provide costing therefor in draft Annual Budgets and Programs and, where not practicable, the Operator shall report on such operations to the Management Committee subsequent thereto;

- (vii) complying with all applicable laws, regulations, policies and other governmental directives; and
 - (viii) all other matters and activities required or approved by the Management Committee from time to time.
- (c) Notwithstanding any other provision of this Agreement:
- (i) neither the Operator nor the parties nor any of their Affiliates shall be under any obligation to conduct any studies, activities or works or incur any expenditures; and
 - (ii) the Operator may delegate its functions as contemplated by this Agreement provided that the Operator shall remain responsible in accordance with the terms of this Agreement for such delegated functions.
- (d) Notwithstanding any other provision of this Agreement, the Operator shall not be liable for any act done or omitted to be done by it as Operator, or any of its subcontractors or delegates, in connection with the matters contemplated by this Agreement, and shall be indemnified by the Company in connection with the matters contemplated by this Agreement, in each case except to the extent the Operator commits wilful misconduct or gross negligence.

4.2 Resignation, Removal, or Change of Operator

- (a) The appointment of the Operator shall be fixed until the Operator's resignation or removal in accordance herewith.
- (b) At any time, a Quotaholder holding Quotas in excess of 50% of the Company's issued and outstanding Quotas may remove and replace the Operator upon 90 days' prior written notice to the Operator, the other Quotaholder and the Company.

- (c) The Operator may, by notice in writing to the Management Committee, resign at any time. An Operator that resigns shall not be released from its obligations hereunder for a period of 90 days after its resignation, unless a successor Operator shall have been appointed and shall have arranged to take over as Operator prior to the expiration of such 90 day period. A successor Operator shall be appointed by the Management Committee within such 90 day period and shall assume the duties and obligations of Operator no later than the date of expiry of such 90 day period.
- (d) Upon the resignation of APPIA as the initial Operator hereunder, Antonio or the Third Party, as applicable, shall have the right, exercisable within 10 days of APPIA's notice of resignation, to be appointed as successor Operator, subject always to Clause 4.2(b).

4.3 Officers of the Company

- (a) The parties hereby agree that, from the JV Commencement Date and during the term of this Agreement, the Operator shall have the right to appoint any of the directors and officers of the Company ("**Officers**"), who may be employees of the Operator or Affiliates thereof. The Operator shall use reasonable efforts to ensure that the Officers comply with and act in accordance with this Agreement and shall remove any Officer who fails to so comply.
- (b) As of the Effective Date, APPIA shall appoint two (2) directors and Antonio shall appoint one (1) director to comprise the Board of Directors of the Company. The Board of Directors shall appoint a President and a Secretary of the Company. The Officers appointed shall serve until the JV Commencement Date.
- (c) If the Operator proposes the appointment of an Officer, or the removal or replacement of an Officer nominated by it, the other parties shall promptly take all necessary actions and all actions requested by the Operator to ensure that such person is appointed to or removed from the relevant role as soon as possible.

4.4 Management Committee

- (a) As soon as practicable following the JV Commencement Date and until this Agreement is terminated, a management committee (the "**Management Committee**") shall be established. The Management Committee shall approve the Annual Budget and Program and any amendments thereto, and shall otherwise provide guidance to the Operator in the management (including the further exploration and, if warranted, development and production) of the Property.
- (b) Each Quotaholder shall be entitled to appoint one member to the Management Committee and, if one Quotaholder should hold a Participating Interest greater than the other Quotaholder, then it shall be entitled to appoint a second member. Each Quotaholder may change its members on the Management Committee at any time upon three Business Days' prior written notice to the other Quotaholder.

- (c) Meetings of the Management Committee may be called by either Quotaholder from time to time on (save in the event of an emergency) at least 3 Business Days' written notice to the other (unless such notice is waived in writing by the other Quotaholder). A quorum for meetings of the Management Committee shall be a minimum of 1 representative of each of APPIA and Antonio or the Third Party, as applicable. If at any meeting a quorum is not present, the meeting shall be adjourned to the next subsequent Business Day at the same time and place, whereupon a quorum shall be constituted if a representative of the Quotaholder with the largest Participating Interest is present.
- (d) Any member of the Management Committee may:
 - (i) appoint a proxy to represent him or her at a particular meeting; or
 - (ii) participate in a meeting by telephone conference provided all representatives at the meeting can hear and speak to each other.

A member represented by a proxy or Participating by conference call shall be counted for purposes of determining quorum.

- (e) Decisions of the Management Committee shall be made by a simple majority vote. Each member of the Management Committee shall have one (1) vote on all matters to be approved by the Management Committee, provided that, if a Quotaholder is entitled to appoint 2 members to the Management Committee and only one (1) member is in attendance, then, for purposes of that meeting, that one member shall be entitled to two (2) votes. In lieu of a meeting, the Management Committee may pass resolutions in writing signed by a majority of the members.
- (f) The Operator shall take minutes of all Management Committee meetings and ensure that minutes are circulated to the participants of the Management Committee within 5 Business Days and, in the absence of any request for a change, correction or objection within 10 Business Days thereafter, the minutes shall be deemed to accurately record all decisions taken. The Management Committee may make additional rules in connection with its functioning not inconsistent with this Agreement.

ARTICLE 5 COVENANTS OF THE PARTIES

5.1 Conduct of the parties

Unless both Quotaholders consent in writing, during the term of this Agreement each party shall, and shall cause its or their respective Affiliates to, take all such actions as may be necessary to give effect to the terms of this Agreement and:

- (a) not Transfer any Quotas or Quotaholder Loans, except to the Quotaholders in accordance with this Agreement or as otherwise expressly provided for in accordance with this Agreement;
- (b) not cause the Company to issue any Quotas except to the Quotaholders in accordance with this Agreement or as otherwise expressly provided for in accordance with this Agreement;
- (c) refrain from voting any of its Quotas or otherwise taking any action that is inconsistent with the terms hereof;
- (d) except as expressly permitted by this Agreement, not assign or delegate any of its rights or obligations under this Agreement to any other person or entity; and
- (e) execute such documentation as the Operator may recommend, acting reasonably, in furtherance of any debt financing of the Company following the completion of a Feasibility Study, provided that:
 - (i) the Operator shall consult with Antonio or the Third Party, as applicable, on the appointment of any debt arranger or broker and seek Antonio's or the Third Party's, as applicable, views on the terms of any such appointment;
 - (ii) the Operator shall ensure that any proposed term sheets in respect of any debt financing are shared with Antonio or the Third Party, as applicable, prior to the execution thereof;
 - (iii) where a party is obligated to pledge its Quotas in furtherance of any debt financing, its consent to the form of such pledge shall be first obtained from such party, which consent shall not be unreasonably withheld; and
 - (iv) where a party determines to provide a guarantee in respect of any such debt, it shall be compensated in accordance with terms and conditions generally prevailing therefor.

5.2 Arm's Length Dealings

Unless both Quotaholders consent in writing, no Quotaholder or any Affiliate thereof shall enter into any agreement with the Company for the provision of goods or services, unless on arm's length terms and conditions.

5.3 Anti-Corruption; Sanctions

- (a) Notwithstanding any other provision of this Agreement, the parties shall, and shall cause its or their respective Affiliates to:
 - (i) take no act, directly or indirectly, in violation of Anti-Corruption Laws or Sanctions in connection with the Property;

- (ii) notify the other parties immediately in the event that they become aware of any actual, alleged or potential violation of Anti-Corruption Laws in connection with the Property; and
 - (iii) in connection with the Property, not enter into any transactions with or investments in any Restricted Person or Sanctioned Country.
- (b) The Company shall implement an anti-corruption, conflict of interest and Sanctions compliance program reasonably satisfactory to the Operator.

5.4 Access and Audit Rights

- (a) Quotaholders shall have the right, at their own cost and risk, to access the Property and audit all relevant financial and technical information pertaining to the Company at least once per JV Year, provided reasonable notice is first given to the Operator and the Company and it executes an indemnity holding the Operator and the Company harmless from all damages or losses arising therefrom, save those damages or losses caused by the Company's negligence, breach of law or wilful misconduct.
- (b) All costs of such an audit shall be borne by the Company where the audit reveals an error in the Company's annual financial statements in excess of US\$100,000.

ARTICLE 6 AREA OF INTEREST

6.1 New Permits

If any party to this Agreement or any of its Affiliates should apply for any Permit (including the renewal or extension of an existing Permit) within the Area of Interest, such Permit shall be applied for and such Permit shall be acquired for the benefit of and (subject to customary arrangements to comply with foreign ownership restrictions under applicable law) in the name of the Company (or any successor thereto), and no party to this Agreement nor their Affiliates shall compete, directly or indirectly, with each other for any such Permit. Any such Permit shall be considered part of the Property Assets.

6.2 Acquisitions

If any party to this Agreement or any of its Affiliates ("**AOI Acquirer**") should acquire from any third party (other than a Governmental Authority) any right, title or interest, directly or indirectly, in or to any Permit within the Area of Interest, such right, title or interest ("**Third Party Permit**") shall be disclosed to the Management Committee, along with the details thereof, including the cost paid therefor ("**AOI Cost**"). If the member(s) of the Management Committee nominated by the party other than the AOI Acquirer should determine to accept the Third Party Permit as part of the Property Assets, then the Third Party Permit shall be transferred to the Company free of charge and the party other than the AOI Acquirer shall pay to the AOI Acquirer a sum equal to the AOI Cost multiplied by its Participating Interest and the Accrued Cost Base of

each Quotaholder shall be increased by a sum equal to the AOI Cost multiplied by its Participating Interest.

6.3 Interpretation

If any portion of a Permit should fall within the Area of Interest, it shall be deemed to fall entirely within the Area of Interest.

6.4 Claims Pending Approval

The parties hereto acknowledge that the claims set out in Exhibit B (the “**Claims Pending Approval**”) have been staked and are pending approval. If, as and when the claims are approved, they shall be transferred to the Company free of charge, form part of the Property and be subject to the terms of this Quotaholders Agreement. APPIA shall be given credit for the costs of staking the Claims Pending Approval which are transferred to the Company against its expenditure requirements in Clause 2.2.

ARTICLE 7 TERMINATION

7.1 Termination Following Abandonment

The Management Committee may authorize the Operator to surrender or abandon some or all of the Property by unanimity. In such event, this Agreement shall be deemed to be terminated following the liquidation of all Project Assets and the distribution of any proceeds thereof, net of costs, to the Quotaholders in their Proportionate Quotas. This Agreement may also be terminated by mutual agreement of the parties or upon a single person holding all of the Quotas and Quotaholder Loans through no breach of this Agreement.

7.2 Survival

- (a) Notwithstanding anything else in this Article 7, the following provisions shall continue to survive and apply following the termination of this Agreement to the extent applicable: Article 1, Clause 4.1(d), Clauses 10.1, 10.2, 10.3, 10.4, 10.6, 10.7, 10.9, 10.10 and this Clause 7.2.
- (b) The termination of this Agreement shall not relieve any party of liability for any breach of this Agreement prior to its termination.

ARTICLE 8 WARRANTIES

8.1 General Warranties

Each party warrants to the other that:

- (a) If applicable, it is a corporation duly organized validly existing and in good standing under the laws of its jurisdiction of incorporation;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party; and
- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents.

ARTICLE 9 FORCE MAJEURE

9.1 Force Majeure

- (a) No party shall be liable to any other party, nor be deemed in default under this Agreement, for any failure or delay to perform any of its covenants and agreements caused or arising out of any unforeseen act not within such party's control, excluding lack of funds but including, without limitation, acts of God, war, terrorism, insurrection, strikes, lockouts, or other industrial disputes, acts of the public enemy, riots, fire, storm, flood, inclement weather conditions, pandemics (other than the COVID-19 pandemic ongoing as of the date of this Agreement), explosion, government restriction, failure to obtain any approvals required from Governmental Authorities (provided the approvals were properly applied for in a timely way), including environmental protection agencies, unavailability of equipment, materials or transportation, interference of third party specific interests groups or other causes whether of the kind enumerated above or otherwise which is not reasonably within the control of the party.
- (b) If a party is relying on this Clause 9.1, it shall forthwith give notice to the other parties of the commencement of such event and of its end.

ARTICLE 10 MISCELLANEOUS

10.1 Further Assurances

- (a) Each of the parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered all acts, documents and things to give effect to this

Agreement and/or effectuate the transaction(s) contemplated herein including the voting of any Quotas held by such party or its Affiliates.

- (b) Where the exercise of a right of a Quotaholder under the terms of this Agreement requires the approval of, or the taking of any other step by, the other Quotaholder, each Quotaholder hereby undertakes to exercise its voting rights and other rights and to take all actions reasonably requested by the other in each case in connection with such right including its exercise.

10.2 Confidentiality

- (a) Each party (a “**Receiving Party**”) agrees that it shall maintain as confidential and shall not disclose, and shall cause its Affiliates and its and their respective employees, officers, directors, advisors, agents and representatives to maintain as confidential and not to disclose, the terms contained in this Agreement and all information (whether written, oral or in electronic format) received or reviewed by it as a result of or in connection with this Agreement (collectively, “**Confidential Information**”), except that a Receiving Party may disclose Confidential Information:
- (i) to its auditors, legal counsel, lenders, brokers, underwriters, bankers and advisers and to persons with whom it is considering or intends to enter into a transaction for whom such Confidential Information would be relevant, provided that such persons are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality of it and are strictly limited in their use of the Confidential Information to those purposes necessary for such persons to perform the services for which they were, or are proposed to be, retained by the Receiving Party or to consider or effect the applicable transaction, as the case may be;
 - (ii) where it has an obligation to disclose such information in accordance with applicable legislation, the rules of any recognized stock exchange or any other applicable legal requirements, in which case, such disclosure shall only be made after consultation with the other parties (if reasonably practicable and permitted by applicable law) and, in the case of a public announcement required by applicable law, shall only be made in accordance with Clause 10.3;
 - (iii) where such information is already widely known by the public other than by a breach of the confidentiality terms of this Agreement or obtained independently of this Agreement and the disclosure of such information would not breach any other confidentiality obligations;
 - (iv) with the approval of the other parties; and
 - (v) to those of its and its Affiliates’ directors, officers, employees, representatives and agents who need to have knowledge of the Confidential Information.

- (b) Each party shall ensure that its and its Affiliates' employees, directors, officers, representatives and agents and those persons listed in Clause 10.2(a)(i) are made aware of, and comply with the provisions of, this Clause 10.2. Each party shall be liable to the other parties for any improper use or disclosure of such terms or information by such persons.

10.3 Public Announcements

During the term of this Agreement no party shall make any press release concerning this Agreement or any activity or information concerning the Property other than a party hereto or an Affiliate thereof whose shares are quoted on a stock exchange. Should any such party wish to make a press release concerning this Agreement or any activity or information concerning the Property it shall first consult with the other party prior to making such press release, and the parties shall use all reasonable efforts, acting expediently and in good faith, to agree upon a text for such statement or press release which is satisfactory to both parties. It is recognised that APPIA, as a public company, may have an obligation to issue a press release under applicable Securities laws.

10.4 Notices

- (a) Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by fax or electronic mail in PDF format as follows:

- (i) in the case of APPIA:

Appia Rare Earths & Uranium Corp.

Suite 500 – 2 Toronto St., Toronto, Ontario, M5C 2B6

Attention: Stephen Burega

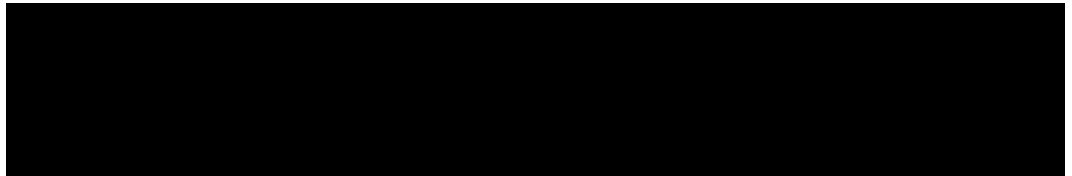
E-mail: sburega@appiareu.com

with a copy to:

Attention: William R. Johnstone

E-mail: bjohnstone@grllp.com

- (ii) in the case of BEKO:





(iii) in the case of Antonio:



(iv) in the case of the Company, to each of Antonio and APPIA as above.

(b) Any such notice or other communication shall be:

(i) if delivered, shall be deemed to have been given and received on the day;

(ii) if mailed by registered mail, shall be deemed to have been given and received on the 5th day following such mailing;

(iii) if sent by email, shall be deemed to have been given and received on the day it was so sent if sent during normal business hours (9:00 a.m. to 5:00 p.m. local time at the place of receipt) or on the next following Business Day if sent outside of normal business hours, save for any instance where the sender:

(A) receives an automated notification within 48 hours from the time of sending that the email has not been delivered or some other delivery problem has occurred; or

(B) is informed otherwise that the recipient has not received the email, in which case the notice or communication shall not be deemed to have been given or received.

(c) Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Clause 10.4.

10.5 Manner of Payment

(a) All payments to be made to any party hereunder must be made either in cash or immediately available funds, or by electronic funds transfer for the account of such party to such bank or banks as such party may designate from time to time by written notice. Such bank or banks shall be deemed the agent of the designating party for the purposes of receiving, collecting and receipting such payment.

- (b) Any party which fails to pay or repay any sum payable by it under this Agreement on the due date for payment shall pay interest on that sum for the period from and including the due date up to the date of actual payment (after as well as before judgment). Such interest shall accrue from day to day on the basis of a 365 day year at the rate of 16% per annum and shall compound annually.

10.6 No Partnership; Ability to Pursue Business Interests; Area of Interest

- (a) Nothing in this Agreement shall be deemed to constitute any party as the partner, agent or legal representative of the other party or to create any fiduciary relationship between them. It is not the intention of the parties to create, nor shall this Agreement be construed to create, any mining, commercial or other partnership.
- (b) Except as expressly provided in this Agreement or any subsequent agreement in writing executed by the parties, each of the parties and their Affiliates shall have the right to independently engage in and receive the full benefits from its business activities, whether or not competitive with the other parties' activities, without consulting the other parties.
- (c) This Agreement and the rights and obligations of the parties are strictly limited to the area of land comprising the Area of Interest and to operations conducted thereon or in respect thereof. Except as expressly provided in this Agreement, each of the parties and their Affiliates shall be free to acquire for its own account, free of any liability, duty or obligation to the other parties arising out of this Agreement, any property or mineral rights located anywhere within or outside Brazil that is outside the Area of Interest, without regard to any doctrine of "corporate opportunity" or "business opportunity", and regardless of whether or not any Confidential Information is used.

10.7 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assignees and transferees (where such assignment or transfer has taken place in accordance with the terms of this Agreement).

10.8 Transfers

Once APPIA has earned at least a 10% interest in the Company, each of APPIA and Antonio (each a "**Selling Party**") shall have the right to sell all, but not less than all, of its ownership interest in the Company (the "**Offered Interest**") to a third party (the "**Third Party**") subject to granting the other party (the "**Other Party**") a right of first refusal (a "**ROFR**") for a period of sixty (60) days to acquire all, but not less than all, of the Selling Party's Offered Interest on the same terms and conditions as the Selling Party is prepared to sell its interest to the Third Party. No party may Transfer or sell any part of its interest in the Company, the Joint Venture or the Property except in accordance with the provisions of this section. No partial transfer or sale of a party's interest in the Property, the Joint Venture or the Company is permitted under this Quotaholders' Agreement. If the Other Party (the "**Declining Party**") fails to exercise its right to

acquire the Offered Interest within the time provided, the Selling Party shall have one hundred and twenty (120) days within which to complete the sale of the Offered Interest, failing which, its interest in the Company shall again be subject to the right of first refusal in favour of the Other Party. The Declining Party shall have the right to give notice to the Selling Party (the **“Piggyback Right Notice”**) within ten (10) days following the expiry of the sixty (60) day period referred to above that it intends to sell its ownership interest in the Company (the **“Other Party’s Interest”**) to the Third Party. Upon delivery of the Piggyback Right Notice, the Third Party shall be obligated to purchase the Other Party’s Interest on the same terms and conditions, pro rata, as the Selling Party is prepared to sell its interest to the Third Party. In addition to the piggyback (tag-along) right referred to above (the **“Piggyback Right”**), each of the parties hereto shall have a drag-along right (the **“Drag-Along Right”**) whereby if the Selling Party has a majority ownership interest in the Company and the Other Party is a Declining Party, the Selling Party shall have the right to require the Declining Party to sell the Other Party’s Interest to the Third Party on the same terms and conditions, pro rata, as the Selling Party is prepared to sell its interest to the Third Party by giving notice to the Other Party (the **“Drag-Along Right Notice”**) within ten (10) days following the expiry of the sixty (60) day period referred to above of its intention to require the Other Party to sell the Other Party’s Interest to the Third Party. Upon delivery of the Drag-Along Right Notice to the Other Party, the Other Party shall be obligated to sell the Other Party’s Interest to the Third Party on the same terms and conditions, pro rata, as the Selling Party is prepared to sell its interest to the Third Party. No sale of an Offered Interest shall be binding on the Company, the Joint Venture or the Other Party unless the Selling Party and the Third Party have complied with the terms of this Quotaholders’ Agreement and the Third Party agrees to be bound by the terms and conditions of this Quotaholders’ Agreement as if it had been an original party to this Quotaholders’ Agreement. If the Third Party is a Non-Qualifying Party, any Transfer shall require the consent of the Declining Party’s.

10.9 Amendments

This Agreement may not be amended or modified except by a written instrument signed by all of the parties hereto.

10.10 No Waiver

The failure of any party to insist upon strict adherence to any provision of this Agreement on any occasion shall not be considered a waiver nor deprive that party of the right thereafter to insist upon strict adherence to such provision or any other provision of this Agreement. No purported waiver shall be effective as against any party unless consented to in writing by such party. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.

10.11 Execution in Counterparts

This Agreement may be executed in any number of counterparts and by facsimile or electronic signatures, each of which shall constitute an original and all the counterparts taken together shall constitute one and the same instrument.

IN WITNESS whereof the parties have executed and delivered this agreement as a deed on the day and year first before written.

[signature pages follow]

**APPIA RARE EARTHS & URANIUM
CORP.**

Per: _____

Title: President

I have authority to bind the Corporation

BEKO INVEST LTD.

Per: _____

Title: Director

I have authority to bind the Corporation

**APPIA BRASIL RARE EARTHS
MINERACAO LTDA**

Per: _____

Title: Authorized Signing Officer

I have authority to bind the Corporation

EXHIBIT "A" - PROPERTY

860060/2018
860058/2018
860059/2018
860498/2020
860464/2020
860465/2020
860469/2020
860468/2020
860467/2020
860307/2023
860333/2023

EXHIBIT "B" – CLAIMS PENDING APPROVAL

860466/2020
860342/2023
860341/2023
860340/2023
860339/2023
860337/2023
860338/2023
860336/2023
860335/2023
860334/2023
860343/2023