

# PURCHASE AND SALE AGREEMENT

## (Brady Property)

**THIS AGREEMENT** is effective as of November 17, 2020 (the “**Effective Date**”).

**BY AND BETWEEN:**            **UNITED GOLD INC.**, a corporation incorporated and existing under the laws of Newfoundland;

(“**Vendor**”)

**AND:**                            **GOLD’N FUTURES MINERAL CORP.**, a corporation incorporated and existing under the laws of Ontario, having its registered office at 148 Yorkville Avenue 2<sup>nd</sup> Floor, Toronto, Ontario M5R 1C2;

(“**Purchaser**”)

**WHEREAS** Vendor is the holder of a 100% undivided ownership interest in the Brady Property (as hereinafter defined);

**WHEREAS** Vendor has agreed to sell all its interest in the Brady Property to Purchaser and Purchaser has agreed to purchase such interest, the whole as further provided in this Agreement.

**THIS AGREEMENT WITNESSETH THAT**, in consideration of the mutual covenants herein contained, it is agreed by and between the Parties as follows:

### 1.    **INTERPRETATION**

1.1    **Definitions.** Where used herein or in any amendment hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

(a)    **Affiliate** means, with respect to a Person, any other Person that directly or indirectly controls, or is controlled by, or is under common control with, such Person, where the term “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

(b)    **Agreement** means this *Purchase and Sale Agreement*, including the recitals and schedules, and all instruments supplemental hereto or in amendment or confirmation hereof; “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this Agreement and not to any particular Article, Section or other subdivision; “**Article**”, “**Section**” or other subdivision of this

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Agreement means and refers to the specified Article, Section or other subdivision of this Agreement.

- (c) **Brady Property** comprises the one (1) mining licences held by Vendor described in, and shown on Map 1, appended hereto as, **Schedule A**.
- (d) **Books and Records** means all files, documentation and information (in whatever medium and wherever situated) in respect of the Brady Property, including all mining, exploration and technical data, information, reports, maps, plans, samples, cores, core boxes and containers, pulps and rejects, drill logs, surveys, engineering notebooks and other information relating to the Brady Property or work performed thereon in Vendor's possession or control; in the event Vendor is required by Law to keep originals of any such books and records, the phrase "**Books and Records**" means copies thereof. Vendor may also keep copies of such Books and Records for its records.
- (e) **Business Day** means any day other than Saturday, Sunday or any statutory holiday in the provinces of Ontario and Newfoundland and Labrador.
- (f) **Contaminants** means any substance or material that is prohibited, controlled or regulated under any applicable Environmental Law, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials or wastes, including solid non-hazardous wastes, hazardous wastes, wastewater, petroleum, its derivatives, by-products or other hydrocarbons, all as defined in or pursuant to any applicable Environmental Laws.
- (g) **Encumbrance** means any security interest, mortgage, hypothec, pledge, assignment, lien, preference right, conditional sale or other title retention agreement, charge, trust or deemed trust (whether contractual, statutory or otherwise arising), any royalty, registered or unregistered or similar agreement, any servitude, encroachment or any other right or claim of others of any kind whatsoever affecting the Brady Property and any covenant or other agreement, restriction or limitation on the use or transfer of the Brady Property.
- (h) **Environment** means all components of the earth including all layers of the atmosphere (including ambient air), land (and all surface and subsurface soil, underground spaces and cavities and all land submerged under water), soil, water (including surface and underground water), all organic and inorganic matter, living organisms, animal life, vegetation and, for greater certainty, all the interacting natural systems that include components referred to above are comprised in the definition of "**Environment**".
- (i) **Environmental Laws** means any and all applicable Laws relating to the Environment, including those pertaining to the protection, investigation, remediation, restoration and clean up in connection with any presence, release, discharge, escape or disposal of Contaminants or relating to the manufacturing,

processing, distribution, use, treatment, storage, disposal, transportation or handling of Contaminants, public health, pollution or civil responsibility for acts and omissions with respect to the Environment. "**Environmental Law**" means any one of them.

- (j) **Governmental Authority** means any (i) multinational, national, federal, provincial, state, municipal, special administrative region, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (k) **Knowledge of Vendor or Vendor's Knowledge** means the actual knowledge of and officer or director of the Vendor, after due inquiry in the relevant records of the Vendor.
- (l) **Laws** means (i) all constitutions, treaties, laws, statutes, codes, ordinances, orders, decrees, rules, regulations, and municipal by-laws, whether domestic, foreign or international; (ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees, and awards of any Governmental Authority; and (iii) all policies, practices and guidelines of any Governmental Authority or body, which although not actually having the force of law, are considered by such Governmental Authority as requiring compliance as if having the force of law, in each case binding on or affecting the Party or Person referred to in the context in which such word is used and "**Law**" means any one of them. The term "**Law**" or "**Laws**" shall exclude all Environmental Laws.
- (m) **Material Adverse Effect** means an effect that is materially adverse on the general condition of the Brady Property.
- (n) **Parties** means Vendor and Purchaser; and "**Party**" means one of them as the context may require.
- (o) **Permitted Encumbrances** means:
  - (i) statutory Encumbrances which relate to obligations not overdue;
  - (ii) restrictive covenants, servitudes and other similar rights, granted to, reserved or taken on any registered subdivision, development, servicing, site plan or other similar agreement, provided that any such rights are in favour of a Governmental Authority;
  - (iii) any subsisting restrictions, reservations, limitations, provisos, exceptions or conditions (including royalties, mineral rights and timber rights, access to navigable waters and similar rights) expressed or implied in any original grants from the Crown in right of Newfoundland and Labrador or Canada;

- (iv) the provisions of applicable Laws and Environmental Laws, including zoning by-laws and other by-laws, regulations, ordinances and similar instruments relating to development and zoning;
  - (v) any servitude for public utility, rights of access, rights of way and rights in the nature of servitudes, including servitudes, rights of way and rights in the nature of servitudes for railways, public ways, sewers, drains, gas and oil pipelines, steam and water mains or electrical light and power; and
  - (vi) the right reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant, concession or permit acquired by Vendor or by any statutory provision to terminate any such lease, license, franchise, grant, concession or permit, or to require annual or other payments as a condition to the continuance thereof.
- (p) **Person** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or a Governmental Authority, and pronouns which refer to a Person shall have the similarly extended meaning.

1.2 **Schedules.** The following is a list of the Schedules attached hereto and incorporated herein by reference:

Schedule A	Description and map of the Brady Property
Schedule B	Royalty Agreement

1.3 **Certain Definitions.** Each of the following terms shall have the meaning given such terms as set forth in the Section of this Agreement set forth below opposite such term:

	<u>Section</u>
Share Consideration	3.1
Defined Terms	1.1
Effective Date	Preceding Appearances
Form of Transfer	2.3
Indemnified Party	5.3
Indemnifying Party	5.3
Losses	5.1
Purchase Price	3.1
Purchaser	Appearances
Royalty Interest:	3.1
Vendor	Appearances
Third Party Claim	5.5

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## 2. PURCHASE AND SALE

- 2.1 **Purchase and Sale.** Vendor hereby sells and transfers to Purchaser, and Purchaser hereby purchases and acquires from Vendor and for the Purchase Price, upon and subject to the terms and conditions hereof, all of the right, title and interest of Vendor in the Brady Property and the Books and Records.
- 2.2 **Delivery of Books and Records.** Concurrent with the execution of this Agreement, Vendor shall deliver, or cause to be delivered, to Purchaser the Books and Records.
- 2.3 **Form of Transfer.** Concurrent with the execution of this Agreement, Vendor shall deliver to Purchaser a duly executed transfer of the mining licences in proper registrable form for registration in the *Registry of Transfers and Mortgages* maintained by the Mineral Claims Recorder (NL) in favour of Purchaser of 100% of the registered or recorded interest in and to the Brady Property (the “**Form of Transfer**”).
- 2.4 **Registration.** Forthwith upon the execution of this Agreement and the delivery of the Form of Transfer to Purchaser, Purchaser shall request registration of (i) this Agreement in the *Confidential Registry* and (ii) the Form of Transfer in the *Registry of Transfers and Mortgages* maintained by the Mineral Claims Recorder (NL).

## 3. PURCHASE PRICE

- 3.1 **Purchase Price.** The sale and transfer of the Brady Property is made in consideration of
- (a) a payment of 6,000,000 common shares in the capital of the Purchaser (“**Share Consideration**”); and
  - (b) the granting by Purchaser to Vendor of a 2% Net-Smelter Royalty on the Brady Property (the “**Royalty Interest**”), defined, calculated and paid in the manner provided in **Schedule B**;
- (collectively, the “**Purchase Price**”)
- 3.2 **Share Consideration and Royalty Interest.** Effective upon the execution, delivery and registration of the Form of Transfer, Purchaser:
- (i) pays the Share Consideration to Vendor; and,
  - (ii) grants the Royalty Interest to Vendor.
- 3.3 **Royalty Interest Buy-Back.** Purchaser may at any time purchase all of the 2% Royalty Interest by giving to Vendor written notice to that effect, together with a one time payment of C\$1,000,000. Upon receipt of such notice and coincident with payment, Vendor shall execute and deliver to Purchaser such instruments, in registrable form, as Purchaser may reasonably require to evidence such purchase of the Royalty Interest.

3.4 **Taxes.** The Parties acknowledge that the transfer of the Brady Property constitutes supplies of rights to explore for or exploit a mineral deposit or rights of entry or user relating to rights to explore for or exploit a mineral deposit and, therefore, shall be deemed not to be supplies for the purposes of the harmonized sales tax (“**HST**”). Consequently, the transfer of the Brady Property provided for in this Agreement shall not be subject to HST. The Parties hereto acknowledge and agree that Purchaser shall not be liable for any taxes that may be or become payable by Vendor, including any income or corporation taxes resulting from or arising as a consequence of the sale by Vendor to Purchaser of the Brady Property.

#### 4. REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of Vendor.** Vendor represents and warrants to Purchaser as follows and acknowledges that Purchaser is relying upon such representations and warranties in connection with the purchase of the Brady Property and that Purchaser would not have entered into this Agreement without such representations and warranties:

- (a) **Incorporation.** Vendor is incorporated, validly existing and in good standing under the laws of Newfoundland, has the necessary corporate power to carry on its business as such business is presently conducted and is in good standing under the Laws of each other jurisdiction in which it owns properties or conducts any business.
- (b) **Authorization.** Vendor is the registered beneficial owner of its interest in the Brady Property and holds all permits, licenses, consents and authorities issued by any government or Governmental Authority which are necessary in connection with the ownership and operation of its business and the ownership of the Brady Property. Vendor has the necessary corporate power and authority to execute this Agreement and the execution of this Agreement and the performance of its obligations hereunder have been authorized by all necessary corporate actions on its part. Such execution and performance by Vendor does not require any action or consent of, any registration with, or notification to, any Person, or any action or consent under any Laws, including Environmental Laws, to which Vendor is subject.
- (c) **No Conflict.** The execution of this Agreement, the consummation of the transactions contemplated herein, the performance by Vendor of its obligations hereunder and the compliance by Vendor with this Agreement do not:
  - (i) violate, contravene or breach, or constitute a default under the constating instruments of Vendor;
  - (ii) violate, contravene or breach, or constitute a default under any contract, agreement, indenture, instrument, licence, permit, approval, consent, statute, regulation, order, judgment, decree or any applicable Law or commitment to which Vendor may be a party, or the Brady Property may be subject, or by which it is bound or affected or create or impose any

security interest, lien or Encumbrances on the Brady Property (except as otherwise provided in this Agreement);

- (iii) result in the termination, cancellation, modification, amendment, variation or renegotiation of any contract, agreement, indenture, instrument, or commitment to which Vendor may be a party; or
  - (iv) result in any violation of any statute or any order, rule or regulation of any court or Governmental Authority having jurisdiction over Vendor or any of its properties.
- (d) **Enforceability.** This Agreement constitutes legal, valid and binding obligations, enforceable against Vendor in accordance with its terms.
- (e) **Resident.** Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).
- (f) **No Broker.** Vendor has not employed or incurred nor any of its shareholders, directors, officers, employees or agents has employed or incurred any liability to any broker, finder or agent for any brokerage fees, finder's fees, commissions or other amounts with respect to this Agreement or any of the transactions contemplated hereby.

4.2 **Representations and Warranties as to the Brady Property.** Vendor represents and warrants to Purchaser as follows and acknowledges that Purchaser is relying upon such representations and warranties in connection with the purchase by Purchaser of the Brady Property and that Purchaser would not have entered into this Agreement without such representations and warranties:

- (a) **Mining Titles.** The Brady Property has been properly staked, located and recorded pursuant to the applicable laws and regulations of the Province of Newfoundland and Labrador. **Schedule A** is a description of one (1) the mining licences comprising the Brady Property.
- (b) **Brady Property.** Vendor is the absolute and sole holder of a 100% undivided ownership interest in, and has good, valid and marketable title to, the Brady Property, free and clear of all Encumbrances, save for the Permitted Encumbrances. Vendor does not know of any claim or basis for a claim that might or could adversely affect its rights to use, transfer, possess, sell or otherwise exploit the Brady Property. Save and except for the Underlying Royalty, Vendor has no responsibility or obligation to pay any commission, royalty, license, fee or similar payment to any Person with respect to the Brady Property. All mining licences comprising the Brady Property are in good standing, valid and enforceable. All mining licence payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Brady Property have been paid in full up to the Effective Date.



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- (c) **Approvals and Consents.** No authorization, consent or approval of, or filing with or notice to, any Governmental Authority, regulatory body, court or other Person is required in connection with the execution, delivery or performance of this Agreement by Vendor or the sale of the Brady Property.
- (d) **Litigation.** There is no adverse claim or challenge against title to any part of the Brady Property and, to the best of Vendor's Knowledge there is no basis for such adverse claim or challenge which may affect the Brady Property.
- (e) **Employment Matters.** Vendor has no employee employed in connection with the Brady Property.
- (f) **Aboriginal Claims.** It is agreed that all capitalized terms used in this Section shall be interpreted in accordance with their respective meanings in *The Constitution Act, 1982*:
- (i) with respect to the Brady Property no native communities have approached Vendor claiming any Aboriginal and Treaty rights or Aboriginal title to the Brady Property or the lands in the immediate vicinity of the Brady Property;
  - (ii) to the Knowledge of Vendor, there are no memorandums of understanding ("MOU"), impact and benefits agreements ("IBA") or any other agreements of the same nature affecting the Brady Property;
  - (iii) no Aboriginal individuals, groups or councils have approached Vendor to set up a MOU, an IBA or any other agreements of the same nature in respect of the Brady Property;
  - (iv) Vendor is not party to any contracts with any Aboriginal individuals, groups or councils in relation to the Brady Property; and
  - (v) Vendor has never acknowledged or represented to any Aboriginal individuals, groups or councils that the Brady Property is affected by a MOU, IBA or any other agreements of the same nature.
- (g) **Surface Rights.** To the Knowledge of Vendor, the Brady Property is not subject of any action that has been taken or threatened by any Governmental Authority, owner, tenant, licensor, or occupier of any of the surface rights which would in any way encumber, limit, restrict or cause interference, in any material respect, with any mining activity that may be conducted with respect to the Brady Property. To the Knowledge of Vendor, there is no reason why Purchaser may not have immediate and continuous access to all portions of the Brady Property.



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- (h) **Environmental Matters.** To the Knowledge of Vendor:
- (i) there is no spill, discharge, deposit, leak, emission or other release of any Contaminant on, into, under or affecting the Brady Property that could have a Material Adverse Effect;
  - (ii) no Contaminant is currently stored in any type of container on, in or under the Brady Property;
  - (iii) there are no outstanding notices, orders, assessments, directives, rulings or other material documents issued in respect of the Brady Property by any Governmental Authority;
  - (iv) all operations of the Vendor conducted on the Brady Property have been and are now in compliance in all material respects with all Environmental Laws;
  - (v) there are no facts which would reasonably be expected to give rise to a material notice of non-compliance with any Environmental Laws in connection with the Brady Property;
  - (vi) Vendor has not received written notice and, to the Knowledge of Vendor, there are no facts which would reasonably be expected to give rise to any material notice that Vendor is potentially responsible for a clean-up or remedial action under any Environmental Law in connection with the Brady Property;
  - (vii) to the Knowledge of Vendor, no hazardous substance originating from any neighbouring or adjoining properties has migrated onto, or is migrating towards any of the Brady Property that could have a Material Adverse Effect; and
  - (viii) all material studies and reports pertaining to any environmental assessments/audits, of the Brady Property obtained for, in the possession, control or carried out on behalf of, Vendor have been delivered or made available to Purchaser.
- (i) **Rehabilitation and Restoration Work.** To the Knowledge of the Vendor, there is no outstanding reclamation, rehabilitation, restoration or abandonment obligations with respect to the Brady Property resulting from exploration done on the Brady Property by Vendor before the Effective Date nor any basis for such obligations to arise in the future as a result of prior activity by Vendor on the Brady Property.
- (j) **Hazardous Conditions.** Vendor has not excavated nor, to Vendor's Knowledge, are there any unprotected mine shafts, mine openings or workings or open pits on the Brady Property.

- (k) **Full Disclosure.** To the Knowledge of Vendor, there has been no event, transaction or information which has come to the attention of Vendor that has not been disclosed to Purchaser and would reasonably be expected to result in a Material Adverse Effect on the Brady Property.

4.3 **Representations and Warranties of Purchaser.** Purchaser represents and warrants to Vendor as follows and acknowledges that Vendor is relying upon such representations and warranties in connection with the sale by Vendor of the Brady Property and that Vendor would not have entered into this Agreement without such representations and warranties:

- (a) **Incorporation.** Purchaser is incorporated, validly existing and in good standing under the laws of Ontario, has the necessary corporate power to carry on its business as such business is presently conducted and is in good standing under the Laws of each other jurisdiction in which it owns properties or conducts any business.
- (b) **Authorization.** The Purchaser has the full right, power, capacity and authority to enter into, execute and deliver this Agreement and to be bound by its terms. The execution of this Agreement by Purchaser and the performance by it of its obligations hereunder have been authorized by all necessary corporate action on its part. Such execution and performance by it does not require any action or consent of, any registration with, or notification to, any Person, or any action or consent under any Laws to which it is subject.
- (c) **Enforceability.** This Agreement constitutes legal, valid and binding obligations, enforceable against Purchaser in accordance with its terms.

4.4 **Survival of Representations and Warranties.** All representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or contemplated by this Agreement shall survive the closing of the transaction contemplated by this Agreement and shall continue in full force and effect:

- (a) in respect of any matters other than tax matters, for a period of three (3) years from the closing date; and
- (b) in respect of tax matters, until the day which is one day after the relevant authorities shall no longer be entitled to assess liability for taxes against Vendor for any taxation period prior to the closing date.

Notwithstanding the limitations set out in Subsections (a) and (b), any claim by Purchaser which is based on title to the Brady Property or intentional misrepresentation may be brought at any time.

## 5. INDEMNIFICATION

5.1 **Indemnification by Vendor.** Vendor shall indemnify and hold Purchaser harmless from and against any claims, demands, actions, causes of action, judgments, damages, losses (which shall include any diminution in value), liabilities, costs or expenses (including

interest, penalties and reasonable attorneys, and experts, fees and disbursements) (collectively, the “**Losses**”), which may be made against Purchaser or which it may suffer or incur as a result of, arising out of, or relating to:

- (a) any violation, contravention or breach of any covenant, agreement or obligation of Vendor under or pursuant to this Agreement;
- (b) any incorrectness in, or breach of, any representation or warranty made by Vendor in Sections 4.1 and 4.2, the Schedules annexed hereto or in any certificate or other document delivered or given pursuant to this Agreement; or
- (c) any environmental liability of Vendor on the Brady Property prior to the Effective Date.

5.2 **Indemnification by Purchaser.** Purchaser shall indemnify and hold Vendor harmless from and against any Losses which may be made against it or which it may suffer or incur as a result of, arising out of, or relating to:

- (a) any violation, contravention or breach of any covenant, agreement, or obligation of Purchaser under or pursuant to this Agreement; or
- (b) any incorrectness in, or breach of, any representation or warranty made by Purchaser in Section 4.3, the Schedules annexed hereto or in any certificate or other document delivered or given by the Purchaser pursuant to this Agreement.

5.3 **Obligation to Reimburse.** The Party or Parties providing indemnification hereunder (the “**Indemnifying Party**”) shall reimburse, on demand, to the Party or Parties being indemnified hereunder (the “**Indemnified Party**”) the amount of any Losses suffered or incurred by the Indemnified Party, the whole as of the date that the Indemnified Party incurs any such Losses, together with interest thereon from the aforesaid date until payment in full at the prime rate per annum as quoted by the National Bank of Canada for commercial loans made in Canada.

5.4 **Notification.** Promptly upon obtaining knowledge thereof, the Indemnified Party shall notify the Indemnifying Party of any cause which the Indemnified Party has determined has given or could give rise to indemnification under this Article 5. The omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to that extent) the omission to notify materially prejudices the ability of the Indemnifying Party to exercise its right to defend provided in Section 5.5.

5.5 **Defense of Third Party Claim.** If any legal proceeding shall be instituted or any claim or demand shall be asserted by a third party against the Indemnified Party for which indemnification is provided herein (each a “**Third Party Claim**”), then the Indemnifying Party shall have the right, after receipt of the Indemnified Party’s notice under Section 5.4 and upon giving notice to the Indemnified Party within ten (10) calendar days of such

receipt, to defend the Third Party Claim at its own cost and expense with counsel of its own selection, provided that:

- (a) the Indemnified Party shall at all times have the right to fully participate in the defense at its own expense;
- (b) the Third Party Claim seeks only monetary damages and does not seek any injunctive or other relief against the Indemnified Party; and
- (c) legal counsel chosen by the Indemnifying Party is satisfactory to the Indemnified Party, acting reasonably.

Amounts payable by the Indemnifying Party pursuant to a Third Party Claim shall be paid in accordance with the terms of the settlement or, the judgment, as applicable, but in any event prior to the expiry of any delay for a judgment to become executory.

5.6 **No Compromise.** The Indemnifying Party shall not be permitted to compromise and settle or to cause a compromise and settlement of any Third Party Claim, without the prior written consent of the Indemnified Party, unless:

- (a) the terms of the compromise and settlement require only the payment of money and do not require the Indemnified Party to admit any wrongdoing or take or refrain from taking any action; and
- (b) the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional satisfaction or release, which is in form and substance satisfactory to the Indemnified Party, acting reasonably, from any and all obligations or liabilities it may have with respect to the Third Party Claim.

5.7 **Failure to Defend.** If the Indemnifying Party fails within ten (10) calendar days from receipt of the notice of a Third Party Claim to give notice of its intention to defend the Third Party Claim in accordance with Section 5.5, then the Indemnifying Party shall be deemed to have waived its right to defend the Third Party Claim and the Indemnified Party shall have the right (but not the obligation) to undertake the defense of the Third Party Claim and compromise and settle the Third Party Claim on behalf, for the account and at the risk and expense of the Indemnifying Party.

5.8 **Limitation on Indemnification.** The obligation of indemnification set out in Sections 5.1 and 5.2 shall survive the execution of this Agreement for the periods mentioned in Section 4.4.

5.9 **Abandonment.** If Purchaser intends to allow to lapse, abandon or surrender any part of the Property (the "Abandonment Property"), Purchaser shall give notice of such intention to Vendor and any subsidiary of Vendor at least 60 days in advance of the applicable date of expiration or the proposed date of abandonment or surrender (one or the other, an "Abandonment Date") along with details of the Abandonment Date and of any encumbrance on the Abandonment Property. Within 15 days of receipt of such notice,

Vendor or any subsidiary of Vendor may deliver notice to Purchaser that Vendor or any subsidiary of Vendor desire Purchaser to convey the Abandonment Property to Vendor or any subsidiary of Vendor and, if Vendor or any subsidiary of Vendor desire to have the Abandonment Property conveyed to Vendor or any subsidiary of Vendor, then Purchaser shall convey the Abandonment Property to Vendor or any subsidiary of Vendor and Purchaser shall have no further obligations in respect of the Abandonment Property under this Agreement. Each of Vendor or any subsidiary of Vendor and Purchaser shall use commercially reasonable efforts to obtain all approvals and consents required by any third person or governmental entity to effect this conveyance. If Vendor or any subsidiary of Vendor do not request conveyance of the Abandonment Property within 15 days of receipt of the notice from Purchaser then Vendor or any subsidiary of Vendor's right to have such property conveyed will be terminated and Purchaser may abandon the Abandonment Property and shall thereafter have no further obligations in respect of the Abandonment Property under this Agreement.

## 6. MISCELLANEOUS

- 6.1 **No Third Party Beneficiaries.** Each Party intends that this Agreement or any agreement entered into pursuant to this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties or the parties to such other agreements, and no Person, other than the Parties or the parties to such other agreements, shall be entitled to rely on the provisions hereof or any agreement entered into pursuant hereto in any action, proceeding, hearing or other forum.
- 6.2 **Confidentiality.** Unless otherwise determined by a court of competent jurisdiction, the Parties shall keep this Agreement strictly confidential and make no disclosure thereof to any person except the Parties' counsel and advisors and except (i) as may be required in connection with the consummation of the transactions contemplated hereby, (ii) as may be required by Law, or (iii) with the prior written consent of the other Party. Notwithstanding the foregoing both Parties consent to the registration of this Agreement in the *Confidential Registry* maintained by the Mineral Claims Recorder (NL).
- 6.3 **Further Assurances.** Each Party upon the request of the other shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated by this Agreement.
- 6.4 **Successors in Interest.** This Agreement and the provisions hereof shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns. Each Party may assign its rights and obligations under this Agreement to an Affiliate.
- 6.5 **Notices.** Any notice, consent, authorization, direction or other communication required or permitted to be given hereunder shall be in writing and shall be delivered either by personal delivery or by email or similar telecommunications device and addressed as follows:

- (a) in the case of Vendor:

**United Gold Inc.**

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Attention: Bill Kennedy  
Email: bill@unitedgold.ca

- (b) in the case of Purchaser:

**Gold'n Futures Mineral Corp.**

148 Yorkville Avenue  
2<sup>nd</sup> Floor  
Toronto, Ontario  
M5R 1C2

Attention: Mr. Theo van der Linde  
Email: theo@partumadvisory.com

or to such addresses as each party may from time to time specify for notice. Any notice, consent, authorization, direction or other communication delivered as aforesaid shall be deemed to have been effectively delivered and received, if sent by email or similar telecommunications device on the Business Day next following receipt of such transmission or, if delivered, to have been delivered and received on the date of such delivery provided, however, that if such date is not a Business Day then it shall be deemed to have been delivered and received on the Business Day next following such delivery. Either Party may change its address for service by notice delivered as aforesaid.

- 6.6 **Expense.** Vendor shall bear and pay all costs, expenses and fees (including legal counsel and accounting fees and disbursements) incurred by it in connection with the preparation, execution and consummation of this Agreement and the transactions contemplated hereunder. Purchaser shall bear and pay all costs, expenses and fees (including legal counsel and accounting fees and disbursements) incurred by it in connection with the preparation, execution and consummation of this Agreement and the transactions contemplated hereunder.
- 6.7 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument. Signature to this Agreement transmitted by facsimile transmission, by electronic mail by “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.
- 6.8 **Severability.** Any Article, Section or other subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed herefrom and shall be ineffective to the extent of such illegality, invalidity or unenforceability and shall not affect or impair the remaining provisions hereof, which

provisions shall (a) be severed from any illegal, invalid or unenforceable Article, Section or other subdivision of this Agreement or any other provision of this Agreement, and (b) otherwise remain in full force and effect.

- 6.9 **Governing Law.** This Agreement shall be governed by and interpreted and construed in accordance with the laws presently in force in the Province of Newfoundland and Labrador and the Province of Ontario applicable therein.
- 6.10 **Entire Agreement.** This Agreement, including the Schedules, constitutes the entire Agreement between the Parties pertaining to the subject matter hereof, and supersedes all prior agreements, understandings, negotiations and discussions between the Parties. There are no representations, warranties, conditions, covenants or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, including the Schedules, except as specifically set forth herein and therein.
- 6.11 **Inconsistency.** This Agreement shall override the Schedules annexed hereto to the extent of any inconsistency.
- 6.12 **Currency.** All of the dollar amounts mentioned in this Agreement or in the Schedules annexed hereto shall be in Canadian funds, unless otherwise specifically denominated.
- 6.13 **Headings.** The headings in this Agreement are inserted for convenience of reference only and shall not affect the interpretation hereof.
- 6.14 **Amendment.** No amendment shall be binding unless expressly provided in an instrument duly executed by the Parties.
- 6.15 **Waiver.** No waiver, whether by conduct or otherwise, of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provisions (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in an instrument duly executed by the Parties to be bound thereby.
- 6.16 **Language.** The Parties declare that they have requested, and do hereby confirm their request, that this Agreement and all notices and other documents to be given or executed pursuant hereto be in English only. *Les parties déclarent et confirment qu'elles ont exigé que les présentes ainsi que tous les avis et autres documents devant être donnés ou exécutés en vertu des présentes soient rédigés en anglais seulement.*

*(next page is signature page)*



**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be executed by their duly authorized officers in that behalf on the date noted on page one hereof.

**UNITED GOLD INC.**

"Bill Kennedy"

Per: \_\_\_\_\_

Name: Bill Kennedy

Title: President

I have authority to bind the Corporation

**GOLD'N FUTURES MINERAL CORP.**

"Theo van der Linde"

Per: \_\_\_\_\_

Name: Theo van der Linde

Title: Interim, CEO

I have authority to bind the Corporation

**SCHEDULE A**

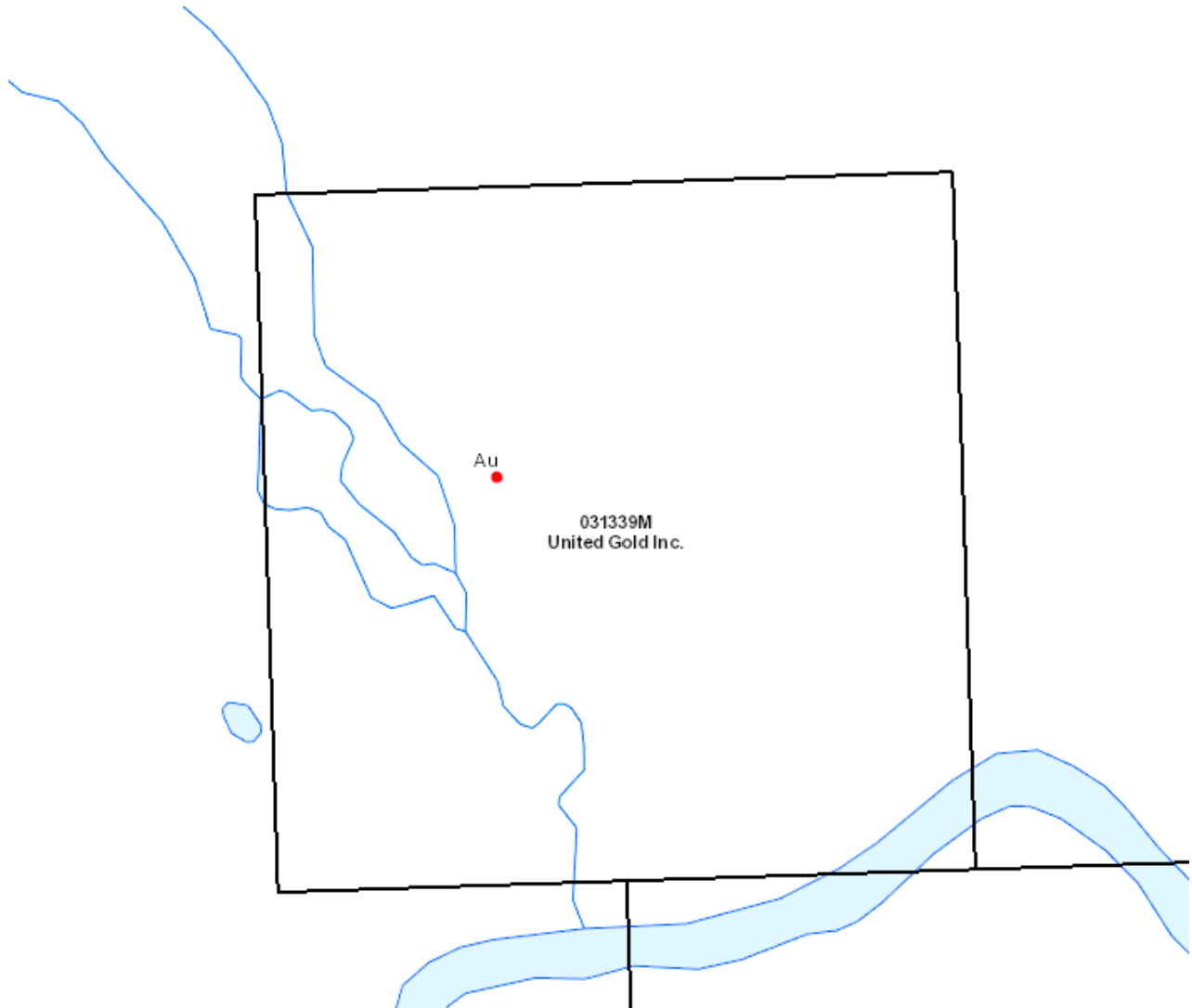
**DESCRIPTION OF THE BRADY PROPERTY**

(Vendor holds a 100% undivided ownership interest in the Mining Licences)

Map Reference	Licence number	Holder	Number of claims
Map 1	031339M	United Gold Inc.	4

**MAP 1 - THE BRADY PROPERTY**

Mining Licence 031339M



**SCHEDULE B**  
**TO THE PURCHASE AND SALE AGREEMENT**  
**NET-SMELTER ROYALTY**

**THIS ROYALTY AGREEMENT** is dated as of •.

**BETWEEN:**

**UNITED GOLD INC.**, a corporation incorporated and existing under the laws of Newfoundland

(hereinafter called the “**Payee**”)

**AND:**

[**INSERT NAME OF GRANTING PARTY**]

(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**” means any rights to property staked or optioned by the Payor within the boundaries of the Property.
  - (b) “**Affiliate**” means any Person that directly or indirectly Controls, or is Controlled by or is under common control with, the Payor or the Payee as the context requires, or with whom the Payor or Payee, as applicable, does not deal with at arm’s length (as defined in the *Income Tax Act* (Canada)).
  - (c) “**Arm’s Length Party**” means, with respect to any particular Person, another Person: (i) that is not (A) a Related Person, or (B) otherwise determined not to be dealing at arm’s length (within the meaning of the *Income Tax Act* (Canada)); and (ii) in respect of which the Payor has provided evidence, satisfactory to the Payee, acting reasonably, to support a conclusion that such other Person satisfies the requirements of clause (i) of this definition.
  - (d) “**Arm’s Length Terms**” means, with respect to any particular transaction, price and terms thereof that are no less favourable to the Payor than those which would be agreed upon and paid in a similar transaction under similar circumstances with an Arm’s Length Party.
  - (e) “**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario.
  - (f) “**COMEX**” means the COMEX division of the New York Mercantile Exchange.
  - (g) “**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 Minerals 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.

- (h) **“Commercial Production Date”** means the first date on which Commercial Production occurs.
- (i) **“Control”** means, with respect to any particular Person (or group of Persons), the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another Person (or group of Persons), whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means, either directly or indirectly, that results in control in fact; and without limiting the foregoing, direct or indirect ownership by such Person (or group of Persons) of securities (or any other ownership interest) of another Person (or group of Persons) carrying more than 50% of the voting rights shall be deemed to be “Control” of such other Person (or group of Persons); and “Controlled” and “Controlling” have similar meanings.
- (j) **“Deemed Receipts”** means, with respect to any particular Refined Product and for any particular Fiscal Quarter, the net number of pounds avoirdupois, troy ounces or other relevant unit of measure, as applicable, returned to, or credited to the account of, the Payor or any Related Person by the applicable Refinery in such Fiscal Quarter, multiplied by the following applicable price, determined in each case for such Fiscal Quarter in accordance with the terms hereof:
  - (i) 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;
  - (ii) for Refined Zinc, the average of the LME Settlement Price for special high-grade zinc;
  - (iii) for Gold Bullion, the average daily mean of the initial and final quotations of LBMA Gold Price;
  - (iv) for Silver Bullion, the average LBMA Silver Price;
  - (v) for Lead, the LME Settlement Price for high-grade lead;
  - (vi) for Platinum plate or ingots, the average of morning and afternoon fix LBMA Platinum Prices;
  - (vii) for Palladium plate or ingots, the average of morning and afternoon fix LBMA Palladium Prices;
  - (viii) for Iridium, the average Johnson Matthey Rhodium Base Price;
  - (ix) for Rhodium, the average Johnson Matthey Rhodium Base Price;
  - (x) for Ruthenium, the average Johnson Matthey Rhodium Base Price;
  - (xi) for Other Refined Products, the average LME prices for such Other Refined

Product.

- (k) “**Encumbrance**” means any security interest, mortgage, pledge, lien, charge, title retention arrangement, trust or power, or other form of security or interest having effect as a security for the payment of any monetary obligation or the observance of any other obligation whether existing or agreed to be granted or created, including any easements, road or other access agreements, flowage rights, and terms of any local, state or federal land use or environmental laws or regulations.
- (l) “**Exchange**” means, with respect to any particular Product, the principal commodities exchange on which such Product is sold (determined on a sale volume basis); and, in respect of the following Products, shall have the following meaning: (i) in the case of copper, the LME or COMEX; (ii) in the case of zinc, the LME; (iii) in the case of gold, silver, platinum, or palladium, the LBMA; (iv) in the case of lead, the COMEX; (v) in the case of rhodium, iridium or ruthenium, Johnson Matthey; and, (vi) in the case of Other Refined Products, the LME.
- (m) “**Financing Party**” means any Person who has provided or provides any form of financial assistance to the Payor in bringing the Property into or in continuing or expanding Commercial Production.
- (n) “**Fiscal Quarter**” means a fiscal quarter of the Payor ending on March 31, June 30, September 30 or December 31, as applicable, in each Fiscal Year.
- (o) “**Fiscal Year**” means the Fiscal Year of the Payor ending on December 31 in each calendar year.
- (p) “**Gold Bullion**” means gold bullion that meets the applicable physical specifications for good delivery and minimum purity requirements of the applicable Exchange.
- (q) “**Governmental Authority**” means any (i) federal, provincial, state, territorial, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (r) “**IFRS**” means International Financial Reporting Standards, at the relevant time, applied on a consistent basis.
- (s) “**Indemnified Party**” means the Payee, any Affiliate of the Payee and all directors, officers, employees, accountants, auditors, financial advisors, legal advisors, agents and other representatives of the Payee and its Affiliates.
- (t) “**Independent Valuator**” means a duly qualified and accredited independent professional valuator and appraiser of Minerals appointed by the Payee and approved by the Payor, acting reasonably.
- (u) “**Insolvency Event**” means, in relation to any Person, any one or more of the following events or circumstances:
  - (i) proceedings are commenced for the winding-up, liquidation or dissolution of it,



unless it in good faith actively and diligently contests such proceedings resulting in a dismissal or stay thereof within 60 days of the commencement of such proceedings;

- (ii) a decree or order of a court of competent jurisdiction is entered adjudging it to be bankrupt or insolvent, or a petition seeking reorganization, arrangement or adjustment of or in respect of it is approved under applicable laws relating to bankruptcy, insolvency or relief of debtors;
- (iii) it makes an assignment for the benefit of its creditors, or petitions or applies to any court or tribunal for the appointment of a receiver or trustee for itself or any substantial part of its property, or commences for itself or acquiesces in or approves or has filed or commenced against it any proceeding under any bankruptcy, insolvency, reorganization, arrangement or readjustment of debt law or statute or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its assets or property, or has a liquidator, administrator, receiver, trustee, conservator or similar person appointed with respect to it or any substantial portion of its property or assets; or
- (iv) a resolution is passed for the winding-up or liquidation of it.
- (v) “**Intermediate Products**” means concentrates, including without limitation Iron Ore concentrates and pellets, leachates, precipitates, and other concentrates, doré, and other intermediate products, if any, produced from Raw Products, but shall not include cathode or Other Refined Products.
- (w) “**Iridium**” means the iridium that meets the applicable physical specifications for good delivery and minimum purity requirements of the applicable Exchange.
- (x) “**Iron Ore**” means all raw mined products which may be sold as direct shipping iron ore, products generated from beneficiation techniques to produce concentrated iron ore fines from raw mined products, further refined products such as iron ore pellets, and any derivative of a mineral product from which metallic iron is extracted.
- (y) “**iron ore pellets**” means a product obtained by pelletizing iron ore or iron ore concentrates, suitable for iron making in blast furnaces.
- (z) “**Laws**” means all laws, by-laws, statutes, codes, ordinances, regulations and rules, and all treaties, constitutions, judgments, decrees, orders, directives, consents, authorizations, approvals, guidelines, protocols, notices and policies to the extent that they have the force of law and all rules, policies and other requirements of any stock exchange, in each case binding on or affecting a Person, or the assets of the Person, referred to in the context in which the word is used.
- (aa) “**LBMA**” means the London Bullion Market Association.
- (bb) “**Lead**” means the lead that meets the applicable physical specifications for good delivery and minimum purity requirements of the applicable Exchange.
- (cc) “**LME**” means the London Metal Exchange.

- (dd) **“Market Value”** means, with respect to any particular Transfer of Minerals on any particular date of determination, the maximum amount that could reasonably be expected to be, or has been, realized from the Transfer of such Minerals on such date in a transaction completed on Arm’s Length Terms, as determined by an Independent Valuator, based upon 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.
- (ee) **“Minerals”** means all rocks, metallic and non-metallic minerals, ore, concentrate, precious and base metals, oil, gas, elements and other materials, and Products derived therefrom, located on, or extracted, recovered or otherwise derived from, the Property through mining, milling, processing, concentrating, smelting or refining activity or otherwise, including without limitation, all iron, nickel, zinc, lead, copper, cobalt, silver, gold, platinum, palladium, rhodium, uranium, rare earth metals, limestone, dolomite, aggregate and quarry materials relating to the Property.
- (ff) **“Net Smelter Returns”** means Proceeds less Permissible Deductions.
- (gg) **“Non-qualifying Refined Products”** is defined in the definition of “Physical Product Receipts”.
- (hh) **“Other Refined Products”** means the out turned metals produced from Raw Products and/or Intermediate Products through subsequent smelting or refining that meet the applicable specifications for such products and that have prices regularly quoted on the LME.
- (ii) **“Palladium”** means palladium that meets the applicable physical specifications for good delivery and minimum purity requirements of the applicable Exchange.
- (jj) **“Parties”** means the parties to this Agreement, and “Party” means either of them, in each case together with their successors and permitted assigns.
- (kk) **“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 any particular Fiscal Quarter:
- (i) direct transportation and insurance costs incurred delivering Minerals or Products from the Property to a Refinery;
  - (ii) if applicable under the smelter contract, all costs of transporting and insuring the Minerals or Products from the Refinery to the place of delivery to the Purchaser;
  - (iii) all smelting, refining and final treatment costs, penalties and other deductions charged by the Refinery; and
  - (iv) marketing costs, including sales commissions, incurred in selling Refined Products

provided that where a cost or charge otherwise constituting a Permissible Deduction is incurred by the Payor in a transaction with any other Person that is not an Arm’s Length

Party such cost or charge may be deducted only as to the lesser of the actual cost or charge incurred by the Payor and the lowest cost that could reasonably have been obtained if dealing with an Arm's Length Party, considering the time of such transaction and under all the circumstances then applicable.

- (ll) **"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.
- (mm) **"Physical Product Receipts"** means:
  - (i) If Raw Products or Intermediate Products are Transferred by the Payor to a Refinery, pelletization facility, steel company or other Arm's Length Party, other than a Financing Party, the Payor's gross proceeds from such sale, including revenues in the form of credits for other Products and the amount of all discounts or rebates.
  - (ii) If Refined Products are Transferred by the Payor to any Arm's Length Party and there are no Deemed Receipts for such Refined Products (**"Non-qualifying Refined Products"**), the gross revenues from such sale, including revenues in the form of credits for other Products, and the amount of all discounts and rebates.
  - (iii) If Raw Products, Intermediate Products or Non-qualifying Refined Products are Transferred to a Related Person or a Financing Party or any other Person that is not an Arm's Length Party, and then are Transferred without further processing by or for such a Related Person, Financing Party or other Person that is not an Arm's Length Party to an Arm's Length Party, the gross revenues from such Transfer, including revenues in the form of credits for other Products, and the amount of all discounts and rebates.
  - (iv) If Raw Products, Intermediate Products or Non-qualifying Refined Products are Transferred to a Person that is not an Arm's Length Party or a Financing Party in any transaction that is not described in paragraphs (i), (ii) and (iii) (including without limitation where such person consumes such Raw Products, Intermediate Products or Non-qualifying Refined Products in its own operations) then the Market Value 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.
- (nn) **"Platinum"** means platinum that meets the applicable physical specifications for good delivery and minimum purity requirements of the applicable Exchange.
- (oo) **"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.

- (pp) **“Proceeds”** means, in respect of any particular period, without duplication: (i) the aggregate of: (A) all Receipts and other proceeds received during such period by the Payor or any Related Person in respect of the sale of Products (including, without limitation, insurance proceeds in respect of any loss relating to Minerals or Products, as applicable, that was paid to the Payor or any Related Person during such period) from Arm’s Length Parties; plus (B) the Market Value of all Minerals that have been stockpiled for more than six (6) months (determined as of the last day of such six (6)-month period), minus (ii) the aggregate of: (X) any amount in respect of stockpiled Minerals that was included in the calculation of “Proceeds” for any prior period, to the extent that such stockpiled Minerals were sold during the current period.
- (qq) **“Products”** means all Raw Products, Intermediate Products and Refined Products produced or otherwise derived from the Property.
- (rr) **“Property”** means the subsurface, mineral, exploration, mining and access rights relating to the lands set forth in Schedule A annexed hereto and all Acquired Rights, and all lands, property and ancillary or appurtenant rights contained in any of the foregoing, or attached or accruing thereto, 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.
- (ss) **“Raw Products”** means ore produced, removed, recovered or otherwise derived from the Property in the form of run of mine ore, direct shipment ore and other similar crude or raw ore produced, removed or otherwise derived from the Property without further processing other than crushing.
- (tt) **“Receipts”** means, for any particular Fiscal Quarter, all Physical Product Receipts and Deemed Receipts for such Fiscal Quarter.
- (uu) **“Refined Copper”** means copper that meets the applicable physical specifications for good delivery and the minimum purity requirements for the applicable Exchange.
- (vv) **“Refined Products”** means Gold Bullion, Silver Bullion, Refined Copper, Refined Zinc, Lead, Platinum, Palladium, Rhodium, Iridium, Ruthenium and Other Refined Products produced by a Refinery from Raw Products and/or Intermediate Products.
- (ww) **“Refined Zinc”** means zinc that meets the applicable physical specifications for good delivery and the minimum purity requirements for the applicable Exchange.
- (xx) **“Refinery”** means a smelter, refinery or other treatment facility, as applicable.
- (yy) **“Related Person”** means (i) any Affiliate, director, officer or shareholder of the Payor, (ii) a partner, other than a limited partner, of the Payor or its Affiliates; (iii) a trust or estate in which the Payor or its Affiliates has a substantial beneficial interest or for which the Payor or its Affiliates serves as trustee or in a similar capacity; (iv) a relative of any director, officer or shareholder of the Payor or of such Person’s spouse (including a spouse or child of such Person); or (v) any other Person that is not an Arm’s Length Party to the Payor or that has a non-arm’s length connection to, or relationship with, the Payor or any other Person referenced in clauses (i) through (iv) above.

- (zz) “**Rhodium**” means rhodium that meets the applicable physical specifications for good delivery and the minimum purity requirements for the applicable Exchange.
  - (aaa) “**Royalty**” means for all Products and Minerals, a net smelter returns royalty payable from time to time, in perpetuity, by the Payor to the Payee, which shall be calculated in respect of any particular period by multiplying the applicable Royalty Rate in effect for such period by the amount of all Net Smelter Returns attributable to such period.
  - (bbb) “**Royalty Rate**” means, the rate at which the Royalty is calculated, which shall be equal to the rate as described in section 2.1 of this Agreement.
  - (ccc) “**Ruthenium**” means the ruthenium that meets the applicable physical specifications for good delivery and minimum purity requirements of the applicable Exchange.
  - (ddd) “**Silver Bullion**” means silver that meets the applicable physical specifications for good delivery and the minimum purity requirements for the applicable Exchange.
  - (eee) “**Trading Activities**” means 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.
  - (fff) “**Transfer**” means any sale, transfer, grant, assignment, conveyance or other disposition; and “**Transferred**” shall have a corresponding meaning.
  - (ggg) “**Transferee**” means any Person to whom any Product is Transferred.
- 1.2. All references to a designated “Article”, “Section” or other subdivision or to a Schedule are to the designated Article, Section, or other subdivision of, or Schedule to, this Agreement.
  - 1.3. The words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, or Schedule.
  - 1.4. The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.
  - 1.5. Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
  - 1.6. The word “or” is not exclusive. The words “including”, “includes” and “include” each mean “including without limitation”.
- 2. Royalty**
- 2.1. The Payor hereby acknowledges the reservation in favour of the Payee, and grants, and agrees to pay to the Payee the Royalty at the Royalty Rate of 2%. Payor may at any time purchase the Royalty by giving to Payee written notice to that effect, together with a one time payment of C\$1,000,000. Upon receipt of such notice and coincident with payment, Payee shall execute and deliver to Payor such instruments, in registrable form, as Payor may reasonably require to evidence such purchase of the Royalty.

### **3. Computation and Payment**

- 3.1. Royalty. The Royalty shall be calculated and paid in respect of each Fiscal Quarter ending on or after the date hereof.
- 3.2. Payments.
  - (a) Each Royalty payment owing hereunder shall be paid to the Payee not more than forty-five (45) days after the end of the Fiscal Quarter for which such Royalty is owed, without demand by the Payee or any reduction or set-off by the Payor.
  - (b) Each Royalty payment made by the Payor hereunder shall be accompanied by a statement, signed by the Chief Financial Officer of the Payor, confirming the accuracy of the information provided in such statement, including the following information, in sufficient detail and with sufficient supporting information to enable the Payee to verify the accuracy thereof:
    - (i) all Proceeds received by the Payor during the most recently completed Fiscal Quarter, including a breakdown for each Product and Mineral;
    - (ii) all Permissible Deductions made from such Proceeds, if applicable, including a breakdown for each Product and Mineral;
    - (iii) any other deductions made from such Proceeds, if applicable;
    - (iv) details regarding any exchange rate used to determine the equivalent value in US dollars of any Proceeds or allowable deductions during such Fiscal Quarter or Fiscal Year, as applicable, that was paid in another currency;
    - (v) all relevant details regarding each Transfer of Minerals to a Related Person during such Fiscal Quarter or Fiscal Year, as applicable; and
    - (vi) details regarding any withholding tax or other tax, duty, assessment, levy or other charge of whatever nature imposed on or levied against the Payee by any Governmental Authority in respect of the Royalty, which the Payor, as prescribed by applicable Laws, withheld, collected, remitted or paid directly to any Governmental Authority on behalf the Payee.
  - (c) Each Royalty payment will be made, at the Payee's option, by certified bank cheque delivered to the address of the Payee set forth in this Agreement or as otherwise directed by the Payee or via wire payment to the account of the Payee, in accordance with wire transfer instructions provided by the Payee, and will be payable in immediately available funds in lawful currency of the United States of America, drawn on a U.S. or Canadian chartered bank and, to the extent that any amount included in the calculation of such Royalty payment is not denominated in US dollars, such amount shall be converted to US dollars using the applicable exchange rate quoted by Royal Bank of Canada, determined as of noon (Toronto time) on the last day of the Fiscal Quarter in respect of which such Royalty payment is made.
  - (d) Without limiting the rights of the Payee with respect to any breach of this Agreement by the Payor, if the Payor fails to pay any Royalty payment when due pursuant hereto, the

Payor shall pay to the Payee, forthwith upon demand: (i) interest on the outstanding amount of such unpaid Royalty payment, calculated daily and compounded monthly at the rate per annum equal to the Prime Rate plus two percent (2%) from and after the date on which such Royalty payment was due to and including the date on which such Royalty payment is paid in full; and (ii) all costs and expenses (including all legal fees and disbursements on a full indemnity basis and all costs of enforcement) incurred by the Payee in connection with the Payor's failure to pay such Royalty when due. Any overpayments or underpayments in connection with the payments owing hereunder shall be paid in the next Fiscal Quarter following determination of such adjustment in accordance with the terms hereof.

- (e) The Payor shall withhold and remit any applicable withholding of, or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature required to be withheld and remitted pursuant to applicable Law in respect of the Royalty.

3.3. Determination of Proceeds. The calculation of Proceeds shall be made in accordance with the following principles.

- (a) If insurance proceeds are received by the Payor or any Related Person for any loss or damage to any Refined Product prior to receipt at the applicable Refinery, such insurance proceeds, less any costs incurred to recover such proceeds, shall be included as Proceeds.
- (b) The average price of any Refined Product for any particular Fiscal Quarter shall be determined by dividing the sum of all daily prices posted during such Fiscal Quarter by the number of days that such prices were posted. 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, such prices shall be obtained from the Wall Street Journal, Reuters, or other reliable source agreed by the Parties, acting reasonably; and if the Parties fail to agree on such source, an appropriate pricing source recognized by the mining industry shall be determined by arbitration in the manner provided herein.
- (c) If any price for any Product is not available or becomes unavailable for any reason, including the relevant price being renamed, or the relevant publications ceasing to publish or include such prices, the Parties shall agree upon a similar alternative method recognized in the mining industry for determining such price, and if the Parties fail to agree on such alternative method, such alternative method shall be determined by arbitration in the manner provided herein, and the average price for the Fiscal Quarter immediately preceding the Fiscal Quarter in which such price was determined to no longer be available shall be used on an interim basis (with subsequent adjustment) until such alternative method has been finally determined by arbitration in the manner provided herein.
- (d) If any applicable specification or definition of good delivery or applicable contract specifications for any Refined Products utilized by the LME, COMEX, LBMA or Johnson Matthey changes, or if any such Exchange ceases to exist or is reconstituted or replaced by a successor or replacement Exchange, the Parties shall agree, acting reasonably, upon a similar alternative method recognized in the mining industry for determining such



specifications or definition, and if the Parties fail to agree upon such alternative Exchange or method, it shall be determined by arbitration in the manner provided herein.

- (e) If any Product is Transferred to a Related Person, any Proceeds received by such Related Person shall be included in the calculation of Proceeds for the Fiscal Quarter in which such Proceeds are received by such Related Person.

#### 3.4. Objections and Audits.

- (a) All Royalty payments shall be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Payee gives the Payor written notice describing and setting forth a specific objection to the calculation thereof within twelve (12) months after receipt by the Payee of the audited annual financial statements of the Payee for the Fiscal Year in which such Royalty payment was calculated.
- (b) If the Payee objects to a particular Royalty payment as herein provided, the Payee shall, for a period of ninety (90) days after the Payor's receipt of notice of such objection (or such longer period as is reasonably required), have the right, upon reasonable notice and at reasonable times, to have the Payor's accounts and records relating to the calculation of the Royalty in question audited by a chartered accountant acceptable to the Payee and to the Payor, acting reasonably. If such audit determines that there has been a deficiency or an excess in the payment made to the Payee, such deficiency or excess, as applicable, shall be paid with the Royalty payment due in the next Fiscal Quarter and if no Royalty Payment is owing in respect of such Fiscal Quarter, then payment of any deficiency or excess shall be paid on the date on which any Royalty payment in respect of such Fiscal Quarter would have been due, with interest accruing as provided in Section 3.2(e) hereof for any deficiency, as applicable.
- (c) The Payee shall pay all costs of any audit pursuant to Section 3.4(b) unless a deficiency of more than 5% of the amount calculated for the period which is being reviewed shall be determined to exist, in which case the costs of the audit shall be payable by the Payor.
- (d) All books and records used by the Payor to calculate the Royalty shall be kept at all times in accordance with IFRS.
- (e) Failure on the part of the Payee to object to any Royalty calculation or Royalty payment prior to the expiry of the Payee's right to object to such calculation shall establish the correctness and preclude the filing of exceptions thereto or making of claims for adjustment thereon, except in the event that any subsequent adjustment is made to any financial statements of the Payor or to any statement delivered by the Payor pursuant to Section 3.4(a), in which event the Payee shall be entitled to deliver a notice of objection in respect of such adjusted information and any related calculations of the Royalty for a period of six months after all information pertaining to such adjustment has been delivered to the Payee in accordance with Section 3.4(a).

- 3.5. Inspections. Upon not less than five (5) Business Days' prior notice to the Payor, the Payee, or its authorized agents or representatives, may, under the direction and control of the 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. The Payee shall also have the right to be

represented at all weighing, sampling, moisture determination and assaying. Access to the Payor's Property and associated facilities pursuant to this Section 3.5 shall be subject to the following: (i) any such access shall be at the sole risk and expense of the Payee, its representatives and its invitees; (ii) any such access shall not unreasonably interfere with the Payor's activities and operations; (iii) the Payee shall comply, and request that its representatives and invitees comply, with the policies and procedures that the Payor applies to its own invitees; (iv) the Payee shall give the Payor prompt notice of any injuries, property damage or environmental harm that may occur during such tour; and (v) the Payee shall indemnify the Payor and its Related Parties from any losses (excluding loss of profit and consequential or punitive damages) suffered or incurred by any of the Payor or its Related Parties as a consequence of injury to the Payee, or its representatives or invitees incurred during such access.

- 3.6. Annual Report; Life of Mine Plan. Not more than ninety (90) days following the end of each Fiscal Year ending after the Commercial Production Date, the Payor will provide the Payee with an annual report of Minerals mined, Minerals milled or processed, recoveries, and grades during such Fiscal 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 Fiscal Year and any changes to, or replacements of, the mine plan or any "life of mine plan" with respect to the Property. The Payor will provide the Payee with a copy of any "life of mine plan", if produced, within thirty (30) days of its approval by the Payor and any changes to, or replacements of, any such "life of mine plan" or any mine plan within thirty (30) days after such change or replacement thereof.
- 3.7. Trading Activities. The Payor may engage in Trading Activities which may involve the possible delivery of Minerals. The Parties agree that the Payee shall not be entitled to participate in the proceeds and shall not share in, or otherwise be adversely affected by, any losses generated by such Trading Activities. All profits in excess of Market Value, and all losses, arising as a result of Trading Activities, are specifically excluded from calculations of the Royalty, it being understood by the Parties that each of the Payor and the Payee may only engage in speculative hedging trading activities for its own account.
- 3.8. Accounting Principles. All computations under this Agreement shall be determined in accordance with IFRS, applied on a consistent basis.
- 3.9. Taking in Kind. The Payee may, at its option elect, upon written notice to the Payor given prior to the commencement of any particular Fiscal Quarter, to receive payment in kind of the Royalty payable in respect of such Fiscal Quarter, by delivery of Refined Products, Other Refined Products or Intermediate Products having a Market Value equivalent to the cash value of such Royalty otherwise payable, but without deduction of those Permissible Deductions, if any, that might otherwise have been applied but may be avoided by the taking-in-kind. Any election hereunder by the Payee to receive payment in kind shall continue until the Payee delivers written notice to the Payor-prior to the end of any Fiscal Quarter to cease such payment in kind.

#### **4. Commingling**

- 4.1. The Payor shall, upon prior written notice to the Payee, have the right to commingle Minerals, with ore, concentrates, minerals and other material mined and removed from other lands and property if, prior to such commingling, the Payor calculates from representative samples the average grade thereof and other measures as are appropriate, and weighs (or calculates by volume) and records all relevant information regarding such Minerals before commingling. In obtaining representative samples, calculating the average grade of the ore and average recovery percentages, the Payor may

use any procedures widely accepted in the mining and metallurgical industry which it reasonably believes are suitable for the type of mining and processing activity being conducted.

## **5. Tailings and Waste**

- 5.1. All Minerals extracted from tailings or other waste material shall be subject to the Royalty. If the Payor commingles the tailings or waste material produced from the Property with tailings and waste material not produced from the Property, the 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 such commingled tailings and waste material.

## **6. Conduct of Operations**

- 6.1. 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 Minerals 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) shall be made by the Payor, acting reasonably and in good faith and in accordance with good mining and engineering practice in the circumstances.

## **7. Insurance**

- 7.1. As soon as reasonably necessary, the 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 the Payor, the 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 the Payor and the Payee from loss, theft and destruction of severed Minerals whether on or off the Property and prior to final sale. The Payee shall, as soon as practicable after the date hereof, be named as a loss payee on all property, liability and other insurance policies held by the Payor and relating to the Property, the severed Minerals or the Royalty.

## **8. Maintenance of Property**

- 8.1. The Payor shall do all things and make all payments necessary or appropriate to maintain the right, title and interest of the Payor and the Payee in the Property and the Minerals and to maintain the Property in good standing. The 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 the Payor determines, acting reasonably, that such part or parts are not economically viable or otherwise have insufficient value to warrant continued maintenance.
- 8.2. Notwithstanding Section 8.1, the 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 the Payor, any participant in a joint venture with the Payor, or any Person with which the 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 and the Royalty shall include any such new claims

or leases.

## **9. Nature of Royalty**

- 9.1. The Royalty shall, to the extent permitted by applicable Laws, create a direct real property interest in the Property in favour of the Payee, to be satisfied in respect of any particular Minerals by the payment to the Payee of the Royalty in respect thereof, and constitutes a covenant running with the Property. All expenses associated with establishing, registering or perfecting the Royalty as a real property interest shall be for the account of the Payee.

## **10. Term**

- 10.1. 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 twenty (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.

## **11. Change in Ownership**

- 11.1. Subject to Section 13, the Payor will not 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 intended Transferee first provides an acknowledgement in writing to the Payee, in form and content to the reasonable satisfaction of the Payee, that it assumes all of the Payor's obligations hereunder as if a named Party in the first instance.
- 11.2. The Payee may 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 the Payor and the Transferee provides to the Payor an acknowledgement in writing that it assumes all of the Payee's obligations hereunder. No change or division in the ownership of the Royalty, however accomplished, shall enlarge the obligations or diminish the rights of the Payor. The Payee covenants that any change in ownership of the Royalty shall be accomplished in such a manner that the Payor shall be required to make payments and give notice to no more than one Person.

## **12. Representations and Warranties**

- 12.1. **Representations of the Payor.** The Payor represents and warrants to the Payee (and acknowledges that the Payee is relying upon such representations and warranties in entering into this Agreement) that:
- (a) the Payor is a company duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation;
  - (b) the Payor has the power and authority to enter into this Agreement and to carry out its obligations hereunder, to own its option or ownership interest in the Property and to carry on its business as presently conducted and as currently proposed to be conducted; and,

- (c) neither the execution nor delivery of this Agreement, nor the performance by it of its obligations hereunder, will conflict with or result in a breach of any terms, conditions or provisions of its incorporating documents, bylaws, directors' and shareholders' resolutions, shareholders' agreements, any applicable Law having the force of law, any contract to which it is a party, or any writ, judgment, injunction, determination or award that is binding on it;

12.2. **Representations and Warranties of the Payee.** The Payee represents and warrants to and in favour of the Payor and acknowledges and agrees that the Payor is entering into this Agreement on the basis of such representations and warranties, namely, that it has the corporate power, capacity and authority to execute, deliver and perform this Agreement and the execution, delivery and performance of this Agreement by it has been duly authorized by all required corporate action and this Agreement represents a valid and binding obligation of the Payee duly enforceable against it in accordance with its terms.

12.3. **Survival.** All representations, warranties, covenants and agreements of the Payor and the Payee set forth in this Section 13 shall survive, notwithstanding the grant of the Royalties hereunder by the Payor and any investigation made by, or on behalf of the Payee, and all such representations warranties, covenants and agreement of the Payor and the Payee shall continue in full force and effect for the benefit of the other Party during the term of this Agreement.

### **13. Indemnification**

13.1. The Payor shall indemnify and save harmless each Indemnified Party from any loss, cost or liability (including, without limitation, reasonable legal fees but excluding any loss of profit and other consequential or punitive damages) arising from a claim against such Indemnified Party in respect of:

- (a) any failure by the Payor or any Related Person to at all times comply with all applicable Laws, permits, certificates, licences and other regulatory requirements, policies and guidelines relating to the Payor, the Property or the Minerals; provided, however, the Payor will have the right to contest any of the same if such contest does not jeopardize the Property, the Minerals or the Payee's rights thereto or under this Agreement;
- (b) any failure by the 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 by or on behalf of the Payor on or with respect to the Property or required under this Agreement; or
- (c) the Payor causing, suffering, or permitting any condition or activity at, on or in the vicinity of the Property which constitutes a nuisance; or,
- (d) any breach of this Agreement by the Payor.

13.2. The Payor acknowledges that the Payee is acting as agent and trustee for and on behalf of each other Indemnified Party in relation to the Payee with respect to any rights pursuant to Section 13.1, but the Payor and the Payee agree that they may amend, terminate, revise or replace this Agreement at any time and in any manner whatsoever, notwithstanding any such rights granted pursuant hereto to any such Indemnified Party, without notice to, consent of, or any other obligation whatsoever to, such Indemnified Party.

## **14. Arbitration**

- 14.1. 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 fourteen (14) days of receipt of the notice, name its appointee as arbitrator; and
  - (c) the two arbitrators so named shall, within fourteen (14) days of the naming of the latter of them, select and appoint a third arbitrator.
- 14.2. 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 Ontario, which provisions shall be binding upon the Parties hereto with respect to the submission made under this Agreement.
- 14.3. The seat of the arbitration shall be Toronto, Ontario and the language of the arbitration shall be English.
- 14.4. Judgment may be entered on the arbitration award in a court of competent jurisdiction, including, without limitation, a court having jurisdiction of the Property, including judgment against the unsuccessful Party for the successful Party's reasonable legal fees and costs of such proceedings.

## **15. General Provisions**

- 15.1. No Grant of Additional Royalties. The Payor shall not grant to any Person, or cause or permit or allow to exist, any royalties, on or in respect of the Property, the Minerals or the Products, other than: (a) the Royalty and any other royalty granted by the Payor to the Payee; (b) royalties imposed by any federal, provincial or state Governmental Authority under applicable Laws; and (c) royalties expressly permitted by the Payee by instrument in writing.
- 15.2. Registration of Interest, Encumbrances.
- (a) The 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, title document or other Encumbrance, against title to the Property or elsewhere, and the 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 the Payee hereunder.
  - (b) The Payor agrees that it will not grant any Encumbrance against the Property or the Minerals to any Person, other than the Payee, unless prior to the granting of such Encumbrance, the party entitled to the benefit of such Encumbrance agrees to be bound by the terms of this Agreement in exercising any powers or remedies arising in connection with such Encumbrance, as if it was a Party hereto.
- 15.3. Time. Time is of the essence of this Agreement and each of the terms and conditions of this

Agreement.

- 15.4. **Public Reporting.** If the 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 the Payor will provide to the Payee in a timely fashion all such assistance and cooperation as the Payee may request to meet the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, 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 the Payee, including, without limitation, provision of technical reports, if available, by qualified persons addressed to the Payee, certificates and consents and access to data, documents and the Property.
- 15.5. **Notices.** Any notices to be given to one Party by the other may be sent by facsimile or may be personally delivered and addressed as follows:

To the Payee:

**United Gold Inc.**

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Attention: •

eMail: •

Facsimile No.: •

To the Payor:

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or at such other address as any Party hereto may from time to time designate by written notice to the other Party 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.

- 15.6. **No Implied Covenants.** There are no implied covenants or duties on the part of the Payor to the 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, the Payor is not under any obligation to explore, develop or produce Products from the Property or to continue production once commenced and the Payor has the unfettered right to suspend, curtail or terminate any such operation or activity as it in its sole discretion may determine.
- 15.7. **No Fiduciary Duties.** Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship, or a fiduciary relationship between the Payor and the Payee.
- 15.8. **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.
- 15.9. **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 Ontario.

- 15.10. Binding Effect. All covenants, conditions and terms of this Agreement shall (i) be of benefit to the Parties, (ii) to the maximum extent allowed by Law, be an interest in the Property and run as a covenant with the Property, and (iii) bind and inure to the benefit of the Parties, their respective successors and permitted assigns.
- 15.11. 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.
- 15.12. 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.
- 15.13. No Merger. The Parties intend that if the 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 the 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.
- 15.14. Assignment. This Agreement may not be assigned other than in compliance with the terms hereof.
- 15.15. Waiver. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.
- 15.16. No *Contra Proferentum*. This Agreement has been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party do not apply to the construction or interpretation of this Agreement.
- 15.17. Entire Agreement. This Agreement contains the entire agreement between Parties with respect to the Royalty, and no oral agreement, promise, statement or representation which is not contained herein shall be binding on the Parties unless subsequently reduced to writing and signed by the Parties.

***[The rest of this page blank - signature page follows]***



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

THE CORPORATE SEAL of **UNITED GOLD INC.** was hereunto affixed in the presence of:

**UNITED GOLD INC.**

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Per: •  
•

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

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Per: •  
•

**SCHEDULE A: DESCRIPTION OF PROPERTY**

**(same as in Purchase and Sale Agreement)**