

PROPERTY OPTION AGREEMENT

THIS AGREEMENT made and entered into as of the 22nd day of February 2021 (the “**Effective Date**”).

BETWEEN:

GREG MATHESON, of [address redacted]

(hereinafter referred to as the “**Optionor**”)

OF THE FIRST PART,

- and -

**EXPRESS CAPITAL CORP., of 1910-1030 West Georgia Street,
Vancouver, British Columbia, V6E 2Y3, Email:
cooper@venturefirst1.com**

(hereinafter referred to as the “**Optionee**”)

OF THE SECOND PART.

WHEREAS the Optionor holds an 100% interest in sixty-three (63) mineral claims, the claims collectively referred to as the NW Abitibi Project (the “**Property**”) as described in Schedule “A” hereto and seeks to grant the Optionee an option to acquire a 100% undivided interest in the Property and the Optionee is interested in acquiring such interest, all on and subject to a Net Smelter Returns Agreement as described in Schedule “B” and the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the premises, the mutual covenants herein set forth the parties hereto do hereby mutually covenant and agree as follows:

1. **Definitions**

The words, phrases and expressions defined in the preamble and below shall have the following meanings:

- (a) “**Agreement**” means this property option agreement;
- (b) “**Effective Date**” shall mean the date of execution of this agreement as it appears on the face page hereof;
- (c) “**Common Shares**” shall mean the Class A common shares in the capital of the Optionee;

- (d) **“Exploration Expenditures”** means every kind of work done in respect of the Property, incurred by the Operator and which include:
- (i) Carrying out, or causing to be carried out, the work of assessment, line cutting, geophysical, geochemical and geological surveys, data compilation, report preparation, studies and mapping, assaying and metallurgical testing, drilling, designing, examining, equipping, improving, surveying, trenching, shaft-sinking, raising, crosscutting and drifting, searching for, digging, trucking, sampling, working and procuring mineral products, staking and obtaining mining claims, mining leases or other exploitation titles and keeping the same in good standing, and doing all other work usually considered to be assessment, prospecting, exploration, development, pre-production, mining or reclamation work;
 - (ii) paying wages, salaries, and benefits of individuals (including consultants and contractors) engaged in such work and in supplying food, lodging, transportation and other reasonable needs of such individuals;
 - (iii) the rental and/or cost of the cost of financing of all mining plant, milling plant, buildings, site, machinery, tools, appliances and/or equipment and other related capital items that may be erected, installed or used from time to time in connection with the Work Programs;
 - (iv) making payments in respect of mining claims, mining leases and other exploitation titles and their renewal, taxes, rates, assessments or other charges levied by any governmental authority in respect of the Property; and;
 - (v) purchasing, leasing or renting plant, buildings, machinery, tools, appliances, equipment or supplies, and installing, erecting, detaching or removing any such assets on or from the Property;
- (e) **“Force Majeure”** means an event beyond the reasonable control of the Optionee that prevents or delays it from conducting the activities contemplated by this Agreement other than the making of payments referred to in Section 4 herein and other than the ability to make timely payment of its financial obligations. Such events shall include but not be limited to acts of God, war, insurrection, pandemics, action or inaction of governmental agencies, inability to obtain any environmental, operating, or other permits or approvals, authorizations or consents and inclement weather conditions. A period of Force Majeure shall commence upon written notice by the Optionee to the Optionor reasonably setting out the reasons for the Force Majeure and shall conclude upon written notice that the reasons have been remedied or have passed;
- (f) **“Option”** means the option granted by the Optionor to the Optionee to acquire an undivided 100% interest in the Property as more particularly set forth in Section 4 hereof;
- (g) **“Option Period”** shall mean the period commencing as of the Effective Date and until February 21, 2024 and during which the Option is in full force and effect as provided herein;

- (h) **"Parties"** shall mean collectively, the Optionor and the Optionee, and **"Party"** shall mean any one of them;
- (i) **"Property"** shall mean all those mineral claims located in the Province of Ontario as set forth in Schedule "A" hereto;
- (j) **"Permitted Encumbrances"** means any reservations, limitations, provisions and conditions expressed in original grants from the Crown including Crown Patents, the Province of Ontario or federal government or agencies thereof and any reservations and exceptions contained in, or implied by statute; any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the property's use of real property within the Property; encumbrances in favour of governmental authorities securing reclamation obligations of the Property; and any municipal by-laws or regulations, including First Nations rights, affecting the Property or its respective use and any other municipal land use instruments;
- (k) **"Royalty Agreement"** shall mean the net smelter return royalty agreement attached hereto as Schedule "B";
- (l) **"Work Program"** means, a program of work reasonably acceptable to both Parties in respect of the Property, contained in a written document setting out in reasonable detail:
 - (i) An outline of the Exploration Expenditures proposed to be undertaken and conducted on the Property, specifically stating the period of time during which the work contemplated by the proposed program is to be done and performed; and
 - (ii) the estimated cost of such Exploration Expenditures including a proposed budget providing for estimated monthly cash requirements in advance and giving reasonable details.

2. **Headings**

Any heading, caption or index hereto shall not be used in any way in construing or interpreting any provision hereof.

2.1 **Schedules**

The following are the exhibits attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule "A" -Description of Property

Schedule "B" - Royalty Agreement

3. **Singular, Plural**

Whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or body politic or corporate or vice versa, as the context so requires.

4. **Exercise of Option**

The Optionor hereby grants to the Optionee the sole exclusive right to earn a 100% interest in the Property exercisable upon having spent an aggregate total of \$250,000 of Exploration Expenditures on the Property, on or before February 21, 2024, or having made cash payments in lieu thereof, and having issued an aggregate 2,000,000 Common Shares from the Optionee, as per the table below.

The Optionee can accelerate the Exploration Expenditures and share issuances to earn the interest at any time and shall be entitled to make cash payments to the Optionor in lieu of the incurring the Exploration Expenditures.

Date	Exploration Expenditures	Share Issuances	Cash Payments
Within 10 days of the Effective Date	n/a	100,000 Common Shares	\$20,000
On or before 1 st Anniversary of the Effective Date	\$50,000	300,000 Common Shares	\$20,000
On or before 2 nd Anniversary of the Effective Date	\$100,000	600,000 Common Shares	\$20,000
On or before 3 rd Anniversary of the Effective Date	\$100,000	1,000,000 Common Shares	\$20,000

Grant of Royalty. Upon duly exercising the Option, the Optionee shall grant the Royalty, subject to the terms of Royalty Agreement attached hereto as Schedule "B".

5. **Transfer of Title**

Upon execution of the Agreement, the Optionor will deliver or cause to be delivered to the Optionee's solicitors a duly executed transfer of the Property in favour of the Optionee (the "**Optionee Transfer**"), to be held pending the exercise of the Option, subject to the terms and conditions of this Agreement. The Optionee shall be entitled to record the Optionee Transfer with the appropriate government offices to effect transfer of a 100% interest in the Property.

6. **Appointment of Operator**

- (a) The Optionee will be the operator on the Property (“**Operator**”) under this Agreement and will be entitled to continue to act as the Operator until the Optionee resigns as Operator or this Agreement is terminated for any reason.
- (b) The Operator will carry out the Work Programs in a sound and professional manner, in accordance with sound mining and engineering practices and other practices customary in the Canadian mining industry, and in substantial compliance with all applicable federal, provincial, state, territorial, and municipal laws, by-laws, ordinances, rules and regulations, and this Agreement.
- (c) In carrying out its duties, the Operator will:
 - (i) Complete the Work Programs as approved by the Parties;
 - (ii) pay all Exploration Expenditures properly incurred hereunder promptly and when due and, if applicable, make the proper charges to the Optionee who will upon receipt of the invoices, promptly pay the Operator;
 - (iii) keep separate records, including separate financial records, relating to all Exploration Expenditures incurred in accordance with generally accepted accounting principles, and provide Optionor with a quarterly comprehensive detailed report, with respect to Exploration Expenditures and results, within thirty (30) days of the last day of each quarter and an annual report within ninety (90) days of the end of year, maintain the Property in good standing by doing all work and/or making all payments and filing all necessary assessment reports and renewal applications on or in respect of the Property according to the *Mining Act* (Ontario);
 - (iv) keep the Property free of all liens and encumbrances (other than those in effect on the Effective Date including the Permitted Encumbrances or the creation of which is permitted by this Agreement) arising out of the carrying out of the Work Programs on the Property and, in the event of any lien being filed as mentioned, proceed with diligence to contest or discharge it;
 - (v) prosecute claims or, where a defence is available, defend litigation arising out of the carrying out of Work Programs on the Property, provided that any Party may join in the prosecution or defence at its own expense; and
 - (vi) employ and engage employees, agents, and independent contractors that it considers necessary or advisable to carry out its duties and obligations and, in this connection, to delegate any of its powers and rights to perform its duties and obligations under this Agreement.

- (d) It is not intended that the Party acting as Operator shall profit nor suffer a loss by virtue of acting in its capacity as Operator. The Exploration Expenditures do not contemplate a charge for services to be performed by the Operator's head office functions, and which include ordinary course administrative services, head office overhead, use of corporate infrastructure, and other general services provided by the Operator such as officers, in-house legal, accounting, human resources, insurances, taxes, payroll, data processing and employee benefits as well as office space and supplies. These costs will not be directly recoverable.

7. **Assignment**

During the Option Period, no Party shall sell, transfer, assign, mortgage or pledge its interest in this Agreement or its right or interest in the Property without the consent of the other Party, such consent not to be not unreasonably withheld, provided that any Party shall be permitted to assign this Agreement to an "affiliate", as that term is defined in *Canada Business Corporations Act*. It will be a condition of any assignment under this Agreement that such assignee shall agree in writing to be bound by the terms of this Agreement applicable to the assignor.

8. **Termination**

This Agreement shall forthwith terminate in circumstances where:

- (a) the Optionee fails to carry out the Exploration Expenditures required pursuant to Section 4 of this Agreement on or before the date set out herein provided that, in circumstances where the Optionee is prevented from carrying out any of the expenditures contemplated in Section 4 prior to the date set out therein due to Force Majeure, then the Optionee shall forthwith give the Optionor written notice of the commencement and termination of the said Force Majeure and thereafter such dates shall be deemed to have been extended by the period of time during which the Force Majeure remains in effect; or
- (b) the Optionee gives notice of termination to the Optionor which it shall be at liberty to do at any time after the execution of this Agreement. If and when the Optionee elects to terminate this Agreement, the Optionee is responsible for keeping the Property in good standing during the Option Period.

9. **Representations, Warranties and Covenants of the Optionor**

The Optionor represents, warrants and covenants to and with the Optionee as follows:

- (a) the Optionor is of the full age of majority in the jurisdiction in which this Agreement is executed and is legally competent to execute and deliver this Agreement, to perform all of their respective obligations hereunder, and to undertake all actions required of them as Optionor hereunder.
- (b) the Optionor has full power and authority to carry their business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;

- (c) neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party;
- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents;
- (e) the Agreement constitutes a legal, valid and binding obligation of the Optionor;
- (f) the Property is accurately described in Schedule "A", is in good standing under the laws of the jurisdiction in which it is located and is free and clear of any rights, liens or encumbrances other than Permitted Encumbrances;
- (g) the Optionor is the sole recorded and beneficial owner of the Property, as described herein and has the authority to enter into this Agreement and all necessary authority to transfer a 100% interest in the Property in accordance with the terms of this Agreement; and
- (h) upon request by the Optionee, and at the sole cost of the Optionee, the Optionor shall deliver or cause to be delivered to the Optionee copies of all available maps and other documents and data in its possession respecting the Property.

10.

Representations, Warranties and Covenants of the Optionee

The Optionee represents, warrants and covenants to and with the Optionor that:

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

11. **Indemnity and Survival of Representations**

The representations and warranties hereinbefore set out are conditions on which the Parties have relied in entering into this Agreement and shall survive the acquisition of any interest in the Property by the Optionee and each of the Parties will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.

The Optionor agrees to indemnify and save harmless the Optionee from any liability to which it may be subject arising from any Work Program carried out by the Optionor or at its direction on the Property. The Optionee agrees to indemnify and save harmless the Optionor from any liability to which it may be subject arising from any Work Program carried out by the Optionee or at its direction on the Property.

12. **Confidentiality**

The Parties hereto agree to hold in confidence all information obtained in confidence in respect of the Property or otherwise in connection with this Agreement other than in circumstances where a Party has an obligation to disclose such information in accordance with applicable securities legislation, in which case such disclosure shall only be made after consultation with the other Party; provided however that the Parties acknowledge and agree that the Optionee intends to make an application for a listing of its Common Shares on the Canadian Securities Exchange, and in connection with such application the Optionee shall be required to make public disclosures respecting this Agreement and the Property.

13. **Notice**

All notices, consents, demands and requests (collectively, the “**Communication**”) required or permitted to be given under this Agreement shall be in writing and may be delivered personally sent by telegram, by telex or telecopier, by email or by other electronic means or may be forwarded by first class prepaid registered mail to the Parties at their addresses first above written. Any Communication delivered personally or sent by telegram, telex, telecopier, email or other electronic means shall be deemed to have been given and received on the second business day next following the date of sending. Any Communication mailed as aforesaid shall be deemed to have been given and received on the fifth business day following the date it is posted, addressed to the Parties at their addresses first above written or to such other address or addresses as either Party may from time to time specify by notice to the other; provided, however, that if there shall be a mail strike, slowdown or other labour dispute which might affect delivery of the Communication by mail, then the Communication shall be effective only if actually delivered.

14. **Default**

Notwithstanding anything in this Agreement to the contrary if any Party (a “**Defaulting Party**”) is in default of any requirement (other than as set forth in Section 4) herein set forth the Party affected by such default shall give written notice to the Defaulting Party specifying the default and the Defaulting Party shall not lose any rights under this Agreement, unless thirty (30) days after the giving of notice of default by the affected Party the Defaulting Party has failed to take reasonable steps to cure

the default by the appropriate performance and if the Defaulting Party fails within such period to take reasonable steps to cure any such default, the affected Party shall be entitled to seek any remedy it may have on account of such default including, without limiting, termination of this Agreement.

15. **Payment**

All references to monies hereunder shall be in Canadian funds.

16. **Option Only**

This is an option only and except as herein specifically provided otherwise, nothing herein contained shall be construed as obligating the Optionee to do any acts or make any payments hereunder, and any act or acts or payment or payments as shall be made hereunder shall not be construed as obligating the Optionee to do any further act or make any further payment or payments, except, if applicable, for the obligation of the Optionee to make all payments owed to the Operator, for Exploration Expenditures incurred or otherwise started or for which the Operator may be liable, for and on behalf of the Optionee and forming part of the submitted Work Program.

Nothing in this Agreement shall be deemed to create a partnership or joint venture between the Parties.

17. **Proper Law and Arbitration**

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Parties hereto hereby irrevocably attorn to the jurisdiction of the Courts of British Columbia. All disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated therewith or derived therefrom, shall be referred to and finally resolved by a sole arbitrator by arbitration under the rules of the *Arbitration Act* (2020) of British Columbia.

18. **Enurement**

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

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement.

GREG MATHESON

Per: "Greg Matheson"
Authorized Signatory

EXPRESS CAPITAL CORP.

Per: "Chris Cooper"
Authorized Signatory

SCHEDULE “A”

[detailed description of the Property redacted]

SCHEDULE "B"

**NET SMELTER ROYALTY
AGREEMENT**
to the Abitibi NW Claims Option Agreement

THIS AGREEMENT made as of the ____ day of _____, _____

BETWEEN:

GREG MATHESON, of [address redacted]

(hereinafter referred to as the "Grantee")

OF THE FIRST PART,

- and -

**EXPRESS CAPITAL CORP., of 1910-1030 West Georgia Street,
Vancouver, British Columbia, V6E 2Y3**

(hereinafter referred to as the "Grantor")

OF THE SECOND PART.

WHEREAS upon the transfer to the Grantor of a one-hundred percent (100%) undivided interest in and to the Property (as hereinafter defined) pursuant to an option agreement dated Feb 22, 2021 (the "**Option Agreement**"), and as partial consideration for such transfer, the Grantor has agreed to grant the Grantee certain royalties all on and subject to the terms and conditions hereinafter contained.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT for good and valuable consideration the receipt and sufficiency whereof being acknowledged by each of the parties hereto, the parties hereto do hereby covenant and agree as follows:

1. DEFINITIONS

1.1 In this Agreement, including in the recitals hereto, the following terms shall have the following meanings:

- (a) "**Affiliate of the Grantor**" means any person, partnership, venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by, or is under common control with, the Grantor;

- (b) **"Agreement", "this Agreement", "hereto", "hereof", "herein", "hereunder", "hereby"** and similar expressions refer, unless otherwise expressly stated, to this Agreement, including the recitals and any schedules or appendices hereto, as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, and not to any particular article, section, subsection, subparagraph or other subdivision hereof;
- (c) **"Effective Date"** shall mean the date of execution of this Agreement as it appears on the face page hereof;
- (d) **"Gross Value"** shall mean the consideration actually received by the Grantor from the sale or other disposition of Minerals, provided that where the Grantor's sale or disposition is based upon a contract for the sale of Minerals that fixes a selling price for metals on other than a market price of the product on the date of delivery to the purchaser (less deductions normally negotiated as a part of such contracts), specifically including without limitation, forward sales, futures trading or commodity options trading and any other price hedging, price protection and speculative arrangements not involving physical delivery of Minerals produced from ores mined from the Property, Minerals shall be deemed to have been sold only at the time that refined metal attributable to such Minerals is physically delivered by the Grantor in satisfaction of such commitments. Gross Value of Minerals shall be based on the contained metal value of the Minerals actually delivered, calculated by dividing the sum of all such prices reported for each respective metal on each day of the calendar month by the number of days for which such prices were reported for the month in which the sale occurred, as such prices are quoted on the London Metal Exchange (LME) p.m. fix. The Royalty payable to the Grantee shall be based upon such Gross Value, net of the deductions more fully set forth below. In the event of cessation or suspension of quotations for a period of more than five (5) consecutive days in a given month, the parties hereto shall agree on a reputable substitute quotation mechanism for each affected metal. If the Grantor terminates or "buys-back" any of such price protection arrangements without actual physical delivery of Minerals, the Grantee shall not share in any profits or losses therefrom;
- (e) **"Interest"** shall have the meaning set forth in Section 4;
- (f) **"Interest Transfer Acceptance Notice"** shall have the meaning set forth in Section 4;
- (g) **"Interest Transfer Notice"** shall have the meaning set forth in Section 4;
- (h) **"Minerals"** shall mean raw ores, concentrates, precipitates, leach liquor, metals, ore and mineral materials of every kind and character and all other naturally-occurring products contained within the Property which are sold by the Grantor to third parties (including sand and gravel and other common non-metallic materials);

(i) **"Net Returns"** shall mean the Gross Value received by the Grantor from the sale or other disposition of Minerals, less the following expenses incurred by the Grantor with respect to such Minerals after they leave the Property, as the case may be:

- (i) actual charges for treatment in the smelting and refining process (including handling, assaying, processing, penalties, impurity charges, metal losses and other processor deductions);
- (ii) actual sales, marketing and brokerage costs;
- (iii) any sales, severance, gross production, privilege or similar taxes assessed on or in connection with the sale or other disposition of Minerals, except any income taxes, either Federal or Provincial, based on the value of the Minerals; and
- (iv) actual costs of transportation (including freight, insurance, security charges, transaction taxes, import and export duties, levies, imposts, handling, port, demurrage, delay, stowage and forwarding expenses incurred by reason of or in the course of such transportation) of such Minerals, to the mill, smelter or other purchaser, user or customer.

The Grantor shall be permitted to sell concentrates in the form usually commercially marketable to an Affiliate of the Grantor provided that such sales shall be considered, solely for the purpose of computing Net Returns, to have been sold at prices and on terms no less favourable than those which would be extended to an unaffiliated third party in a *bona fide* arm's length transaction under similar circumstances. Similarly, if the Grantor or an Affiliate of the Grantor incurs costs that are deductible or treats the Minerals in a smelter that the Grantor or the Affiliate of the Grantor owns or controls, the Grantor or the Affiliate of the Grantor may deduct treatment charges and costs, but only to the extent they are no more than the amount that the Grantor or the Affiliate of the Grantor would have charged an unaffiliated third party in a *bona fide* arm's length transaction under similar circumstances;

- (j) **"Offer"** shall have the meaning set forth in Section 4;
- (k) **"Place of Delivery"** means the place directed by the Grantee, in writing;
- (l) **"Produced"** shall mean the mining, saving, extraction from the soil or other creation of a marketable product containing Minerals from the Property;
- (m) **"Property"** shall mean the map staked mineral claim cells as further described in Schedule "A" hereto;
- (n) **"Royalty"** means an aggregate two-percent (2%) of Net Returns from the Property;

- (o) **"Transfer"** when used as a verb, shall mean to sell, grant, assign, encumber, pledge or otherwise commit or dispose of, directly or indirectly, including through mergers, consolidations or asset purchases. When used as a noun, **"Transfer"** shall mean a sale, grant, assignment, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, consolidations or asset purchases;

2. ROYALTY INTEREST

The Grantor does hereby grant the Royalty to the Grantee in perpetuity, subject to the terms and conditions of this Agreement. The Royalty shall run with the Property, and shall be registered by the Grantee against title to the Property.

3. GRANTOR'S OPERATIONS

- (a) **Further Processing.** The Grantor may, but is not obligated to, benefit, mill, sort, concentrate, refine, smelt or otherwise process or upgrade the Minerals Produced from ores mined from the Property prior to sale, transfer, or conveyance to a purchaser, user or consumer other than the Grantor. The Grantor shall not be liable for mineral values lost in such processing except for losses resulting from the bad faith or gross negligence of the Grantor.
- (b) **Weighing and Sampling - Commingling.** All ores, materials or products containing Minerals shall be weighed or measured, sampled and analyzed in accordance with the Grantor's standard mining and metallurgical practices. After such weights, measurements or samples are taken, at its discretion, the Grantor may mix or commingle such ores, materials or products with ores, materials or products from other properties or sources.
- (c) **Information to Grantee.** All payments of the Royalty hereunder shall be accompanied by a smelter settlement sheet or other evidence of sale indicating the weight of materials received, contained mineral values and a statement of the Grantor as to the deductions made. If no Royalty is due to the Grantee for any pay period, the Grantor shall nonetheless provide the Grantee with a statement showing in reasonable detail the quantities of Minerals Produced from the Property.
- (d) **Mining Methods - No Implied Covenants.** The Grantor shall have the sole and exclusive right to determine the timing and the manner of any production from the Property and all related exploration, development, operational and mining activities. Nothing in this Agreement shall require the Grantor to explore, develop or mine or continue operations on the Property or to process ores from the Property. The Grantor shall not be responsible for nor be obliged to make any Royalty payments for values lost in any mining or processing of the Minerals conducted pursuant to customary mining practices. The Grantor shall not be required to mine or to preserve or protect the

Minerals which under customary mining practices cannot be mined or shipped at a reasonable profit at the time mined.

- (e) **Retention of Inventory.** The Grantor may, but is not obligated to, retain ore or treated ore products containing Minerals as inventory for any length of time and for any reason. At the Grantee's reasonable request, the Grantor shall deliver to the Grantee a monthly statement of such inventory, but the Grantee shall have no right to any Royalty payments until the Grantor actually delivers and sells the Minerals. Raw Minerals stockpiles are not subject to the Royalty until treated and the products are delivered and sold.

4. ROYALTY TRANSFER

The Grantee shall not have the right to Transfer the Royalty and/or its rights under this Agreement other than in accordance with the provisions of this section. The Grantee shall only be permitted to: (i) Transfer all (but not less than all) of its interest in the Royalty and this Agreement (collectively, the "**Interest**"); (ii) complete the Transfer with a *bona fide* third party; and (iii) if and only if the Grantee shall have first complied with the provisions of this Section 4. If the Grantee shall determine that they shall seek to Transfer their Interest, such Grantee shall provide thirty (30) days advance notice in writing to such effect to the Grantor (the "**Interest Transfer Notice**"). The Interest Transfer Notice shall: (a) set out the purchase price to be paid for the Interest and the mode of payment of the consideration; (b) set out the anticipated closing date and all other pertinent terms and conditions appertaining to the Transfer of the Interest; and (c) shall contain an offer to the Grantor to purchase the Interest upon such foregoing terms and conditions (the "**Offer**"). If the Grantor shall seek to accept the Offer, the Grantor shall send a written notice to such effect (the "**Interest Transfer Acceptance Notice**") to the Grantee within ten (10) days after the delivery of the Interest Transfer Notice to the Grantor, failing which, the Grantor shall be deemed to have refused the Offer. If the Grantor shall have duly delivered the Interest Transfer Acceptance Notice, closing of the Transfer of the Interest shall be consummated in accordance with the terms and conditions of the Interest Transfer Notice. If the Grantor refuses or is deemed to have refused the Offer, the Grantee shall have the right to Transfer the Interest to a bona fide third party on the same terms and conditions set forth in the Interest Transfer Notice; if closing does not occur within forty-five (45) days of the date of the Interest Transfer Notice or if the terms and conditions of the Transfer and the Offer shall be different than those set forth in the Interest Transfer Notice, the Grantor's rights under this section shall be revived. The Grantee shall be entitled to transfer their respective Interest for financing purposes or otherwise only upon receiving the written consent of the Grantor, such consent not to be unreasonably withheld.

5. PARTIAL PURCHASE OF ROYALTY

Any time following the grant of the Royalty and with a minimum of thirty (30) days prior written notice to the Grantee (the "**Reduction Notice**"), the Grantor shall have, in its sole discretion, the right and option to purchase one percent (1.0%) of the Royalty (such that the remaining Royalty shall be reduced to 1.0% of Net Returns) for a price equal to \$1,000,000 (the "**Reduction Price**") payable to the Grantee. Closing shall occur within fifteen (15) days of the date of delivery of the Reduction Notice to the Grantee. In exchange for the Reduction Price, the Grantee shall deliver to

the Grantor an executed quitclaim or deed of release in respect of one percent (1.0%) of the Royalty, in form and substance satisfactory to the Grantor, which document shall constitute an amendment of this Agreement, to specifically provide for the Royalty reduction. For greater certainty and without limitation, any theretofore made payments of the Royalty shall not be refunded by the Grantee to the Grantor and the reduction in Royalty payments shall apply only on a going forward basis.

6. PAYMENT OF ROYALTY

- (a) **Frequency of Payment of Royalty.** The Royalty shall be due and payable within thirty (30) days after the end of each calendar quarter in which the Gross Value accrues. The Grantee shall not have the right to take its Royalty "in kind".
- (b) **Method of Making Payments.** All Royalty payments required to be made hereunder shall be mailed, delivered to the Place of Delivery or paid by direct deposit to each Grantee's bank account.
- (c) **Records and Inspection.** All books and records used by the Grantor to calculate the Royalty shall be kept in accordance with generally accepted accounting principles. The Grantee may, upon reasonable notice to the Grantor, inspect such books and records used to calculate the Royalty. No inspections taken hereunder shall be in derogation of the Grantee's right to make objections as described in Section 6(d).
- (d) **Objections.** All Royalty payments shall be considered final and in full satisfaction of all obligations of the Grantor with respect thereto, unless the Grantee give the Grantor written notice describing and setting forth a specific objection to the calculation thereof within one hundred eighty (180) days after receipt by the Grantee of the quarterly statement provided for herein. If an audit of production records is timely requested by the Grantee, then for up to a period of ninety (90) days following receipt of the Grantee's objection, such audit shall be performed of the Grantor's records and accounts relating to the Royalty calculation by an independent certified public accountant acceptable to the Grantor at reasonable times and upon reasonable notice to the Grantor. If such audit determines that there has been a deficiency or an excess in the payment made to the Grantee such deficiency or excess shall be resolved by adjusting the next quarterly Royalty payment due hereunder. The Grantee shall pay all costs of such audit unless a deficiency in the payment made to the Grantee is greater than five percent (5%) of the Royalty determined to exist, in which event the Grantors shall pay such costs. Failure on the part of the Grantee to make claim on the Grantor for adjustment in the onehundred eighty (180) day period referenced above shall conclusively establish the correctness of the statement and preclude the filing of exceptions thereto or the making of any claim for adjustment thereon for the calendar quarter in question.
- (e) **Application to Reprocessed and Other Materials.** If the Grantor reprocesses any mill tailings or any residues from the Property, the Royalty shall be payable only upon any Minerals recovered therefrom. The Grantee shall not be entitled to any royalties on ores or minerals produced from other properties which are otherwise processed at the Property by the Grantor.

7. NOTICES

All notices required or permitted to be given hereunder shall be given in writing and shall be sent by the parties by registered or certified mail, telex, facsimile transmission or by express delivery service to the address set forth below or to such other address as either party may later designate by like notice to the other:

- (i) to the Grantor at:

**EXPRESS CAPITAL CORP.,
1910-1030 West Georgia Street,
Vancouver, British Columbia,
V6E 2Y3**

Attention: Chris Cooper (CEO)

Email: cooper@venturefirst1.com

- (ii) to the Grantee at:

GREG MATHESON
[address redacted]

Attention: Greg Matheson

Email: *[email address redacted]*

All notices required or permitted to be given hereunder shall be deemed to have been given upon the earliest of: (i) actual receipt; (ii) acknowledgment in any form of receipt of telex, email or facsimile transmission; (iii) the business day next following deposit with an express delivery service, properly addressed; or (iv) 72 hours after deposit with Canada Post, properly addressed with postage prepaid. Any party may change its address from time-to-time by notice to the other party hereunder.

8. INTERPRETATION

- (a) **Governing Law.** This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (b) **Performance.** The failure of the Grantee or the Grantor to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Grantee's or the Grantor's right thereafter to enforce any provision or exercise any right hereunder. A waiver of any provision of this Agreement shall not be effective unless in writing and signed by the party against whom it is to be enforced.
- (c) **Invalidity of Provisions.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.
- (d) **Enurement.** This Agreement shall be binding on and shall enure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and permitted assigns of the Grantee and the Grantor.
- (e) **Currency.** Unless explicitly indicated otherwise, all dollar amounts or "\$" referred to in this Agreement are in lawful currency of Canada.

9. GENERAL

- (a) **Modifications in Writing.** No modification or amendment of this Agreement shall be valid unless made in writing and duly executed by the Grantee and the Grantor.
- (b) **Recording.** This Agreement may be recorded by the Grantee or the Grantor

to give record notice of this Agreement.

- (c) **No Prior Agreements.** This Agreement and the Option Agreement contains the entire understanding of the Grantee and the Grantor and supersedes all prior agreements and understandings between the Grantee and the Grantor relating to the subject matter hereof.
- (d) **Counterparts.** This Agreement may be executed in several counterparts by original or telefacsimile signature, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same document.

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement.

GREG MATHESON

Per: _____
Authorized Signatory

EXPRESS CAPITAL CORP.

Per: _____
Authorized Signatory

SCHEDULE “A”

[detailed description of the Property redacted]