

## OPTION AGREEMENT

THIS AGREEMENT is executed and made effective the 4<sup>th</sup> day of February, 2022 (the “**Execution Date**”).

BETWEEN:

**DEAN FRASER**, an individual, having an address at [redacted]

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

AND:

**WEST MINING CORP.**, a company incorporated under the laws of British Columbia, of 3501-1055 Dunsmuir Street, Vancouver BC, V7X 1H7

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

WHEREAS:

A. The Optionor is the legal, beneficial and registered holder of a 100% undivided right, title and interest in and to the Blue Cove Copper Property covering 232 claims (5,800 hectares) located near Terrenceville, Newfoundland, as more particularly described in Schedule “A” hereto (the “**Property**”);

B. The Optionor wishes to grant to the Optionee and the Optionee wishes to acquire an option (the “**Option**”) to acquire up to a 100% interest in the Property; and

C. The parties hereby wish to enter into this Option Agreement with respect to the Option and the Property to formalize the parties' respective interests and ongoing rights and obligations subject to the terms and conditions herein.

**NOW THEREFORE**, this Option Agreement witnesses that for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Optionee and the Optionor agrees as follows:

### ARTICLE 1 INTERPRETATION

- 1.1 Number and gender.** Words importing the singular number shall include the plural and vice versa; words importing gender (or the lack thereof) shall include all genders of lack thereof interchangeably; and words importing persons shall include corporations and other business enterprises and vice versa.
- 1.2 Currency.** Unless otherwise expressly stated, all references to currency in this Option Agreement are references to lawful currency of Canada.
- 1.3 Headings.** The use of headings in this Option Agreement and the schedules hereto are solely for ease of reference and shall not affect the interpretation or the construction of any provision hereof.

- 1.4 References.** Unless otherwise stated, a reference to an Article, Section or other organizational division shall refer to the respective Article, Section or other organizational division of this Option Agreement.

## **ARTICLE 2 OPTION**

- 2.1 Option Grant.** The Optionor hereby grants to the Optionee the Option.
- 2.2 Option Terms.** In order to exercise the Option and acquire an undivided 100% interest in the Property, the Optionee shall be required to meet the following conditions on or before the dates specified below (the “**Earn-In Conditions**”):
- (a) on the Execution Date or as soon as practicable thereafter, the Optionee shall make an initial cash payment of \$10,000 to the Optionor and shall issue 250,000 common shares of the Optionee (each, a “**Share**”) to the Optionor;
  - (b) on the first anniversary of the Execution Date, the Optionee shall make a further cash payment of \$20,000 to the Optionor and shall issue an additional 300,000 Shares to the Optionor;
  - (c) on the second anniversary of the Execution Date, the Optionee shall make a further cash payment of \$30,000 to the Optionor and shall issue an additional 400,000 Shares to the Optionor;
  - (d) on the third anniversary of the Execution Date, the Optionee shall make a further cash payment of \$100,000 to the Optionor and shall issue an additional 750,000 Shares to the Optionor;
  - (e) the Optionee shall make an aggregate of \$750,000 in exploration expenditures on the Property over a four year option period, as follows:
    - i. a minimum of \$100,000 in exploration expenditures by the first anniversary of the Execution Date;
    - ii. a minimum of \$100,000 in additional exploration expenditures (for an aggregate of \$200,000 in exploration expenditures) by the second anniversary of the Execution Date;
    - iii. a minimum of \$250,000 in additional exploration expenditures (for an aggregate of \$450,000 in exploration expenditures) by the third anniversary of the Execution Date; and
    - iv. a minimum of an aggregate of \$750,000 in exploration expenditures by the fourth anniversary of the Execution Date.
- 2.3 Shares.** Any Shares issued by the Optionee to the Optionor under this Option Agreement will be subject to statutory hold periods and, if applicable, escrow provisions in accordance with applicable securities laws and the policies of the Canadian Securities Exchange (the “**CSE**”).

- 2.4 Earning of 100% Interest and Transfer of Title.** On the Optionee satisfying the Earn-In Conditions, the Optionee will have exercised the Option and acquired a 100% undivided right, title and interest in and to the Property, subject only to the Royalty (as hereinafter defined), and will give written notice to the Optionor to that effect. Promptly following the exercise by the Optionee of the Option with respect to the Property, the Optionor will take all necessary actions to transfer and quit claim its interests in the Property and record in the name of the Optionee a 100% undivided legal and beneficial interest in and to the Property, subject to the Royalty, in accordance with applicable laws.
- 2.5 Royalty.** On the Optionee successfully exercising the Option, the Optionee shall grant to the Optionor a 3.0% net smelter return royalty on the Property (the “**Royalty**”) in accordance with a net smelter return royalty agreement (the “**NSR Royalty Agreement**”) to be entered into by the Optionor and the Optionee at such time. The Optionee shall have the right to repurchase one-third (1.0%) of the Royalty from the Optionor for \$1,000,000 at any time, in accordance with the terms and conditions of the NSR Royalty Agreement.

### **ARTICLE 3 MATTERS RELATING TO THE PROPERTY**

- 3.1 Possession and working right.** During the currency of the Option, the Optionee shall be the exclusive operator of the Property and shall have the exclusive working right to enter on, have exclusive and quiet possession thereof and conduct exploration, prospecting, development and any other operations on the Property as the Optionee in its sole discretion may decide, including but not limited to the right:
- (a) to erect, bring and install on the Property all buildings, plant, machinery, equipment, tools, appliances or supplies as the Optionee shall deem necessary and proper; and
  - (b) to remove from the Property reasonable quantities of rocks, minerals, ores, metals, diamonds and other gems, and to transport them for the purposes of sampling, metallurgical testing and assaying.
- 3.2 Conduct of operations.** All operations conducted by the Optionee shall be in accordance with good exploration, development, mining and reclamation practice, and in compliance with all applicable legislation.
- 3.3 Service Providers.** The Optionee shall permit RDF Consulting Ltd. to bid to provide logistical support, prospecting, geological and geophysical services related to any exploration to be conducted on the Property by the Optionee to meet the Earn-In Conditions. In consideration of any such bid, the Optionee, acting reasonably, will take into account comparative rates, availability and qualifications of RDF Consulting Ltd. and any other potential service providers, provided however that the Optionee, in its sole discretion, shall have the right to select any service providers for exploration on the Property.
- 3.4 Maintenance of Property.** During the currency of the Option, the Optionee shall maintain the Property in good standing; shall prepare and file the annual assessment reports in cooperation with the Optionor, to comply with applicable assessment requirements. The Optionor shall pay all taxes, assessments and other charges lawfully levied or assessed against the Property. The Optionor shall promptly transmit to the Optionee any and all notices pertaining to any and all taxes, assessments and other charges lawfully levied or assessed against the Property, and the Optionee shall reimburse

the Optionor for any and all costs associated with the applicable reports and filings within 30 days of receiving such notice.

**3.5 Records and Further Assurances.** Upon execution of this Option Agreement, the Optionor shall make available to the Optionee all available technical data, geotechnical reports, maps, digital files and other data with respect to the Property, provide all such consents or other documentation and do all such things as may be reasonably requested by the Optionee in connection with completing the transactions contemplated under this Option Agreement.

**3.6 Area of Interest.**

- (a) Following the Execution Date, if a party (the “**Offeror**”) acquires directly or indirectly or pursuant to any third party agreement, any mining claim, lease, license or other form of interest in minerals, or surface or water rights (an “**After-Acquired Property**”) located wholly or in part within two kilometers of the outer boundary of the Property (the “**Area of Interest**”), the Offeror will promptly (and in any event within 30 days after such acquisition) offer to the other party (the “**Offeree**”) that such interest shall form part of the Property for all purposes of this Option Agreement by providing notice in writing setting out the nature of such After-Acquired Property and including all information known by the Offeror about such After-Acquired Property, the Offeror’s acquisition costs and all other details relating thereto. Within 60 days from the date of the receipt of such notice, the Offeree may accept that such After-Acquired Property shall form part of the Property for all purposes of this Option Agreement by notice in writing to the Offeror.
- (b) If the Offeree elects by notice in writing to make the After-Acquired Property part of the Property and to be subject to this Option Agreement, then the After-Acquired Property shall form a part of the Property for all purposes of this Option Agreement.
- (c) If the Offeree does not give notice of its intent to accept the After-Acquired Property within the 60 day time period noted in section 3.6(a), the Offeree shall not have any interest in the After-Acquired Property and the After-Acquired Property shall not be a part of the Property or otherwise be subject to this Option Agreement.
- (d) If the Optionee is the Offeree and elects to make the After-Acquired Property part of the Property and to be subject to this Option Agreement, the Optionee shall reimburse the acquisition costs of the Optionor for acquiring such interest.
- (e) All costs of acquisition of an After-Acquired Property made subject to this Option Agreement shall be considered exploration expenditures made by the Optionee towards fulfillment of the Earn-In Conditions.

**ARTICLE 4  
REPRESENTATIONS AND WARRANTIES**

**4.1 Optionor’s representations and warranties.** The Optionor hereby represents and warrants to the Optionee that:

- (a) the Optionor is, and during the term of the Option, will be the legal, registered and beneficial holder of 100% undivided interest in the Property, free and clear of any and all defects, charges, liens and encumbrances of any nature or kind whatsoever, whether written or oral, direct or indirect;

- (b) the Optionor (i) has not transferred or encumbered, (ii) has not agreed to transfer or encumber, and (iii) will not agree to transfer or encumber all or any of its right, title or interest in and to the Property, except as provided for in this Option Agreement;
- (c) the Property has been duly and validly staked, located and recorded in accordance with the applicable laws, and is in good standing, free and clear of all assessments, charges, liens and encumbrances of any nature or kind whatsoever, whether written or oral, direct or indirect;
- (d) there are no actions, suits, claims, proceedings, litigation or investigations pending, or to the best of the Optionor's knowledge after due investigation, threatened, or any judgments outstanding and unsatisfied, against or affecting, any part or all of the Property;
- (e) no other person has any agreement or other right to acquire any interest in the Property;
- (f) there is no existing, contemplated or threatened governmental prohibition or moratorium on exploration or development work on the Property;
- (g) conditions on and relating to the Property and all previous work or operations conducted by the Optionor thereon are in compliance with all applicable laws, regulations or orders relating to environmental matters including, without limitation, waste disposal and storage and neither the Optionor, nor to its knowledge any person, has received any notice of any breach of any such laws, and it has no knowledge of any facts which would lead a well-informed operator in the mining industry to believe there are any environmental liabilities associated with the Property, and there are no environmental audits, evaluations, assessments or studies relating to the Property;
- (h) to the best of the Optionor's knowledge, information and belief, there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property and the conduct of operations related thereto, it has not received any notice of the same and it is not aware of any basis on which any such order or direction could be made;
- (i) full and complete copies of all available exploration information and data, including all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) concerning the Property in its possession or control have been provided to the Optionee;
- (j) the Optionor has the full and undisputed capacity, right and authority to enter into and deliver this Option Agreement, to perform and observe the covenants and conditions on its part to be performed and observed herein, and to deal with the Property as provided for in this Option Agreement;
- (k) neither the execution nor delivery of this Option Agreement, nor the performance or observance of the provisions hereof, will conflict with or result in the violation, contravention or breach of, or constitute or result in a default under:
  - (i) any of the terms and provisions of any law applicable to the Optionor; or
  - (ii) any agreement, written or oral, to which the Optionor may be a party or by which the Optionor or may be bound;

- (l) this Option Agreement has been duly executed and delivered by the Optionor and it constitutes a valid, legal and binding agreement enforceable against the Optionor in accordance with its terms;
- (m) the Optionor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada); and
- (n) the Optionor is not aware of any material fact or circumstance which has not been disclosed to the Optionee, which should be disclosed in order to prevent the representations and warranties in this section from being misleading or which may be material in the Optionee's decision to enter into this Option Agreement.

**4.2 Optionee's representations and warranties.** The Optionee represents and warrants to the Optionor that:

- (a) it is a company duly and validly subsisting under the laws of British Columbia, and all necessary approvals of its directors and officers, and any further approvals that may be required in connection therewith, have been or will have been obtained to authorize the entering into and delivery of this Option Agreement and the taking of all actions required pursuant hereto by the Optionee;
- (b) it has the full and undisputed power, right and authority to enter into and deliver this Option Agreement, to perform and observe the covenants and conditions or its part to be performed and observed herein, and to deal with the Property as provided for in this Option Agreement;
- (c) all Shares to be issued hereunder shall be duly and validly issued as fully paid and non-assessable common shares in the capital of the Optionee;
- (d) the Optionee is a reporting issuer within the meaning of applicable securities laws in the Provinces of British Columbia, Alberta and Ontario and is not in default of any material requirement under applicable securities laws. No delisting, suspension of trading in or cease trading order with respect to any securities of the Optionee and, to the knowledge of the Optionee, no inquiry or investigation (formal or informal) of any applicable securities regulatory authority, is in effect or ongoing or, to the knowledge of the Optionee, expected to be implemented or undertaken. The Shares are listed and posted for trading on the CSE, and the Optionee is in compliance in all material respects with all requirements of the CSE;
- (e) the Optionee is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and no proceedings are pending for and the Optionee is not aware of any basis for the institution of any proceedings leading to the dissolution or winding-up of the Optionee or the placing of it into bankruptcy or subject to any other laws governing the affairs of insolvent persons nor is there any basis therefor;
- (f) neither the execution nor delivery of this Option Agreement, nor the performance or observance of the provisions hereof, will conflict with or result in the violation, contravention or breach of, or constitute or result in a default under:
  - (i) any of the terms and provisions of any law applicable to the Optionee;

- (ii) any agreement, written or oral, to which the Optionee may be a party or by which the Optionee is or may be bound; or
- (iii) the constating documents of the Optionee or of any resolution of its directors or shareholders;
- (g) this Option Agreement has been duly executed and delivered by the Optionee and it constitutes a valid, legal and binding agreement enforceable against the Optionee in accordance with its terms; and
- (h) the Optionee is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

## **ARTICLE 5 DEFAULT AND TERMINATION**

- 5.1 Event of Default and Termination by Optionor.** If the Optionee shall be in default in satisfying any of the Earn-In Conditions within the times required under section 2.2 hereof, the Optionor shall have the right to terminate this Option Agreement if written notice of such default has been provided by the Optionor to the Optionee and such default has not been rectified within 30 days from the date of receipt of such notice by the Optionee.
- 5.2 Termination by Optionee.** The Optionee shall be entitled to terminate this Option Agreement without further liability at any time by giving 30 days written notice of termination to the Optionor but shall forfeit all payments made up to the date of termination.
- 5.3 Optionee's Responsibilities on Termination.** If this Option Agreement is terminated prior to the Optionee earning an interest in the Property hereunder:
- (a) the Optionee shall remove from the Property, within three (3) months of the effective date of termination, all exploration, mining and other facilities erected, installed or brought upon the Property by or at the instance of the Optionee, and any exploration, mining or other facilities remaining on the Property after the expiration of such six (6) month period shall, without compensation to the Optionee, become the property of the Optionor;
  - (b) if this Option Agreement is terminated for any reason other than material breach of this Option Agreement by the Optionor, on the request of the Optionor, the Optionee shall allow the Optionor, at the Optionor's risk, cost and expense, to take possession of all drill cores and cuttings and assay pulps produced from the Property by the Optionee; and
  - (c) if this Option Agreement is terminated for any reason other than material breach of this Option Agreement by the Optionor, the Optionee shall leave the claims comprising the Property in good standing under applicable laws, rules and regulations for at least one full year following such termination.

## **ARTICLE 6 INDEMNITIES**

- 6.1 Mutual Indemnity.** Each party hereto shall and does hereby indemnify and save harmless the other party, as well as the others' directors, officers, employees, servants, agents, contractors and shareholders, from and against any and all claims, demands, actions, suits, proceedings, liabilities,

losses, damages, costs, expenses, fees, fines, penalties, interests and deficiencies of any nature or kind whatsoever arising by virtue of or in respect of any inaccuracy, misstatement, misrepresentation, act or omission made by such party in connection with any matter set out herein, and any and all claims, demands, actions, suits, proceedings, liabilities, losses, damages, costs, expenses, fees, fines, penalties, interests and deficiencies of any nature or kind whatsoever related or incidental thereto.

**6.2 Survival of Indemnities.** Notwithstanding any other provision of this Option Agreement, the indemnities provided herein shall remain in full force and effect until all possible liabilities of the persons indemnified thereby are extinguished by the operation of law and will not be limited to or affected by any other indemnity obtained by such indemnified persons from any other person.

**6.3 No Waiver.** No investigation made by or on behalf of either of the parties hereto at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other party herein or pursuant hereto. No waiver by either of the parties hereto of any provision herein, in whole or in part, shall operate as a waiver of any other provision herein.

## **ARTICLE 7 GENERAL**

**7.1 Notices.** All notices, communications and other documents required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by prepaid registered mail or electronic mail (with confirmed receipt) to the recipient as follows:

(a) in the case of the Optionor: Dean

Fraser

[redacted]

Email: [redacted]

(b) in the case of to the Optionee:

West Mining Corp.

3501-1055 Dunsmuir Street

Vancouver BC V7X 1H7

Attention : Nick Houghton Email:

[nick@westminingcorp.com](mailto:nick@westminingcorp.com)

and shall be deemed to be validly given and received (i) if personally delivered or sent by electronic mail (with confirmed receipt), on the date of delivery if delivered during normal business hours and on the next business day following the date of delivery or transmission if delivered or transmitted after normal business hours; and (ii) if sent by prepaid registered mail, on the date which is five (5) business days after the date of mailing excluding all days in which postal service is disrupted. Either party may from time to time change its address by notice to the other in accordance with this section.



- 7.2 Entire Agreement.** This Option Agreement sets forth the entire agreement between the parties, and any persons who have in the past or who are now representing either of the parties, with respect to the subject matter hereof and supersedes all prior communications, understandings and agreements between the parties or any of them with respect to the subject matter hereof.
- 7.3 Further Assurances.** Each party hereto agrees to execute and deliver, or cause to be executed and delivered, such further instruments and assurances, and to do such further acts and things, as may be necessary or desirable to give effect to this Option Agreement, including but not limited to such as may be required for registering or recording changes in the ownership interests in the Property.
- 7.4 Assignment.** During the currency of the Option, neither of the parties may assign or otherwise transfer all or part of its interest in and to this Option Agreement to any third party without prior consent of the other party, which consent shall not be unreasonably withheld. Any assignment shall be subject to the assignee entering into an agreement, in form and substance satisfactory to counsel for the other party, to be bound by this Option Agreement.
- 7.5 Encumbrances.** During the currency of the Option, the parties shall not pledge, mortgage, charge or otherwise encumber their rights and obligations under this Option Agreement or their beneficial interest in and to the Property without the consent of the other party, which consent shall not be unreasonably withheld.
- 7.6 Enurement.** This Option Agreement shall enure to the benefit of and be binding on the parties and their respective executors, heirs, administrators, successors and permitted assigns.
- 7.7 Confidentiality.** The parties agree to maintain the highest level of confidentiality with respect to this Option Agreement and all matters relating to the Property, except for matters required to be publicly disclosed by law or the rules or policies of any regulatory authority, stock exchange or quotation system.
- 7.8 Governing law.** This Option Agreement and the rights and obligations and relations of the parties shall 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 agree that the courts of British Columbia shall have sole jurisdiction to entertain any action or other legal proceedings based on any provisions of this Option Agreement, and the parties agree to attorn to the jurisdiction of such courts.
- 7.9 Construction.** Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship thereof.
- 7.10 Counterparts and delivery.** The parties may execute this Option Agreement in counterparts and deliver same by email or other form of electronic transmission capable of producing a printed copy. Each counterpart so executed and delivered will be deemed to be an original, will constitute one and the same instrument, and, notwithstanding the date of execution, will be deemed to be executed as of the date first set forth above.
- 7.11 Time.** Time shall be of the essence hereof.

*[Remainder of the page intentionally left blank.]*

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

"Dean Fraser"  
**DEAN FRASER**

**WEST MINING CORP.**

By: "Nick Houghton"  
Authorized Signatory

## **SCHEDULE "A"**

### **DESCRIPTION OF THE PROPERTY**

The Property consists of 232 claims covering a 5,800 hectare area near Terrenceville, Newfoundland, represented by Licence 026165M and registered in the Optionor's name, as further described on the map set forth below: [map redacted]

## SCHEDULE "B"

### NET SMELTER RETURN ROYALTY AGREEMENT

THIS NSR ROYALTY AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

West Mining Corp. (the "**Company**") hereby grants to/agrees to pay to Dean Fraser (the "**Royalty Holder**"), a Net Smelter Return Royalty (as herein defined) on minerals produced, saved and sold from the "**Property**", as defined and more particularly described in the option agreement between the Company and the Royalty Holder dated as of February \_\_\_\_, 2022 (the "**Option Agreement**"), on the terms and subject to the conditions specified in this agreement (the "**NSR Royalty Agreement**").

WHEREAS pursuant to an Option Agreement between the Company and the Royalty Holder, the Royalty Holder has granted an option respecting the Property to the Company for certain consideration, including the granting of the Net Smelter Return Royalty on the Property;

AND WHEREAS the Company has now successfully exercised the option pursuant to the Option Agreement;

AND WHEREAS the Parties wish to enter into this NSR Royalty Agreement to evidence the grant and terms of such Net Smelter Return Royalty,

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, and other valuable consideration, the Parties agree as follow:

1. Net Smelter Return Royalty. If the Company commences production of Products that are mined from the Property, the Company grants and will pay the Royalty Holder a royalty equal to three (3%) percent of the Net Smelter Returns from all Products (the "**Net Smelter Return Royalty**"), computed as herein provided. No Net Smelter Return Royalty will be due upon bulk samples extracted by the Company for metallurgical testing purposes during the Company's exploration or development work on the Property. The Net Smelter Return Royalty payment obligation on the Property will automatically expire upon those portions of the Property that expire or are cancelled; provided however such Net Smelter Return Royalty will continue if the Company (or its affiliate) re-acquires such portions of the Property within two years after such expiration or cancellation.

(a) The term "**commences production**" as used herein will mean the first day of the month following the first thirty (30) consecutive days during which Minerals have been produced from a mine at an average rate of not less than ninety (90%) percent of the initial rated capacity if a plant is located on the Property or if no plant is located on the Property, the last day of the first period of thirty (30) consecutive days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues, whether to a plant or facility constructed for that purpose or to a plant or facility already in existence, but does not include the production of Minerals from bulk sampling or milling for the purpose of testing or milling by a pilot plant;

(b) "**Minerals**" means gold, silver, zinc, copper, lead, iron, iron oxides, magnetite, hematite, goethite, limonite, siderite, manganese and any other mineral of value; and

(c) "**Products**" will mean all Minerals mined from the Property and all concentrates and other products which are derived therefrom.

2. Net Smelter Returns. As used herein, “**Net Smelter Returns**” means the Gross Proceeds less Allowable Deductions.

(a) As used herein, “**Gross Proceeds**” will have the following meaning:

- (i) If the Company causes refined gold (meeting the specifications of the London Bullion Market Association) to be produced from Products, Net Smelter Returns will be paid on the refined gold, as herein provided. For purposes of determining Net Smelter Returns, the refined gold will be deemed to have been sold at the Monthly Average Gold Price and the Gross Proceeds will be determined by multiplying Gold Production during the calendar month by the Monthly Average Gold Price for such month. As used herein, “**Gold Production**” will mean the quantity of refined gold out turned during the calendar month to the Company’s account by an independent third party refinery from Products, on either a provisional or final settlement basis as used herein. “**Monthly Average Gold Price**” will mean the average London Bullion Market Association P.M. Gold Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported.
- (ii) If the Company causes refined silver (meeting the specifications for refined silver subject to the New York Silver Price published by Handy & Harman) to be produced from Products, Net Smelter Returns will be paid on refined silver as herein provided. For purposes of determining Net Smelter Returns, the refined silver will be deemed to have been sold at the Monthly Average Silver Price and the Gross Proceeds will be determined by multiplying Silver Production during the calendar month by the Monthly Average Silver Price for such month. As used herein, “**Silver Production**” will mean the quantity of refined silver out turned during the calendar month to the Company’s account by an independent third party refinery from Products, on either a provisional or final settlement basis. As used herein, “**Monthly Average Silver Price**” will mean the average New York Silver Price as published daily by Handy & Harmon, calculated by dividing the sum of all such prices reported for the calendar month by the number of days for which such prices were reported.
- (iii) If the Company causes refined metals other than refined gold and refined silver to be produced from Products, Net Smelter Returns will be paid on the refined metal produced as herein provided and the Gross Proceeds will be equal to the amount of the proceeds actually received by the Company during the calendar month from the sale of such refined metal.
- (iv) If the Company sells raw ore mined from the Property or doré or concentrates produced from Products to an independent third party in an arm’s length transaction, then the Gross Proceeds will be equal to the amount of the proceeds actually received by the Company during the calendar month from the sale of such raw ore, doré, or concentrates.
- (v) If the Company sells raw ore mined from the Property or doré or concentrates produced from Products in other than an arm’s length sale to an independent third party, then the Gross Proceeds will be equal to the fair market value of such raw ore, doré or concentrates.

(b) As used herein, “**Allowable Deductions**” will mean all costs, charges and expenses paid by the Company for or with respect to processed Products, after such Products are shipped from the Property, including:

- (i) charges for treatment in the smelting and refining processes and other beneficiation processes or procedures (including handling, processing, interest and provision for settlement fees, costs of umpires, sampling, weighing, assaying and representation fees, penalties, and other deductions made by the processor or imposed by law and specifically excluding mining and milling costs);
- (ii) actual costs of transportation (including loading, freight, insurance security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation) of Products from the Property to the place of treatment and then to the place of sale;
- (iii) costs or charges of any nature for or in connection with insurance, storage, or representation at a smelter or refinery for Products; and
- (iv) sales, use, ad valorem, value added, severance, export, import, excise, net proceeds or mine, and any other tax on or measured by mineral production, but excluding taxes based on the Company's or the Royalty Holder's net income; and provided that whether Products are processed on or off the Property in a facility wholly or partially owned by the Company or a shareholder of the Company or by an affiliate of the Company or an affiliate of a shareholder of the Company, Allowable Deductions will not include any costs that are in excess of those which would be incurred on an arm's length basis, or which would not be Allowable Deductions if those Products were processed by an independent third party.

3. Calculation and Payment of Net Smelter Return Royalty.

- (a) The obligation to pay the Net Smelter Return Royalty will accrue upon the outturn of refined metals, on which Net Smelter Return Royalty is payable to the Company's account or the sooner sale of unrefined metals, doré, concentrates, ores or other Products, as hereinafter provided.
- (b) Where outturn of refined metals is made by an independent third party refinery on a provisional basis, the Net Smelter Returns will be based upon the amount of refined metal credited by such provisional settlement, but will be adjusted in subsequent statements to account for the amount of refined metal established by final settlement by the refinery.
- (c) The Net Smelter Return Royalty will become due and payable quarterly on the last day of the month next following the end of the quarter in which the same accrued. Net Smelter Return Royalty payments will be accompanied by a statement showing in reasonable detail the quantities and grades of the refined Products produced and sold or deemed sold by the Company monthly; the average monthly price determined as herein provided for refined metals on which Net Smelter Return Royalty is due; Allowable Deductions; and other pertinent information in sufficient detail to explain the calculation of the Net Smelter Return Royalty payment.
- (d) All Net Smelter Return Royalty payments will be considered final and in full satisfaction of all obligations of the Company with respect thereto, unless the Royalty Holder gives the Company written notice describing and setting forth a specific objection to the determination thereof within six (6) months setting of receipt by the Royalty Holder of a Net Smelter Return Royalty statement. If the Royalty Holder objects to a particularly quarterly statement as herein provided, the Royalty Holder shall, for a period of sixty (60) days after the Company's receipt of notice of such objection, have the right, upon reasonable notice and at reasonable time, to have the Company's accounts and records relating to the calculation of the Net Smelter Return Royalty in question audited by a certified public accountant acceptable to the Royalty Holder and to the

Company. If such audit determines that there has been a deficiency or an excess in the payment made to the Royalty Holder such deficiency or excess will be resolved by adjusting the next quarterly Net Smelter Return Royalty payment or credit due hereunder. The Royalty Holder will pay all costs of such audit unless a deficiency of five (5%) percent or more of the amount determined by the Company to be due to the Royalty Holder is determined to exist. The Company will pay the costs of such audit if a deficiency of five (5%) percent or more of the amount due is determined to exist. All books and records used by the Company to calculate Net Smelter Return Royalty due hereunder will be kept in accordance with generally accepted accounting principles consistently applied. Failure on the part of the Royalty Holder to make claim on the Company for adjustment in such six (6) month period will establish the correctness and preclude the filing of exceptions thereto or making of claims for adjustment thereon; provided that nothing herein will limit the time in which the Royalty Holder may commence a proceeding for fraud, concealment or misrepresentation.

(e) The Net Smelter Return Royalty will be in addition to any other royalty due to a third party.

(f) The Company will have the right of mixing or commingling, at any location and either underground or at the surface, any Products from the Property with any ores, metals, minerals, or mineral products from other lands, provided that the Company will determine the weight or volume of, sample and analyze for grade and amenability to process all such Products and ores, metals, minerals and mineral products (including the recovery factor) before the same are so mixed or commingled. Any such determining of weight or volume, sampling and analytical practices and procedures applied by the Company will be used as the basis of allocation of Net Smelter Returns payable to the Royalty Holder hereunder in the event of a sale by the Company of materials so mixed or commingled or of products produced therefrom. Prior to commencement of commercial production, the Company will notify the Royalty Holder how the Company proposes to determine the weight or volume of, sample and analyze all such materials. The Royalty Holder may, within thirty (30) days after receipt of such notice, object thereto in writing, specifying with particularity the grounds for such objection. If the Royalty Holder does not serve a timely objection, the Royalty Holder will be deemed to have consented to procedures described in the Company's notice. If the Royalty Holder does object to the Company's proposed procedures within such thirty (30) day period, the Company and the Royalty Holder will attempt for a period of fifteen (15) days to reach agreement concerning the procedures to be used. If the Company and the Royalty Holder fail to reach agreement within such fifteen (15) day period, either party may initiate binding arbitration in accordance with the provisions of this NSR Royalty Agreement, to determine the procedures to be used. Based on its operating experience, the Company may subsequently propose modifications to the approved procedures for determining the weight or volume of, sampling and analyzing ores or mineral products to be mixed or commingled, following the same procedures set forth above, including arbitration. Notwithstanding the foregoing, nothing herein will require or permit the operations of the Company or its mixing or commingling or Products with any ores, metals, minerals or mineral products from other lands to be hindered, delayed or interrupted pending the determination of the procedures to be used.

(g) The Company may but need not engage in forward sales, future trading or commodity options trading, and other price hedging, price protection, and speculative arrangements ("**Trading Activities**") which may involve the possible delivery of base or precious metals produced from the Property. The parties acknowledge and agree that the Royalty Holder will not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Company's Trading Activities.

4. Buy-Out of Net Smelter Return Royalty. At any time the Company will; have the right to repurchase one-third (1.0%) of the Net Smelter Return Royalty in consideration of the payment to the Royalty Holder of \$1,000,000 (leaving the Royalty Holder with a two (2%) percent Net Smelter Return Royalty).

5. No Implied Covenants. The timing, nature, manner and extent of any exploration, development, mining, production and sale of Products, if any, will be at the sole discretion of the Company. No implied covenants or conditions whatsoever will be read into this NSR Royalty Agreement, including without limitation any covenants or conditions relating to exploration, development, prospecting, mining, production or sale of Products, except for the covenants of good faith and fair dealing.

6. Assignment. The Company will have the right to assign the Property, in whole or in part and will have sole and absolute discretion concerning the sale, assignment, transfer, conveyance, venturing, encumbrance or other disposition of the Property, in whole or in part, on such terms and conditions as it determines appropriate. The Company will require any transferee or assignee of any interest in the Property to assume in writing the obligation to pay the Royalty Holder the Net Smelter Return Royalty in accordance with the terms and conditions set forth herein, and upon such assumption, the Company will be released from all liability hereunder with respect to the transferred interest in the Property, except for such liability as has accrued prior thereto.

7. Assignment by Royalty Holder. The Royalty Holder may assign its rights under this NSR Royalty Agreement to any of its affiliates; provided, however, that any change in ownership of rights will be accomplished in such manner that the Company will not be required to make payments to or give notice to more than one person, firm, corporation, or entity. No change or division in the ownership of the Net Smelter Return Royalty, however accomplished, will enlarge the obligations or diminish the rights of the Company. No change or division in the ownership of the Net Smelter Return Royalty will be binding on the Company until ten (10) days after the Company has received a copy of the assignment instrument duly executed, evidencing the change or division in ownership.

8. Treatment of Product. The Company may, but will not be obligated to, treat, mill, heap leach, sort, concentrate, refine, or otherwise process, beneficiate or upgrade the ores, concentrates, and other mineral product produced from the Property, at sites located on or off the Property, prior to sale, transfer, or conveyance to a purchaser, user or other consumer. The Company will not be liable for mineral values lost in processing under sound practices and procedures, and no Net Smelter Return Royalty will be due on any such lost mineral values.

9. Indemnity.

(a) The Company agrees that it will defend, indemnify, reimburse and hold harmless the Royalty Holder and its successors and assigns (collectively the “**indemnified parties**”), and each of them, from and against any and all claims, demands, liabilities, actions and proceedings, which may be made or brought against the Royalty Holder or which it may sustain, pay or incur that whosoever result from or relate to operations conducted on or in respect of the Property that result from or relate to the mining, handling, transportation, smelting or refining of the Products or the handling of transportation of the Products.

(b) The indemnity provided in Section 9(a) is limited to claims, demands, liabilities, actions and proceedings that may be made or taken against an indemnified party its capacity as or related to the Royalty Holder as a holder of the Net Smelter Return Royalty and will not include any indemnity in respect of any claims, demands, liabilities, actions and proceedings against an indemnified party in any other capacity.



10. Governing Law. This NSR Royalty Agreement will be construed and governed by the laws in force in the Province of British Columbia and the laws of Canada applicable in the Province of British Columbia.

11. Notice. Any notice, direction or other communication (in this section, a “**notice**”) required or permitted to be given to a Party pursuant to this NSR Royalty Agreement shall be in writing and shall be sufficiently given if delivered personally, mailed or transmitted by facsimile or pdf as follows:

*To the Royalty Holder:*

Dean Fraser  
[redacted]

Email: [redacted]

*To the Company:*

West Mining Corp.  
3501-1055 Dunsmuir Street  
Vancouver BC, V7X 1H7

Attention: Nick Houghton  
Email: [nick@westminingcorp.com](mailto:nick@westminingcorp.com)

Any notice delivered personally, shall be deemed to have been given and received on the day on which it was delivered, if delivered prior to 5:00 p.m. (recipient’s time) on a Business Day; otherwise on the first Business Day thereafter. Any notice mailed shall be deemed to have been given and received on the third Business Day after it was mailed, provided that if the Party giving the notice knows or ought reasonably to know of disruptions in the postal system that might affect the delivery of mail, such notice shall not be mailed but shall be given by personal delivery or pdf or facsimile transmission. Any notice transmitted by pdf or facsimile shall be deemed to have been given and received on the day of its pdf or facsimile transmission, if, in the case of facsimile transmission, the machine from which it was sent receives the answerback code of the Party to whom it was sent prior to 5:00 p.m. (recipient’s time) on such day, otherwise on the first Business Day thereafter. Either Party may change its address for service from time to time by notice given to each of the other Party in accordance with the foregoing provisions. As used herein, “**Business Day**” means any day, other than Saturday, Sunday or a statutory holiday in Vancouver, British Columbia.

12. Counterparts. This NSR Royalty Agreement may be executed in any number of counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Parties hereto have executed this NSR Royalty Agreement as of

\_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**DEAN FRASER**

**WEST MINING CORP.**

By: \_\_\_\_\_  
Authorized Signatory