

## COBALT HILL PROPERTY OPTION AGREEMENT

**THIS AGREEMENT** is dated for reference the 5th day of February, 2018

**BETWEEN:**

**JOHN (JACK) DENNY**, prospector, of P.O. Box 325, Salmo, British Columbia, V0G 1Z0,

("Denny");

**OF THE FIRST PART**

**AND:**

**WALCOTT RESOURCES LTD.**, a company duly incorporated under the laws of the Province of British Columbia and having offices at 900-580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6,

("Walcott");

**OF THE SECOND PART**

**WHEREAS;**

- A. Denny is the registered legal owner of a 100% interest in and to the Property (as hereinafter defined);
- B. Denny wishes to grant and Walcott wishes to acquire the right to earn an undivided 100% interest in and to the Property on the terms and subject to the conditions set out in this Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the mutual premises, covenants, conditions, representations and warranties contained herein, the parties agree as follows:

**1. INTERPRETATION**

- 1.1. For the purposes of this Agreement, including the recitals and any schedules hereto, unless there is something in the subject matter of context inconsistent therewith, the following words and expressions shall have the, following meanings:
  - a) "Affiliate" shall have the meaning attributed to it by the Company Act (British Columbia);
  - b) "Royalty Payment" means an underlying 1.5% Net Smelter Return payment made by Walcott pursuant to Subsection 3.3 of this Agreement, further described in Schedule "A";
  - c) "Agreement" means this Agreement, as amended from time to time;
  - d) "Approval Date" means the date that is five (5) business days after receipt by First of written confirmation from the Exchange that this Agreement has been accepted for filing;

- e) "Commercial Production" means the operation of the Property or any portion thereof as a producing mine and the production of mineral products therefrom, excluding bulk sampling, pilot plant or test operations, however if such bulk sampling, pilot plant or test operations result in Walcott receiving monetary payment from the sale of metals, ores, or other mineral products from the Property, such payment shall be treated by the parties as a Net Smelter Return;
- f) "Exchange" means the Canadian Stock Exchange or other applicable stock exchange;
- g) "Expenditures" mean all cash, expenses, obligations and liabilities, other than for personal injury or property damage, of whatever kind or nature spent or incurred directly or indirectly in connection with:
  - i) the exploration, development or equipping of the Property or any portion thereof for Commercial Production including, without limiting the generality of the foregoing, monies expended in constructing, leasing or acquiring all facilities, buildings, machinery and equipment in connection with Mining Work;
  - ii) the paying of any taxes, fees, charges, payments or rentals (including payments in lieu of assessment work) or otherwise to keep the Property or any portion thereof in good standing (including any payment to or in respect of acquiring any agreement or confirmation from any holder of surface rights respecting the Property or any portion thereof);
  - iii) the carrying out of any survey of the Property or any portion thereof, in doing geophysical, geochemical and geological surveys, in drilling, assaying, metallurgical testing, bulk sampling and pilot plant operations;
  - iv) the paying of the fees, wages, salaries, travel expenses, fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property or any portion thereof; and paying for the food, lodging and other reasonable needs of such persons; and
  - v) the preparing of any reports and in supervising and managing any work done with respect to and for the benefit of the Property or any portion thereof or in any other respects necessary for the due carrying out of Mining Work;
- h) "Geological Report" means a report on the Property or any part thereof, prepared by a qualified and independent engineer or geologist in accordance with the requirements of the Exchange, including recommendations for exploration or development work or a study to determine the feasibility of Commercial Production be undertaken;
- i) "Mining Work" means every kind of work done on or in respect of the Property or any part thereof, or the products therefrom by or under the direction of or on behalf of or for the benefit of a party and, without limiting the generality of the foregoing, includes assessment work, geophysical, geochemical and geological surveying, studies and mapping, investigating, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, crosscutting and drifting, searching for, digging, trucking, sampling, working and procuring resources, mineral products, ores, metals and concentrates, surveying and bringing any mineral claims or other interests to lease or

patent, reporting and all other work usually considered to be prospecting, exploration, development and mining work;

- j) "Net Smelter Return" means that charge on proceeds from Commercial Production as described in Schedule "A" hereto;
- k) "Option" means the option granted by Denny to First under Subsection 3.1 of this Agreement; and
- l) "Property" means the Cobalt Hill mineral claims, as more particularly described in Schedule "B" hereto, and any part or parts thereof, together with any surface rights, mineral rights, personal property and permits associated therewith, and shall include any renewal thereof and any other form of successor or substitute title thereto, and any and all mineral interests staked, located, granted or otherwise acquired by or on behalf of any party during the currency of this Agreement, which are located in whole or in part, within one and one half [1.5] kilometers of the perimeter of the Property, which are to be included as part of the Property.

1.2 In this Agreement, all dollar amounts are expressed in lawful currency of Canada unless specifically provided to the contrary.

1.3 The titles to the respective articles hereof shall not be deemed to be a part of this Agreement but shall be regarded as having been used for convenience only.

1.4 Words used herein importing the singular number shall include the plural, and vice-versa, and words importing the masculine gender shall include the feminine and neuter genders, and vice-versa, and words importing persons shall include firms, partnerships and corporations.

## **2. REPRESENTATIONS AND WARRANTIES**

2.1 Walcott represents and warrants to Denny that:

- a) it is a company duly incorporated, validly subsisting and in good standing with respect to filing of annual reports under the laws of the Province of British Columbia and is qualified to do business and to hold an interest in the Property pursuant to the laws of the Province of British Columbia;
- b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to in or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder; and
- c) it has duly obtained all authorizations for the execution, delivery, and performance of this Agreement, and such execution, delivery and performance and the consummation of the transactions herein contemplated will not conflict with, or accelerate the performance required by or result in any breach of any covenants or agreements contained in or constitute a default under, or result in the creation of any encumbrance, lien or charge under the provisions of its constating or initiating documents or any indenture, agreement or other

instrument whatsoever to which it is a party or by which it is bound or to which it may be subject and will not contravene any applicable laws.

2.2 Denny represents and warrants to Walcott that:

- a) it is the sole legal and beneficial owner of an undivided 100% interest in and to the Property and is qualified to hold an interest in the Property pursuant to the laws of the Province of British Columbia;
- b) the Property is in good standing under the laws of the Province of British Columbia;
- c) to the best of its knowledge and belief, the Property is free and clear of all liens, charges and encumbrances and is not subject to any right, claim or interest of any other person;
- d) it has complied with all laws in effect in the Province of British Columbia with respect to the Property and the Property has been duly recorded in accordance with such laws;
- e) to the best of its knowledge and belief, there is no adverse claim or challenge against or to the ownership of or title to the Property, or any portion thereof nor is there any basis therefor and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof or interest therein except a 1.5% Net Smelter Return royalty payable on production from the Property as more particularly described in Schedule "B" attached hereto;
- f) to the best of its knowledge and belief, no toxic or hazardous substance or waste has been treated on or is now stored on the Property;
- g) to the best of its knowledge and belief, there are no pending or ongoing actions taken by or on behalf of any native persons pursuant to the assertion of any land claims with respect to lands included in the Property;
- h) it shall be liable and shall indemnify and save Walcott harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any covenant, representation or warranty contained in this Agreement. Denny acknowledges and agrees that Walcott has entered into this Agreement relying on the covenants, representations and warranties of this Agreement;
- i) it hereby agrees to defend at its sole cost and expense the rights of Denny under this Agreement against all persons whomsoever claiming or purporting to claim the same or any part thereof or any interest therein except as set forth in this Agreement; and
- j) it shall remain liable and indemnify Walcott from and against any liability, loss, costs, claims or damages arising out of any matter or thing relating to their interest hereby assigned occurring or arising prior to the date of this Agreement.

- 2.3 The representations and warranties hereinbefore set out are conditions on which the parties have relied in entering into this Agreement, are to be construed as both conditions and warranties and shall, regardless of any investigation which may have been made by or on behalf of any party as to the accuracy of such representations and warranties, survive the closing of the transaction contemplated hereby 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 or warranty contained in this Agreement, and each party shall be entitled, in addition to any other remedy to which it may be entitled, to set off any such loss, damage or costs suffered by it as a result of any such breach against any payment required to be made by it to any other party hereunder.

### **3. OPTION**

- 3.1 Subject to the underlying attached Net Smelter Return, Denny hereby grants to Walcott, the sole and exclusive right and option to acquire an undivided 100% interest in and to the Property free and clear of all liens, charges, encumbrances, claims, rights or interest of any person, such option to be exercisable by Walcott:

- a) paying Denny an aggregate \$350,000 as follows:
  - i) \$15,000 upon signing;
  - ii) an additional \$20,000 on or before August 5th, 2018;
  - iii) an additional \$40,000 on or before February 5th, 2019;
  - iv) an additional \$80,000 on or before February 5th, 2020;
  - v) an additional \$200,000 on or before February 5<sup>th</sup>, 2021; and
- b) issuing to Denny, an aggregate 1,100,000 common shares in the capital of Walcott as follows:
  - i) 200,000 shares on signing;
  - ii) an additional 200,000 shares on or before February 5th, 2019;
  - iii) an additional 300,000 shares on or before February 5th, 2020;
  - iv) an additional 400,000 shares on or before February 5th, 2021.

- 3.2 Subject to Exchange policies in effect at the time (if applicable to Walcott) and the acceptance of a feasibility or valuation report (as the case may be), Walcott shall issue to Denny an additional 500,000 common shares in the capital of Walcott upon the commencement of Commercial Production.

- 3.3 Walcott acknowledges that upon commencement of Commercial Production, the Property will be subject to the underlying Net Smelter Return.

### **4. RIGHT OF ENTRY**

- 4.1 Except as otherwise provided in this Agreement, until the Option is exercised or terminated in accordance with the terms of this Agreement, Walcott, its servants and agents shall have the sole and exclusive right to:

- a) enter in, under or upon the Property and conduct Mining Work;
- b) exclusive and quiet possession of the Property;
- c) bring upon the Property and to erect thereon such mining facilities as it may consider advisable; and
- d) remove from the Property ore or mineral products for the purpose of bulk sampling, pilot plant or test operations.

## **5. POWERS, DUTIES AND OBLIGATIONS OF WALCOTT**

5.1 Walcott shall have full right, power and authority to do everything necessary or desirable to carry out exploration programs or Commercial Production on the Property and to determine the manner of exploration and development of the Property and, without limiting the generality of the foregoing, the right, power and authority to:

- a) regulate access to the Property, subject only to the right of Denny and his representatives to have access to the Property at all reasonable times for the purpose of inspecting work being done thereon but at their own risk and expense;
- b) employ and engage such employees, agents and independent contractors as it may consider necessary or advisable to carry out its duties and obligations hereunder and in this connection to delegate any of its powers and rights to perform its duties and obligations hereunder;
- c) execute all documents, deeds and instruments, do or cause to be done all such acts and things and give all such assurances as may be necessary to maintain good and valid title to the Property and Denny hereby irrevocably constitutes Walcott its true and lawful attorney to give effect to the foregoing and hereby agree to indemnify and save the Walcott harmless from any and all costs, loss or damage sustained or incurred without gross negligence or bad faith by Walcott directly or indirectly as a result of its exercise of its power pursuant to this Subsection 5.1 (c); and
- d) conduct such title examinations and cure such title defects as may be advisable in the reasonable judgment of Walcott.

5.2 Walcott shall have the following duties and obligations:

- a) to keep the Property free and clear of all liens and encumbrances arising from its operations hereunder (except liens contested in good faith by Walcott) and in good standing by the doing and filing, or payment in lieu thereof, of all necessary assessment work and payment of all taxes required to be paid and recording 50% of excess assessment credits to the Portable Assessment Credit [PAC] account of Denny, and by the doing of all other acts and things and the making of all other payments required to be made which may be necessary in that regard;

- b) to permit Denny and his representatives, duly authorized by Walcott, in writing, at their own risk and expense, access to the Property at all reasonable times and to all records prepared by Walcott in connection with Mining Work;
- c) to conduct all work on or with respect to the Property in accordance with current mining industry standards and the applicable laws of the Province of British Columbia and indemnify and save Denny harmless from any and all claims, suits or actions made or brought against Denny as a result of work done by Denny on or with respect to the Property, and
- d) to maintain true and correct books, accounts and records of operations hereunder.

## **6. VESTING OF INTEREST**

- 6.1 Forthwith upon Walcott exercising the Option by performing the requirements of Subsection 3.1 hereof, an undivided 100% interest in and to the Property shall vest, and shall be deemed for all purposes hereof to have vested, in Walcott.
- 6.2 Denny covenants and agrees to, on or before 5 days following the Approval Date, execute a recordable transfer or transfers, or such other instrument as may be required, of an undivided 100% interest in and to the Property, in the name of Walcott, and Walcott shall be entitled forthwith to record such transfer documents with the Vancouver office of the Mineral Titles Branch of the Ministry of Energy, Mines and Resources in British Columbia, but shall hold such interest in the Property pursuant only to the terms of this Agreement.
- 6.3 The parties acknowledge the right and privilege of Walcott to file, register or to otherwise deposit a copy of this Agreement in the office with the Vancouver office of the Mineral Titles Branch, and with any other governmental agencies to give third parties notice of this Agreement, and hereby agree, each with the others, to do or cause to be done all acts or things reasonably necessary to effect such filing, registration or deposit.
- 6.4 Denny covenants and agrees that, except in accordance with Article 9 hereof, until the Option is exercised or terminated in accordance with the terms of this Agreement, it shall not sell, assign, transfer, convey, mortgage, grant an option in respect of, or grant a right to purchase or in any manner whatsoever transfer, alienate or otherwise dispose of, all or any part of its interest in and to the Property except as provided in this Agreement.
- 6.5 Upon Walcott exercising the Option, the underlying 1.5% Net Smelter Return will be payable from the proceeds of Commercial Production on the Property. Any and all Net Smelter Return payments hereunder shall be made pursuant to the payment requirements of Schedule "A" hereto.
- 6.6 Walcott shall have the right at any time prior to and after the commencement of Commercial Production, to purchase 2/3 (1.0%) of the underlying Net Smelter Return for \$1,000,000, leaving the underlying royalty holder with a 0.5% Net Smelter Return pursuant to the terms as set out in Schedule "A" to this Agreement.

## **7. TERMINATION OF OPTION**

- 7.1 In the event of default in the performance of the requirements of Subsection 3.1, then subject to the provisions of Subsections 7.3 and 15.1 of this Agreement, the Option and this Agreement shall terminate.
- 7.2 Walcott shall have the right to terminate this Agreement at any time by giving written notice of such termination to Denny. This Agreement shall terminate on the date that Denny is deemed to have received such notice, pursuant to Subsection 10.2. Upon such termination, this Agreement shall be of no further force and effect except that Walcott shall be required to make any payments or share issuances due and owing at the time the notice of termination is received by Doyle and record or credit any Assessment due as per this Agreement.
- 7.3 Notwithstanding any other provisions of this Agreement, in the event of termination of this Agreement, First shall:
- a) re-transfer forthwith the Property to Denny free and clear of all liens and encumbrances resulting from activities carried out by Walcott, including the recording of all necessary transfer documents with the Mineral Titles Branch of the Ministry of Energy & Mines for the Province of British Columbia, within 5 business days of the termination;
  - b) have the right and obligation to remove from the Property within 180 days of the effective date of such termination, all equipment erected, installed or brought upon the Property by or at the instance of Walcott;
  - c) file or have filed sufficient assessment work to keep the Property in good standing for a period of not less than one year after the date of termination of this Agreement; and
  - d) complete any and all restoration or reclamation work on the Property related to any Mining Work carried out on the Property by Walcott, as required under current provincial legislation in British Columbia or federal legislation applicable to British Columbia, or as may be ordered by any competent provincial or federal regulatory body or governmental agency within British Columbia.

## **8. CONFIDENTIALITY**

The parties shall keep all information regarding Mining Work confidential from other persons, except for such disclosure as may be required by law, securities regulatory bodies, or stock exchanges governing one or, more of the parties.

## **9 NOTICE**

- 9.1 Any notice, direction, or other instrument required or permitted to be given under this Agreement shall be in writing and shall be given by the delivery of same or by mailing same by prepaid registered or certified mail or by sending same by facsimile or other similar form of communication, in each case addressed to the intended recipient at the address of the respective party set out on the first page hereof.



9.2 Any notice, direction, or other instrument aforesaid will, if delivered, be deemed to have been given and received on the day it was delivered, and if mailed, be deemed to have been given and received on the fifth business day following the day of mailing, except in the event of disruption of the postal service in which event notice will be deemed to be received only when actually received and, if sent by facsimile or other similar form of communication, be deemed to have been given and received on the day it was actually received.

9.3 Any party may at any time give notice in writing to the others of any change of address, and from and after the giving of such notice, the address therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

## **10. FURTHER ASSURANCES**

10.1 Each of the parties covenants and agrees, from time to time and at all times, to do all such further acts and execute and deliver all such further deeds, documents and assurances as may be reasonably required in order to fully perform and carry out the terms and intent of this Agreement.

## **11. TIME OF THE ESSENCE**

11.1 Time shall be of the essence in the performance of this Agreement.

## **12. ENUREMENT**

12.1 This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

## **13. FORCE MAJEURE**

13.1 No party will be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its reasonable control (except those caused by its own lack of funds) including, but not limited to, act of God, fire, storm, flood, explosion, strike, lockout or other industrial disturbance, actions taken by or on behalf of First Nations persons pursuant to the assertion of land claims, act of public enemy, war, riot, law, rule and regulation or order of any duly constituted governmental authority, or unavailability of materials or transportation (each an "Intervening Event").

13.2 All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event.

13.3 A party relying on the provisions of Subsection 15.1 hereof, insofar as possible, shall promptly give written notice to the other party of the particulars of the Intervening Event, shall give written notice to all other parties as soon as the Intervening Event ceases to exist, shall take all reasonable steps to eliminate any Intervening Event and will perform its obligations under this Agreement as far as practicable, but nothing herein will require such party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted

governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

#### **14. DEFAULT**

- 14.1 If a party is in default of any requirement herein set forth (the "Defaulting Party"), the party affected by such default (the "Non-Defaulting Party"), shall give written notice to all other parties within thirty (30) days of becoming aware of such default, specifying the default, and the Defaulting Party shall not lose any rights, remedies or cause of action pursuant to this Agreement, or otherwise hereunder as a result of such default, unless within thirty (30) days after the giving of notice of default by the Non-Defaulting Party, the Defaulting Party has failed to cure the default by the appropriate performance, and if the Defaulting Party fails within such period to cure such default, the Non-Defaulting Party shall only then be entitled to seek any remedy it may have on account of such default.

#### **15. SEVERABILITY**

- 15.1 If any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provisions shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

#### **16. AMENDMENT**

- 16.1 This Agreement may not be changed orally but only by an agreement in writing, signed by the party against which enforcement, waiver, change, modification or discharge is sought.

#### **17. ENTIRE AGREEMENT**

- 17.1 This Agreement constitutes and contains the entire agreement and understanding parties and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether oral or written, express or implied, statutory or otherwise between the parties or any of them with respect to the subject matter hereof.

#### **18. OPTION ONLY**

- 18.1 This Agreement provides for an option only, and except as specifically provided otherwise, nothing herein contained shall be construed as obligating Walcott 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 Walcott to do any further act or make any further payment.

#### **19. CONDITIONS PRECEDENT**

- 19.1 The obligations of Walcott except for cash payments and keeping the property in good standing under this Agreement are first subject to the acceptance for filing of this Agreement on behalf of Walcott by the Exchange, on or before June 31, 2018, or this

Agreement shall terminate. Should Walcott fail to be trading on either the Canadian Stock Exchange or the Toronto Venture Exchange and make the first optional share payment of prior to July 31, 2018, Walcott must pay \$8,000.00 per month penalty payment to Denny.

**20. GOVERNING LAW AND ARBITRATION**

20.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia.

20.2 All disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated with or derived therefrom, shall be referred to and finally resolved by arbitration under the rules of the British Columbia International Commercial Arbitration Centre.

20.3 The appointing authority shall be the British Columbia International Commercial Arbitration Centre and the case shall be administered at Vancouver, British Columbia, by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under BCICAC Rules".

**21. INDEPENDENT LEGAL ADVICE**

Each of the parties to this Agreement acknowledges and agrees that it has had the opportunity to retain and consult with independent legal counsel with respect to this Agreement.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day, month and year first above written.

**WALCOTT RESOURCES LTD.**

Per: "Marshall Farris"

Name: MARSHALL FARRIS

Title: PRESIDENT & DIRECTOR

"Jack Denny"  
**JOHN (JACK) DENNY**

**Witness:** "Leona McNeill"

Name: LEONA MCNEILL

Address: 1316 B Glendale Avenue  
Salmo, BC V0G 1Z0

## **SCHEDULE "A"**

Per agreement between **BRUCE A. DOYLE** ("Doyle") and **JOHN (JACK) DENNY**, ("Denny"),  
**DEFINITION OF NET SMELTER RETURN ROYALTY**

1. The parties acknowledge and agree that the Property is subject to a royalty or charge in the amount of 1.5% of net smelter returns in favor of Doyle or any of its respective assignees or successors (the "Net Smelter Return").
2. Denny or any of his successors or assigns may at any time purchase 2/3 (1.0%) of the Net Smelter Return from Doyle or its respective assigns or successors for the sum of \$1,000,000., leaving Doyle with a 0.5% Net Smelter Return.
3. For the purposes of this Agreement and the payment of the Net Smelter Return, net smelter returns shall mean the actual proceeds received by Denny or any of its respective assignees or successors in interest to the Property from any mint, smelter, refinery or other purchaser from the sale of concentrates, metals (including bullion) or products from the Property and sold, after deducting from such proceeds the following charges levied by third parties to the extent that they are not deducted by the purchaser in computing payment:
  - a) assay costs and umpire assay costs charged by any mint, smelter, refinery or other purchaser;
  - b) smelting and refining charges, penalties, and the cost of transportation and handling of such concentrates, metals (including bullion) or products from the Property to any mint, smelter, refinery or other purchaser; and
  - c) related insurance on such concentrates, metals (including bullion) or products from the Property.
4. Any Net Smelter Return due and payable to Doyle hereunder shall be paid within thirty (30) days after receipt of the said actual proceeds by Denny and shall be accompanied by a statement indicating the settlement payment calculations, at the following address: Bruce A. Doyle, 1424 Crease Ave., Nelson, BC. V1L 1A2.
5. Within ninety (90) days after the end of each fiscal year of Denny during which the Property was in Commercial Production, the records relating to the calculation of Net Smelter Returns during the fiscal year shall be delivered to Doyle who shall have sixty (60) days after receipt of such statements to questions in writing their accuracy and, failing such question, the statements shall be deemed correct.
6. Doyle or its representative duly appointed in writing shall have the right at all reasonable times, upon written/request, to inspect such books and financial records of Denny as are relevant to the determination of Net Smelter Returns and at its own expense, to make copies thereof.
7. Any insurance payments received by Denny related to the loss, destruction or theft of concentrates, metals (including bullion) or products from the Property shall be deemed to be Net Smelter Returns.

## SCHEDULE "B"

To this Property Option Agreement dated February 5, 2018,  
Between JOHN (JACK) DENNY, and WALCOTT RESOURCES LTD.

### DESCRIPTION OF PROPERTY

Claim Name	Lot or Tenure #	Current Expiry Date	Hectares
Sonata	501113	2018/Sep/30	42.14
MoonLight	501117	2018/Sep/30	526.56
Triton	505249	2018/Sep/30	210.62
N/A	510744	2018/Sep/30	231.78
Golden Stamp	510745	2018/Sep/30	42.14
N/A	510749	2018/Sep/30	147.50
Stamp	545599	2018/Sep/30	484.55
Gold Hen	550797	2018/Sep/30	42.14

The above mineral claims are located in the Trail Creek Mining Division in the Province of British Columbia. .