

PROPERTY PURCHASE AGREEMENT

THIS AGREEMENT is made effective the 7th day of August, 2020.

BETWEEN:

AUSTRALIA SILVER MINES, PTY, a company having offices at Suite 6, 29 McDougall Street, Milton, QLD, Australia 4064

(the “**Vendor**”)

AND

1256714 B.C. Ltd., a company having offices at 1500-1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7

(the “**Purchaser**”)

WHEREAS:

(A) The Vendor is the registered, legal and beneficial owner of a 100% interest in certain mineral tenements comprising (i) the Tyr Project located in the northern region of New South Wales, Australia (the “**Tyr Property**”), as more particularly described in Schedule A attached hereto, subject only to the Tyr NSR (as hereinafter defined); and (ii) the Century South Project located in Queensland, Australia (the “**Century South Property**” and together with the Tyr Property, the “**Properties**”), as more particularly described in Schedule B attached hereto, subject only to the Century South NSR; and

(B) The Vendor and the Purchaser wish to enter into this Agreement to provide for the purchase and sale of the Vendor’s interest in the Properties on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

PART 1 INTERPRETATION AND DEFINITIONS

Definitions

1.1 In addition to defined terms elsewhere in this Agreement, the following words and phrases have the following meanings:

- (a) “**Agreement**” means this Property Purchase Agreement together with the schedules attached thereto;
- (b) “**Business Day**” means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (c) “**Century South NSR**” means the 2% net smelter royalty in favour of the Vendor shareholders;
- (d) “**Century South Property**” has the meaning set forth in Recital A;
- (e) “**Closing Date**” means August 31, 2020 or such other date as the Vendor and the Purchaser may agree following the receipt of ministerial consent to transfer the Properties;
- (f) “**Commencement of Commercial Production**” means on the a property:
 - (i) if a mill is located on the property, the last day of a period of 40 consecutive days in which, for not less than 30 days, the mill processed ore from the property at not less than 60% of its rated concentrating capacity, and
 - (ii) if a mill is not located on the property, the last day of a period of 30 consecutive days during which ore has been shipped from the property on a reasonably regular basis for the purpose of earning revenues,but any period of time during which ore or concentrate is shipped from the property for testing purposes or during which mill operations are undertaken as initial tune-up, will not be taken into account in determining the date of Commencement of Commercial Production;
- (g) “**Consideration Shares**” has the meaning set forth in section 3.2(a);
- (h) “**Duty**” means any stamp, transaction or registration duty or similar charge imposed by any government agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them;
- (i) “**Net Smelter Returns**” has the meaning set forth in Schedule “B”;
- (j) “**NSR Royalty**” has the meaning set forth in section 3.2(b);
- (k) “**Party**” means either the Vendor or the Purchaser and their successors and permitted assigns and “**Parties**” means together, the Vendor and the Purchaser and their successors and permitted assigns;
- (l) “**Properties**” has the meaning set forth in Recital (A) hereto;
- (m) “**Purchaser**” has the meaning set forth on the first page hereof;
- (n) “**Purchase and Sale**” has the meaning set forth in §3.1;

- (o) “**Tyr NSR**” means the 2% net smelter royalty in favour of the Vendor shareholders;
- (p) “**Tyr Property**” has the meaning set forth in Recital (A) hereto; and
- (q) “**Vendor**” has the meaning set forth in the first page hereof.

Entire Agreement

1.2 This Agreement and the attached Schedules and all properly executed amendments are hereinafter collectively referred to as this Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all previous negotiations, communications, agreements and undertakings relating to the subject matter herein. The Parties acknowledge that there are no agreements, undertakings, representations, warranties or conditions collateral to this Agreement except as specifically stated otherwise in this Agreement.

Interpretation

1.3 For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) the words “**herein**”, “**hereof**”, and “**hereunder**” and other words of similar import refer to this Agreement as a whole and not to any particular Part, clause, subclause or other subdivision or to the Schedules;
- (b) a reference to a Part means a Part of this Agreement and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Agreement so designated;
- (c) the headings are for convenience only, do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
- (d) the word “**including**”, when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as “without limitation” or “but not limited to” or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;
- (e) where the phrase “**to the knowledge of**” or phrases of similar import are used in respect of the Parties, it will be a requirement that the Party in respect of whom the phrase is used will have made such due inquiries as is reasonably necessary to enable such Party to make the statement or disclosure;
- (f) a reference to currency means Canadian currency; and

(g) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

PART 2 REPRESENTATIONS AND WARRANTIES

Representations and Warranties by the Vendor

2.1 The Vendor represents and warrants to the Purchaser that, as of the date of this Agreement and on the Closing Date:

(a) it is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Vendor enforceable against it in accordance with its terms except that:

(i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

(iv) rights of indemnity and contribution hereunder may be limited under applicable law;

(b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of or accelerate the performance required by any agreement to which the Vendor is a party;

(c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction;

(d) the Vendor is the legal, beneficial and registered owner of an undivided 100% legal and beneficial interest in the Properties, free and clear of all encumbrances other than the Century South NSR and the Tyr NSR and those arising by operation of law, and no other person has any right or interest to acquire any interest in the Properties;

(e) the Properties are in good standing under applicable law until the dates shown in Schedule A and all work required to be performed has been performed and all taxes

(including Duties), fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made;

(f) the Vendor has made available to the Purchaser all material maps, assays, surveys, drill logs, samples, metallurgical, geological, geophysical, geochemical and engineering data within its control in respect of the Properties;

(g) there has been no act or omission by the Vendor that could result by notice or lapse of time, or both, in the breach, termination, abandonment, forfeiture, relinquishment or other premature termination of the Properties or the Vendor's rights with respect thereto;

(h) to the Vendor's knowledge, no proceedings have been instituted to invalidate or assert an adverse claim or challenge against or to the ownership of or title to, or use or operation of the Properties, including by any indigenous group;

(i) there are no actions, suits or proceedings outstanding, or, to the Vendor's knowledge, pending or threatened, against or adversely affecting or which could adversely affect the Properties or the Vendor's ownership of the Properties before any federal, provincial, territorial, municipal or other governmental authority, court, department, commission, board bureau, agency or instrumentality;

(j) the Vendor has conducted all activities on or with respect to the Properties in compliance with all applicable laws, including environmental laws, and the Vendor has not received notice of any breach of any such law;

(k) no consent or approval of any third person, stock exchange or governmental authority is required for the execution, delivery or performance of this Agreement by the Vendor or the transfer or acquisition of the Properties;

(l) the Vendor is not an insolvent person within the meaning of the any applicable bankruptcy or insolvency law and will not become an insolvent person as a result of the transactions contemplated herein;

(m) the Properties are in good standing and has been validly recorded pursuant to all applicable legislation;

(n) there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or expenditures with respect to the Properties and the conduct of operations related thereto, the Vendor has not received any notice of the same and the Vendor is not aware of any basis on which any such orders or directions could be made;

(o) to the Vendor's knowledge, there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumping's or other releases of any kind of any hazardous, dangerous, poisonous, noxious, toxic or radioactive substance, waste, pollutant, contaminant or similar substance in, on or under the Properties or the environment surrounding the Properties; and

(p) the Vendor is not aware of any fact or circumstance which has not been disclosed to the Purchaser which should be disclosed in order to prevent the representations and warranties contained in this section from being misleading or which would likely affect the decision of the Purchaser to enter into this Agreement.

Survival

2.2 The Vendor acknowledges that the Purchaser is relying on the representations and warranties contained in §2.1 in entering into this Agreement and that such representations and warranties are continuing and survive the execution of this Agreement for a period of two years.

Representations and Warranties by the Purchaser

2.3 The Purchaser represents and warrants to the Vendor that, as of the date of this Agreement and on the Closing Date:

(a) it is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms except that:

(i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

(iv) rights of indemnity and contribution hereunder may be limited under applicable law;

(b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of or accelerate the performance required by any agreement to which it is a party;

(c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction or its constating documents.

Survival

2.4 The Purchaser acknowledges that the Vendor is relying on the representations and warranties contained in §2.3 in entering into this Agreement and that such representations and warranties are continuing and survive the execution of this Agreement for a period of two years.

Indemnity

2.5 Each Party will indemnify and save the other Party and its directors, officers, employees, agents, representatives, subcontractors, and affiliates harmless from all losses, damages, costs, and suits arising out of or in connection with any breach by that Party of any representation, warranty, covenant or agreement contained in this Agreement. This indemnity will survive the termination of this Agreement for a period of two years.

Covenants of the Vendor

2.6 The Vendor covenants to and agrees with the Purchaser as follows:

- (a) the Vendor will not take any action to encumber or otherwise deal with the Properties other than in accordance with the terms of this Agreement;
- (b) the Vendor will do and execute, or cause and procure to be made, done and executed, all such further acts, applications, deeds or assurances as may be reasonably requested by the Purchaser whether for the purpose of more effectually and completely vesting in the Purchaser the interest in the Properties being hereby conveyed or transferred in accordance with the terms hereof or for the purpose of registration or otherwise;
- (c) the Vendor will provide to the Purchaser all such documents, instruments and materials and do all such reasonable acts and things as may be requested by the Purchaser to obtain all permits and approvals necessary for the transfer of the Properties, including but not limited to any regulatory approvals, necessary for the completion of this Agreement; and
- (d) the Vendor will do all such other acts and things within its control as may be reasonably necessary or required of it to give effect to the transactions contemplated by this Agreement, including taking all such actions, required to comply with the relevant corporate laws and securities laws applicable to it.

PART 3 PURCHASE AND SALE

Purchase and Sale

3.1 The Vendor hereby sells and transfers to the Purchaser and the Purchaser hereby purchases from the Vendor, an undivided 100% legal and beneficial interest in the Properties, free and clear of all encumbrances, other than the Tyr NSR and the Century South NSR, in

accordance with the terms of this Agreement (the “**Purchase and Sale**”). On or before the Closing Date, the Purchaser shall nominate a wholly-owned subsidiary, incorporated in Western Australia to hold the Properties.

Consideration

3.2 In consideration of the Purchase and Sale, the Purchaser will issue to the Vendor :

- (a) 12,500,000 common shares in the capital of the Purchaser (the “**Consideration Shares**”) which Consideration Shares will represent 50% of the issued and outstanding share capital of the Purchaser; and
- (b) Upon the Commencement of Commercial Production from the Tyr Property or the Century South Property, as applicable, Purchaser will pay to Vendor a royalty (the “**NSR Royalty**”), being equal to 2% of Net Smelter Returns, on the terms and conditions as set out in Schedule “C” hereto.

Deliveries of the Vendor

3.3 On the Closing Date, the Vendor shall deliver to counsel to the Purchaser, or arrange to have delivered to counsel to the Purchaser, the following:

- (a) such documents to evidence the submission before the competent governmental authority of the documents necessary to transfer title to the Properties to the Purchaser and all documents, notices, instruments and forms necessary to give effect to the transactions contemplated by this Agreement;
- (b) all books, records, surveys, plans, files, correspondence, and other data and information of the Vendor relating to the Properties in the possession of the Vendor, including all data and information stored on computer-related or other electronic media, that have not previously been delivered by the Vendor to the Purchaser, if any;
- (c) a title opinion on the Properties from Australian counsel to the Vendor; and
- (d) all such other documents and agreements as the Purchaser’s counsel reasonably consider necessary or desirable to give effect to the transactions contemplated by this Agreement.

PART 4 CLOSING

Closing Date

4.1 Closing of the Purchase and Sale will take place at 10:00 a.m., Vancouver time, on the Closing Date or at such other time and date as may be agreed by the Parties.

**PART 5
GENERAL AND MISCELLANEOUS**

Notices

5.1 Any notice under this Agreement will be given in writing, by delivery in person to a named representative or by mail, facsimile or electronic transmission, properly addressed to each Party at the address first above written.

5.2 A notice given will be deemed given only when received by the Party to whom such notice is directed; except that any notice given by facsimile or electronic transmission will be deemed received the day such notice is successfully faxed or transmitted if during business hours or on the next Business Day if faxed or transmitted after business hours, or three Business Days after it is mailed, provided there is no postal disruption at the time. A Party may change its address for notice by providing the other Party with notice of such change in the manner set forth herein.

Expenses

5.3 Subject to clauses 5.4 and 5.5, each Party will be responsible for all of its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and charges incurred prior to the date of this Agreement and all legal and accounting fees and disbursements relating to the transactions contemplated herein.

Duty

5.4 All Duty which may be payable on the Purchase and Sale is payable by the Purchaser.

5.5 All Duty which may be payable on the issue of the Consideration Shares to the Vendor is payable by the Vendor.

Successors and Assigns

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

Amendments

5.7 No amendments to this Agreement will be of any force and effect unless executed in writing by all the Parties.

Governing Law

5.8 This Agreement will be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada as applicable therein.

Further Assurances

5.9 Each Party will execute and deliver such further agreements and other documents and do such further acts and things as the other Party reasonably requests to evidence, carry out or give full force and effect to the intent of this Agreement.

Severability

5.10 If any provision of this Agreement is found invalid, illegal, or incapable of enforcement by any court of competent jurisdiction, such provision shall be deemed severed and the remaining provisions of this Agreement will continue to be valid and enforceable.

Counterparts

5.11 This Agreement may be executed in as many counterparts as may be necessary and may be delivered by facsimile or electronically transmitted and each such counterpart will be deemed to be an original and such counterparts together will constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement by their duly authorized officers as of the date first above written.

AUSTRALIA SILVER MINES, PTY

Per: "Kim Wainwright"
Authorized Signatory

1256714 B.C. LTD.

Per: "Karan Thakur"
Authorized Signatory

SCHEDULE A

DESCRIPTION OF TYR PROPERTY

Permit number	Permit name	Permit status	Grant date	Expiry date	Sub-block or Unit count
EL8728	Tyr	Granted	29-Mar-18	29-Mar-24	100

SCHEDULE B

DESCRIPTION OF CENTURY SOUTH PROPERTY

Permit number	Permit name	Permit status	Grant date	Expiry date	Sub-block or Unit count
EPM 26713	Century South	Granted	25-Oct-18	24-Oct-23	99

SCHEDULE C

CALCULATION OF NET SMELTER RETURNS

This is Schedule “C” to the Property Purchase Agreement between Australia Silver Mines, PTY and 1256714 B.C. Ltd., dated August 7th, 2020 (the “**Agreement**”).

All capitalized words used in this Schedule “B” but not defined in this Schedule “B” have the meanings given to them in the Agreement. “Property” shall mean the Tyr Property or the Century South Property, as applicable,.

Pursuant to the Agreement to which this Schedule is attached, the Vendor shareholders (the “**Royalty Holder**”) will be entitled, upon Commencement of Commercial Production, to a NSR Royalty payable by [name of operating Australian subsidiary] or any successor permitted assignee (the “**Royalty Payor**”), which will be equal to 2% of Net Smelter Returns (as defined below).

For the purposes of this Schedule the following words and phrases will have the following meanings, namely:

- (a) “**Net Smelter Returns**” means the net proceeds actually paid to the Royalty Payor from the sale by the Royalty Payor of Minerals mined and removed from the Property after deduction of the following:
 - (i) smelting costs, treatment charges and penalties including, but not being limited to, metal losses, penalties for impurities and charges for refining, selling and handling by the smelter, refinery or other purchaser; provided, however, in the case of leaching operations or other solution mining or beneficiation techniques, where the metal being treated is precipitated or otherwise directly derived from such leach solution, all processing and recovery costs incurred by the Royalty Payor, beyond the point at which the metal being treated is in solution, will be considered as treatment charges;
 - (ii) costs of handling, transporting and insuring ores, minerals and other materials or concentrates from the Property or from a concentrator, whether situated on or off the Property, to a smelter, refinery or other place of treatment; and
 - (iii) Duties and any other ad valorem taxes and taxes based upon production, but not income taxes.

The Royalty Payor will by notice inform the Royalty Holder of the quantum of such reasonable net sale price and, if the Royalty Holder does not object thereto, within 60 days after receipt of such notice, said quantum will be final and binding for the purposes of this Agreement.

Subject to the terms and conditions of the Agreement, the Royalty Payor may remove reasonable quantities of ore and rock from the Mineral Rights located on the Property for the purpose of

bulk sampling and of testing, and there will be no NSR Royalty payable to the Royalty Holder with respect thereto unless revenues are derived therefrom.

The Royalty Payor will have the right to commingle with ore from the Mineral Rights located on the Property, with ore produced from other properties, provided that prior to such commingling, the Royalty Payor will adopt and employ reasonable practices and procedures for weighing, determination of moisture content, sampling and assaying, as well as utilize reasonable accurate recovery factors in order to determine the amounts of products derived from, or attributable to ore mined and produced from the Mineral Rights located on the Property. The Royalty Payor will maintain accurate records of the results of such sampling, weighing and analysis as pertaining to ore mined and produced from the Mineral Rights located on the Property.

Instalments of the NSR Royalty payable will be paid by the Royalty Payor to the Royalty Holder within 30 days upon the receipt by the Royalty Payor of the payment from the smelter, refinery or other place of treatment of the proceeds of sale of the minerals, ore, concentrates from the Mineral Rights located on the Property.

Within 120 days after the end of each fiscal year, commencing with the year in which Commencement of Commercial Production occurs, the accounts of the Royalty Payor relating to operations on the Mineral Rights located on the Property and the statement of operations, which will include the statement of calculation of Royalty for the year last completed, will be audited by the auditors of the Royalty Payor at its expense. The Royalty Holder will have 45 days after receipt of such statements to question the accuracy thereof in writing and, failing such objection, the statements will be deemed to be correct and unimpeachable thereafter.

If such audited financial statements disclose any overpayment of NSR Royalty by the Royalty Payor during the fiscal year, the amount of the overpayment will be deducted from future installments of NSR Royalty payable.

If such audited financial statements disclose any underpayment of NSR Royalty by the Royalty Payor during the year, the amount thereof will be paid to the Royalty Holder immediately after determination thereof.

The Royalty Payor agrees to maintain for each mining operation on the Mineral Rights located on the Property, up-to-date and complete records relating to the production and sale of minerals, ore and bullion from the Mineral Rights located on the Property, including accounts, records, statements and returns relating to treatment and smelting arrangements of such product, and the Royalty Holder or its agents will have the right at all reasonable times, including for a period of 12 months following the expiration or termination of this Agreement, to inspect such records, statements and returns and make copies thereof at its own expense for the purpose of verifying the amount of NSR Royalty payments to be made by the Royalty Payor to the Royalty Holder pursuant hereto. The Royalty Holder will have the right to have such accounts audited by independent auditors at its own expense once each fiscal year.

For the purposes of this Schedule "B":

"Minerals" means all ores and concentrates or metals derived from them, containing precious, base, and/or industrial minerals (including gems and uranium) which are found in, on or under

the Property and may lawfully be explored for, mined and sold under the Mineral Rights and other instruments of title under which the Property is held;

“Mineral Rights” means:

- (i) prospecting licences, exploration licences, mining leases, mining licences, mineral concessions and claims and other forms of mineral tenure or other rights to Minerals, or to work upon lands for the purpose of searching for, developing or extracting Minerals under any form of mineral title recognized under the laws applicable in the State of New South Wales and the country of Australia, whether contractual, statutory or otherwise; or
- (ii) any interest in any Mineral Right;

[End of Schedule “C”]