

PURCHASE AGREEMENT

Between

21Alpha Resources Inc.

(Vendor)

and

Spark Minerals Inc.

(Purchaser)

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THIS PURCHASE AGREEMENT is made as of this 30th day of April, 2020,
BETWEEN:

21ALPHA RESOURCES INC.

49 Queen Street
PO Box 794
Chester, Nova Scotia
BOJ 1J0
(the "**Vendor**")

- and -

SPARK MINERALS INC.

260 Brownlow Avenue, Suite 3
Dartmouth, Nova Scotia
B3B 1V9
(the "**Purchaser**")

RECITALS:

- A. The Vendor is the sole legal and beneficial holder of 100% of all rights, title and interest in and to the exploration licences set forth on Schedule "A" (the "**Licences**");
- B. The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, all of the Vendor's rights, title and interest in and to the Licences pursuant to the terms and conditions hereinafter provided.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the terms and conditions hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties to the other, it is agreed as follows:

**ARTICLE 1
INTRODUCTION**

1.1 Definitions

As used herein and in the schedules hereto the following words and phrases shall have the following meanings:

- (a) "**Act**" means the *Mineral Resources Act* (Nova Scotia) and all regulations thereunder, as same may be amended from time to time;
- (b) "**Affiliate**" of any person means, at the time such determination is being made, any other person who has control of or who is controlled by or under common control with such first person, where "**control**" means the possession, directly or indirectly, of the power to direct the management and policies of a person through the legal or beneficial ownership of voting securities, the right to appoint directors



or management, by contract, voting trust, or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing;

- (c) "**Agreement**" means this agreement and any schedules hereto, as the same may be amended, supplemented or modified from time to time;
- (d) "**Applicable Laws**" means, in relation to any person, transaction, or event, all applicable provisions in force at the applicable time of: (i) all laws, statutes, rules, regulations, and orders of all governmental and non-governmental bodies (whether administrative, legislative, executive or otherwise) having jurisdiction including all waivers, legal non-conforming uses or other relief from compliance with the foregoing where such waiver, legal non-conforming use or other relief is recognized as having the effect of law; and (ii) all judgments, orders and decrees of all courts, arbitrators, commissions or bodies exercising similar functions in actions or proceedings in which the person in question is a party or by which it is bound or having direct or indirect application to the transaction or event;
- (e) "**Business Day**" means any day, other than a Saturday or Sunday, on which banks in Halifax, Nova Scotia, Canada are open for commercial banking business during normal banking hours;
- (f) "**Cash Portion of the Purchase Price**" means the payment of \$18,169.26 in cash from the Purchaser to the Vendor or as the Vendor may otherwise direct;
- (g) "**Closing**" has the meaning ascribed thereto in section 4.1 hereof;
- (h) "**Closing Date**" has the meaning ascribed thereto in section 4.1 hereof;
- (i) "**Damages**" means any loss (including, without limitation, actual loss in value and economic loss), liability, obligation, claim, demand, damage (including, without limitation, damages arising from personal injury and death), cost, expense (including costs of investigation and defense and legal fees and expenses) or diminution of value, of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, determined, determinable or otherwise;
- (j) "**Environmental Laws**" means any laws relating to reclamation or restoration of the lands and property represented by the Purchased Licences; abatement of pollution; protection of the environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural or historic resources; management, storage or control of Hazardous Substances; releases or threatened releases of Hazardous Substances into the environment, including without limitation, ambient air, surface water and groundwater; and all other laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of Hazardous



Substances as such laws exist from time to time up to and including the Closing Date;

- (k) **"Governmental Entity"** means any: (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agency, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (l) **"Hazardous Substances"** means any hazardous, dangerous, poisonous, noxious, toxic, radioactive and bioaccumulative, chemical, substance, waste, pollutant, contaminant, material or similar term which are defined and regulated pursuant to Environmental Laws;
- (m) **"Liens"** means any security interest, mortgage, deed of trust, lien (statutory or otherwise), pledge, charge, royalty, licence, lease, equitable interest, option, right of first refusal, restriction or any other encumbrance, excepting any rights that the Province of Nova Scotia has with respect to the Purchased Licences pursuant to the Act (including any fees or other amounts payable to the Province of Nova Scotia pursuant to the Act required to keep the Purchased Licences in good standing);
- (n) **"Parties"** means the parties to this Agreement consisting of the Vendor and the Purchaser and **"Party"** means either of them, as the context requires;
- (o) **"Permitted Liens"** means:
 - (i) all reservations, limitations, provisos and conditions expressed in the original grant of title of the lands and premises comprising the Purchased Licences from the Crown;
 - (ii) any liens for taxes, levies and assessments for the current calendar year not yet due or payable;
 - (iii) all rights of expropriation of any federal, provincial or municipal authority or agency; and
 - (iv) minor title defects or irregularities consisting of minor surveyor exceptions and other unrecorded easements or rights-of-way or other restrictions as to the use of the Purchased Licences which title defects, irregularities or restrictions do not, neither individually or in the aggregate, materially impair the present use of the Purchased Licences;
- (p) **"person"** includes an individual, a corporation, a partnership, a limited partnership, a trust, an unincorporated association, a Governmental Entity or any



agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body;

- (q) **"Purchase Price"** has the meaning ascribed thereto in section 4.3 hereof;
- (r) **"Purchased Licences"** means those certain exploration licences described in Schedule "A" hereto and which are being purchased by the Purchaser from the Vendor pursuant to this Agreement;
- (s) **"Purchaser Documents"** means the papers, instruments, documents and agreements required to be executed and delivered by the Purchaser to the Vendor at the Closing pursuant to this Agreement and **"Purchaser Document"** means any such paper, instrument, document or agreement;
- (t) **"Purchaser Fundamental Representation"** has the meaning ascribed thereto in Section 7.6(b)a;
- (u) **"Remedial Order"** means any administrative complaint, direction, action, request, order or sanction issued, filed, made, or imposed by any Governmental Entity pursuant to any Environmental Laws and includes any order or direction (i) requiring investigation, remediation or restoration of any site or any remediation, clean-up, treatment, or disposal of any Hazardous Substance, (ii) requiring that any release or any other activity be reduced, modified or eliminated, (iii) requiring the prevention or control of the release of Hazardous Substances so that they do not migrate, endanger or threaten to endanger human health or welfare or the environment, or (iv) requiring post-remedial studies, investigations and monitoring;
- (v) **"Royalty"** has the meaning ascribed thereto in Section 4.3(b) and as evidenced by a royalty agreement in the form attached hereto as Schedule "B";
- (w) **"Vendor Documents"** means the papers, instruments, documents and agreements required to be executed and delivered by the Vendor to the Purchaser at the Closing pursuant to this Agreement and **"Vendor Document"** means any such paper, instrument, document or agreement; and
- (x) **"Vendor Fundamental Representation"** has the meaning ascribed thereto in Section 7.6(a)b.

1.2 Recitals and Schedules

The recitals and schedules attached hereto shall be deemed to be included and to form an integral part of this Agreement.



1.3 Waiver

No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the Party purporting to give the same, and unless otherwise provided, will be limited to the specific breach waived. The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy in respect of any breach hereto shall not constitute a waiver of any provision of this Agreement nor limit the Party's rights thereafter to enforce any other provision of this Agreement or exercise any of its other rights.

1.4 Currency

All amounts in this Agreement are stated and shall be paid in Canadian currency.

1.5 Entire Agreement

The Parties hereto agree that the terms and conditions of this Agreement shall supersede and replace any other agreements or arrangements, whether written or oral, heretofore existing among the Parties in respect of the subject matter of this Agreement.

ARTICLE 2 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 Representations and Warranties of the Purchaser

As a material inducement to the Vendor entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Vendor is entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this section 2.1, the Purchaser represents and warrants to the Vendor as follows:

- (a) the Purchaser is a corporation incorporated and validly existing under the laws of the Province of Nova Scotia;
- (b) the Purchaser has the corporate power, authority and capacity to enter into this Agreement and all other instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement;
- (c) no act or proceeding has been taken by or against the Purchaser in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Purchaser;
- (d) the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the directors of the Purchaser;



- (e) the execution and delivery of this Agreement by the Purchaser does not, and the consummation of the transactions contemplated hereby (in each case, with or without the giving of notice or lapse of time, or both) will not, (i) violate the provisions of any of the Purchaser's constating documents or by-laws, or (ii) violate or conflict with any Applicable Laws;
- (f) the Purchaser is not under any obligation, contractual or otherwise to request or obtain the consent of any person, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Governmental Entity are required to be obtained by the Purchaser in connection with the execution, delivery or performance by the Purchaser of this Agreement or the completion of any of the transactions contemplated herein;
- (g) neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby (with or without the giving of notice or lapse of time, or both) will give rise to a right of termination, amendment, cancellation or acceleration of any obligation contained in or the loss of any material benefit or result in the creation of any Lien;
- (h) this Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms; subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors and others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;
- (i) the Purchaser is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and will not become an insolvent person as a result of the transactions contemplated herein;
- (j) the Purchaser is not a "non-Canadian" for purposes of the *Investment Canada Act*; and
- (k) the Purchaser is not aware of any fact or circumstance which has not been disclosed to the Vendor which should be disclosed in order to prevent the representations and warranties contained in this Article from being misleading or which would likely affect the decision of the Vendor to enter into this Agreement.

2.2 Representations, Warranties and Acknowledgements of the Vendor

As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendor set out in this section 2.2, the Vendor represents, warrants and acknowledges to the Purchaser as follows:



- (a) the Vendor is a corporation incorporated and validly existing under the laws of the Province of Nova Scotia;
- (b) no act or proceeding has been taken by or against the Vendor in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Vendor;
- (c) the Vendor has the corporate power, authority and capacity to enter into this Agreement and all other instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement;
- (d) the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the directors of the Vendor;
- (e) the Purchased Licences do not comprise all or substantially all of the assets of the Vendor;
- (f) the Vendor does not require any approvals from its shareholders in order to complete the transactions contemplated by this Agreement;
- (g) this Agreement constitutes a valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms; subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors and others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;
- (h) the Vendor is not under any obligation, contractual or otherwise to request or obtain the consent of any person, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Governmental Entity are required to be obtained by the Vendor in connection with the execution, delivery or performance by the Vendor of this Agreement or the completion of any of the transactions contemplated herein;
- (i) the Vendor is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and will not become an insolvent person as a result of the transactions contemplated herein;
- (j) except for the Permitted Liens, the Vendor is the sole legal and beneficial holder of the Purchased Licences, which are free and clear of, and from, all Liens and are not subject to any judgment, order or decree in any lawsuit or proceeding;
- (k) the Purchased Licences are in good standing in accordance with the Act;

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- (l) the Purchased Licences were validly recorded in accordance with the Act;
- (m) the execution and delivery of this Agreement by the Vendor does not, and the consummation of the transactions contemplated hereby and thereby (in each case, with or without the giving of notice or lapse of time, or both) will not, (i) violate the provisions of any of the constating documents or by-laws of the Vendor or (ii) violate or conflict with any Applicable Laws;
- (n) neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated hereby, (with or without the giving of notice or lapse of time, or both), will give rise to a right of termination, amendment, cancellation or acceleration of any obligation contained in, or the loss of any material benefit or result in the creation of any Lien except for Permitted Liens;
- (o) there is no notice, charge, complaint, petition, action, suit or proceeding, claim, arbitration, litigation or investigation by or before any Governmental Entity or any arbitrator pending or, to the knowledge of the Vendor, threatened or alleged by any person against the Vendor, or which challenges or seeks to enjoin, alter or materially delay the consummation of the transactions contemplated by this Agreement and, to the knowledge of the Vendor, there is no basis for any such notice, charge, complaint, petition, action, suit or proceeding, claim, arbitration, litigation or investigation by or before any Governmental Entity or any arbitrator;
- (p) the Vendor is not a non-resident of Canada for purposes of section 116 of the *Income Tax Act* (Canada);
- (q) except for the Permitted Liens, there is no adverse claim or challenge against or to the Vendor's legal or beneficial rights to the Purchased Licences nor, to the best of the knowledge of the Vendor, is there any basis therefor, and there are no outstanding agreements or options to transfer the Purchased Licences or any interest therein and no person or company other than the Vendor and the Purchaser has any interest in the Purchased Licences or any right whatsoever capable of become any of the foregoing;
- (r) the Vendor is not aware of any defects, failures or impairments to the Vendor's rights in the Purchased Licences;
- (s) the Vendor has made available to the Purchaser all documents and agreements in its possession affecting the title to the Purchased Licences;
- (t) accurate descriptions of the Purchased Licences are set out in Schedule "A" attached hereto;
- (u) there are no outstanding Remedial Orders with respect to the Purchased Licences and the Vendor has not received any notice of the same and the Vendor is, to the



best of its knowledge, not aware of any basis on which any such orders or directions could be made;

- (v) the Vendor's rights to, and operations on, the Purchased Licences is, to the best of the Vendor's knowledge, in compliance with, and not in default or violation in any material respect under, any Applicable Laws (including Environmental Laws), and the Vendor has not been charged with or received any written notice at any time of any material violation of any Applicable Laws (including Environmental Laws) in connection with the Vendor's rights to, and operations on, the Purchased Licences;
- (w) to the extent that the exploration activities on the Purchased Licences were conducted by the Vendor, such activities were conducted in material compliance with all Applicable Laws relating to the work conducted in respect of the Purchased Licences, including Environmental Laws;
- (x) all reports and returns required to be filed with Governmental Entities with respect to the Purchased Licences were filed, and all required governmental permits and other governmental consents were obtained by the Vendor;
- (y) since the date when the Vendor became the holder of the Licences there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumpings or other material releases of any kind of any Hazardous Substance in, on or under the Purchased Licences or, to the knowledge of the Vendor, the environment surrounding the Purchased Licences, nor, to the Vendor's knowledge, have there been any such actions prior to the date when the Vendor became the holder of the Purchased Licences;
- (z) other than the Purchaser, the Vendor has not granted any person or corporation access to or the right to enter upon and explore or investigate the mineral potential of the Purchased Licences nor is it aware of any such exploration or investigation having been conducted thereon;
- (aa) the Vendor is not aware of any restriction on the zoning of the real property on which the Purchased Licences are situated on or any proposed change to such zoning which would hinder or prohibit the use of the Purchased Licences for exploration and mining activity;
- (bb) the Vendor has not incurred and will not incur any obligation for any brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby; and
- (cc) 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 Article from being misleading or which would likely affect the decision of the Purchaser to enter into this Agreement.

2.3 Covenants of the Vendor

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 Purchased Licences other than in accordance with the terms of this Agreement;
- (b) subject to satisfaction of all conditions precedent contained herein, the Vendor will do and execute, or cause and procure to be made, done and executed, all such further acts, 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 Purchased Licences being hereby conveyed or transferred effective on the Closing Date in accordance with the terms hereof, or for the purpose of registration or otherwise;
- (c) the Vendor will use its best efforts to 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 Purchased Licences, including but not limited to any regulatory approvals necessary for the completion of this Agreement;
- (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.

2.4 Covenants of the Purchaser

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

- (a) the Purchaser will pay the Cash Portion of the Purchase Price and will issue the Royalty on closing to be held in escrow according to the terms and conditions set forth herein;
- (b) the Purchaser 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; and
- (c) in the event that the Purchaser decides not to renew a Licence it shall transfer the Licence back to the Vendor no less than 180 days prior to the expiry date of such Licence and at the time of transfer such Licence shall be in good standing and not subject to any Liens other than Permitted Liens.



2.5 Representations, Warranties, Covenants and Conditions

The representations, warranties and covenants contained in this Article are conditions which the Parties have relied on in entering into this Agreement and 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, warranties and covenants, survive the Closing and the acquisition of the Purchased Licences by the Purchaser as set forth in Section 7.6.

2.6 Disclosures

Each Party has disclosed to the other Party all information it believes to be relevant concerning the Purchased Licences and the transactions contemplated herein and has provided to or made available for inspection by the other Party all such information. Each Party represents to the others that in negotiating and entering into this Agreement it has relied solely on its own appraisals, estimates as to the value of the Purchased Licences and upon its own geological and engineering interpretations related to the Purchased Licences.

ARTICLE 3 INDEMNITY

3.1 Purchaser's Indemnification Obligations

The Purchaser will indemnify, defend and hold harmless the Vendor from, against, for, and in respect of any and all Damages asserted against, relating to, imposed upon or incurred by the Vendor by reason of, resulting from, based upon or arising out of:

- (a) any misrepresentation, misstatement or breach of warranty by the Purchaser contained in or made pursuant to this Agreement or any Purchaser Document; or
- (b) the breach or partial breach by the Purchaser of any covenant or agreement of the Purchaser made in or pursuant to this Agreement or any Purchaser Document.

3.2 Vendor Indemnification Obligations

The Vendor will indemnify, defend and hold harmless the Purchaser from, against, for, and in respect of any and all Damages asserted against, relating to, imposed upon or incurred by the Purchaser by reason of, resulting from, based upon or arising out of:

- (a) any misrepresentation, misstatement or breach of warranty by the Vendor contained in or made pursuant to this Agreement or any Vendor Document; or
- (b) the breach or partial breach by the Vendor of any covenant or agreement of the Vendor made in or pursuant to this Agreement or any Vendor Document.



3.3 Vendor Additional Indemnification Obligations

In addition to the other indemnification provisions in section 3.2, the Vendor covenants and agrees at its sole cost and expense to protect, defend, indemnify, release, save, and hold the Purchaser and any successor or affiliate of the Purchaser together with each of their officers, directors, employees, and agents (collectively, the "**Indemnified Parties**") harmless from and against any and all Damages, which accrue to or are made against or are incurred by the Indemnified Parties at any time, and which arise directly or indirectly from or out of, or are in any way connected with any or all of the following:

- (a) the presence, containment, removal, abatement, treatment or remediation of any Hazardous Substances which are situated on, upon, under or within any of the Purchased Licences (or any of the underlying lands to which the Purchased Licences relate) between the date when the Vendor became the holder of the Purchased Licences and prior to Closing;
- (b) any Remedial Order imposed in connection with the Purchased Licences relating to or arising from any condition, event or circumstance existing or occurring between the date when the Vendor became the holder of the Purchased Licences and prior to Closing;
- (c) any claim, proceeding, or lawsuit brought or imposed by any Person, at any time, alleging non-compliance with Environmental Laws in connection with the Purchased Licences, relating to or arising from any condition, event or circumstance existing or occurring between the date when the Vendor became the holder of the Purchased Licences and prior to Closing; and
- (d) the migration of any Hazardous Substance from the Purchased Licences (or any of the underlying lands to which the Purchased Licences relate) into, onto or under any other property (including to another place within the area covered by the Purchased Licences) between the date when the Vendor became the holder of the Purchased Licences and prior to Closing.

The Vendor's obligations under this section 3.3 are unconditional and irrevocable.

3.4 Indemnification Cap

In the absence of fraud, fraudulent misrepresentation, gross negligence or intentional misrepresentation of either the Purchaser or Vendor, as applicable, the Purchaser and the Vendor shall not be required to indemnify an Indemnified Party with respect to any Damages under a claim for indemnification pursuant to Section 3.1 and Section 3.2 for any amount of indemnifiable Damages in excess of the Purchase Price (the "**Cap**"); provided that, the Cap shall not apply to Damages related to the Vendor Fundamental Representations or Purchaser Fundamental Representations, as applicable.



ARTICLE 4 TERMS OF SALE

4.1 Closing Date

The consummation of the transactions contemplated by this Agreement (the "**Closing**") shall be deemed effective as of on May 1, 2020, or such other date as the Parties shall agree (the "**Closing Date**"). The Parties contemplate that the Closing will occur by facsimile, e-mail and subsequent delivery of original documents and that no Closing meeting shall be required on the Closing Date.

4.2 Sale by Vendor to Purchaser

Upon the terms and subject to the conditions of this Agreement, subject to section 4.6, at the Closing the Vendor shall sell, assign, transfer, convey and deliver, to the Purchaser, and the Purchaser shall purchase, acquire and accept from the Vendor, all of the Vendor's right, title and interest in and to the Purchased Licences. Upon the sale of the Purchased Licences to the Purchaser, the Purchased Licences shall be re-registered in the name of the Purchaser.

4.3 Purchase Price

The consideration to be paid by the Purchaser to the Vendor for the Purchased Licences (the "**Purchase Price**") shall be paid as follows at Closing upon satisfaction of all other terms and conditions to be satisfied by the Vendor hereunder:

- (a) the Cash Portion of the Purchase Price by the Purchaser to the Vendor or as the Vendor may otherwise direct, which amount shall be paid by bank draft, cheque or such other manner as the parties agree; and
- (b) the grant and issuance of a 2% royalty (the "**Royalty**") with respect to (i) the Licences (ii) any property within five kilometres of the boundary of the Licences and (iii) any property otherwise contiguous with the properties described in parts (i) and (ii) of this clause, in each case owned by the Purchaser or its Affiliates or in respect of which the Purchaser or its Affiliates hold the mineral rights now or in the future, the payments from which shall be split as to 65% to Maximos Metals Corp. and 35% split equally between John Shurko Inc. and Gravel Developments Inc., which Royalty shall be registered against the Licences.

4.4 Deliveries by the Vendor at Closing

At the Closing, the Vendor shall deliver to counsel to the Purchaser, or arrange to have delivered to counsel to the Purchaser, the following:

- (a) all documents, notices, instruments and forms necessary to give effect to the transactions contemplated by this Agreement;



- (b) a copy of all resolutions adopted by the Vendor's board of directors evidencing the Vendor's authorization of the execution and delivery of this Agreement and the performance by the Vendor of the transactions contemplated hereby, certified by a senior officer of the Vendor;
- (c) all books, records, surveys, plans, files, correspondence, and other data and information of the Vendor relating to the Purchased Licences in the possession of the Vendor or its Affiliates, 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; and
- (d) all such other documents and agreements as the Purchaser's counsel reasonably considers necessary or desirable to give effect to the transactions contemplated by this Agreement provided that no such documents shall contain representations, warranties or covenants more onerous than the terms expressly set out in this Agreement.

4.5 Deliveries by the Purchaser at Closing

At the Closing, the Purchaser shall deliver to counsel to the Purchaser, to hold in escrow in accordance with section 4.6, who shall then deliver to the Vendor if released from escrow, the following:

- (a) a bank draft or wire transfer to the Vendor or as the Vendor may otherwise direct representing the Cash Portion of the Purchase Price;
- (b) a copy of all resolutions adopted by the Purchaser's board of directors evidencing the Purchaser's authorization of the execution and delivery of this Agreement and the performance of the transactions contemplated hereby, certified by an officer of the Purchaser; and
- (e) all such other documents and agreements as the Vendor's counsel reasonably considers necessary or desirable to give effect to the transactions contemplated by this Agreement.

4.6 Escrow

The Vendor Documents, Purchaser Documents, the Royalty and the Cash Portion of the Purchase Price delivered on the Closing Date shall be held in escrow by counsel to the Purchaser and released only upon confirmation of the transfer of the registration of the Vendor's interest in the Purchased Licences from the Vendor to the Purchaser pursuant to the Act. In the event that the foregoing transfers are not completed within 60 days from the Closing Date then, unless otherwise agreed upon in writing by the Vendor and the Purchaser, all Purchaser Documents, Vendor Documents, the Royalty, and the Cash



Portion of the Purchase Price shall be returned to the Vendor and the Purchaser, as applicable, and this Agreement shall be of no further force or effect.

4.7 Payment of Taxes

The Purchaser shall be liable for and shall pay all land transfer taxes, if any, duties and other like charges properly payable upon and in connection with the conveyance and transfer of the Purchased Licences. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligations in an efficient manner.

ARTICLE 5 RELATIONSHIP OF THE PARTIES

5.1 No Partnership

Nothing contained in this Agreement shall constitute the Parties as partners, agents, representatives, joint venturers, co-owners or otherwise as participants in a joint or common undertaking or create any mining or commercial partnership for any purpose whatsoever except as expressly set forth herein. Other than through its ownership of shares of the Purchaser, the Vendor further acknowledges that it does not have an interest in the Purchaser and, that the Purchaser shall be entitled to take all actions as it deems appropriate with respect to its business including those matters relating to its share capital and the Licences.

ARTICLE 6 ARBITRATION

6.1 Arbitration

In the event of any dispute between the Parties with respect to this Agreement or any matter governed by this Agreement which the Parties are unable to resolve, the matter shall be decided by arbitration. The Party desiring arbitration shall nominate one arbitrator and shall notify the other Party of such nomination and the other Party shall within thirty (30) days after receiving such notice nominate one arbitrator, and the two arbitrators shall select an umpire to act jointly with them. If the said arbitrators shall be unable to agree upon the selection of such umpire, the umpire shall be designated by any Justice of the Provincial Court of Nova Scotia. If the Party receiving the notice of nomination of an arbitrator by the Party desiring arbitration fails within the said thirty (30) days to nominate an arbitrator, then the arbitrator nominated by the party desiring arbitration may proceed alone to determine the dispute. Any decision reached pursuant to this Article shall be final and binding upon the Parties. Insofar as they do not conflict with the provisions hereof, the provisions of the *Arbitration Act* (Nova Scotia) as amended from time to time shall be applicable.



**ARTICLE 7
MISCELLANEOUS**

7.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

7.2 Notices

All notices, payments and other required communications ("**Notices**") to the Parties shall be in writing, and shall be addressed respectively as follows:

in the case of the Purchaser at:

SPARK MINERALS INC.

[REDACTED]

with a copy to:

Fogler, Rubinoff LLP
77 King Street West, Suite 3000
Toronto, Ontario
M5K 1G8
Attention: Eric Roblin
e-mail: eroblin@foglers.com

in the case of Vendor at:

21ALPHA RESOURCES INC.

[REDACTED]

with a copy to:

Cox and Palmer LLP
Purdy's Wharf, Tower I



1100-1959 Upper Water Street
Halifax, NS B3J 3N2
Attention: Matthew Dorreen
Email: mdorreen@coxandpalmer.com

Any Notice will:

- (a) five Business Days after the same shall have been deposited in the mail properly addressed, certified or registered with return receipt requested and postage prepaid, be deemed to have been received, unless at the time of such posting or within five Business Days thereafter, any strike, labour dispute or similar disruption of mail service shall come into effect, in which event such Notice shall not be valid;
- (b) if delivered by hand, be deemed to have been given and received on the day it was delivered to the recipient; and
- (c) if sent by e-mail or other electronic means, be deemed to have been given and received on the Business Day on which it was sent if sent during normal business hours and otherwise on the next following Business Day.

A Party may at any time give to the other Party notice in writing of any change of address of the Party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving notice hereunder.

7.3 Waiver

The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

7.4 Amendment

No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

7.5 Further Assurances

The Parties shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.



7.6 Survival of Terms and Conditions

- (a) The representations and warranties made by the Vendor contained in this Agreement and in any Vendor Document executed and delivered by the Vendor pursuant to this Agreement shall survive the Closing and, notwithstanding such Closing and notwithstanding any investigations made by or on behalf of the Purchaser, shall continue in full force and effect from and after the Closing Date for a period of twenty-four (24) months, except that:
- a. the representations and warranties set out in Sections 2.2(a) (Existence), 2.2(b) (Bankruptcy), 2.2(c) (Authority), 2.2(d) (Execution), 2.2(e) (All or Substantially All), 2.2(f) (Approvals), 2.2(g), (Enforceability), 2.2(m) (No Violation), 2.2(q) (Rights to Purchased Licences), 2.2(v) and 2.2(w) (Compliance with Laws), and 2.2(cc) (No Broker) shall survive the Closing and shall continue in full force and effect for the benefit of the Purchaser without limitation of time;
 - b. the representations and warranties set forth in Sections 2.2(u) and 2.2(z) (Environmental Matters) shall survive the Closing and shall continue in full force and effect for the benefit of the Purchaser until sixty (60) days after the expiration of the applicable statute of limitations for the matters described in such representations and warranties plus any extensions or waivers thereof (collectively the representations described in Sections 7.6(a)a and 7.6(a)b are referred to herein as the "**Vendor Fundamental Representations**") and the Vendor Fundamental Representations shall survive Closing and shall continue in full force and effect for the benefit of the Purchaser without limitation of time; and
 - c. any representation or warranty involving fraud, fraudulent misrepresentation, gross negligence or intentional misrepresentation on the part of the Vendor shall survive Closing and shall continue in full force and effect for the benefit of the Purchaser without limitation of time.
- (b) The representations and warranties made by the Purchaser contained in this Agreement and in any Purchaser Document executed and delivered by the Purchaser pursuant to this Agreement shall survive the Closing and, notwithstanding such Closing and notwithstanding any investigations made by or on behalf of the Vendor, shall continue in full force and effect from and after the Closing Date for a period of twenty-four (24) months, except that:
- a. the representations and warranties set out in Sections 2.1(a) (Existence), Section 2.1(b) (Authority), Section 2.1(c) (Bankruptcy), Section 2.1(d) (Execution), Section 2.1(f) (Approvals) and Section 2.1(h) (Enforceability) (collectively, the "**Purchaser Fundamental Representations**") shall survive the Closing and shall continue in full



force and effect for the benefit of the Vendor without limitation of time;
and

- b. any representation or warranty involving fraud, fraudulent misrepresentation, gross negligence or intentional misrepresentation on the part of the Purchaser shall survive Closing and shall continue in full force and effect for the benefit of the Vendor without limitation of time.
- (c) The covenants of each of the Parties contained in this Agreement and in any Vendor Document or Purchaser Document, as applicable, which have not been performed on or prior to the Closing, shall survive the Closing and shall continue in full force and effect from and after the Closing Date in accordance with their respective terms.
- (d) Notwithstanding the foregoing provisions of this Section 7.6, any claims asserted in writing by notice from an Indemnified Party seeking indemnification under this Agreement to an indemnifying Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims and any other claim(s) reasonably related thereto shall survive until finally resolved.

7.7 Interpretation

The Article headings utilized in this Agreement are for convenience of reference only, and should not be construed to define, limit or describe the scope of this Agreement or the intent of the Parties hereto, and have no effect with respect to the terms and provisions of this Agreement. Words importing the singular number only shall include plural and *vice-versa*, words importing the neuter gender shall include the masculine and feminine gender.

7.8 Assignment

This Agreement may be assigned by a Party only with the prior written consent of the other Party. Subject to the foregoing, all of the terms and provisions of this Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

7.9 Unenforceability of Provision

Should any section or provision of this Agreement be declared void or unenforceable in any jurisdiction, such declaration shall affect only that portion of this Agreement so held void and unenforceable and insofar as possible, all other sections terms, covenants and conditions of this Agreement shall remain in full force and effect in such jurisdiction, and the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any such provision in any other jurisdiction.



7.10 Expenses

Each of the Parties shall be responsible for the expenses (including fees and expenses of legal advisers, accountants and other professional advisers) incurred by them, respectively, in connection with the negotiation and settlement of this Agreement and the completion of the transactions contemplated hereby and agrees to save harmless each other Party from and against any and all claims whatsoever for any commissions or other remuneration payable or alleged to be payable to anyone acting on its behalf.

7.11 Time is of the Essence

Time is of the essence of this Agreement.

7.12 Execution

This Agreement may be signed in counterparts, by facsimile or other electronic transmission, and each such counterpart shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

7.13 Language

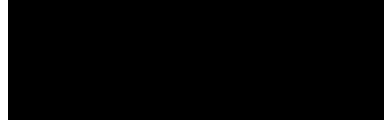
The Parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn up in the English language only. Les signataires confirment leur volonté que présente convention, de même que tous les documents s'y rattachant, y compris tout avis, annexe et autorisation, soient rédigés en anglais seulement.

**[REMAINDER OF PAGE BLANK.
SIGNATURE PAGE TO FOLLOW.]**

A handwritten signature in black ink, consisting of a stylized, cursive 'J' followed by a flourish.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the day and year first above written.

SPARK MINERALS INC.



Per: _____

Name: Peter Steele

Title: Director

21ALPHA RESOURCES INC.

Per: _____

Name: John Shurko

Title: President

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the day and year first above written.

SPARK MINERALS INC.

Per: _____
Name: Peter Steele
Title: Director

21ALPHA RESOURCES INC.

Per: _____
Name: John Shurko
Title: President



SCHEDULE "A"
PURCHASED LICENCES

A handwritten signature in black ink, consisting of stylized, cursive letters, located in the bottom right corner of the page.

Right	Property	ID	Holder Name	Issue	Expiry	Age	Term	Claims	Status	Work Required 2021	Work Available	Work Balance Required 2021	Future Renewal Fee 2020/2021	Stake/Renew Fees Paid by 21A	Paid by non-21Alpha	21Alpha Receipts	
51736	Londonderry	564476	John Shurko	2017-08-03	2021-08-03	3	2	19	Active	\$7,600.00	\$16,971.53	\$0.00	\$380.00	\$1,370.00		3	
52232	Londonderry	564476	John Shurko	2018-05-09	2021-05-09	2	1	51	Active	\$20,400.00	\$55,905.00	\$0.00	\$1,020.00	\$1,020.00		2	
52235	Londonderry	564476	John Shurko	2018-05-09	2021-05-09	2	1	4	Active	\$1,600.00	\$4,373.00	\$0.00	\$80.00	\$40.00		2	
52280	Londonderry	564476	John Shurko	2018-06-01	2021-06-01	2	1	6	Active	\$2,400.00	\$2,680.00	\$0.00	\$120.00	\$120.00		2	
52329	Londonderry	564476	John Shurko	2018-06-18	2021-06-18	2	1	48	Active	\$19,200.00	\$18,851.00	\$349.00	\$960.00	\$960.00		2	
52344	Londonderry	564476	John Shurko	2018-06-26	2021-06-26	2	1	74	Active	\$29,600.00	\$13,651.00	\$15,949.00	\$1,480.00	\$1,480.00		2	
52888	Londonderry	564476	John Shurko	2017-08-03	2021-08-03	3	2	2	Active	\$800.00	\$1,786.47	\$0.00	\$40.00	\$80.00		1	
52906	Londonderry	564789	21Alpha	2018-12-24	2020-12-24	1	1	2	Active	\$800.00	\$0.00	\$800.00	\$40.00	\$20.00		1	
53024	Londonderry	564476	John Shurko	2019-02-15	2021-02-15	1	1	51	Active	\$20,400.00	\$0.00	\$20,400.00	\$1,020.00	\$510.00		1	
53025	Londonderry	564476	John Shurko	2019-02-15	2021-02-15	1	1	62	Active	\$24,800.00	\$0.00	\$24,800.00	\$1,240.00	\$620.00		1	
53108	Londonderry	564476	John Shurko	2019-03-28	2021-03-28	1	1	9	Active	\$3,600.00	\$0.00	\$3,600.00	\$180.00	\$90.00		1	
53131	Londonderry	564789	21Alpha	2019-04-09	2021-04-09	1	1	44	Active	\$17,600.00	\$0.00	\$17,600.00	\$880.00	\$440.00		1	
53145	Londonderry	564789	21Alpha	2019-04-17	2021-04-17	1	1	9	Active	\$3,600.00	\$0.00	\$3,600.00	\$180.00	\$90.00		1	
53159	Londonderry	564476	John Shurko	2019-04-25	2021-04-25	1	1	42	Active	\$16,800.00	\$0.00	\$16,800.00	\$840.00	\$420.00		1	
53264	Londonderry	564789	21Alpha	2019-06-14	2021-06-14	1	1	12	Active	\$4,800.00	\$0.00	\$4,800.00	\$240.00	\$120.00		1	
53271	Londonderry	564476	John Shurko	2019-06-20	2021-06-20	1	1	2	Active	\$800.00	\$0.00	\$800.00	\$40.00	\$20.00		1	
53278	Londonderry	564789	21Alpha	2019-06-21	2021-06-21	1	1	11	Active	\$4,400.00	\$0.00	\$4,400.00	\$220.00	\$110.00		1	
53289	Londonderry	564476	John Shurko	2019-06-28	2021-06-28	1	1	3	Active	\$1,200.00	\$0.00	\$1,200.00	\$60.00	\$30.00		1	
53311	Londonderry	564937	Spark Minerals	2019-07-19	2021-07-19	1	1	1	Active	\$400.00	\$0.00	\$400.00	\$20.00	\$10.00		1	
53319	Londonderry	564937	Spark Minerals	2019-07-26	2021-07-26	1	1	2	Active	\$800.00	\$0.00	\$800.00	\$40.00	\$20.00		1	
53323	Londonderry	564937	Spark Minerals	2019-07-26	2021-07-26	1	1	15	Active	\$6,000.00	\$0.00	\$6,000.00	\$300.00	\$150.00		1	
53452	Londonderry	564937	Spark Minerals	2019-11-05	2021-11-05	1	1	65	Active	\$26,000.00	\$0.00	\$26,000.00	\$1,300.00	\$0.00	\$650.00		
53453	Londonderry	564937	Spark Minerals	2019-11-05	2021-11-05	1	1	45	Active	\$18,000.00	\$0.00	\$18,000.00	\$900.00	\$0.00	\$450.00		
53481	Londonderry	564789	21Alpha	2019-11-14	2021-11-14	1	1	8	Active	\$3,200.00	\$0.00	\$3,200.00	\$160.00	\$80.00		1	
53483	Londonderry	564789	21Alpha	2019-11-14	2021-11-14	1	1	37	Active	\$14,800.00	\$0.00	\$14,800.00	\$740.00	\$0.00	\$370.00		
53554	Londonderry	564919	Ashley Sawler	2019-12-20	2021-12-20	1	1	16	Active	\$6,400.00	\$0.00	\$6,400.00	\$320.00	\$160.00		1	
									640	\$256,000.00	\$114,218.00	\$190,698.00	\$12,800.00	\$7,960.00	\$1,470.00	30	
8609	Sheba	16345	John Shurko	2018-02-12	2021-02-12	3	N/A	8	Active	\$1,600.00	\$0.00	\$1,600.00	\$80.00	\$320.00		3	
9317	Sheba	16351	Jimmy Gravel	2019-10-27	2020-10-27	1	N/A	30	Active	\$3,000.00	\$0.00	\$3,000.00	\$300.00	\$300.00		1	
9318	Sheba	16376	Johnann Shurko	2019-10-27	2020-10-27	1	N/A	12	Active	\$1,200.00	\$0.00	\$1,200.00	\$120.00	\$120.00		1	
9392	Sheba	16345	John Shurko	2020-01-14	2021-01-14	1	N/A	30	Active	\$3,000.00	\$0.00	\$3,000.00	\$300.00	\$300.00		1	
									80	\$8,800.00	\$0.00	\$8,800.00	\$800.00	\$1,040.00		6	

SCHEDULE "B"
ROYALTY AGREEMENT

A handwritten signature in black ink, consisting of stylized, cursive letters that appear to be 'JL' or similar initials.

ROYALTY AGREEMENT

THIS AGREEMENT made as of the 30th day of April, 2020,

BETWEEN:

SPARK MINERALS INC., a corporation incorporated pursuant to the laws of the Province of Nova Scotia

(hereinafter called "**Spark**"),

– and –

MAXIMOS METALS CORP., a corporation incorporated pursuant to the laws of Canada

(hereinafter called "**Maximos**")

- and -

GRAVEL DEVELOPMENTS INC., a corporation incorporated pursuant to the laws of the Province of Nova Scotia

(hereinafter called "**Gravel**"),

– and –

JOHN SHURKO INC., a corporation incorporated pursuant to the laws of the Province of Nova Scotia

(hereinafter called "**Shurko**" and together with Maximos and Gravel, referred to herein as the "**Holder**s"),

WHEREAS Spark has agreed to create, grant and convey to the Holders, the Royalty, as provided for herein;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the Parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

ARTICLE I INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) "Affiliate" means, with respect to any Person, any other Person which directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is

under common control with, such Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

- (b) "Arm's Length" has the meaning given to that term in the *Income Tax Act* (Canada).
- (c) "Associate" has the meaning set out in the *Securities Act* (Nova Scotia), as amended.
- (d) "Business Day" means a day other than a Saturday, a Sunday or any other day on which the principal chartered banks located in Halifax, Nova Scotia and Toronto, Ontario are not open for business.
- (e) "Hedging Transactions" has the meaning given to it in Section 6.1.
- (f) "Interest" has the meaning given to it in Section 3.4.
- (g) "Loss" means an insured loss of or damage to Products, whether or not occurring on or off the Property and whether the Products are in the possession of Spark or its Affiliates or otherwise.
- (h) "Offer" has the meaning given to it in Section 10.2(a).
- (i) "Offeror" has the meaning given to it in Section 10.2(a).
- (j) "Parties" means the parties to this Agreement, and "Party" means any one of the Parties.
- (k) "Person" means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, governmental bodies or any other type of organization or entity, whether or not a legal entity.
- (l) "Place of Delivery" means an account at a chartered bank in Canada specified in writing to Spark by the applicable Holder at least 10 Business Days prior to the date of Payment.
- (m) "Prime" means at any particular time, the reference rate of interest, expressed as a rate per annum, that the Bank of Nova Scotia establishes as its prime rate of interest in order to determine interest rates that it will charge for demand loans in Canadian dollars to its most credit worthy customers in Canada.
- (n) "Processing Returns" means, with respect to each Quarter (and without duplication):
 - (A) in all cases other than gold and silver and other than clause (C) below, the actual gross proceeds received during such Quarter by Spark from the sale or other disposition of Products;



- (B) in the case of Products comprised of gold and silver processed at a refinery, the number of ounces of refined gold and refined silver credited to the account of Spark during such Quarter multiplied by the applicable Reference Price; and
- (C) in the event that there is a Loss of Products, an amount equal to the sum of the insurance proceeds actually received by Spark during such Quarter (less any costs and expenses incurred in connection therewith) in respect of such Loss,

less the following expenses, to the extent incurred in respect of the Products for which payment or credit is received during such Quarter:

- (i) all taxes based directly on or assessed against the value or quantity of Products produced from the Property, including the following:

- direct sales tax;
- use taxes;
- gross receipts taxes;
- severance taxes; and
- crown royalties;

but excluding any and all taxes based upon the net or gross income of Spark or other operator of the Property, the value of the Property or the privilege of doing business and other taxes assessed on a similar basis;

- (ii) all transportation costs, including related insurance costs, for transportation of Products from the Property to a Processor or to the point of sale, and all direct charges and/or costs charged by any Processor of the Products (provided such charges or costs have not been previously deducted by Spark or such Processor); provided that if any processing is carried out at facilities owned or controlled, in whole or in part, by Spark, then the charges and costs for such processing (but not including mining) of such Products shall be the lesser of: (A) the charges and costs Spark would have incurred if such processing was carried out at facilities that are not owned or controlled by Spark and that are offering comparable services for comparable products; and (B) the actual charges and costs incurred by Spark with respect to such processing; and
 - (iii) all actual selling, marketing and brokerage costs, including any sales commissions, relating to the sale or disposition of Products.
- (o) "Processor" means collectively any mill or other processor, refiner or smelter of the Products which processes, refines or smelts any Products to the final product stage before sale or other disposition by or for the account of Spark.
 - (p) "Products" means all ores, minerals, mineral products mined, produced, extracted, derived or otherwise recovered from the Property and includes all beneficiated and other mineral products produced or derived therefrom.



- (q) "Property" means (i) the property described in Schedule "A" hereto, (ii) any property within five kilometres of the boundary of the property described in Schedule "A" hereto and (iii) any property otherwise contiguous with the properties described in parts (i) and (ii) of this definition, in each case owned by Spark or its Affiliates or in respect of which Spark or its Affiliates hold the mineral rights now or in the future.
- (r) "Quarter" means each three month fiscal period ending on March 31, June 30, September 30 or December 31.
- (s) "Reference Price", for any given Quarter, means:
 - (i) for gold, the quarterly average of the afternoon per ounce LBMA Gold Price in U.S. dollars quoted by the London Bullion Market Association (currently in partnership with ICE Benchmark Administration) for refined gold for such Quarter, calculated by dividing the sum of all such quotations during such Quarter by the number of such quotations; provided that if, for any reason, the London Bullion Market Association is no longer in operation or the price of refined gold is not confirmed, acknowledged by or quoted by the London Bullion Market Association, the Reference Price for gold shall be determined by reference to the price of refined gold in the manner endorsed by the London Bullion Market Association (if in operation) and World Gold Council; and
 - (ii) for silver, the quarterly average of the daily per ounce LBMA Silver Price in U.S. dollars quoted by the London Bullion Market Association (currently in partnership with CME Group and Thomson Reuters) for refined silver for such Quarter, calculated by dividing the sum of all such quotations during such Quarter by the number of such quotations; provided that if, for any reason, the price of refined silver is not confirmed, acknowledged by or quoted by the London Bullion Market Association, the Reference Price for silver shall be determined by reference to the price of refined silver in the manner endorsed by the London Bullion Market Association.

Should any of the price quotations referred to above cease to exist, cease to be published or should no longer be internationally recognized as the basis for the settlement of the applicable commodity, then, upon the request of either of them, Spark and the Holders shall promptly meet to select a comparable commodity quotation for purposes of this Agreement. The basic objective of such selection shall be to secure the continuity of fair market pricing of such commodity.

- (t) "ROFR Purchaser" has the meaning given to it in Section 10.2(b).
- (u) "ROFR Vendor" has the meaning given to it in Section 10.2(b).
- (v) "Royalty" shall have the meaning set out in Section 2.1.
- (w) "Royalty Interest" has the meaning given to it in Section 10.2(a).
- (x) "Second Offer" has the meaning given to it in Section 10.2(a).



1.2 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as herein provided.

1.3 Severability

If any provision of this Agreement is determined by an arbitrator or a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect, without amendment.

1.4 Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein and this Agreement shall in all respects be treated as a Nova Scotia contract.

1.5 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the Parties and their respective heirs, executors, permitted representatives, successors and permitted assigns. No Party may assign any of its rights or obligations hereunder without the prior written consent of the other Parties which consent shall not be unreasonably withheld or delayed.

1.6 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on any Party unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise provided.

1.7 Currency

Unless specified otherwise, all dollar amounts expressed in this Agreement refer to, and all payments contemplated hereby shall be made in, lawful Canadian currency.

1.8 Headings

The headings used in this Agreement, and its division into articles, sections, schedules, and other subdivisions, do not affect its interpretation. Unless otherwise indicated, references in this Agreement to articles, sections, schedules, and other subdivisions are to those parts of this Agreement.

1.9 Calculation of Time.

In this Agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. (Toronto time) on the last day of the period. Except with respect to the last day of a Quarter, if any period of time is to expire, or any action or event is to occur, on any day



that is not a Business Day, the period expires, or the action or event is considered to occur, at or not later than 5:00 p.m. (Toronto time) on the next Business Day.

1.10 Interpretation of this Agreement.

The Parties acknowledge that they have each participated in settling the terms of this Agreement. The Parties agree that any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting Party will not apply in interpreting this Agreement.

**ARTICLE II
GRANT OF ROYALTY AND OPERATIONS**

2.1 Royalty

Spark hereby creates, grants and conveys to the Holders, a perpetual royalty (the "**Royalty**") in respect of the Products equal to 2% of Processing Returns, payable quarterly as set forth in Section 3.1 and otherwise in accordance with the provisions of this Agreement. Spark and the Holders expressly acknowledge and agree that the grant, sale, transfer and conveyance of the Royalty is effective as of date hereof and is intended to run with and bind each part of the Property and the rights of Spark thereto and shall be binding upon the successors and assigns of Spark and all successors of Spark in rights to the Property. The Parties hereto agree that the Royalty shall be paid 65% to Maximos Metals Corp. and 35% split equally between Shurko and Gravel.

**ARTICLE III
TIME, CALCULATION AND MANNER OF ROYALTY PAYMENTS**

3.1 Time and Calculation of Payment

The Royalty payment shall be calculated and paid for each Quarter of each calendar year during the term of this Agreement, commencing on the date hereof, provided that the first Quarter shall begin on the date hereof and end on the last day of the Quarter in which such date falls. The Royalty payment for each Quarter shall be calculated with respect to each applicable mineral by multiplying 0.02 and the amount of Processing Returns with respect to each applicable mineral for which payment or credit is received by Spark during such Quarter (as provided herein) and shall be paid to the Holders by Spark in a single payment by wire transfer in Canadian dollars, on or before the day that is forty-five (45) days after the last day of each Quarter. Any adjustment to the determination of any Royalty payment (including as a result of a provisional payment from a Processor or other third party) shall be applied to the next scheduled Royalty payment. All such Royalty and adjustment payments shall be delivered to the Holders at the applicable Place of Delivery.

3.2 Statements.

At the time each Royalty payment is paid to the Holders, Spark shall prepare and deliver to the Holders a statement setting out in reasonable detail the manner in which such Royalty payment was calculated, including: (i) the quantities of Products sold or otherwise disposed of by Spark with respect to such Quarter or the amount of Products produced and credited to the account of Spark for such Quarter, as the case may be; (ii) the calculation of the applicable Processing Returns; (iii) the calculation of Interest accrued on such Royalty payment, if any; and (iv) the calculation of any



withholding or deduction in respect of the Royalty for remittance to an applicable governmental authority pursuant to Section 3.6.

3.3 Owner Credited with Disposition.

Notwithstanding the terms of any other provision in this Agreement, Spark shall not be obligated to make any Royalty payment before Spark has received or been credited with the proceeds from the sale or other disposition of Products (but for greater certainty, shall be obligated to make such payment after receiving or being credited with such proceeds).

3.4 Objections by Holder.

A Holder may object in writing to any statement or Royalty payment amount within three (3) months of the receipt by such Holder of the relevant statement in respect of such payment. If it is determined by agreement of the Parties or by arbitration that any Royalty payment has not been properly paid in full as provided herein, Spark shall pay interest on the delinquent amount at a rate per annum of Prime plus 2% per annum ("Interest"), commencing on the date on which such delinquent amount was properly due and continuing until the date on which the Holder receives payment in full of such delinquent amount and all accrued interest thereon. For the purposes of this subsection, Prime shall be determined as of the date on which such delinquent amount was properly due.

3.5 Overpayment.

If any portion of any Royalty payment (and any related Interest amount) was overpaid, Spark shall be entitled to offset such amount against the next Royalty payment.

3.6 Withholding or Deductions.

All Royalty payments, including Interest, if any, will be made subject to withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied on such payment by or on behalf of any governmental authority having power and jurisdiction to tax and for which Spark is obligated in law to withhold or deduct and remit to such governmental authority and no gross-up or make-whole payment shall be made in respect of such withholding. Spark shall set out in detail in the statement referred to in Section 3.2 any amount so withheld or deducted.

3.7 No Deduction for Certain Costs.

All Royalty payments shall be made without deduction or set off for costs of production, mining, milling, processing, transportation, taxes or other expenses whatsoever, except as expressly provided in this Agreement.

3.8 Tailings.

All tailings, residues, waste rock, spoiled leach materials and other materials resulting from Spark's operations and activities on the Property shall be the sole property of Spark, but shall remain subject to the obligation to pay the Royalty should the same be processed or reprocessed, as the case may be, in the future and result in the production of Products.

A handwritten signature in black ink, consisting of stylized initials or a name, located in the bottom right corner of the page.

**ARTICLE IV
MANAGEMENT OF OPERATIONS**

4.1 Owner to Determine Operations

The Holders acknowledge and agree that all decisions concerning methods, the extent, times, procedures and techniques of any:

- (a) exploration, development and mining related to the Property;
- (b) leaching, milling, processing or extraction;
- (c) materials to be introduced on or to the Property or produced therefrom; and
- (d) decisions concerning the sale or other disposition of Products from the Property,

shall be made by Spark in its sole and absolute discretion, The Holders agree that Spark shall not be responsible to the Holders for or obliged to make any Royalty payments for Products or Product value lost in any mining or processing of the Products.

4.2 Suspension and Abandonment of the Property.

Spark may suspend operations on, in or under the Property (or any part thereof) from time to time or at any time, in its sole and absolute discretion. In addition, Spark shall be entitled to abandon the Property (or any part thereof) in its sole and absolute discretion. Upon such abandonment, this Agreement shall be null and void and of no further force or effect with respect to such part or parts of the Property that are the subject of such abandonment, provided that if Spark or any Affiliate of Spark reacquires rights in respect of such part or parts of the Property at any time after such abandonment, this Agreement and the Royalty shall again be of force and effect and shall apply to any Products derived therefrom.

4.3 Commingling,

Commingling of Products from the Property with other ores, (lore, concentrates, metals, minerals or mineral by-products produced elsewhere is permitted, provided that reasonable and customary procedures are established by Spark for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained in such Products and in the other ores, dore, concentrates, metals, minerals and mineral by-products.

4.4 Sales to or Processing by Affiliates.

Spark will be permitted to sell Products in the form of raw ore, dore, concentrates or otherwise to an Affiliate of Spark, provided that such sales will be deemed, for the purposes of this Agreement, to have been sold at prices and on terms no less favourable to Spark than those that would be extended by an unaffiliated third person in an arm's length transaction under similar circumstances. Spark will be permitted to contract with an Affiliate of Spark or an unaffiliated third person for the smelting or other processing of Products, provided that in the case of a contract with an Affiliate, such contract is on an arm's length basis at market terms.



4.5 *Maintain Insurance.*

Spark shall use commercially reasonable efforts to maintain in good standing any policies of insurance maintained by Spark in respect of the Property or Products and present all claims under such policies in a due and timely manner.

**ARTICLE V
TERM**

5.1 *Term*

This Agreement shall continue in perpetuity, it being the intent of the Parties that the Royalty shall constitute a covenant running with and binding upon the rights of Spark to the Property and all accessions thereto and all successions thereof, whether created privately or through governmental action, and binding upon the successors and assigns of Spark. If any right, power or interest of either Party would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

**ARTICLE VI
HEDGING TRANSACTIONS**

6.1 *Hedging Transactions*

All profits, losses and expenses resulting from Spark engaging in any commodity futures trading, option trading, metals trading, metal loans, and any other hedging transactions or any combination thereof (collectively "Hedging Transactions") are specifically excluded from calculations of Royalty payments pursuant to this Agreement. All Hedging Transactions shall be for Spark's sole account and shall not affect the calculation and payment to the Holders of the Royalty payment which shall be calculated and paid in accordance with Article III without regard for any Hedging Transactions. In the case of a Hedging Transaction in respect of a Product which is not gold or silver, the applicable Processing Returns shall be calculated as the quantity of the applicable Product for which Spark received payment during such Quarter multiplied by the applicable reference price, less the deductions set forth in clauses (i) through (iii) of the definition of Processing Returns. The applicable reference price is to be determined using the quarterly average of the daily COMEX price for the given commodity calculated in a comparable manner as used for determining the Reference Price for gold and silver, subject to the last paragraph of the definition of "Reference Price".

**ARTICLE VII
BOOKS; RECORDS; INSPECTIONS**

7.1 *Right to Audit*

Spark shall keep true, complete and accurate books and records of its sales or other dispositions of Products, prepared in all material respects in accordance with industry standards consistently applied. Subject to complying with the confidentiality provisions of this Agreement, the Holders and/or their authorized representatives shall be entitled, upon delivery of five (5) Business Days advance notice, and during the normal business hours of Spark, to perform audits or other reviews and examinations of Spark's books and records relevant to the calculation and payment of the Royalty pursuant to this Agreement no more than once per calendar year to confirm compliance with



the terms of this Agreement, including without limitation, calculations of Processing Returns. Without limiting the generality of the foregoing, the Holders shall have the right to audit all invoices and other records relating to the transportation of Products from the Property to any Processor at which Products from the Property may be processed. The Holders shall diligently complete any audit or other examination permitted hereunder. All expenses of any audit or other examination permitted hereunder shall be paid by the Holders, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of any Royalty payments paid to the Holders hereunder in respect of the period being audited or examined in an amount greater than 5% of the amount of the Royalty properly payable with respect to such period, in which event all reasonable expenses of such audit or other examination shall be paid by Spark.

7.2 Reasonable Access.

In performing such audit the Holders and/or their agents shall have reasonable access to all production records, including all mining, stockpile and milling records of Spark relating to the Products derived from the Property (and the Holders shall be allowed to make notes or a photocopy thereof), all of which such records shall be kept and retained by Spark or operator of the Property in accordance with good mining industry practice.

**ARTICLE VIII
CONFIDENTIALITY**

8.1 No Disclosure Without Consent

The Holders shall not, without the express written consent of Spark, disclose any non-public or confidential information in respect of the terms of this Agreement or otherwise received under or in conjunction with this Agreement including information concerning Products and operations on the Property or any other properties owned or leased by Spark, other than to its employees, agents and/or consultants for purposes related to the administration of this Agreement and the Holders shall not issue any press releases concerning the terms of this Agreement or in respect of the Property or the operations of Spark, without the consent of Spark after Spark has first reviewed the content of such press release. The Holders agree to reveal such information only to their respective employees, agents and/or consultants who need to know, who are informed of the confidential nature of the information and who agree to be bound by the terms of this Section 8.1 and the Holders agree to be responsible for the breach of this Section 8.1 by its employees, agents and/or consultants.

8.2 Notice to the Other Parties.

A Holder may disclose data or information obtained under or in conjunction with this Agreement and otherwise prohibited from disclosure by this Article VIII after providing Spark and the other Holders with a copy of the proposed disclosure and if Spark and the other Holders do not object, acting reasonably, to such disclosure by notice in writing to the disclosing Holder within 48 hours after receipt of such copy:

- (a) to any third person to whom the disclosing Holder in good faith anticipates selling or assigning its interest hereunder;
- (b) to a prospective lender to the Holder; or
- (c) to a prospective equity financier or investor of the Holder;



provided that in each case the person to whom disclosure is proposed shall first have been provided with and signed and delivered to Spark and the other Holders a confidentiality agreement executed by such third party purchaser, lender, financier or investor which agreement shall include the confidentiality provisions of this Article VIII and shall otherwise be in form and substance acceptable to Spark and other Holder, acting reasonably.

8.3 *Compliance with Applicable Laws.*

A Holder may disclose data or information obtained under this Agreement or publicly file this Agreement if required to do so for compliance with applicable laws, rules, regulations or orders of a governmental authority having jurisdiction over such Holder, provided that the Holder shall disclose only such data or information as, in the opinion of its counsel, is required to be disclosed and provided further that it will provide Spark with a copy of the proposed disclosure and Spark shall be given the right to review and object to the data or information to be disclosed within 24 hours of its receipt of such copy prior to any release, and any such release will be subject to any reasonable objections, redactions (to the extent permitted by applicable laws) or changes proposed by Spark.

ARTICLE IX NO IMPLIED COVENANTS

9.1 *No Implied Covenants*

The Parties agree that there are no implied covenants or duties relating to or affecting any of their respective rights or obligations under this Agreement, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this Agreement.

ARTICLE X TRANSFER BY A HOLDER

10.1 *Transfer*

Subject to compliance with Section 10.2, a Holder may assign this Agreement in whole or in part, and any rights and obligations under this Agreement, without the written consent of Spark, provided that: (i) any such assignee enters into a written agreement with Spark and the other Holders in form and substance satisfactory to Spark, acting reasonably, to be bound by the provisions of this Agreement in all respects and to the same extent as the Holders are bound, (ii) notwithstanding the foregoing, the transferring Holder shall remain liable for all obligations of the transferring Holder under this Agreement that arose prior to such assignment and shall not be liable for any obligations that arise thereafter, and (iii) notwithstanding the foregoing, where the assignment is to an Affiliate of a Holder, such Holder shall perform such Affiliate's obligations under this Agreement to the extent that such Affiliate fails to do so, for as long as such Affiliate remains an Affiliate of such Holder.

10.2 *Maximos Right of First Refusal*

- (a) In the event that either Gravel or Shurko (in this clause referred to as an "**Offeror**") receives a bona fide all cash offer (the "**Offer**") from any Person dealing at Arm's Length with the Offeror to purchase all, or any part of, the Offeror's interest in the Royalty beneficially owned by or under the control or direction of the Offeror (the "**Royalty Interest**") which is acceptable to the Offeror, the Offeror shall, by notice in



writing (the "**Second Offer**"), offer to sell such Royalty Interest to Maximos at the same price and upon the same terms and conditions as are contained in the Offer. Such notice shall be accompanied by a true copy of the Offer. The Second Offer shall not be revocable except with the consent of Maximos and shall be open for acceptance by Maximos for a period of forty-five (45) days from the date upon which such notice was received by Maximos.

- (b) If the Second Offer is accepted by Maximos, then the Offeror (the "**ROFR Vendor**") shall sell and Maximos (the "**ROFR Purchaser**") shall purchase the Royalty Interest upon the terms and conditions contained in the Second Offer.
- (c) If (i) the ROFR Purchaser and ROFR Vendor do not complete the purchase of the Royalty Interest pursuant to the Second Offer within forty-five (45) days from the date of the acceptance of the Second Offer due to the fault of the ROFR Vendor or (ii) if, during the time limited therefor, the ROFR Purchaser shall not have accepted the Second Offer, then the Offeror shall be entitled to sell the Royalty Interest in accordance with the Offer.
- (d) If a sale of the Royalty Interest pursuant to the Offer is not completed within ninety (90) days from the giving of notice to the ROFR Purchaser as aforementioned, no sale of the Royalty Interest shall be made without complying with the terms of this Section 10.2 and so on from time to time.

10.3 *Gravel/Shurko Right of First Refusal*

- (a) In the event that Maximos (in this clause referred to as an "**Offeror**") receives a bona fide all cash offer (the "**Offer**") from any Person dealing at Arm's Length with the Offeror to purchase all, or any part of, the Offeror's interest in the Royalty beneficially owned by or under the control or direction of the Offeror (the "**Royalty Interest**") which is acceptable to the Offeror, the Offeror shall, by notice in writing (the "**Second Offer**"), offer to sell such Royalty Interest to Gravel and Shurko (the "**Offerees**") at the same price and upon the same terms and conditions as are contained in the Offer. Such notice shall be accompanied by a true copy of the Offer. The Second Offer shall not be revocable except with the consent of the Offerees and shall be open for acceptance by the Offerees for a period of forty-five (45) days from the date upon which such notice was received by the Offerees.
- (b) If the Second Offer is accepted by the Offerees, then the Offeror (the "**ROFR Vendor**") shall sell and the Offerees (the "**ROFR Purchasers**") shall purchase, in proportion to their percentage ownership of the Royalty Interest between themselves, the Royalty Interest upon the terms and conditions contained in the Second Offer.
- (c) If (i) the ROFR Purchasers and ROFR Vendor do not complete the purchase of the Royalty Interest pursuant to the Second Offer within forty-five (45) days from the date of the acceptance of the Second Offer due to the fault of the ROFR Vendor or (ii) if, during the time limited therefor, the ROFR Purchaser shall not have accepted the Second Offer, then the Offeror shall be entitled to sell the Royalty Interest in accordance with the Offer.
- (d) If a sale of the Royalty Interest pursuant to the Offer is not completed within ninety (90) days from the giving of notice to the ROFR Purchaser as aforementioned, no



sale of the Royalty Interest shall be made without complying with the terms of this Section 10.3 and so on from time to time.

ARTICLE XI TRANSFER BY SPARK

11.1 Transfer by Spark

Spark shall be entitled to assign, sell, transfer, lease, mortgage, charge or otherwise encumber any of the Property and its rights and obligations under this Agreement, provided the following conditions are satisfied, and upon such conditions being satisfied in respect of any such assignment, sale or transfer only (but not in respect of any such lease, mortgage, charge or other encumbrance), Spark shall be released from all obligations under this Agreement:

- (a) any purchaser, transferee, lessee or assignee of such Property or this Agreement agrees in advance in writing in favour of the Holders to be bound by the terms of this Agreement including, without limitation, this Article XI;
- (b) any purchaser, transferee or assignee of this Agreement has simultaneously acquired Spark's right, title and interest in and to such Property;
- (c) in any case where the Property has been assigned as security pursuant to any mortgage, charge or other encumbrance or is leased to another person, the mortgagee, chargee, encumbrance holder or lessee of such Property agrees in advance in writing in favour of the Holders to be bound by and subject to the terms of this Agreement in the event it takes possession of or forecloses on all or part of such Property and undertakes to obtain an agreement in writing in favour of the Holders from any subsequent purchaser, lessee, assignee or transferee of such mortgagee, chargee, lessee or encumbrance holder that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this Agreement including, without limitation, this Article XI.

Notwithstanding any other provision of this Agreement, neither (i) an amalgamation, merger or consolidation of Spark or any of its Affiliates with or into another body corporate, including by way of a plan of arrangement, nor (ii) an acquisition or a transfer of shares of Spark or any of its Affiliates, including a transfer of all of the shares pursuant to a takeover bid and subsequent acquisition transaction (including a compulsory acquisition) or a plan of arrangement, is a transfer or event to which this Article XI applies; provided, however, that in the case of clause (i) any successor entity to Spark shall have acknowledged in writing to the Holders that it is bound by this Agreement.

ARTICLE XII INDEMNITY

12.1 By Spark

Spark agrees that it will indemnify and hold harmless the Holders, their respective agents and employees (collectively the "indemnified parties"), and each of them, from and against any and all claims, demands, liabilities, actions and proceedings, that may be made or brought against the Holders or which they may sustain, pay or incur that result from or relate to operations conducted on or in respect of the Property or that result from or relate to the mining, handling, transportation, smelting or refining of the Products or the handling or transportation of the Products, including

without limitation claims, demands, liabilities, actions and proceedings, in any way arising from or connected with any non-compliance with environmental laws or any contaminants or hazardous substances on, in or under the Property or the soil, sediment, water or groundwater forming part thereof, whether in the past, present or future, or any contaminants or hazardous substances on any other lands or areas having originated or migrated from the Property or the soil, sediment, water or groundwater forming part thereof, provided that the foregoing shall not apply to any claims, demands, liabilities, actions and proceedings to the extent they arise primarily from the gross negligence or willful misconduct of such indemnified persons. The indemnity provided in Section 12.1 is limited to claims, demands, liabilities, actions and proceedings that may be made or taken against an indemnified party in its capacity as or related to a Holder as a holder of the 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.

**ARTICLE XIII
MISCELLANEOUS**

13.1 Dispute Resolution

If at any time or any time thereafter during the term of this Agreement, any controversy, dispute, disagreement or claim shall arise between or among any of the Parties hereto, arising out of, relating to or in connection with this Agreement, or any provision hereof, or the rights or obligations of the Parties hereto, then every controversy, dispute, disagreement or claim shall be submitted to and settled by arbitration and the decision of the arbitrator appointed as hereinafter provided, to deal with such matter shall be accepted by all the parties to such controversy, dispute, disagreement or claim. The arbitration shall be conducted by a single arbitrator agreed upon by the parties to the matter. If within five (5) days after notice of the matter has been given by one of such parties to the other or others, such parties cannot agree upon a single arbitrator, then, in such event, the arbitration shall be conducted by a single arbitrator appointed by a Judge of the Supreme Court (Nova Scotia), on the application of any such party, with notice to the other or others. The arbitration shall be conducted in accordance with the provisions of the *Arbitration Act* (Nova Scotia) and of any amendment thereto or of any successor statute thereof, in force at the time of such dispute, difference or question. The decision of the arbitrator shall be final and binding upon all the parties to such dispute, difference or question and their nominees, and there shall be no appeal therefrom.

13.2 Notices

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

- (i) if to Spark:

[REDACTED]

[REDACTED]



(ii) if to Maximos:

[REDACTED]

(iii) if to Gravel:

[REDACTED]

(iv) if to Shurko:

[REDACTED]

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day, on the next following business day) or, if mailed, on the third business day following the date of mailing; provided, however, that if at the time of mailing or within three business days thereafter there is or occurs a labour dispute or other event that might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.
- (c) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 13.1.

13.3 Counterparts

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

13.4 Electronic Delivery

Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such Party.



13.5 Independent Legal Advice

Each of the Parties to this Agreement acknowledges and agrees that it has had the opportunity to seek independent legal advice.

13.6 Expenses

Each of the Parties will pay its own costs and expenses (whether internal or out-of-pocket, and whether for legal, financial, technical or other consultants) in connection with the preparation, negotiation and execution of this Agreement and any associated documents.

13.7 Business Day

Whenever any payment to be made or other action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action shall be taken on the next following Business Day.

13.8 Relationship of the Parties.

Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between Spark and the Holders.

13.9 Other Activities and Interests.

This Agreement and the rights and obligations of the Parties are strictly limited to the Property. Each Party will have the free and unrestricted right to enter into, conduct and benefit from any and all business ventures of any kind whatsoever, whether or not competitive with the activities undertaken pursuant hereto, without disclosing such activities to the other Party or inviting or allowing the other to participate therein.

13.10 Residency Status.

Each Holder represents that it is not a 'non-resident' of Canada for the purposes of the *Income Tax Act* (Canada).

13.11 Time of Essence.

Time shall be of the essence of this Agreement.

13.12 Accounting Principles.

All calculations hereunder shall be made in accordance with Canadian Generally Accepted Accounting Principles as the same may be in effect from time to time.

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13.13 Further Assurances

Each Party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

[signature page follows]

A handwritten signature in black ink, consisting of a stylized 'J' followed by a flourish.

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

SPARK MINERALS INC.

By: 

Name: Peter Steele
Title: Director
I have authority to bind the company

MAXIMOS METALS CORP.

By: _____

Name: Matthew Allas
Title: President
I have authority to bind the company

GRAVEL DEVELOPMENTS INC.

By: _____

Name: Jimmy Gravel
Title: President
I have authority to bind the company

JOHN SHURKO INC.,

By: _____

Name: John Shurko
Title: President
I have authority to bind the company

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By: _____
Name: Jimmy Gravel
Title: President
I have authority to bind the company

JOHN SHURKO INC.,

By: _____
Name: John Shurko
Title: President
I have authority to bind the company

SCHEDULE "A"

DESCRIPTION OF THE PROPERTY

A handwritten signature or set of initials in black ink, located in the bottom right corner of the page. The signature is stylized and appears to consist of two main characters, possibly 'J' and 'S', written in a cursive or script font.

Right	Property	ID	Holder Name	Issue	Expiry	Age	Term	Claims	Status	Work Required 2021	Work Available	Work Balance Required 2021	Future Renewal Fee 2020/2021	Stake/Renew Fees Paid by 21A	Paid by non-21Alpha	21Alpha Receipts	
51736	Londonderry	564476	John Shurko	2017-08-03	2021-08-03	3	2	19	Active	\$7,600.00	\$16,971.53	\$0.00	\$380.00	\$1,370.00		3	
52232	Londonderry	564476	John Shurko	2018-05-09	2021-05-09	2	1	51	Active	\$20,400.00	\$55,905.00	\$0.00	\$1,020.00	\$1,020.00		2	
52235	Londonderry	564476	John Shurko	2018-05-09	2021-05-09	2	1	4	Active	\$1,600.00	\$4,373.00	\$0.00	\$80.00	\$40.00		2	
52280	Londonderry	564476	John Shurko	2018-06-01	2021-06-01	2	1	6	Active	\$2,400.00	\$2,680.00	\$0.00	\$120.00	\$120.00		2	
52329	Londonderry	564476	John Shurko	2018-06-18	2021-06-18	2	1	48	Active	\$19,200.00	\$18,851.00	\$349.00	\$960.00	\$960.00		2	
52344	Londonderry	564476	John Shurko	2018-06-26	2021-06-26	2	1	74	Active	\$29,600.00	\$13,651.00	\$15,949.00	\$1,480.00	\$1,480.00		2	
52888	Londonderry	564476	John Shurko	2017-08-03	2021-08-03	3	2	2	Active	\$800.00	\$1,786.47	\$0.00	\$40.00	\$80.00		1	
52906	Londonderry	564789	21Alpha	2018-12-24	2020-12-24	1	1	2	Active	\$800.00	\$0.00	\$800.00	\$40.00	\$20.00		1	
53024	Londonderry	564476	John Shurko	2019-02-15	2021-02-15	1	1	51	Active	\$20,400.00	\$0.00	\$20,400.00	\$1,020.00	\$510.00		1	
53025	Londonderry	564476	John Shurko	2019-02-15	2021-02-15	1	1	62	Active	\$24,800.00	\$0.00	\$24,800.00	\$1,240.00	\$620.00		1	
53108	Londonderry	564476	John Shurko	2019-03-28	2021-03-28	1	1	9	Active	\$3,600.00	\$0.00	\$3,600.00	\$180.00	\$90.00		1	
53131	Londonderry	564789	21Alpha	2019-04-09	2021-04-09	1	1	44	Active	\$17,600.00	\$0.00	\$17,600.00	\$880.00	\$440.00		1	
53145	Londonderry	564789	21Alpha	2019-04-17	2021-04-17	1	1	9	Active	\$3,600.00	\$0.00	\$3,600.00	\$180.00	\$90.00		1	
53159	Londonderry	564476	John Shurko	2019-04-25	2021-04-25	1	1	42	Active	\$16,800.00	\$0.00	\$16,800.00	\$840.00	\$420.00		1	
53264	Londonderry	564789	21Alpha	2019-06-14	2021-06-14	1	1	12	Active	\$4,800.00	\$0.00	\$4,800.00	\$240.00	\$120.00		1	
53271	Londonderry	564476	John Shurko	2019-06-20	2021-06-20	1	1	2	Active	\$800.00	\$0.00	\$800.00	\$40.00	\$20.00		1	
53278	Londonderry	564789	21Alpha	2019-06-21	2021-06-21	1	1	11	Active	\$4,400.00	\$0.00	\$4,400.00	\$220.00	\$110.00		1	
53289	Londonderry	564476	John Shurko	2019-06-28	2021-06-28	1	1	3	Active	\$1,200.00	\$0.00	\$1,200.00	\$60.00	\$30.00		1	
53311	Londonderry	564937	Spark Minerals	2019-07-19	2021-07-19	1	1	1	Active	\$400.00	\$0.00	\$400.00	\$20.00	\$10.00		1	
53319	Londonderry	564937	Spark Minerals	2019-07-26	2021-07-26	1	1	2	Active	\$800.00	\$0.00	\$800.00	\$40.00	\$20.00		1	
53323	Londonderry	564937	Spark Minerals	2019-07-26	2021-07-26	1	1	15	Active	\$6,000.00	\$0.00	\$6,000.00	\$300.00	\$150.00		1	
53452	Londonderry	564937	Spark Minerals	2019-11-05	2021-11-05	1	1	65	Active	\$26,000.00	\$0.00	\$26,000.00	\$1,300.00	\$0.00	\$650.00		
53453	Londonderry	564937	Spark Minerals	2019-11-05	2021-11-05	1	1	45	Active	\$18,000.00	\$0.00	\$18,000.00	\$900.00	\$0.00	\$450.00		
53481	Londonderry	564789	21Alpha	2019-11-14	2021-11-14	1	1	8	Active	\$3,200.00	\$0.00	\$3,200.00	\$160.00	\$80.00		1	
53483	Londonderry	564789	21Alpha	2019-11-14	2021-11-14	1	1	37	Active	\$14,800.00	\$0.00	\$14,800.00	\$740.00	\$0.00	\$370.00		
53554	Londonderry	564919	Ashley Sawler	2019-12-20	2021-12-20	1	1	16	Active	\$6,400.00	\$0.00	\$6,400.00	\$320.00	\$160.00		1	
								640		\$256,000.00	\$114,218.00	\$190,698.00	\$12,800.00	\$7,960.00	\$1,470.00	30	
8609	Sheba	16345	John Shurko	2018-02-12	2021-02-12	3	N/A	8	Active	\$1,600.00	\$0.00	\$1,600.00	\$80.00	\$320.00		3	
9317	Sheba	16351	Jimmy Gravel	2019-10-27	2020-10-27	1	N/A	30	Active	\$3,000.00	\$0.00	\$3,000.00	\$300.00	\$300.00		1	
9318	Sheba	16376	Johnann Shurko	2019-10-27	2020-10-27	1	N/A	12	Active	\$1,200.00	\$0.00	\$1,200.00	\$120.00	\$120.00		1	
9392	Sheba	16345	John Shurko	2020-01-14	2021-01-14	1	N/A	30	Active	\$3,000.00	\$0.00	\$3,000.00	\$300.00	\$300.00		1	
								80		\$8,800.00	\$0.00	\$8,800.00	\$800.00	\$1,040.00		6	