

MINERAL PROPERTY OPTION AGREEMENT

THIS AGREEMENT is dated for reference February 9, 2023

BETWEEN: **SLAM EXPLORATION LTD.**, a corporation duly incorporated under the laws of Canada having its head office at 295 Hutchinson Drive, Miramichi, NB E1V 6C7;

(hereinafter “**Slam**” or the “**Optionor**”)

AND: **NINE MILE METALS LTD.**, a corporation duly incorporated under the laws of British Columbia, having its head office at 350 - 1650 West 2nd Avenue, Vancouver, BC, V6J 1H4;

(hereinafter “**Optionee**”)

(collectively, the “**Parties**” and each of them, a “**Party**”)

WHEREAS:

(A) The Optionor is the legal and beneficial owner of the Property; and,

(B) The Optionor has agreed to grant an option to the Optionee to acquire a 100% interest in the Property upon payment by the Optionee of certain consideration as detailed herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

PART 1

DEFINITIONS

1.1 In this Agreement, except as otherwise expressly provided or as the context otherwise requires:

(a) “**Area of Mutual Interest**” or “**AMI**” means that area within one kilometre of the outer boundaries of the Property as of the date of this Agreement, all as more fully described in §4.7 hereto.

(b) “**Consideration Shares**” has the meaning ascribed to such term in §4.2;

(c) “**Effective Date**” means the date on which this Agreement is signed;

(d) “**Environmental Laws**” means any and all federal, territorial and local laws, statutes, regulations, ordinances, bylaws, orders, permits, licences and approvals currently

in effect or subsequently enacted that regulate or provide liabilities or obligations in relation to mining, mine development and mineral exploration or the existence, use, production, manufacture, processing, distribution, transport, handling, storage, removal, treatment, disposal, emission, discharge, migration, seepage, leakage, spillage or release of Hazardous Substances or the construction, alteration, use or operation, demolition or decommissioning of any facilities or other real or personal property in relation to the foregoing or otherwise in relation to the protection and preservation of the life, health or safety of persons, or to the protection and preservation of the environment, including but not limited to, air, soil, surface water, ground water, wildlife or personal or real property;

(e) **“Expenditures”** means all direct or indirect costs and expenses incurred by the Optionee in respect of prospecting, exploring, studying and developing the Property with a view to establishing one or more commercial mines after the date of this Agreement;

(f) **“Hazardous Substance”** means any substance or material that is or becomes prohibited, controlled or regulated by any federal, provincial, municipal, local or other level of government and any government agency, body, corporation, organization, department, official or authority responsible for administering or enforcing any law and includes any toxic substance, waste and dangerous goods;

(g) **“Mineral Claims”** means the mineral claims described in Schedules B;

(i) **“Option”** means the exclusive right herein granted by the Optionor to the Optionee to permit the Optionee to acquire 100% right, title and interest in the Property as provided in Part 4;

(j) **“Option Period”** means the period commencing on the Effective Date and ending on the earlier of:

(A) the date of exercise of the Option to acquire 100% interest in the Property;
or

(B) the termination hereof pursuant to Part 17;

(k) **“Property”** means collectively the property set out in Schedule A and the Mineral Claims, including any replacement or successor claims, and all mining leases and other mining rights and interests derived from any such claims, and a reference herein to a mineral claim comprised in the Property includes any mineral leases or other interests into which such mineral claim may have been converted and Property includes all Property Rights;

(l) **“Permitted Encumbrances”** means:

(i) All exceptions, limitations, provisos, reservations and conditions, including royalties, contained in the original or other grants or dispositions from the Crown of all or part of the Property or any interest therein and all statutory exceptions, limitations, provisos, reservations and conditions currently applicable to all or any part of the Property including, without limitation, all applicable exceptions, limitations, provisos, reservations and conditions;

- (ii) Minor defects or irregularities in title of all or any part of the Property and easements, servitudes, rights-of-way and similar rights in lands granted to or reserved by other persons that, in aggregate, do not materially detract from the value of the Property or interfere with the use of the Property;
 - (iii) Any claim of right, title or jurisdiction that may be made or established by any First Nation peoples by virtue of their status as First Nation peoples to or over any of the lands, waters or products harvested or mined from any of the Property;
 - (iv) Liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which is being contested at the time by the Optionor in good faith; and
 - (v) Public and statutory obligations which are not due or delinquent, and security given to a utility or a governmental authority when required by such utility or governmental authority in connection with all or part of the Property.
- (l) **“Property Rights”** means all licenses, permits, easements, rights-of-way, surface or water rights and other rights, approvals obtained by either of the Parties either before or after the date of this Agreement and necessary or desirable for the development of the Property, or for the purpose of placing the Property into production or continuing production therefrom;
- (m) **“Royalty”** has the meaning set forth in Schedule C and will be calculated in accordance with Schedule C;
- (n) **“Schedule”** means the documents attached hereto as follows:
- (A) Schedule A – Map of the Property;
 - (B) Schedule B – List of Mineral Claims and Encumbrances;
 - (C) Schedule C – Net Smelter Returns Royalty;
- (o) **“Shares”** means the common shares in the capital of the Optionee; and
- (p) **“Successor”** means any corporation which has a class of shares listed on a recognized stock exchange where that corporation through merger or take-over acquires or becomes a combined or successor corporation to the Optionee and includes any permitted Assignee of the Optionee as provided in Part 8.

PART 2

REPRESENTATIONS, WARRANTIES AND COVENANTS OF OPTIONOR

2.1 The Optionor represents warrants and covenants to the Optionee that:

- (a) The Optionor owns the Mineral Claims and has good and sufficient right, power and authority to enter into and deliver this Agreement and to perform the transactions contemplated hereby, and the provisions hereof constitute legal, valid and binding obligations of the Optionor enforceable in accordance with their terms
- (b) the Optionor is legally entitled to hold the 100% interest in Property and any Property Rights and will remain so entitled until the interest of the Optionor in the Property has been duly transferred to the Optionee as contemplated hereby;
- (c) the Mineral Claims are held by the Optionor free and clear of all encumbrances;
- (d) the Mineral Claims have been duly and validly located and recorded pursuant to the laws of the Province of New Brunswick applicable therein, and are in good standing with respect to all filings, fees, taxes, assessments, work commitments or other conditions on the Effective Date and for a period of at least 90 days thereafter;
- (e) there are no adverse claims or challenges against or to the ownership of or title to any of the Mineral Claims of the Optionor comprising the Property, nor to the knowledge of the Optionor is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof, and no person other than the Optionor, pursuant to the provisions hereof, has any royalty or other interest whatsoever in production from any of the Mineral Claims comprising the Property;
- (f) the Optionor has no knowledge of any claims by Aboriginals or others, not of record, as to any rights to use the Property, or otherwise enjoy privileges to remove minerals from the Property, or of any archaeologically significant sites or burial grounds existing on the Property other than as expressly disclosed in writing by the Optionor to the Optionee;
- (g) the Optionor has full power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement;
- (h) the Optionor has been duly authorized to enter into, and carry out its obligations under, this Agreement and no obligation of it in this Agreement conflicts with or will result in the breach of any term of any other agreement to which the Optionor is a party;
- (i) the Optionor has duly executed and delivered this Agreement, which binds it in accordance with its terms;
- (j) no proceedings are pending for, and the Optionor is unaware of any basis for the institution of any proceedings leading to, the placing of the Optionor in bankruptcy or other similar proceedings;

(k) the Optionor has received no notice and has no knowledge of any proposal to terminate or vary the terms of or rights attaching to any of the Property from any government or other regulatory authority or of any challenge to the Optionor's right, title or ownership interest in any of the Property;

(l) to the best of Optionor's knowledge, no Hazardous Substance has been improperly placed, held, located, used or disposed of, on, under or at the Property by the Optionor or any of its agents;

(m) there are no outstanding work orders or actions required or reasonably anticipated to be required to be taken in respect of the rehabilitation or restoration of the Property or relating to environmental matters in respect of the Property or any operations thereon, nor have the Optionor received notice of same;

(n) the Optionor have not received notice of any breach, violation or default with respect to the Property. The prospecting work, processes, undertaking and other operations carried on or conducted by or on behalf of the Optionor in respect of the Property have been carried on or conducted in a sound and workmanlike manner and in compliance with sound geological and geophysical exploration and mining, engineering and metallurgical practices;

(o) the Optionor have not received notice of the existence of any condemnation, expropriation or similar proceedings affecting the Property;

(p) the Optionor has made available to the Optionee all material information in its possession or control relating to the Property and throughout the Option Period, the Optionor shall continue to make available to the Optionee all information in its possession or control relating to the Property; and

(q) no third party consent of any kind is required by the Optionor to enter into this Agreement and to grant the Option contemplated hereby.

2.2 The representations, warranties and covenants contained in §2.1 are provided for the exclusive benefit of the Optionee, and a breach of any one or more thereof may be waived by the Optionee in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty; and the representations and warranties contained in §2.1 will survive the execution hereof and continue throughout the Option Period.

PART 3

REPRESENTATIONS AND WARRANTIES OF OPTIONEE

3.1 The Optionee represents and warrants to the Optionor that:

(a) it has been duly incorporated and validly exists as a corporation in good standing under the laws of British Columbia and has the corporate power to hold mining claims and will obtain such necessary registrations and take such actions as are necessary to explore and hold legal interests in mining properties in the Province of New Brunswick;

(b) neither the execution and delivery of this Agreement by the Optionee nor the performance by the Optionee of its obligations hereunder conflicts with the Optionee's constating documents or any agreement to which it is bound;

(c) no proceedings are pending for, and the Optionee is unaware of any basis for the institution of any proceedings leading to, the dissolution or winding up of the Optionee or the placing of the Optionee in bankruptcy or subject to any other laws governing the affairs of insolvent corporations; and

(d) the Consideration Shares will, at the time of delivery to the Optionor, be duly authorized and validly allotted and issued as fully paid and non-assessable free of any liens, charges or encumbrances but will be subject applicable statutory legends which will be imprinted on the certificate.

The Optionee acknowledges and confirms that the Optionor is relying on the foregoing representations and warranties in the entering into by it of this Agreement.

3.2 The representations and warranties contained in §3.1 are provided for the exclusive benefit of the Optionor and a breach of any one or more thereof may be waived by the Optionor in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty; and the representations and warranties contained in §3.1 will survive the execution hereof and continue throughout the Option Period.

PART 4

GRANT AND EXERCISE OF OPTION

4.1 The Optionor hereby grants to the Optionee the sole and exclusive right and option, subject to the terms of this Agreement, to earn a 100% interest in the Mineral Claims free and clear of all charges and encumbrances, except for those set out in Schedule B, if any, subject to the terms and conditions of this Agreement.

4.2 To exercise the Option as to a 100% undivided interest, the Optionee must:

(a) issue 1,200,000 Shares (the "**Consideration Shares**"). The Consideration Shares shall be issued to or at the direction of the Optionor as follows:

(A) 100,000 Consideration Shares on the Effective Date;

(B) 200,000 Consideration Shares on or before the first anniversary of the Effective Date;

(C) 200,000 Consideration Shares on or before the second anniversary of the Effective Date;

(D) 300,000 Consideration Shares on or before the third anniversary of the Effective Date; and

(E) 400,000 Consideration Shares on or before the fourth anniversary of the Effective Date.

(b) make cash payments (the “**Cash Payments**”) of \$150,000 to the Optionor as follows:

(A) \$10,000 on the Effective Date;

(B) \$20,000 on or before the first anniversary of the Effective Date;

(C) \$30,000 on or before the second anniversary of the Effective Date;

(D) \$40,000 on or before the third anniversary of the Effective Date;
and,

(E) \$50,000 on or before the fourth anniversary of the Effective Date.

4.3 Any or all of the required Cash Payments or Consideration Shares may be made or issued prior to the required Effective Date anniversary dates set out above and the exercise of the Option will thereby be accelerated, provided all required payments and issuances have been made.

4.4 Upon exercise of the Option, the Optionee shall grant to the Optionor a royalty (the “**Royalty**”) equal to 2% of Net Smelter Returns on the Property, on the terms and conditions as set out in this paragraph and Schedule C.

4.5 The Optionee or its permitted assignee may purchase half of the Royalty from the Optionor at any time by paying \$1,000,000 to the Optionor.

4.6 Within five days following the first Cash Payment described above, the Optionor will transfer the title to the Mineral Claims to the Optionee. Upon successful transfer of the Mineral Claims by Optionor to Optionee and receipt for such transfer being provided by Optionor to Optionee, Optionee shall reimburse the Optionor for the transfer fees, which are expected to be \$20 per claim, totaling \$2,280.

AREA OF MUTUAL INTEREST

4.7 If the Optionor, during the term of this Agreement, directly or indirectly or in concert with any other party, during the term of this Agreement, directly or indirectly, acquires, options, leases, or otherwise obtains or controls, or becomes entitled to acquire, obtain, option, lease, or otherwise obtain or control, any mineral rights, any present or future interest in any exploration or mining property, or other interest in property or rights of any kind or nature relating to the exploration of minerals within the AMI, then (i) the Optionor shall give notice thereof to the Optionee, together with the details of the nature and direct costs of acquisition, (ii) the Optionee may, at its election within 30 days, reimburse the Optionor for its cost of acquiring the same (which will qualify as “Expenditures” hereunder), and (iii) such acquired AMI shall form part of the Property. In addition

to the foregoing, during the term of this Agreement, the Optionor will not advise, encourage, or assist any other party, directly or indirectly, to acquire any AMI.

4.8 Nothing herein shall be interpreted to preclude the Optionor from acquiring interests outside of the AMI.

4.9 For clarity, the restrictions and obligations in Section 4.7 do not apply to the Optionee.

PART 5

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PART 6

SECURITIES LAWS

6.1 The Parties hereto acknowledge that the issuance of the Consideration Shares by the Optionee to the Optionor as contemplated herein will be made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws pursuant to Section 2.13 of National Instrument 45-106 - *Prospectus and Registration Exemptions*.

6.2 Upon the issuance of the Consideration Shares to the Optionor, and until such time as is no longer required under applicable securities laws, the certificates representing the Consideration Shares will bear the following legend(s) required under the National Instrument 45-102 - *Resale Restrictions* in substantially the following form:

“Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) [insert the distribution date], and (ii) the date the issuer became a reporting issuer in any province or territory”

6.3 The Optionor confirms to and covenants with the Optionee that:

(a) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the Consideration Shares; and

(b) the Consideration Shares have not been registered under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) or the securities laws of any State of the United States and that the Optionor does not intend to register the Consideration Shares under the U.S. Securities Act, or the securities laws of any State of the United States and has no obligation to do so.

PART 7

RIGHT OF ENTRY

7.1 Throughout the Option Period the directors and officers of the Optionee and its servants, agents and contractors, shall have the sole and exclusive right in respect of the Property to:

- (a) enter thereon;
- (b) have exclusive and quiet possession thereof;
- (c) do such prospecting, exploration, development and other mining work thereon and thereunder as the Optionee in its sole discretion may determine advisable;
- (d) bring upon and erect upon the Property such buildings, plant, machinery and equipment as the Optionee may deem advisable; and
- (e) remove therefrom and dispose of reasonable quantities of ores, minerals and metals for the purposes of obtaining assays or making other tests.

7.2 During the term of the Option Period, the Optionee and its servants, agents and contractors shall carry out work programs on the Property according to the *New Brunswick Mining Act* and Regulations, and the Optionee and its servants, agents and contractors shall abide by all Provincial and Federal environmental regulations.

7.3 During the term of the Option Period, the Optionee will be the sole operator of the Property.

PART 8

ASSIGNMENT OF OPTION

8.1 Subject to Part 12, the Optionee may assign all or part of its obligations under this Agreement during the Option Period to a third party (the “**Assignee**”) with consent of the Optionor, providing also that the Assignee agrees to execute an acknowledgement to be bound by the terms hereof insofar as the Optionor’s rights hereunder are concerned.

PART 9

RECORD OF OPTION AGREEMENT

9.1 In the event that such service is or becomes available, the Optionee is entitled to record a notice of the existence of this Option in the applicable public mining titles office in the Province of New Brunswick.

PART 10

OBLIGATIONS OF OPTIONEE DURING OPTION PERIOD

10.1 During the Option Period the Optionee will:

- (a) maintain in good standing those Mineral Claims and licenses comprised in the Property that are in good standing on the date hereof by the payment of fees, taxes and rentals and the performance of all other actions which may be necessary under New Brunswick law in that regard and in order to keep such Mineral Claims free and clear of all liens and other charges arising from the Optionee's activities thereon except those at the time contested in good faith by the Optionee;
- (b) conduct all work on or with respect to the Property in a careful and workmanlike manner, in accordance with sound mining and engineering practices, and in compliance with all applicable federal, state and local laws, by-laws, ordinances, rules and regulations, and this Agreement;
- (c) permit the directors, officers, employees and designated consultants of the Optionor, at their own risk, access to the Property at all reasonable times, and providing the Optionor agrees to indemnify the Optionee against and to save the Optionee harmless from all costs, claims, liabilities and expenses that the Optionee may incur or suffer as a result of any injury (including injury causing death) to any director, officer, employee or designated consultant of the Optionor while on the Property;
- (d) provide all records, data and information in the Optionee's possession relating to exploration on the Property including all maps, surveys, technical reports, drill logs, mine, mill and smelter records, and all metallurgical, geological, geophysical, geochemical and other technical data pertaining to the Property due within 90 days after the calendar year end December 31 upon request; and
- (e) deliver to the Optionor on or before the exercise of the Option as to the 100% interest a report (including up-to-date maps if there are any) describing the results of work done together with reasonable details of Expenditures made.

PART 11

TERMINATION OF OPTION

11.1 If the Option is terminated otherwise than upon the exercise thereof pursuant to Part 4, the Optionee will:

- (a) leave in good standing for a period of at least one year from the termination of the Option Period those Mineral Claims comprised in the Property that are in good standing on the date of this Agreement;
- (b) ensure that the Property is in at least the same state concerning environmental and hazardous conditions as the Property was on the date of this Agreement and that it is free and clear of all encumbrances that may have been created by the Optionee other than Permitted Encumbrances; and
- (c) deliver at no cost to the Optionor within 45 days of such termination copies of all reports, maps, assay results and other relevant technical data compiled by or in the possession of the Optionee with respect to the Property and not theretofore furnished to the Optionor.

11.2 Notwithstanding termination of the Option, the Optionee will have the right (and, if requested by Optionor within 60 days of the effective date of termination, the obligation), to remove from the Property all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Property by or on behalf of the Optionee, provided however that this right will expire four months following termination.

PART 12

TRANSFERS

12.1 If during the Option Period, the Optionee chooses to sell, transfer or otherwise dispose of all or any portion of its interest in and to the Property and this Agreement, it must first offer that portion of the Property to the Optionor on the terms it would otherwise make that transfer to a third party. In the event that the Optionor does not accept that offer within 30 days, the Optionee may sell, transfer or otherwise dispose of all or any portion of its interest in and to the Property and this Agreement provided that any purchaser, grantee or transferee of any such interest will have first delivered to the Optionor its agreement related to this Agreement and to the Property, containing:

- (a) a covenant by such transferee to perform all the obligations of the Optionee to be performed under this Agreement in respect of the interest to be acquired by it from the Optionee to the same extent as if this Agreement had been originally executed by the Optionee and such transferee as joint and several obligors making joint and several covenants; and
- (b) a provision subjecting any further sale, transfer or other disposition of such interest in the Property and this Agreement or any portion thereof to the restrictions contained in this §12.1.

12.2 No assignment by the Optionee of any interest less than its entire interest in this Agreement and in the Property will, as between the Optionee and the Optionor, discharge it from any of its obligations hereunder, but upon the transfer by the Optionee of the entire interest at the time held by it in this Agreement (whether to one or more transferees and whether in one or in a number of successive transfers), the Optionee will be deemed to be discharged from all obligations hereunder save and except for the fulfilment of contractual commitments accrued due before the date on which the Optionee will have no further interest in this Agreement.

PART 13

SURRENDER AND ACQUISITION OF PROPERTY INTERESTS BEFORE TERMINATION OF AGREEMENT

13.1 The Optionee may during the Option Period, elect to abandon any one or more of the Mineral Claims by giving notice to the Optionor of such intention, offering the Optionor the opportunity to re-acquire the Mineral Claims for the cost of the claim transfer fees.

PART 14

FORCE MAJEURE

14.1 If the Optionee is at any time during the Option Period prevented or delayed in complying with the of this Agreement in Part 4 by reason of strikes, walk-outs, labour shortages, power shortages, fuel shortages, fires, wars, widespread disease, acts of God, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of the Optionee (and for greater certainty excluding factors related to a lack of funding), the time limited for the performance by the Optionee of its obligations hereunder will be extended by a period of time equal in length to the period of each such prevention or delay.

14.2 The Optionee will within seven days give notice to the Optionor of each event of force majeure under §14.1 and upon cessation of such event will furnish the Optionor with notice to that effect together with particulars of the number of days by which the obligations of the Optionee hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

PART 15

CONFIDENTIAL INFORMATION

15.1 No information furnished by the Optionee to the Optionor hereunder in respect of the activities carried out on the Property by the Optionee, will be published by the Optionor without the written consent of the Optionee, but such consent in respect of the reporting of factual data will not be unreasonably withheld, and will not be withheld in respect of information required to be publicly disclosed pursuant to applicable securities or corporate laws. This provision shall terminate three years after the termination of this Option.

PART 16

ARBITRATION

16.1 All questions or matters in dispute with respect to the interpretation of this Agreement will, insofar as lawfully possible, be submitted to arbitration pursuant to the terms hereof using “final offer” arbitration procedures

16.2 It will be a condition precedent to the right of any Party to submit any matter to arbitration pursuant to the provisions hereof, that any Party intending to refer any matter to arbitration will have given not less than 10 days’ prior written notice of its intention so to do to the other Party together with particulars of the matter in dispute.

16.3 On the expiration of such 10 days, the Party who gave such notice may proceed to commence procedure in furtherance of arbitration as provided in this Part 16.

16.4 The Party desiring arbitration (“**First Party**”) will nominate in writing three proposed arbitrators, and will notify the other Party (“**Second Party**”) of such nominees, and the other Party will, within 15 days after receiving such notice, either choose one of the three or recommend three

nominees of its own. All nominees of either Party must hold accreditation as either a lawyer, accountant or mining engineer. If the First Party fails to choose one of the Second Party's nominees then all six names shall be placed into a hat and one name shall be randomly chosen by the president of the First Party and that person if he/she is prepared to act shall be the nominee. Except as specifically otherwise provided in this Part 16 the arbitration herein provided for will be conducted in accordance with the provisions of the *Code of Civil Procedure* (New Brunswick). The Parties shall thereupon each be obligated to proffer to the arbitrator within 30 days of his/her appointment a proposed written solution to the dispute and the arbitrator shall within 30 days of receiving such proposals choose one of them without altering it except with the consent of both Parties.

16.5 The expense of the arbitration will be paid as specified in the award.

16.6 The Parties may agree that the award of the arbitrator will be final and binding upon each of them.

PART 17

DEFAULT AND TERMINATION

17.1 If at any time during the Option Period either Party fails to perform any obligation hereunder or any representation or warranty given by it proves to be untrue, then the other Party may terminate this Agreement (without prejudice to any other rights it may have) providing:

- (a) it first gives to the Party allegedly in default a notice of default containing particulars of the obligation which such has not performed, or the warranty breached;
- (b) if the Party allegedly in default disputes the default identified in paragraph (a) above, the matter will be submitted to arbitration pursuant to Part 16; but,
- (c) if Party allegedly in default does not dispute the default identified pursuant to paragraph (a) above, then if it is reasonably possible to cure the default without irreparable harm to the non-defaulting Party, and Party allegedly in default does not, within 15 days after delivery of such notice of default, cure such default by appropriate payment or commence to correct such default and diligently prosecute the matter until it is corrected, then the other Party may thereafter terminate this Agreement, and the provisions of Part 11 will then be applicable.

17.2 The Optionee may at any time terminate this Option by giving notice of termination to the Optionor and shall thereupon be relieved of any further obligations in connection herewith but shall remain liable for obligations which have accrued to the date of notice.

PART 18

NOTICES

18.1 Each notice, demand or other communication required or permitted to be given under this Agreement will be in writing and will be sent by personal delivery, fax, email (with a copy sent by

another means specified under this Part) or prepaid registered mail to the addresses of the Parties written on page 1.

18.2 The date of receipt of such notice, demand or other communication will be the date of delivery or fax or email (with a copy sent by another means specified under this Part) thereof if delivered or faxed or emailed during business hours, or, if given by registered mail as aforesaid, will be deemed conclusively to be the third day after the same will have been so mailed except in the case of interruption of postal services for any reason whatever, in which case the date of receipt will be the date on which the notice, demand or other communication is actually received by the addressee.

18.3 Either Party may at any time and from time to time notify the other Party in writing of a change of address and the new address to which notice will be given to it thereafter until further change.

PART 19

GENERAL

19.1 This Agreement will supersede and replace any other agreement or arrangement, whether oral or written, heretofore existing between the Parties in respect of the subject matter of this Agreement.

19.2 All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

19.3 No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance of such other of its obligations hereunder will be deemed or construed to be a consent to or a waiver of any other breach or default.

19.4 The Parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement or to record wherever appropriate the respective interests from time to time of the Parties in the Property.

19.5 This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, subject to the conditions hereof.

19.6 This Agreement will be construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein. This Agreement is to be construed as an option only and nothing herein shall obligate the Optionee to do anything or pay any amount except where expressly herein provided.

19.7 The headings appearing in this Agreement are for general information and reference only and this Agreement will not be construed by reference to such headings.

19.8 References in this Agreement and the Schedules hereto attached to “Part”, “§”, Schedule or other part of a document refer to parts of the agreement or schedule in which the reference is found, unless otherwise clearly indicated.

19.9 The Schedules attached to this Agreement form part of this Agreement.

19.10 In interpreting this Agreement and the schedules hereto attached, where the context so requires, the singular will include the plural, and the masculine will include the feminine, the neuter, and vice versa.

19.11 Nothing herein will constitute or be taken to constitute the Parties as partners or create any fiduciary relationship between them.


19.12 No modification, alteration or waiver of the terms herein contained will be binding unless the same is in writing, dated subsequently hereto, and are fully executed by the Parties.

19.13 This Agreement may be executed in counterpart and by facsimile.

IN WITNESS WHEREOF this Agreement has been executed on behalf of the Optionor and the Optionee by their duly authorized officers as of the date first written above.

NINE MILE METALS LTD.

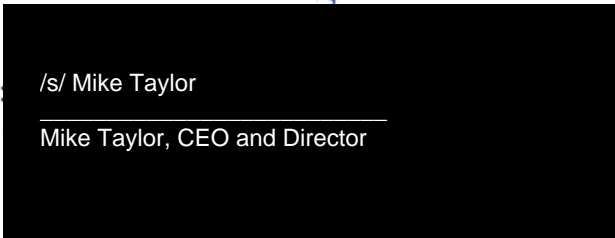
Per:

 /s/ Patrick Cruickshank

Patrick Cruickshank, CEO and Director

SLAM EXPLORATION LTD.

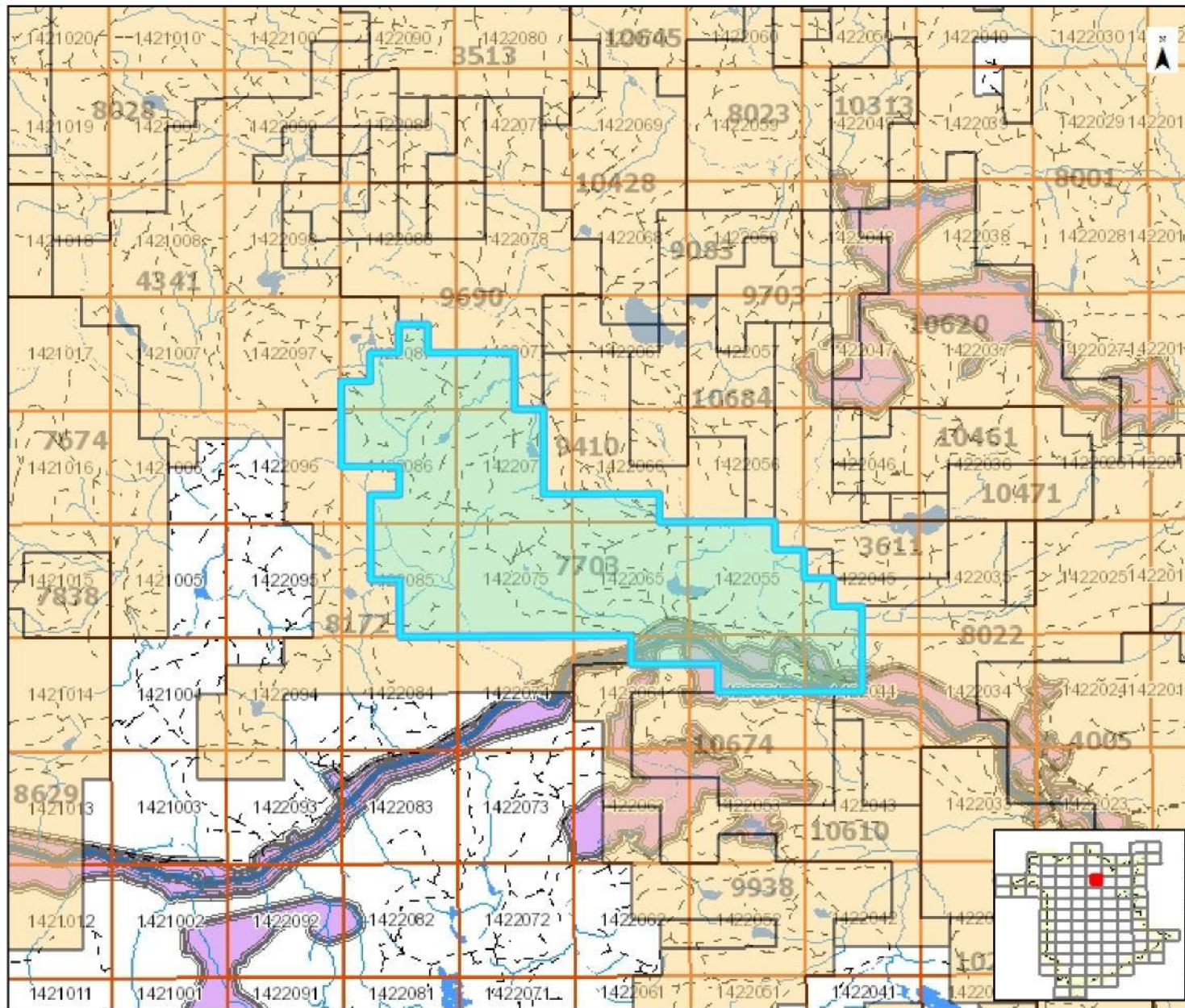
Per:

 /s/ Mike Taylor

Mike Taylor, CEO and Director

SCHEDULE A
Map of Property

NB e-Claims

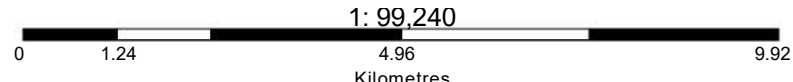


Legend

- Mineral Tenures/Tenures minières
- Mineral Agreements/Extentes d'exploitation minière
- Claim Units/Unités de claim
 - Open
 - Held
 - Coming Open
 - MPDB Blocked
- Mining Areas Withdrawn/Zones minières soustraites
- Mineral Restricted/Soustraite au jalonnement
- Restricted Holder/Détenteur exclusif
 - Indian Reserve
 - Military Base (DND)
 - Mineral Restricted Freehold
 - National Park
 - Parks Lands
- Protected Well Fields/Champs de captage protégés
- Designated Watersheds/Bassins hydrographiques désignés
- Protected Natural Areas/Zones naturelles protégées

Date: 02/01/2023

only. New Brunswick Department of Natural Resources and Energy Development cannot warrant or guarantee that the information is accurate, complete or current at all times; it accepts no liability or responsibility for any errors, inaccuracies and/or



Projection: NAD_1983_CSRS_New_Brunswick_Stereographic

SCHEDULE B

List of Mineral Claims and Encumbrances



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Mineral Claim Detail

Right Number 7703
Claim Name Essex Group
Issue Date 2016-04-18
Expiry Date 2023-04-18
Owners [14713](#) SLAM EXPLORATION LTD 100%

Claim Type Mineral
Claim Sub Type Claim
Title Type Claim
Status Active

NTS Sheet [21 O/08](#)

Claim Events:

Submitter	Event	Effective Date
14876	Acquisition --- 29576	2016-04-18
14876	Transfer of Ownership (Initiation) --- 33004	2017-04-03
11966	Transfer of Ownership (Completion) --- 33005	2017-04-03
11966	Report of Work --- 33243	2017-04-05
11966	Renewal --- 33244	2017-04-05
11966	Grouping --- 36507	2018-01-04
11966	Grouping --- 37225	2018-03-02
11966	Grouping --- 37985	2018-04-17
11966	Report of Work --- 37987	2018-04-17
11966	Renewal --- 37988	2018-04-17
11966	Report of Work --- 41954	2019-03-25
11966	Renewal --- 42403	2019-04-16
Joe MacIntosh	Tenure Protection Event --- 46195	2020-04-01
Joe MacIntosh	Tenure Protection Removal --- 46610	2020-05-11
11966	Reallocation --- 49542	2021-04-17
11966	Renewal --- 49543	2021-04-17
11966	Report of Work --- 54243	2022-04-14
11966	Renewal --- 54244	2022-04-14
11966	Report of Work --- 54895	2022-05-18

Work Required to Date	\$110,700.00	Number of Units	114
Work Applied to Date	\$112,482.00	Current Term	6
Available Excess	\$5,582.00	Renewal Rate per Unit	\$20.00
		Work Required to Renew	\$34,200.00
		Balance Needed to Renew	\$28,618.00

Units:

Unit Id	Expiry Date	Total Applied to Date	Work Required to Date	Excess Work
1422044K	2023-04-18	\$1,048.50	\$1,000.00	\$48.50
1422044L	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422044M	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422044N	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422045C	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422045D	2023-04-18	\$1,048.97	\$1,000.00	\$48.97

Unit Id	Expiry Date	Total Applied to Date	Work Required to Date	Excess Work
1422045E	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422054I	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422054J	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422054K	2023-04-18	\$948.97	\$900.00	\$48.97
1422054M	2023-04-18	\$948.97	\$900.00	\$48.97
1422054N	2023-04-18	\$948.97	\$900.00	\$48.97
1422054O	2023-04-18	\$948.97	\$900.00	\$48.97
1422054P	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055A	2023-04-18	\$948.97	\$900.00	\$48.97
1422055B	2023-04-18	\$948.97	\$900.00	\$48.97
1422055C	2023-04-18	\$948.97	\$900.00	\$48.97
1422055D	2023-04-18	\$948.97	\$900.00	\$48.97
1422055E	2023-04-18	\$948.97	\$900.00	\$48.97
1422055F	2023-04-18	\$948.97	\$900.00	\$48.97
1422055G	2023-04-18	\$948.97	\$900.00	\$48.97
1422055H	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055I	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055J	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055K	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055L	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055M	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055N	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422055O	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422064O	2023-04-18	\$948.97	\$900.00	\$48.97
1422064P	2023-04-18	\$948.97	\$900.00	\$48.97
1422065A	2023-04-18	\$948.97	\$900.00	\$48.97
1422065B	2023-04-18	\$948.97	\$900.00	\$48.97
1422065C	2023-04-18	\$948.97	\$900.00	\$48.97
1422065D	2023-04-18	\$948.97	\$900.00	\$48.97
1422065E	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065F	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065G	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065H	2023-04-18	\$948.97	\$900.00	\$48.97
1422065I	2023-04-18	\$948.97	\$900.00	\$48.97
1422065J	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065K	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065L	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065M	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065N	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422065O	2023-04-18	\$948.97	\$900.00	\$48.97
1422065P	2023-04-18	\$948.97	\$900.00	\$48.97
1422066B	2023-04-18	\$948.97	\$900.00	\$48.97
1422066C	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422066D	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075A	2023-04-18	\$948.97	\$900.00	\$48.97
1422075B	2023-04-18	\$948.97	\$900.00	\$48.97

1422075C	2023-04-18	\$948.97	\$900.00	\$48.97
1422075D	2023-04-18	\$948.97	\$900.00	\$48.97

<https://nbeclaims.gnb.ca/nbeclaims/page/viewer/searchForm.jsf>

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Unit Id	Expiry Date	Total Applied to Date	Work Required to Date	Excess Work
1422075E	2023-04-18	\$948.97	\$900.00	\$48.97
1422075F	2023-04-18	\$948.97	\$900.00	\$48.97
1422075G	2023-04-18	\$948.97	\$900.00	\$48.97
1422075H	2023-04-18	\$948.97	\$900.00	\$48.97
1422075I	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075J	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075K	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075L	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075M	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075N	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075O	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422075P	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422076A	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422076B	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422076C	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422076D	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422076E	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422076F	2023-04-18	\$948.97	\$900.00	\$48.97
1422076G	2023-04-18	\$948.97	\$900.00	\$48.97
1422076J	2023-04-18	\$948.97	\$900.00	\$48.97
1422076K	2023-04-18	\$948.97	\$900.00	\$48.97
1422076L	2023-04-18	\$948.97	\$900.00	\$48.97
1422076M	2023-04-18	\$948.97	\$900.00	\$48.97
1422076N	2023-04-18	\$948.97	\$900.00	\$48.97
1422076O	2023-04-18	\$948.97	\$900.00	\$48.97
1422077C	2023-04-18	\$948.97	\$900.00	\$48.97
1422077D	2023-04-18	\$948.97	\$900.00	\$48.97
1422077E	2023-04-18	\$948.97	\$900.00	\$48.97
1422077F	2023-04-18	\$948.97	\$900.00	\$48.97
1422085A	2023-04-18	\$948.97	\$900.00	\$48.97
1422085B	2023-04-18	\$948.97	\$900.00	\$48.97
1422085G	2023-04-18	\$948.97	\$900.00	\$48.97
1422085H	2023-04-18	\$948.97	\$900.00	\$48.97
1422085I	2023-04-18	\$948.97	\$900.00	\$48.97
1422085J	2023-04-18	\$948.97	\$900.00	\$48.97
1422085K	2023-04-18	\$948.97	\$900.00	\$48.97
1422085N	2023-04-18	\$948.97	\$900.00	\$48.97
1422085O	2023-04-18	\$948.97	\$900.00	\$48.97
1422085P	2023-04-18	\$948.97	\$900.00	\$48.97
1422086A	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422086B	2023-04-18	\$948.97	\$900.00	\$48.97
1422086C	2023-04-18	\$948.97	\$900.00	\$48.97
1422086G	2023-04-18	\$948.97	\$900.00	\$48.97
1422086H	2023-04-18	\$1,048.97	\$1,000.00	\$48.97
1422086I	2023-04-18	\$948.97	\$900.00	\$48.97
1422086J	2023-04-18	\$948.97	\$900.00	\$48.97

1422086K	2023-04-18	\$948.97	\$900.00	\$48.97
1422086L	2023-04-18	\$948.97	\$900.00	\$48.97

<https://nbeclaims.gnb.ca/nbeclaims/page/viewer/searchForm.jsf>

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Unit Id	Expiry Date	Total Applied to Date	Work Required to Date	Excess Work
1422086M	2023-04-18	\$948.97	\$900.00	\$48.97
1422086N	2023-04-18	\$948.97	\$900.00	\$48.97
1422086O	2023-04-18	\$948.97	\$900.00	\$48.97
1422086P	2023-04-18	\$948.97	\$900.00	\$48.97
1422087A	2023-04-18	\$948.97	\$900.00	\$48.97
1422087B	2023-04-18	\$948.97	\$900.00	\$48.97
1422087C	2023-04-18	\$948.97	\$900.00	\$48.97
1422087D	2023-04-18	\$948.97	\$900.00	\$48.97
1422087F	2023-04-18	\$948.97	\$900.00	\$48.97
1422087G	2023-04-18	\$948.97	\$900.00	\$48.97
1422087H	2023-04-18	\$948.97	\$900.00	\$48.97
1422087J	2023-04-18	\$948.97	\$900.00	\$48.97

SCHEDULE C

NET SMELTER RETURNS ROYALTY

1. Net Smelter Returns Royalty

Nine Miles Metals Ltd. (the “**Payor**”) hereby grants to Slam Exploration Ltd. (the “**Payee**”) a royalty equal to 2.0% of net smelter returns on the Property (the “**Royalty**”). For the purposes of this Schedule C, Payor and Payee shall jointly be referred to as (“**Parties**”).

2. Calculation of Royalty

The Royalty will be calculated on a calendar quarterly basis and paid on or before 60 days following the end of each calendar quarter in which amounts would be due hereunder. The Royalty will be equal to 2% of Gross Revenue (as hereinafter defined) for such calendar quarter less Permissible Deductions (as hereinafter defined) for such calendar quarter.

3. Interpretation

In addition to the defined terms set out in the Agreement, the defined terms set out in this Schedule C will also apply herein. For the purpose of this Schedule C, in the event of a conflict in definitions between the Agreement and this Schedule C, the definition in this Schedule C will prevail. The following terms will have the following meanings in this Schedule C.

- (a) “**Agreement**” means the Mineral Property Option Agreement and its Schedules between the Payee and the Payor, dated February __, 2023;
- (b) “**Business Day**” means any day, other than a Saturday, Sunday or any other day that is a statutory holiday in the Province of New Brunswick;
- (c) “**Commercial Production**” means the commercial exploitation of ore from the Property, but does not include milling for the purpose of testing or milling or leaching by a pilot plant or during the initial tune-up period of a plant. Commercial Production shall be deemed to have commenced:
 - (i) if a plant is located on any portion of the Property, on the first day of the month following the first period of 40 consecutive days during which ore has been processed through such plant for not less than 30 days at an average rate of not less than 70% of the initial rated capacity of such plant; or,
 - (ii) if no plant is located on the Property, on the first day of the month following the first period of 30 days during which ore has been shipped from the Property for the purpose of earning revenue;
- (d) “**Gross Revenue**” in a calendar quarter means the aggregate of the following amounts (without duplication) accruing in each calendar quarterly period following

commencement of Commercial Production and will not include any Harmonized Sales Tax, General Sales Tax, Provincial Sales Tax or other sales taxes that may be applicable to the amounts described below:

- (i) the gross revenue received by Payor from arm's length purchasers of all Mineral Products;
 - (ii) the fair market value of all Mineral Products sold by Payor in such period to persons not dealing at arm's length with Payor;
 - (iii) any proceeds of insurance received by Payor on Mineral Products in respect of a Loss less any deductible paid in respect of such Loss; and,
 - (iv) the amounts relating to Trading Activities as calculated pursuant to Section §7 of this Schedule C.
- (e) **“Loss”** means an insurable loss of or damage to Mineral Products, whether or not occurring on or off the Property and whether the Mineral Products are in the possession of Payor or otherwise;
- (f) **“Mineral Products”** means all ores, concentrates, minerals and refined or semi-refined products, including doré, produced from the Property that are attributable to Payor;
- (g) **“Permissible Deductions”** means the aggregate of the following charges that are incurred with respect to the Property or Mineral Products in each calendar quarterly period:
- (i) selling, marketing and brokerage costs incurred on the sale of Mineral Products;
 - (ii) transportation costs for Mineral Products from the Property to the place of beneficiation, processing or treatment and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, security, surveyor fees, warehousing, transaction taxes, port fees, import and export taxes and fees, demurrage and delay, handling and forwarding expenses to the extent such costs are not paid by such purchaser;
 - (iii) all costs, expenses and charges of any nature whatsoever which are either paid or incurred by Payor in connection with smelting, refinement or other beneficiation process (including handling, processing, interest and provisional settlement fees) of Mineral Products before or after leaving the Property, including all smelter and refinery charges and all weighing, sampling, assaying, representation and storage costs, metal losses and umpire charges, and any penalties and metal deductions charged by the processor, refinery or smelter; and
 - (iv) all insurance costs on Mineral Products and any government royalties, production taxes, severance taxes and sales and other taxes levied on Mineral Products or on the production value thereof (other than income taxes of Payor),

provided that, where a cost or expense otherwise constituting Permissible Deductions are incurred by Payor in a transaction with a party with whom it is not dealing at arm's length (as that term is defined in the *Income Tax Act* (Canada)), such costs or expenses may be deducted, but only as to the lesser of the actual cost

incurred by Payor and the cost that could reasonably have been obtained if dealing at arm's length, considering the time of such transaction and under all the circumstances thereof. For greater certainty Permissible Deductions do not include any deductions *inter alia* for such matters as hedging agreements, forward sales, royalty agreements, streaming agreements and similar types of agreements;

- (h) “**Person**” means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or a governmental authority, and pronouns have a similarly extended meaning; and
- (i) “**Property**” means the mineral claims listed in Schedule B of the Agreement to which this Schedule C is annexed and all lands, property and rights contained therein, owned or held by Payor or an affiliate of Payor, including any renewals, extensions or replacements of the same issued from time to time in whole or in part, and any other property or mineral tenure that may arise from time to time in connection therewith, including for the sake of certainty any mining lease or mineral grant, but only to the extent covering the lands that are covered by the mineral claims set forth in Schedule B of the Agreement which this is Schedule C.

4. Interpretation

In this Schedule C, unless the context otherwise clearly requires:

- (a) references to the plural include the singular, and references to the singular include the plural;
- (b) words importing gender include all genders;
- (c) the words “include”, “includes” and “including” do not limit the preceding terms or words and shall be deemed to be followed by the words “without limitation”;
- (d) the terms “hereof”, “herein”, “hereunder”, “hereto” and similar terms refer to this entire Schedule C and not to any particular provision of this Schedule C;
- (e) “or” is used in the inclusive sense of “and/or”;
- (f) if a word or phrase is defined, then its other grammatical or derivative forms have a corresponding meaning;
- (g) unless otherwise specified, the terms “day” and “days” mean and refer to calendar day(s);
- (h) all references to Sections or § are to sections of this Schedule C;
- (i) the division of this Schedule C into § and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Schedule C; and
- (j) all monetary amounts are stated and shall be paid in the currency of Canada.

5. Calculation and Payment

The Royalty will be calculated and paid within 60 days after the end of each calendar quarter. Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the “**Statement**”) must be submitted with the payment.

6. Provisional Payments

In the event that final amounts required for the calculation of the Royalty are not available within the time period referred to in §5 of this Schedule C, then provisional amounts will be estimated and the Royalty paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the Royalty payment of the succeeding calendar quarter.

7. Trading Activities of Payor

- (a) Payor will have the right to market and sell the Mineral Products in any manner it may elect, and will have the right to engage in forward sales, futures trading or commodity options trading and other price hedging, price protection, and speculative arrangements (including but not limited to streaming agreements and royalty sales agreements) (“**Trading Activities**”) which may involve the possible physical delivery of Mineral Products. The Royalty will not apply to, and Payee will not be entitled to participate in, the proceeds generated by Payor or an affiliate of Payor in Trading Activities or in the actual marketing or sales of Mineral Products.
- (b) In determining the Royalty, Payor will not be entitled to deduct from the gross proceeds any losses suffered by Payor, a shareholder or an affiliate in Trading Activities. If Payor engages in Trading Activities in respect of Mineral Products and the counterparty to the Trading Activities is the purchaser of the Mineral Products then the Gross Proceeds in respect of such Mineral Products will be determined based on the average spot price of such Mineral Product.
- (c) The average spot price for any expired quarter means (i) in respect of gold, the arithmetic average of the London Precious Metals Market fixed price for every day of the expired quarter on which the London Bullion Market Association fixes a spot price for an ounce of gold in United States dollars; (ii) in respect of other precious metals and base metals the arithmetic average of the price of metal quoted on the London Metals Exchange in the Metals Bulletin, for every day the expired quarter on which the price of the metal is so quoted; and (iii) in respect to any other mineral, the arithmetic average of the price of such mineral on each business day of the expired quarter, where such prices arrived at using the industry standard in the United States for establishing the average spot price of any other such mineral.

8. Commingling

Before Mineral Products from the Property are commingled with minerals from other properties:

- (a) reasonable and customary procedures are established for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained in such Mineral Products and in the other materials;
- (b) surveying of the area subject to the Royalty will be carried out on a regular basis such that the boundaries of the Property subject to the Royalty are defined and records kept as to the volume and tonnage mined and processed from such areas so that these factors can be determined with a reasonable level of accuracy;

- (c) the Mineral Products from the Property shall be measured and sampled in accordance with sound weighing, sampling, assaying, mining and metallurgical practices for moisture, metal, and other appropriate content;
- (d) representative samples of the Mineral Products shall be taken and retained by Payor together with the results of assays (including penalty substances) and other appropriate analyses of the samples to determine metal and other relevant content of the penalty substances in the Mineral Products, which samples and results will be produced at the request of Payee; and,
- (e) the amount of Royalty due and payable to Payee from Mineral Products from the Property commingled with minerals from other properties shall be determined.

9. Conduct of Operations

All decisions concerning methods, the extent, times, procedures and techniques of any exploration, development, mining, leaching, milling, processing, extraction treatment, if any, and the materials to be introduced into the Property or produced therefrom, and except as otherwise provided in this Agreement all decisions concerning the sale or other disposition of Mineral Products (including, without limitation, decisions as to buyers, times of sale, whether to store or stockpile Mineral Products for a reasonable length of time without selling the same) shall be made by Payor and Payor shall have the right to suspend or cease production in its sole discretion at any time.

10. Maintenance of Property

- (a) Payor shall do all things and make all payments necessary or appropriate to maintain the right, title and interest of Payor and Payee in the Property and the Mineral Products and to maintain the Property in good standing. Payor shall be entitled, from time to time, to abandon or surrender or allow to lapse or expire any part or parts of any mineral claims or mining leases relating to or comprising the Property if Payor determines, acting reasonably, that such part or parts are not economically viable or otherwise have insufficient value to warrant continued maintenance provided that Payor first offers the right to Payee to have such surrendered interests transferred to Payee without charge and in good standing for not less than six months after transfer. Where Payee acquires any such surrendered interests, it shall do so on a “where-is-as-is” basis and shall assume all obligations and liabilities in any way arising from such property.
- (b) Notwithstanding §10(a), Payor shall not abandon or surrender, or allow to lapse or expire, any mineral claims or leases relating to or comprising the Property for the purpose of permitting any third party to restake such claim and avoid the Royalty; and if Payor, or any person with which Payor does not deal at arm’s length or joint venturer, restakes any expired mineral claims or mining leases relating to or comprising the Property, this Agreement shall include any such new claims.
- (c) Payor will not sell, assign or transfer the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, to any person, firm or corporation, or agree to do so or grant any person, firm or corporation an

option or right to acquire the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part, unless the intended transferee first provides an acknowledgement in writing to Payee, in form and content to the reasonable satisfaction of Payee, that it assumes this Schedule C and the obligations of Payor hereunder as if a named party in the first instance. From and after the execution of such agreement, Payor will be released from any obligations and liabilities under this Schedule C (to the extent of the interest so sold, assigned or transferred) other than obligations and liabilities existing or accrued as at the time of sale, assignment or transfer.

11. Audit

Payee within 90 days of receipt of the Royalty payment may request an audit of the sales and related financial records and mining records maintained by Payor be conducted to verify the calculation of the Royalty for a particular calendar quarter. The audit will be conducted by an independent auditor acceptable to Payor and Payee. Payee will bear the full cost and expense of the audit unless it is determined that the Royalty calculated by Payor understated the actual amount due by more than 5%, in which case Payor will pay all costs and expenses of the audit. Payor will forthwith pay any deficiency to Payee and Payee will forthwith repay any overpayment to Payor.

12. Royalty Buydown

Payor shall have the right to buydown half of the Royalty as set out in §4.5 of the Agreement. Any payments made under the Royalty prior to this date will not form any portion of the buydown payment.

13. Arbitration

Any dispute arising out of or related to any report, payment, calculation or audit in respect of the Royalty, not resolved by the reasonable cooperation of the Parties will be resolved solely by arbitration. No error in accounting or in the interpretation of the Agreement will be the basis for a claim of breach of fiduciary duty, or the like, or give rise to a claim for exemplary or punitive damages or for termination or rescission of the Agreement. For the purposes hereof Arbitration shall be conducted as follows:

(a) Single Arbitrator

Any matter in dispute hereunder will be determined by a single arbitrator to be appointed by the Parties.

(b) Prior Notice

Any Party may refer any such matter to arbitration by notice to the other Party and, within 10 Business Days after receipt of such notice, the Participants will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act.

(c) No Agreement

If the Parties cannot agree on a single arbitrator as provided in §13(a), or if the person appointed is unwilling or unable to act, either Party may submit the matter to arbitration before a single arbitrator in accordance with the *Arbitration Act*, of New Brunswick, as amended from time to time (in this article, the “**Rules**”).

(d) Conduct of Arbitration

Except as otherwise specifically provided in this section, an arbitration hereunder will be conducted in English in accordance with the Rules. The arbitrator will fix a time and place in New Brunswick for the purpose of hearing the evidence and representations of the Parties and he or she will preside over the arbitration and determine all questions of procedure not provided for under the Rules or this §13. After hearing any evidence and representations that the Parties may submit, the arbitrator will make an award and reduce the same to writing and deliver one copy thereof to each of the Parties. The decision of the arbitrator will be made within 45 days after his or her appointment, subject to any reasonable delay due to unforeseen circumstances. The expense of the arbitration will be paid as specified in the award. The arbitrator’s award will be final and binding upon each of the Parties.

14. Interest in Land

The Royalty creates a direct real property interest in the Mineral Products and the Property in favour of Payee and is not merely contractual in nature, provided such interest shall be satisfied from time to time in respect of any particular Mineral Products by the payment to Payee of the Royalty in respect thereof in accordance with §5 of this Schedule C. This Schedule C shall continue in perpetuity, it being the intent of the Parties hereto that the Royalty shall constitute a covenant running with the Property and all successions thereof, whether created privately or through governmental action, and including, without limitation, any leasehold interest.

15. Transfers by Payee

- (a) Payee will not sell, assign or transfer the Royalty or any right, title or interest that it now has or may hereafter have therein, in whole or in part, to any person, firm or corporation, or agree to do so or grant any person, firm or corporation an option or right to acquire the Royalty or any right, title or interest that it now has or may hereafter have therein, in whole or in part, unless the intended transferee first provides an acknowledgement in writing to Payor, in form and content to the reasonable satisfaction of Payor, that it assumes this Schedule C and the obligations of Payee hereunder as if a named party in the first instance. From and after the execution of such agreement, Payee will be released from any obligations and liabilities under this Schedule C (to the extent of the interest so sold, assigned or transferred) other than obligations and liabilities existing or accrued as at the time of sale, assignment or transfer.

- (b) Notwithstanding any sale, assignment or transfer by Payee, Payor will not be or become liable to make payments in respect of the Royalty to more than one Person. If the interests of Payee hereunder are at any time owned by more than one Person, such Persons will, as a condition of receiving payment hereunder, nominate one Person to act as agent and common trustee for receipt of monies payable hereunder and to otherwise deal with Payor in respect of such interests and no royalty owner will be entitled to administer or enforce any provisions of this Schedule C except through such agent and trustee. In such event, Payor will, after receipt of notice respecting the nomination of such agent and trustee, thereafter make and be entitled to make payments due hereunder in respect of the Royalty to such agent and trustee and to otherwise deal with such agent and trustee as if it were the sole holder of the Royalty hereunder.

16. National Instrument 43-101

- (a) With Payor's prior consent (which shall not be unreasonably withheld or delayed), during regular business hours and no more frequently than two times per calendar year, at the sole risk and expense of Payee, Payee shall have a right of access by its representatives to the Property and the technical data related to Property, and any mill, smelter, concentrator or other processing facility owned or operated by Payor and/or its affiliates that is used to process Mineral Products produced from the Property. For the purpose of enabling Payee to monitor compliance by Payor with the terms of this Schedule C and to prepare, as required or in the opinion of Payee such technical reports on the Property as would be of assistance to Payee, in compliance with National Instrument 43-101 and will be at the sole cost of Payee.
- (b) Payor will cooperate with and will allow Payee access to technical information pertaining to the Property, to permit Payee to prepare, as required, technical reports on the Property, in accordance with National Instrument 43-101 or otherwise whether intended for disclosure or internal purposes, at the sole cost and expense of Payee to comply with Payee's disclosure obligations under applicable Canadian and/or US securities laws and/or stock exchange rules and policies provided that:
 - (i) to the extent permitted by law, Payee may use the same Qualified Person ("QP") (with the QP's consent) as Payor to prepare all technical reports that Payee is required to prepare and to use (as the base), the same reports as Payor (re-addressed to Payee); and
 - (ii) if Payee is unable to use the same QP as Payor to prepare a technical report, it will choose another QP to write the technical report and Payee will not finalize the technical report until Payor has been provided with a reasonable opportunity to comment on the contents of the technical report and Payee will act in good faith and will use its best efforts to incorporate Payor's comments into the technical report.

17. Confidentiality

- (a) All information, data, reports, records, analyses, economic and technical studies and test results relating to the Property and the activities of Payor provided to Payee or

otherwise obtained by Payee pursuant to this Schedule C, all of which will hereinafter be referred to as “**Confidential Information**”, will be treated by Payee as confidential and will not be disclosed to any Person not a party to this Schedule C, except in the following circumstances:

- (i) Payee may disclose Confidential Information to its affiliates and their respective employees, directors, officers, auditors, legal counsel, institutional lenders, brokers, underwriters and investment bankers, provided that such non-party users have a need to know such Confidential Information, and such non-party users are advised of the confidential nature of the Confidential Information and undertake to maintain the confidentiality thereof;
 - (ii) Payee may disclose Confidential Information to prospective direct or indirect purchasers of Payee’s right to receive the Royalty, or to prospective lenders to, or investors in Payee, provided that each such Person first agrees in writing to hold such information confidential in accordance with this section;
 - (iii) Payee may disclose Confidential Information pursuant to §15;
 - (iv) in connection with any proceeding under §12;
 - (v) if Payee, or an affiliate thereof is required to disclose such Confidential Information by law or judicial process or pursuant to the rules or regulations of any regulatory authority having jurisdiction over Payee or any of its affiliates or of any stock exchange on which Payee’s or any of its affiliates’ securities are listed; or
 - (vi) with the approval of Payor.
- (b) Any information that: (i) is or becomes part of the public domain by no act or omission in breach of this section; (ii) is already in the possession of Payee or its affiliates or comes into the possession of Payee or its affiliates on a non-confidential basis other than from Payor pursuant to this Schedule C, provided that such source is not bound by a confidentiality agreement with or other obligation of confidentiality to Payor, shall not be “Confidential Information” for the purposes of this Schedule C.
- (c) In the case of a disclosure of Confidential Information pursuant to §17(a)(i) or §17(a)(ii), Payee will be liable to Payor for any breach of the provisions of this §17 by the recipient of such Confidential Information as if such Person had committed the breach of such provisions itself.

18. Registration of Interest

Payee shall have the right from time to time to register or record notice of this Schedule C and the Royalty, any other documents relating to or contemplated by the foregoing, against title to the Property, and Payor shall cooperate with all such registrations and recordings and provide its written consent or signature to any documents and do such other things from time to time as are necessary or desirable to effect all such registrations or recordings or otherwise to protect the interests of Payee.