AMENDED AND RESTATED OPTION AND JOINT VENTURE AGREEMENT

THIS AGREEMENT is made as of October 26, 2018 (the **"Effective Date"**)

BETWEEN:

CARIBOO ROSE RESOURCES LTD., a corporation existing under the laws of British Columbia and having its head office at Suite 110 - 325 Howe Street, Vancouver, BC V6C 127

(hereinafter **"CRR"**)

AND:

OAKLEY VENTURES INC., a corporation existing under the laws of British Columbia and having its head office at 4806 Sunnygrove Place, Victoria, BC V8Y 2Y4

(hereinafter **"OAKLEY"**)

WHEREAS:

A. CRR owns a 100% interest in 10 mineral claims located in the Clinton Mining Division of British Columbia, as more particularly described in Schedule "A" hereto and generally known as the Koster Dam project;

B. CRR proposes to grant the Initial Option (as hereinafter defined) to acquire a 45% interest in the Property (as hereinafter defined), as well as the Second Option (as hereinafter defined) to acquire an additional 5% interest in the Property, to OAKLEY;

C. In the event that the Initial Option is exercised, and regardless of whether or not the Second Option is exercised, CRR and OAKLEY propose to form a joint venture in accordance with the terms and conditions of this Agreement; and

D. CRR and OAKLEY are parties to an option and joint venture agreement dated June 30, 2017 (the **"Option Agreement"**), but desire to amend the Option Agreement by entering into this Agreement to amend and replace, in its entirety, the Option Agreement.

NOW THEREFORE, for valuable consideration, the Parties agree as follows:

1. INTERPRETATION

1.1 **Definitions.** In this Agreement, terms and expressions given a defined meaning in the preamble, the recitals or any Schedule shall have the corresponding meaning and:

"Affiliate" has the meaning given to that term in the *Securities Act* (British Columbia);

"Agreement" means this Agreement, including the recitals and the Schedules, all as amended, from time to time;

"Business Day" means a day other than Saturday, Sunday or statutory holiday when banks in the City of Vancouver, British Columbia are generally open for business;

"day" means a calendar day, unless otherwise indicated;

"Exchange" means the TSX Venture Exchange;

"Expenditures" means, without duplication, all costs and expenses actually and directly incurred by a party on or for the benefit of the Property including without limiting the generality of the foregoing, monies expended in doing geophysical, geochemical and geological surveys, drilling, drifting and other surface and underground work, assaying and metallurgical testing, engineering and geological consulting, and building and operating any exploration facilities on the Property; payment of fees, wages, salaries, travelling expenses, and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property, in paying for the food, lodging and other reasonable needs of such persons and including all costs at prevailing charge out rates for any personnel who from time to time are engaged directly in work on the Property, such rates to be in accordance with industry standards. For greater certainty, Expenditures shall include: (i) payments related to filing assessment work on the Property; (ii) costs associated with negotiating with local aboriginal and other communities or Governmental Authority; and (iii) costs related to staking or otherwise acquiring adjacent mineral claims to expand the existing Property;

"Governmental Authority" means any foreign, domestic, national, federal, provincial, territorial, state, regional, municipal or local government or authority, quasi government authority, fiscal or judicial body, government or self-regulatory organization, commission, board, tribunal, organization, or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing;

"Initial Option" means the option granted to OAKLEY by CRR in accordance with Section 3.1;

"Joint Venture" means the exploration joint venture which may be formed with respect to the Property pursuant to Section 7.1;

"Joint Venture Assets" means, after the formation of the Joint Venture, the Property and all other assets of the Joint Venture;

"Joint Venture Interest" means the percentage undivided interest of each of CRR and OAKLEY in the Joint Venture, which interest shall, at all times, correspond with and represent their respective percentage undivided interest in the Property pursuant to this Agreement;

"Lien" means any lien, security interest, mortgage, charge, encumbrance, or other claim of a third party, whether registered or unregistered, and whether arising by agreement, statute or otherwise;

"Management Committee" means the committee established by the Parties on the formation of a Joint Venture as described in Section 3.1 of Schedule "B";

"Minerals" means any and all ores (and concentrates or metals derived there from) of precious, base and industrial minerals, in, on or under a property which may lawfully be explored for, mined and sold by the Parties pursuant to the instruments of title under which the property is held;

"Net Smelter Return Royalty" or "NSR" has the meaning set forth in Schedule "C";

"Operator" means the party responsible for carrying out, or causing to be carried out, all work in respect of the Property during the period of the Option and during the period of a Joint Venture;

"Option Period" means 24 months from June 30, 2017;

"Party" and **"Parties"** means the parties, individually or jointly, to this Agreement;

"Permitted Lien" means (i) any inchoate right, Lien or interest of a governmental authority, (ii) Liens for taxes not yet due and payable and accrued in the ordinary course, (iii) statutory Liens in favour of municipalities or public utilities, (iv) servitudes, easements or other similar real property rights, as well as encroachments and other minor imperfections of title which do not impair, detract from the value of or impair the use the Property in any material respect, and (v) any claims which may be made at any time by any First Nations or aboriginal people that all or part of the Property is their property or traditional territory;

"Personnel" means in relation to each Party, any of its past or present directors, officers, employees, agents, consultants, invitees, subcontractors (including subcontractors' Personnel) and representatives involved either directly or indirectly in the performance of such Party's obligations under this Agreement;

"Program" means a written description, prepared by the Operator and adopted by the Management Committee, outlining all Expenditures which the Operator contemplates incurring on the Property, including a detailed description of all work which the Operator proposes to carry out on the Property pursuant to such Program;

"Property" means the mineral claims more particularly described in Schedule "A" and those rights and benefits appurtenant to the Property, together with any and all substitute, modified or successor rights and title thereto;

"Representative" means the individual appointed from time to time by a Party to act as such Party's representative on a Management Committee; and

"Second Option" means the option granted to OAKLEY by CRR in accordance with Section 3.2.

1.2 **Extended Meanings.** Unless otherwise specified, words importing the singular include the plural and vice versa. The term "including" means "including without limitation".

1.3 **Headings.** The division of this Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.4 **Severability.** If any term of this Agreement is or becomes illegal, invalid or unenforceable, that term shall not affect the legality, validity or enforceability of the remaining terms of this Agreement.

1.5 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior arrangements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

1.6 **Time.** For every provision in this Agreement, time is of the essence.

1.7 **Governing Law.** This Agreement shall be governed by and shall be construed and interpreted in accordance with the laws of British Columbia.

1.8 **Statutory References.** Each reference to a statute in this Agreement includes the regulations made under that statute, as amended or re-enacted from time to time.

1.9 **Currency.** All references to $ herein refer to Canadian dollars.

1.10 **Schedules.** The following Schedules are attached to and form part of this Agreement:

Schedule "A"	Description of the Property

Schedule "B" Joint Venture Terms

Schedule "C" Net Smelter Return Royalty

2. REPRESENTATIONS AND WARRANTIES

2.1 CRR hereby represents and warrants to OAKLEY that:

(a) it is a corporation duly organized and validly existing under the *Business Corporations Act* (British Columbia);

(b) it has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement and is qualified to carry on business in British Columbia;

(c) it has been duly authorized to enter into, and to 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 in:

(i) its charter or governing documents; or

(ii) any other agreement to which it is a party;

(d) it has duly executed and delivered this Agreement, which binds it in accordance with its terms;

(e) it does not require the consent or approval of any other party or entity to the entering into this Agreement or any of the transactions contemplated hereby;

(f) the claims comprising the Property (i) were properly recorded and filed with appropriate governmental agencies; (ii) all assessment work required to hold the claims has been performed and all governmental fees have been paid and all filings required to maintain the claims in good standing have been properly and timely recorded or filed with appropriate governmental agencies; (iii) except for Permitted Liens, the claims are free and clear of encumbrances or defects in title; and (iv) CRR has no knowledge of conflicting mining claims;

(g) the Property is accurately described in Schedule "A";

(h) CRR and its Personnel have conducted all activities on or in respect of the Property in compliance, and the Property itself complies, with all applicable statutes, regulations, by-laws, laws, orders and judgments, and all directives, rules, consents, permits, orders, guidelines, approvals and policies of all applicable Governmental Authorities;

(i) there are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property or the conduct of the business related to the Property;

(j) all information supplied to OAKLEY or its Personnel in the course of OAKLEY's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects. In particular, without limiting the generality of the foregoing, the information contained in the NI 43-101 technical report on the Property dated August 25, 2016 is accurate and correct in all material respects;

(k) there are no outstanding agreements or options to acquire or purchase the Property or any interest in the Property, and except for Permitted Liens no person has any royalty or other interest whatsoever in production or profits from the Property;

(l) except for Permitted Liens there are no adverse claims or challenges to CRR's interest in the Property other than Permitted Liens;

(m) to the best of CRR's knowledge, there has been no known spill, discharge, deposit, leak, emission or other release of any contaminant, pollutant, dangerous or toxic substance, or hazardous waste on, into, under or affecting any of the Property and no such contaminant, pollutant, dangerous or toxic substance, or hazardous waste is stored in any type of container on, in or under any of the Property;

(n) there are no existing or threatened actions, suits, claims or proceedings regarding the Property and there are no outstanding notices, orders, assessments, directives, rulings or other documents issued in respect of the Property by any governmental authority; and

(o) there are no existing reclamation, rehabilitation, restoration or abandonment obligations with respect to any of the Property.

2.2 OAKLEY hereby represents and warrants that:

(a) it is a corporation duly organized and validly existing under the *Business Corporations Act* (British Columbia);

(b) it has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement and is qualified to carry on business in British Columbia;

(c) it has been duly authorized to enter into, and to 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 in:

(i) its notice of articles or articles; or

(ii) any other agreement to which it is a party;

(d) it has duly executed and delivered this Agreement, which binds it in accordance with its terms;

(e) it is a private company in good standing in the province of British Columbia and is not subject to any regulatory decision or orders; and

(f) it is authorized to issue an unlimited number of common shares.

2.3 Each Party's representations and warranties set out above will be relied on by the other Party in entering into the Agreement and shall survive the execution and delivery of the Agreement. Each Party shall indemnify and hold harmless the other Party for any loss, cost, expense, claim or damage, including legal fees and disbursements, suffered or incurred by the other Party at any time as a result of any misrepresentation or breach of warranty arising under the Agreement.

3. OPTIONS

3.1 CRR hereby grants to OAKLEY the sole and exclusive right and option to acquire a 45% right, title and interest in the Property (the **"Initial Option"**) by incurring a total of $110,495 of Expenditures on the Property during the Option Period.

3.2 CRR hereby grants to OAKLEY the sole and exclusive right and option to acquire an additional 5% right, title and interest in the Property (for an aggregate of 50%) (the **"Second Option"**) by paying CRR a total of $50,000 in cash on or before the date that is 30 days following the exercise of the Initial Option.

3.3 Upon completing $110,495 of Expenditures, OAKLEY shall provide a written notice of exercise (the **"Notice of Exercise"**) of the Initial Option to CRR supported by documentation confirming the Expenditures. The vesting of OAKLEY's 45% interest in the Property shall be effective on the date that is 30 days following the date of the Notice of Exercise.

3.4 Upon paying CRR a total of $50,000 in cash, OAKLEY shall be deemed to have exercised the Second Option and the vesting of OAKLEY's additional 5% interest in the Property shall be effective on the date that is 30 days following the date of the payment.

3.5 Upon the vesting in OAKLEY of any interest in the Property, CRR shall hold such interest in trust for OAKLEY.

3.6 Upon termination of the Initial Option or the Second Option, as applicable, OAKLEY shall complete all reclamation work on the Property arising from its exploration of the Property.

3.7 OAKLEY will have the right to terminate this Agreement at any time up to the date of exercise of the Initial Option by giving notice in writing of such termination to CRR, and in the event of such termination, this Agreement will, except for the provisions of Sections 3.6, and 5.2, be of no further force and effect save and except for any obligations of OAKLEY incurred prior to the effective date of termination.

3.8 The Initial Option and the Second Option are options only, and except as specifically provided to the contrary, nothing herein contained will be construed as obligating OAKLEY to do any acts or make any payments hereunder except as otherwise set forth, and any act or acts or payment or payments as may otherwise be made hereunder will not be construed as obligating OAKLEY to do any further act or make any further payment or payments.

4. COVENANTS OF CRR

4.1 During the Option Period, CRR will:

(a) not do any other act or thing which would or might in any way adversely affect the rights of CRR hereunder, including selling, assigning, encumbering or otherwise dealing with or affecting any of the Property;

(b) make available to OAKLEY and its representatives all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Property in CRR's possession or control, including rock and soil samples, and all records and files relating to the Property and permit OAKLEY and its representatives at their own expense to take abstracts there from and make copies thereof;

(c) promptly provide OAKLEY with any and all notices and correspondence received by CRR from government agencies in respect of the Property;

(d) cooperate fully with OAKLEY in obtaining any surface and other rights, permits or licenses on or related to the Property as OAKLEY deems desirable, provided that OAKLEY shall be responsible for payment of all of the cost for services provided by CRR personnel at industry standard rates for such services; and

(e) grant to OAKLEY, its employees, agents and independent contractors, the sole and exclusive right and option to:

(i) enter upon the Property for the purpose of, and to do such prospecting, exploration, development or other mining work thereon and there under as OAKLEY in its sole discretion may consider advisable;

(ii) bring and erect upon the Property such equipment and facilities as OAKLEY may consider advisable; and

(iii) remove from the Property and dispose of material for the purpose of testing.

5. COVENANTS OF OAKLEY

5.1 During the Option Period, OAKLEY shall:

(a) keep the Property free and clear of all Liens arising from its operations hereunder (except other inchoate liens or liens contested in good faith by OAKLEY) and proceed with all diligence to contest or discharge any Lien that is filed;

(b) maintain the claims that comprise the Property in good standing by filing of all Expenditures as assessment work with the applicable regulatory authority;

(c) permit CRR, or its representatives duly authorized by it in writing, at their own risk and expense and upon reasonable advance notice to OAKLEY, access to the Property at all reasonable times and to all records and reports, if any, prepared by OAKLEY in connection with work done on or with respect to the Property;

(d) furnish to CRR activity reports, not less than 10 Business Days after June 30 of each year, in respect of the work carried out by OAKLEY on the Property, together with reasonable details of such Expenditures; and

(e) conduct all work on or with respect to the Property in a careful and miner-like manner and in compliance with all applicable federal, provincial and local laws, rules, orders and regulations, and indemnify and save CRR harmless from any and all claims, suits, demands, losses and expenses including with respect to environmental matters, made or brought against it as a result of work done or any act or thing done or omitted to be done by OAKLEY on or with respect to the Property.

5.2 In the event of termination of the Initial Option, the Second Option, or both, for any reason other than through the exercise thereof, OAKLEY will have the right (and, if requested by CRR within 90 days of the effective date of termination, the obligation) to remove from the Property within six (6) months of termination of this Agreement all facilities erected, installed or brought upon the Property by or at the instance of OAKLEY, failing which, the facilities shall become the property of CRR.

6. EXCLUSION OF MINERAL CLAIMS

6.1 OAKLEY shall have the right at any time and from time to time following June 30, 2018 to exclude from this Agreement any portion of the Property by written notice to CRR of its election so to do.

7. THE JOINT VENTURE

7.1 In the event that OAKLEY exercises the Initial Option, a Joint Venture shall be formed between OAKLEY and CRR with respect to the Property in accordance with the terms set out in Schedule "B". The Property shall thereupon become a Joint Venture Asset and CRR shall hold title to the mineral claims as Operator in trust for the benefit of the Joint Venture.

8. CONFIDENTIALITY

8.1 All matters concerning the execution and contents of this Agreement, the Joint Venture, and the Property shall be treated as and kept confidential by the Parties and there shall be no public release of any information concerning the Property without the prior written consent of the other Party, such consent not to be unreasonably withheld; except as required by applicable securities laws, the rules of any stock exchange on which a Party's shares are listed or other applicable laws or regulations. Notwithstanding the foregoing the Parties are entitled to disclose confidential information to prospective investors or lenders, who shall be required to keep all such confidential information confidential.

8.2 Each Party shall provide the other with a copy of any news release it proposes to publish relating to the Property or this Agreement prior to publication of the same for the other Party's review which shall not be unreasonably delayed in view of any timely disclosure obligations which may be applicable. Each Party shall use its reasonable efforts to provide any comments it may have to the other Party forthwith, but in any event within one (1) Business Day.

9. ASSIGNMENT

9.1 CRR may assign its interest in this Agreement, subject to the written consent of OAKLEY, which consent shall not be unreasonably withheld. Conversely, OAKLEY may only assign its interest in this Agreement provided that CRR, in CRR's sole, absolute and unfettered discretion, consents in writing to such assignment. For the avoidance of doubt, CRR may withhold consent for any reason.

10. TERMINATION

10.1 In addition to any other termination provisions contained in this Agreement, this Agreement and the Initial Option shall terminate if OAKLEY should be in default in performing any requirement herein set forth in a timely manner and has failed to take reasonable steps to cure such default within 30 Business Days after the giving of a written notice of such default by CRR.

11. OPERATOR

11.1 Until a Joint Venture is formed under Section 7 or alternatively, termination of the Initial Option and this Agreement shall have occurred:

(a) CRR shall be the Operator of the Property; and

(b) the Operator shall be responsible for making the Expenditures to be incurred by CRR under the terms of this Agreement, for complying with all applicable laws and regulations with respect to its operations on the Property, for making all filings and doing all other things necessary to maintain the mineral claims comprising the Property in good standing, for securing and complying with all work permits and for performance of any reclamation required on the Property in respect of its operations.

12. CONDITIONS PRECEDENT

12.1 The obligations of CRR and OAKLEY under this Agreement are subject to the fulfilment within 60 days after the Effective Date of the following conditions precedent:

(a) all requisite approval by the Board of Directors of each of OAKLEY and CRR; and

(b) receipt of final Exchange acceptance of this Agreement, if required, for CRR.

13. FORCE MAJEURE

13.1 No party will be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its control (except those caused by its own lack of funds) including, but not limited to environmental restrictions or approvals, negotiations with First Nations on exploration, cooperation and benefits agreements, acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances, laws, rules and regulations or orders of any duly constituted governmental authority or non-availability of materials or transportation particularly as they may affect exploration and development of the Property (each an **"Intervening Event"**) but excluding the want of funds.

13.2 All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event plus a 90-day corrective period.

13.3 A Party relying on the provisions of this Section 13 will:

(a) give notice in writing to the other party, forthwith and for each new Intervening Event and will set out in such notice particulars of the cause thereof and the day upon which the Intervening Event arose, and will give like notice forthwith following the date that such Intervening Event ceased to subsist; and

(b) take all reasonable steps to eliminate an Intervening Event and, if possible, will perform its obligations under this Agreement as far as practical, but nothing herein will require such party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

14. AREA OF INTEREST

14.1 In this Section, **"Area of Interest"** means an area of two (2) kilometres around the perimeter boundaries to the Property, or any part thereof.

14.2 If, during the term of this Agreement and so long as the Joint Venture is still in force, either Party or any of its Affiliates stakes (the **"Acquiring Party"**) any interest in mineral claims or any other form of mineral tenure (the **"AOI Tenure"**) located wholly or partly within the Area of Interest, the Acquiring Party shall forthwith give notice to the other Party (the **"Non-Acquiring Party"**) of such staking, including the costs thereof and all details in its possession with respect to the nature of the AOI Tenure and the known mineralization thereon. Upon delivery of such notice:

(a) if such staking occurs prior to the formation of the Joint Venture pursuant to Section 7.1, the Non-Acquiring Party may elect by notice to Acquiring Party to require that such AOI Tenure be included in and thereafter form part of the Property. If a Non-Acquiring Party so elects and if such AOI Tenure was staked by OAKLEY or any of its Affiliates, the staking or acquisition costs shall constitute Expenditures. If a Non-Acquiring Party so elects and if such AOI Tenure was staked by the CRR or any of its Affiliates, OAKLEY shall reimburse CRR for the staking or acquisition costs, which reimbursed costs shall also constitute exploration Expenditures; or

(b) if such staking occurs after formation of the Joint Venture pursuant to Section 7.1, the Non-Acquiring Party may elect, by notice to the Acquiring Party, to require that such AOI Tenure be included in and thereafter form part of the Property, provided that the Non-Acquiring Party then holds a participating interest (which shall not include any interest in any royalty) in the Property. If such AOI Tenure becomes part of the Property, the Acquiring Party shall be reimbursed its staking costs in proportion to its participating interest, and such reimbursement shall be deemed a cost of the Joint Venture.

15. NOTICE

15.1 Any notice required to be given under this Agreement will be deemed to be well and sufficiently given if delivered by a recognized courier service, or if mailed by registered mail with return receipt requested (save and except during the period of any interruption in the normal postal service) or sent by facsimile or electronic mail, in the case of CRR, addressed as follows:

CARIBOO ROSE RESOURCES LTD.
Suite 110 - 325 Howe Street
Vancouver, BC V6C 1Z7

Attention: William Morton
Fax: (604) 681-9855

and, in the case of the OAKLEY, addressed as follows:

OAKLEY VENTURES INC.
4806 Sunnygrove Place
Victoria, BC V8Y 2Y4

Attention: Chief Executive Officer

16. GENERAL

16.1 This Agreement represents the entire agreement between the Parties with respect to the Property.

16.2 This Agreement inures to the benefit of and binds the Parties and their respective successors and permitted assigns.

16.3 Each Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or desirable to give effect to the terms and intent of this Agreement.

16.4 No waiver of any term of this Agreement by a Party is binding unless such waiver is in writing and signed by the Party entitled to grant such waiver. No failure to exercise and no delay in exercising, any right or remedy under this Agreement shall be deemed to be a waiver of that right or remedy. No waiver of any breach of any term of this Agreement shall be deemed to be a waiver of any subsequent breach of that term.

16.5 No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by both Parties.

16.6 Each of the Parties covenants, agrees and acknowledges that each of them was fully and plainly instructed to seek and obtain independent legal and tax advice regarding the terms and conditions and execution of this Agreement and each of them has sought and obtained such legal and tax advice and acknowledges that each has executed this Agreement voluntarily understanding the nature and effect of this Agreement after receiving such advice.

16.7 Any payment made under this Agreement from one Party to the other may be made by cheque by personal delivery or overnight courier to the appropriate address set out in Section 15.1.

16.8 This Agreement may be executed and delivered by facsimile or other electronic means and in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

16.9 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia which shall be deemed to be the proper law hereof. The Courts of British Columbia shall have jurisdiction (but not exclusive jurisdiction) to entertain and determine all disputes and claims, whether for specific performance, injunction, declaration or otherwise howsoever both at law and in equity, arising out of or in any way connected with the construction, breach, or alleged, threatened or anticipated breach of this Agreement and shall have jurisdiction to hear and determine all questions as to the validity, existence or enforceability thereof.

16.10 This Agreement is an option only and nothing herein contained will be construed as obligating OAKLEY (or its permitted assignee) to do any acts or make any payments or incur Expenditures hereunder and any act or acts or payment or payments as may be made hereunder will not be construed as obligating OAKLEY (or its permitted assignee) to do any further act or make any further payment or payments.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Effective Date.

CARIBOO ROSE RESOURCES LTD.

By: *"J. William Morton"*
Name: J. William Morton
Title: President & CEO

OAKLEY VENTURES INC.

By: *"Glenn Collick"*
Name: Glenn Collick
Title: CEO

SCHEDULE "A"

DESCRIPTION OF THE PROPERTY

The Property, known as the Koster Dam, consists of the following mineral claims located in the Clinton Mining District of the Province of British Columbia:

Claim Name	Record#	Area (ha)	Expiry
Koster Dam	1010845	705	Sept 21, 2019
KD-2	1010847	504	Sept 21, 2019
Camelfoot	1020584	403	Sept 21, 2019
Churnover	1021806	706	Sept 21, 2019
632	1030221	484	Sept 21, 2019
Dam	1030270	484	Sept 21, 2019
Oakley 1	1055078	343	Sept 21, 2019
N/A	1055079	482	Sept 21, 2019
Oakley 2	1055080	303	Sept 21, 2019
Oakley 4	1055165	121	Sept 21, 2019
Total		**4,535**	

The claims are located on provincial land and encompass 4,535 hectares. The claims are owned 100% by CRR.

SCHEDULE "B"

JOINT VENTURE TERMS

In this Schedule "B", terms and expressions given a defined meaning in the Agreement to which this Schedule "B" is attached shall have the corresponding meaning in this Schedule "B".

1. RELATIONSHIP OF PARTIES

The relationship of the Parties in the Joint Venture shall not be, and shall not be construed to be, a partnership relationship, an agency or legal representative relationship or a fiduciary relationship. Except as otherwise expressly provided in this Schedule "B", the rights, privileges, powers, duties, liabilities and obligations of the Parties shall be as joint ventures and shall be several and not joint or joint and several.

2. CALCULATION OF JOINT VENTURE INTERESTS

The following provisions shall apply until such time as the Parties have entered into a definitive Joint Venture Agreement failing which the Agreement to which this Schedule "B" is attached will continue to govern the relations between them.

2.1 **Initial Calculation.** On the date that the Joint Venture is formed as a result of the exercise of the Initial Option, OAKLEY and CRR will be deemed to have the following Joint Venture Interests:

	OAKLEY	CRR
Deemed Expenditures:	$110,495	$135,495
Joint Venture Interest:	45%	55%

In the event that OAKLEY exercises the Second Option, OAKLEY and CRR will be deemed to have the following Joint Venture Interests effective as of the date of such exercise:

	OAKLEY	CRR
Deemed Expenditures:	$160,495	$160,495
Joint Venture Interest:	50%	50%

2.2 **Calculation on Ongoing Basis.** OAKLEY 's and CRR's, as the case may be, Joint Venture Interest, calculated at any time and from time to time, shall be determined in accordance with the formula:

$$A = \frac{B}{C} \times 100\%$$

where

(a) A is OAKLEY's or CRR's, as the case may be, Joint Venture Interest;

(b) B is an amount equal to OAKLEY 's or CRR's, as the case may be, deemed Expenditures under Section 2.1 of this Schedule "B", plus all of OAKLEY 's or CRR's, as the case may be, Expenditures made after the formation of the Joint Venture; and

(c) C is an amount equal to the Parties' total deemed Expenditures under Section 2.1 of this Schedule "B" plus all of the Parties' Expenditures made after the formation of the Joint Venture.

2.3 **Conversion of Joint Venture Interest.** If OAKLEY's or CRR's Joint Venture Interest is reduced to 10% or less, then OAKLEY's or CRR's, as the case may be, Joint Venture Interest shall be converted to a 1% NSR royalty, as provided for in Schedule "B" to the Agreement. The Joint Venture shall terminate upon such conversion, and the surviving Party shall become the sole owner of a 100% interest in the Property subject to the NSR. The surviving Party shall have a right of first refusal to match any third party offer to purchase the NSR. In the event that the surviving Party should exercise its right of first refusal, the surviving Party shall have the right to purchase the NSR for a period of 90 days after receipt of written notice of the third party offer.

2.4 **Option to Purchase NSR.** In the event that OAKLEY's Joint Venture Interest is converted into a NSR under Section 2.3, then CRR shall have the right to purchase the1% NSR in consideration for payment by CRR to OAKLEY of the sum of $2,000,000. CRR may exercise its option to purchase up to a 1% NSR, in whole or in part at any time or from time to time, by written notice to OAKLEY and delivery of payment within 30 days after such notice(s).

3. MANAGEMENT COMMITTEE

3.1 **Establishment.** Promptly upon the formation of the Joint Venture, the Parties shall establish the Management Committee. One Representative and one alternate shall be appointed in writing by each Party and re-appointed from time to time.

3.2 **Powers and Obligations.** Except as expressly provided otherwise in the Agreement, the Management Committee is empowered to make all strategic and planning decisions regarding the Joint Venture. Accordingly, the Management Committee is responsible for revising Programs submitted by the Operator, for approving all Programs and for evaluating the results of all Programs.

3.3 **Calling of Meetings.** Meetings of the Management Committee shall be held in Vancouver, British Columbia at such place, time and date as may be determined by the Operator or the non-Operator on at least 15 days' notice. The Representatives may waive the notice period required for any meeting. Any notice must include the time, date, place and agenda of each meeting. On receipt of any such notice, the receiving Party may add any item to the agenda, if the receiving Party notifies the other Party of the addition at least seven (7) days before the meeting. No item which is not on the agenda may be discussed without the consent of the Representatives. Individuals other than the Representatives may attend meetings of the Management Committee with the unanimous consent of the Representatives.

3.4 **Attendance at Meeting by Phone.** Any Representative may attend a meeting of the Management Committee by telephone or video conference call.

3.5 **Quorum at Meetings.** The quorum for any meeting of the Management Committee is one (1) Representative from each of the Parties. If a quorum is not present at the date, time and place set for a meeting, then the meeting shall be adjourned to the same place and time on the same day of the following week. At the continuation of the adjourned meeting the Management Committee may conduct business, if a notice regarding the continuation of the adjourned meeting was sent to the Party whose Representative did not attend the meeting as originally scheduled. In no other circumstance may business be transacted at a meeting of the Management Committee without a quorum being present.

3.6 **Chairman and Secretary of Meetings.** The initial chairman of the Management Committee (the **"Chairman"**) shall be determined by CRR and thereafter designated annually by the Party with the

greater Joint Venture Interest. The Chairman shall appoint a secretary to act as a secretary of the Management Committee at the beginning of each meeting of the Management Committee. Such secretary shall carry out the duties of the secretary of the Management Committee until such secretary's replacement is appointed. The secretary shall prepare and maintain minutes of each meeting of the Management Committee. The secretary shall distribute to the Representatives such minutes, as soon as practicable following each meeting. The secretary shall also maintain, and distribute to the Representatives, copies of all correspondence and instruments received, sent or signed by the Management Committee or the Representatives (when acting in the capacity of a Representative).

3.7 **Making Decisions.** All decisions of the Management Committee shall be by majority vote by the two (2) voting Representatives, who shall each have the number of votes equal to such Representative's respective Party's Joint Venture Interest from time to time. In the event of an equality of votes, the Operator's Representative shall have an additional and casting vote. Alternatively, the Management Committee may transact any business by a written instrument signed by a Representative of each Party. Each decision of the Management Committee shall be final and binding on the Parties.

3.8 **Consent of Management Committee Required.** Notwithstanding any term in the Agreement or this Schedule "B", the Operator shall not take any of the following actions without obtaining the prior written consent of Parties holding at least a 75% Joint Venture Interest:

(a) create, or permit to remain, any material Liens, upon any Joint Venture Asset, except for any Liens which are customary in the circumstances of a mining joint venture;

(b) settle any suit, claim or demand with respect to the Joint Venture involving an amount in excess of $100,000; or

(c) abandon, sell or otherwise dispose of a Joint Venture Asset having a net book value greater than $100,000 or, if related to normal business operations, a net book value greater than $250,000.

The Operator shall not abandon, sell or otherwise dispose of the Property, or any material part thereof without obtaining the prior written consent of Parties holding 100% of the Joint Venture Interests.

4. THE OPERATOR, ITS POWERS AND OBLIGATIONS

4.1 **Initial Operator.** Upon the formation of the Joint Venture, CRR shall be the first Operator.

4.2 **Resignation and Replacement.** The Operator may resign as Operator upon notifying the non-Operator in writing of its resignation at any time after a Program has been approved by the Management Committee but before the commencement of the implementation of such Program, or at any time if no Program is being carried out at that time. The Operator shall be deemed to have resigned if:

(a) the Operator materially defaults in its obligations as operator hereunder and fails to commence and diligently prosecute measures to remedy such default within 30 days after the non-Operator shall have given written notice to the Operator of such default specifying in such notice the nature of the default;

(b) the Joint Venture Interest of the Operator becomes less than 50%; or

(c) the Operator fails to submit a Program requiring minimum Expenditures of at least $100,000 to the Management Committee within six (6) months of the completion of the

previous Program and the non-Operator commits to such Program and the Expenditures required therein.

In the event of the occurrence of (c) above, the Party that was previously the non-Operator shall have the right within a period of 90 days of the occurrence of such event to prepare and deliver to the Management Committee a Program requiring minimum Expenditures outlined in (c) above and the provisions of this Section 4.2 and Section 5 shall for all purposes of this Schedule "B" apply *mutatis mutandis* as if for such Program the non-Operator was the Operator, provided further that notwithstanding the foregoing, CRR so long as it retains at least a 50% interest in the Joint Venture, shall continue to have the right to retain its position as Operator in accordance with this Section 4.2 following completion of a Program by the non-Operator.

On any change or replacement of the Operator, the retiring Operator shall transfer all data, documents, reports, records, accounts, samples and assays in its possession or control, and relating to the mining operations or the Property, to the incoming Operator.

4.3 **Powers and Obligations.** Subject to the approval of each Program by the Management Committee and to funds being advanced by the Parties who have elected to contribute to such Program, the powers and obligations of the Operator shall be as follows:

(a) to manage the Joint Venture and conduct, or cause to be conducted, all work performed under a Program in a good and workmanlike manner in accordance with good exploration, engineering and mining practice and in accordance with the terms of this Agreement;

(b) to submit each Program to the Management Committee for approval by delivering the Program to the Representatives at least 30 days in advance of the meeting of the Management Committee at which such Program is to be considered;

(c) subject to Section 3.8, to keep the Property in good standing and to pay all applicable payments, fees and taxes, and other similar governmental charges lawfully levied or assessed in respect of the Property, except that the Operator shall not be obliged to make any such payment as long as such payment is being contested in good faith and the non-payment thereof does not adversely affect the Property;

(d) subject to Sections 6, 7 and 8, to provide, purchase, lease or rent all plant, buildings, machinery, equipment, tools, appliances, materials, supplies and services required for a Program and to dispose of the same when no longer required or useful for the purposes of the Property and the Joint Venture;

(e) to maintain and keep the Joint Venture Assets, or to cause the Joint Venture Assets to be maintained and kept, in good operating condition and repair in accordance with good exploration and mining practice;

(f) to comply with all applicable statutes, regulations, by-laws, laws, orders and judgments and all directives, rules, consents, permits, orders, guidelines, approvals and policies of any applicable governmental authority affecting the Joint Venture;

(g) to obtain and maintain such types and levels of property and liability insurance with respect to the Joint Venture as the Operator shall consider necessary from time to time, such coverage to include the non-Operator as a named insured to the extent of the non-Operator's undivided interest in the Joint Venture from time to time;

(h) to require the Operator's contractors and subcontractors to take out and maintain such types and levels of property and liability insurance as the Operator shall consider necessary or advisable from time to time and to comply with the requirements of all

applicable unemployment insurance and workers' compensation legislation with respect to work or services to be provided by such contractors or subcontractors;

(i) to advise the non-Operator of any accident or occurrence resulting in any material damage to or destruction of any Joint Venture Assets or material harm or injury to any individual;

(j) to keep adequate data, information and records of the Operator's management of the Joint Venture and to keep suitable accounts which reflect all financial aspects of the Joint Venture and once per year to make such available to the non-Operator, at the place designated by the Operator, within 10 days of receipt of a written request for disclosure by the non-Operator;

(k) to provide the non-Operator with monthly reports on activities on the Property during periods of active field work or when mine operations are active, quarterly reports and a detailed annual report on the Operator's management of the Joint Venture, including an accounting of all Expenditures made by the Operator under the current or previous Program;

(l) to permit the non-Operator, at the non-Operator's sole risk and expense and with prior notice to the Operator, access to the Property during normal working hours for the purpose of examining activities and work thereon so long as such access shall not materially interfere with or impair such activities and work;

(m) to have all powers necessary to carry out, or cause to be carried out, all of the Operator's obligations set out in the Agreement and to otherwise carry out, or cause to be carried out, all Programs approved by the Management Committee; and

(n) to charge a 7% administration fee as eligible Expenditures, excepting Expenditures consisting of payments to third party contractors for contracts in excess of $50,000, for which the administration fee shall be 5%.

4.4 **Emergencies.** In an emergency, the Operator, without the consent of the non-Operator, may take such immediate actions and make such immediate Expenditures as the Operator deems necessary to keep the Property in good standing or for the protection of individuals and/or property. The Operator shall promptly report such emergency actions and Expenditures to the non-Operator by delivering an invoice to the non-Operator. The non-Operator shall pay its share of the Expenditures to the Operator in accordance with Section 5.4.

4.5 **Contingency Fund.** The Operator may establish and administer a contingency fund to be applied by the Operator to satisfy any legal obligations of the Parties respecting a mine maintenance plan or mine closure plan, including obligations for severance pay, pensions, rehabilitation and reclamation work. Each Party shall contribute its proportionate share of such fund based on such Party's Joint Venture Interest at the time of the establishment of the fund (or at the time of the contribution, in respect of subsequent contributions). The Operator shall invest any unused portion of such fund and all income thereon shall accrue in such fund. If the Operator determines that such fund, or any portion thereof, is no longer necessary, the Operator shall make payments to the Parties in proportion to their contribution to such contingency fund on the date of such payments.

5. PROGRAMS

5.1 **Contents of Program.** The Operator shall prepare a Program and submit such Program budget to the Management Committee for approval at least 30 days before the beginning of each calendar year. The Management Committee must approve each Program prior to implementation. Each Program shall cover a period of up to 12 months or such other period as the Parties may agree. Each Program must contain:

(a) a reasonably detailed outline of all work which the Operator contemplates carrying out on the Property under such Program detailing the areas on the Property to be subject to such work and the time frame for each of the major elements of such work;

(b) a reasonably itemized budget, broken down by month, of the projected Expenditures under the Program; and

(c) the estimated amount and date of each payment that the non-Operator would have to make to the Operator.

5.2 **Election by Representatives.** If the Operator proposes a Program which is approved by the Management Committee:

(a) for $1,000,000 or lesser amounts, the Representatives shall then have 60 days to elect whether or not to participate in the Program; or

(b) for more than $1,000,000, the Representatives shall then have 90 days to elect whether or not to participate in the Program.

5.3 **Approved Programs.** The Operator shall carry out each Program approved by the Management Committee provided the Parties who have elected to contribute to such Program provide the Operator with their proportionate share of the funding in respect of the Program.

5.4 **Payments to Operator.** If a Representative elects to participate in a Program on behalf of a Party, the Operator will submit an invoice to such Representative on or between the first and 15th day of the month immediately preceding a month in which Expenditures are to be made under a Program. The invoice must set out the estimated Expenditures under the Program for the immediately following month, multiplied by the Joint Venture Interest of such Party. Within 30 days of receipt of such invoice, such Party shall pay the Operator the invoice amount. The Operator may also submit other invoices relating to reconciliations, bills, accounts or other requests for payment in respect of any Expenditures made by the Operator under a Program or otherwise in accordance with this Agreement. Such invoice must set out the total amount involved, multiplied by the participating Party's Joint Venture Interest. Within 30 days of receipt of such invoice, such Party shall pay the Operator the invoice amount. If such Party fails to make any payment to the Operator under this Section 5.4 within any applicable 30 day payment period, after previously having elected to do so, such Party shall make such payment together with an interest payment, calculated at the rate equal to the annual rate of interest announced from time to time by the Bank of Montreal as its reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada (commonly known as its prime rate), plus 5%, for the period commencing on the expiry of such 30 day payment period and terminating on the date that full payment is made. If such Party fails to make full payment, including in respect of interest, to the Operator within 60 days of the expiry of the applicable 30-day payment period, Section 5.6 applies.

5.5 **Failure to Participate.** Subject to Sections 5.7 and 5.8, if a Party does not elect to participate in a Program, its Joint Venture Interest shall be diluted with respect to Expenditures made in respect of such Program in accordance with Section 2.2.

5.6 **Failure to Make Payment by non-Operator.** Subject to Sections 5.7 and 5.8, if a Party which has elected to participate in a Program fails to make a required payment within the 60 day period referred to in Section 5.4, such Party's Joint Venture Interest shall be diluted with respect to Expenditures made in respect of such Program at a rate of two (2) times normal dilution.

5.7 **Failure to Spend at Least 80% of Budget.** If a Party does not elect to participate in a Program and the Operator does not make Expenditures under the Program at least equal to 80% of budgeted Expenditures, the non-participating Party shall not have its Joint Venture Interest reduced in

accordance with Section 2.2 if the non-participating Party pays the Operator within 60 days, following the completion of such Program, an amount equal to the total Expenditures made under such Program, multiplied by the non-participating Party's Joint Venture Interest, determined at the commencement of such Program.

5.8 **Expenditures More Than 10% Above Budget.** Expenditures made by the Operator exceeding the Expenditures contemplated by the Program by less than 10% will be funded by the Parties in proportion to their Joint Venture Interests. Expenditures made by the Operator exceeding the Expenditures contemplated by the Program by more than 10% will be funded solely by the Operator, unless otherwise agreed by the Parties in writing. Unless otherwise agreed by the Parties in writing, any such payments exceeding the Expenditures contemplated by the Program by more than 10% which are made by either the Operator or the non-Operator will not form part of the calculations used to determine the Joint Venture Interests of the Parties in accordance with Section 2.2.

5.9 **Return of Surplus Monies.** If, after completion of any Program, the Operator is in possession of any moneys contributed by the Parties and which are not required for the discharge of obligations relating to such Program, the Operator shall repay such moneys to the contributing Parties.

5.10 **Failure to Submit Program to Management Committee.** If the Operator does not submit a Program involving Expenditures of at least $100,000 to the Management Committee for approval within a period of at least six (6) months from the date of completion of the last Program (being when the report is complete and delivered to the non-Operator), then the non-Operator may propose a Program to the Management Committee for an amount not less than $100,000. If the non-Operator makes such a proposal and the Program is approved by the Management Committee, the Operator shall carry out such Program and fund its proportionate share. If the Management Committee does not approve such Program, the non-Operator may, notwithstanding Section 4.2, become the Operator and carry out the Program. Following the completion of such Program Section 4.2 shall apply once again.

6. DEALINGS WITH AFFILIATES

Any Joint Venture Assets that the Operator may purchase, lease or rent from an Affiliate shall be purchased, leased or rented at fair market value. The cost of all work which the Operator may contract to an Affiliate shall be equal to the fair market value of such work. Any Joint Venture Assets that the Operator may sell or otherwise dispose of to an Affiliate shall be sold or otherwise disposed of at fair market value. The Operator shall pay the net proceeds received in respect of such Joint Venture Assets, if any, to the Parties in proportion to their respective Joint Venture Interests. The Operator shall give the non-Operator written notice of any transaction with an Affiliate and the non-Operator may, at any time within 12 months after it has received such notice, dispute whether such transaction was at fair market value.

7. USE OF SURPLUS JOINT VENTURE ASSETS

Subject to Section 5.9, the Operator may use any Joint Venture Assets which are no longer required for the Joint Venture for such other purposes and on such terms as the Operator may from time to time determine. The Operator shall pay the net proceeds received in respect of such Joint Venture Assets, if any, to the Parties in proportion to their respective Joint Venture Interests. If such surplus Joint Venture Assets are used by the Operator, outside the scope of the Joint Venture, or are used by an Affiliate of the Operator, outside the scope of the Joint Venture, then the net proceeds in respect of such use shall be deemed to be an amount equal to what could be obtained from an arm’s-length third party.

8. DISPOSITION OF SURPLUS JOINT VENTURE ASSETS

Subject to Section 3.8, the Operator may from time to time sell or otherwise dispose of such part of the Joint Venture Assets as are no longer required for Joint Venture operations. The Operator shall pay the net

proceeds received in respect of such Joint Venture Assets, if any, to the Parties in proportion to their respective Joint Venture Interests.

9. INSURANCE PROCEEDS

The Operator shall apply, to the extent determined by the Operator, any insurance proceeds received by the Operator in respect of any loss or damage to Joint Venture Assets towards the repair or replacement of the lost or damaged Joint Venture Assets. The Operator shall pay the remaining proceeds received in respect of such Joint Venture Assets, if any, to the Parties in proportion to their respective Joint Venture Interests.

10. SETTLEMENT PAYMENTS

Subject to Section 3.8(c), all losses, costs, expenses, claims or damages, including legal fees and disbursements, net of any insurance proceeds, incurred and paid by the Operator in settlement of any loss, cost, expense, claim, damage, judgment or similar matter (including a payment made, or an action taken, by the Operator as a result of an action of a governmental agency) shall constitute an Expenditure made by the Operator under the applicable Program. In addition, the non-Operator, in proportion to its Joint Venture Interest calculated on the date that the initial liability was incurred which gives rise to this indemnification obligation, shall indemnify and hold harmless the Operator for any loss, cost, expense, claim or damage, including legal fees and disbursements, suffered or incurred by the Operator in respect of a third party claim (including an action of a governmental agency which results in a payment made, or an action taken, by the Operator), except to the extent that such claim arose from the gross negligence or willful misconduct of the Operator.

11. LIABILITY OF OPERATOR

The Operator shall not be liable to the non-Operator for any loss, cost, expense, claim or damage, including legal fees and disbursements, (including a payment made, or an action taken, by the Operator as a result of an action of a governmental agency) except to the extent that such loss, cost, expense, claim or damage is attributable to the gross negligence or willful misconduct of the Operator. In no event (including fundamental breach) shall the Operator be liable to the non-Operator for any indirect, special or consequential damages (including for loss of goodwill, loss of actual or anticipated profits or other economic loss), even if the Operator has been advised of the potential for such damages.

12. NO RESTRICTION ON OTHER ACTIVITIES

Each Party has the unrestricted right to engage in, and receive the full benefit of, any activity outside the scope of the Joint Venture, without consulting with, or accounting to, the other Party, or permitting the other Party to participate in such activity

13. TERMINATION

If the Parties agree to terminate the Joint Venture, the Operator may take any actions necessary or desirable to wind up the Joint Venture. All costs, charges and expenses of winding up the Joint Venture (including in respect of any reclamation) shall be for the account of the Joint Venture and the Parties shall divide the net Joint Venture Assets in proportion to their Joint Venture Interests, although any loans advanced to the Joint Venture by a Party shall be satisfied before any other distribution of assets is made to the Parties. Once the said costs, charges and expenses have been paid in full, the Operator may sell the Joint Venture Assets, in accordance with Section 3.8, or distribute the Joint Venture Assets to the Parties in kind.

14. WITHDRAWAL FROM JOINT VENTURE

14.1 **Right of Withdrawal and Mechanics.** Either Party may, at any time during the Joint Venture, voluntarily withdraw from the Joint Venture (the **"Withdrawing Party"**) and forfeit its interest in and to the Property and its rights under this Agreement by giving written notice of such withdrawal to the other Party (the **"Remaining Party"**). The notice must indicate an effective date for such withdrawal which may not be earlier than 90 days after receipt of such notice. The effects of the delivery of such notice are set out below.

(a) The Withdrawing Party shall:

(i) remain liable for its share, based on its Joint Venture Interest, of all costs, expenses and obligations arising out of operations conducted before the effective date of the withdrawal;

(ii) secure by way of a letter of credit, or otherwise to the satisfaction of the Remaining Party, its share, based on its Joint Venture Interest, of the costs of reclaiming the Property, as estimated at the effective date of the withdrawal considering all applicable statutes, regulations, by-laws, laws, orders and judgments and with all directives, rules, consents, permits, orders, guidelines, approvals and policies of any governmental authority;

(iii) continue, for a period of three (3) years after the effective date of the withdrawal, to be bound by Section 10;

(iv) execute and deliver such documents as may be necessary to transfer the Property to the Remaining Party;

(v) remove, within 12 months of the effective date of the withdrawal, all buildings, machinery, equipment and supplies brought upon the Property by the Withdrawing Party that are not Joint Venture Assets; and

(vi) not be entitled to any royalty under this Agreement.

(b) The Remaining Party shall become the owner of a 100% of the Withdrawing Party's interest in and to the Property as of the effective date of the withdrawal.

(c) The Joint Venture shall be terminated and the Management Committee shall be terminated, as of the effective date of the withdrawal.

14.2 **Right of Remaining Party to Withdraw.** Upon receipt by the Remaining Party of a notice of withdrawal, the Remaining Party may give notice to the Withdrawing Party prior to the effective date of the withdrawal electing to join in the withdrawal (**"Joint Withdrawal"**). In such case, the Joint Venture shall be terminated in accordance with Section 13.

15. RIGHTS TO MINERAL PRODUCTS

15.1 Each Party shall own and have the right, privilege and power to take in kind and separately dispose of a portion of all mineral products produced from the Property, in accordance with its Joint Venture Interest, net of the Royalty obligations. The Operator shall designate and notify the Parties of the points of delivery situated on the Property for the Parties respective Joint Venture shares of such mineral product and all costs in respect of such mineral products shall be for the account of the Joint Venture, until such mineral products are delivered to such points. After such mineral products are delivered to such points each Party shall pay its own costs in respect of such mineral products. The Operator shall use its best efforts to ensure that each Party receives product of like quality.

15.2 The Operator shall have no obligation in respect of the Parties' mineral products after delivery of such mineral products to the point of delivery provided, however, that if a Party is prepared to sell its mineral products at the same time and on the same terms and conditions as the Operator is selling its own mineral products and so advises the Operator the Operator may, but is not obligated to, act as an agent for the non-Operator in relation to the sale of the non-Operator's mineral products on the terms and conditions that are equivalent to the terms and conditions obtained for its own mineral products. If the Operator elects to act as agent for the non-Operator, it may discontinue such agency at any time upon giving the non-Operator 30 days advance notice. If the Operator, while acting as the non-Operator's agent, is of the opinion that 100% of its own mineral products and 100% of the non-Operator's mineral products available for sale cannot be sold at the same time for revenue deemed acceptable by the Operator, the Operator shall arrange for sales of a lesser amount of each Party's mineral products on a pro rata basis. In the event that the Operator acts as an agent for the non-Operator, the Operator shall be entitled to sale commissions equal to prevailing rates charged by other agents for effecting similar sales. In the event of a non-arm's length sale of mineral products, such sale shall be at commercially competitive rates.

SCHEDULE "C"

NET SMELTER RETURN ROYALTY

1. In the Agreement, **"Net Smelter Return Royalty"** or **"NSR"** means the net amount of money received by the owner for its own account from the sale of ore or ore concentrates or other products from the Property to a smelter or other ore buyer after deduction of the aggregate of:

    a. smelter and/or refining charges, ore treatment charges, penalties, and any and all charges made by the purchaser of ore or concentrates;

    b. any and all transportation costs which may be incurred in connection with the transportation of ore or concentrates;

    c. all umpire charges which the purchaser may be required to pay;

    d. any and all charges, costs, and commissions of marketing and selling; and

    e. any and all taxes (excluding for certainty, income taxes) and assessments enacted after the effective date of the Agreement including any severance, royalty, net proceeds tax, production, or other similar or related charge, payment, or fee that may in the future be assessed by any federal, provincial, territorial, or municipal government entity with respect to the sale of ore, ore concentrate, or other products from the Property.

2. The owner shall have the right to commingle with ore from the Property, ore produced from other properties owned or controlled by the owner provided the owner shall adopt and employ reasonable practices and procedures for weighing, sampling and assaying in order to determine the amounts of products derived from, or attributable to, or mined and produced form the Property. The owner shall maintain accurate records of the results of such sampling, weighing and assaying with respect to any ore mined and produced from the Property. The NSR holder or its authorized agent shall be permitted the right to examine at all reasonable times, such records pertaining to commingling of ores or to the calculation of the Net Smelter Return Royalty.

3. Payment of the Net Smelter Return Royalty by the owner to the NSR holder shall be made semi-annually within 60 days after the end of each fiscal half year of the owner and shall be accompanied by unaudited financial statements pertaining to the operations carried out by the owner on the Property. Within 90 days after the end of each fiscal year of the owner in which Net Smelter Returns are payable to the NSR holder, the records relating to the calculations of Net Smelter Returns payable for such year shall be audited and any resulting adjustments in the payment of Net Smelter Returns payable to the NSR holder shall be made forthwith. A copy of the said audit shall be delivered to the NSR holder within 30 days of the end of such 90-day period.

4. Each annual audit shall be final and not subject to adjustment unless the NSR holder delivers to the owner written exceptions in a reasonable detail within 6 months after the NSR holder receives the report. The NSR holder, or its representative duly authorized in writing, at its expense, shall have the right to audit the books and records of the owner related to Net Smelter Returns to determine the accuracy of the report, but shall not have access to any other books and records of the owner. The audit shall be conducted by a chartered or certified public accountant of recognized standing. The owner shall have the right to condition access to its books and records on execution of a written agreement by the auditor that all information will be held in confidence and used solely for purposes of audit and resolution of any disputes related to the report. A copy of the auditor's report shall be delivered to the owner upon completion, and any discrepancy between the amount actually paid by the owner and the amount which should have been paid according to the owner's report shall be paid forthwith, one party to the other. In the event that the

said discrepancy is to the detriment of the NSR holder and exceeds 5% of the amount actually paid by the owner, then the owner shall pay the entire cost of the audit.

5. Any dispute arising out of or related to any report, payment, calculation, or audit shall be resolved as provided in the Agreement. No error in accounting or interpretation of the Agreement shall 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 or the estate and rights acquired and held by the owner under the terms of the Agreement.

6. In this Schedule "C", terms and expressions given a defined meaning in the Agreement to which this Schedule "C" is attached shall have the corresponding meaning in this Schedule "C".