

OPTION AGREEMENT

THIS OPTION AGREEMENT is made as of December 19, 2018 (the “**Effective Date**”)

BETWEEN:

LEFEBURE GEOLOGIC LTD.

a British Columbia company with an address at
174 Highwood Place, Salt Spring Island, BC V8K 1R9

(“**LGL**”)

AND:

TOM SETTERFIELD

with an address at
#5 – 570 Crescent Road West, Qualicum Beach, BC V9K 1H9

(“**TNS**”, and together with LGL, the “**Optionors**”)

AND:

EDGEMONT RESOURCE CORP.

a British Columbia company with an address at
3148 Highland Boulevard, North Vancouver, BC V7R 2X6

(the “**Optionee**”)

WHEREAS:

- A. Each of the Optionors owns a 50% interest in the Dungeness Creek Property located near Houston, British Columbia, which is more particularly described in Schedule “A” attached hereto (the “**Property**”); and
- B. The Optionee desires to earn a 100% interest in the Property from the Optionors on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants and conditions set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Optionors and the Optionee agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In addition to the terms defined throughout this Agreement, in this Agreement the following capitalized words and phrases shall have the following meanings:

- (a) “**Affiliate**” has the meaning ascribed to that term in the *Business Corporations Act* (British Columbia);
- (b) “**Area of Interest**” means an area extending a distance of approximately two (2) kilometres from the current boundary of the Property, as particularly described using the Mineral Titles Online cell boundaries in Schedule “A” attached hereto;

- (c) **“Claim”** means any claim, notice, demand, action, proceeding, litigation, investigation or judgment whether based in contract, tort, and statute or otherwise and shall include Environmental Claims;
- (d) **“Closing Date”** means the date on which the Option is exercised by the Optionee;
- (e) **“Encumbrance”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, royalty (other than a royalty payable to a Governmental Entity), restrictive covenant or other encumbrance of any nature, and includes any agreement to grant or create any of the foregoing or allow them to exist;
- (f) **“Environmental Claims”** means any and all administrative, regulatory or judicial Claims relating in any way to any Environmental Law or any permit issued under any Environmental Law, including, without limitation:
 - (i) any and all Claims by Governmental Entities for enforcement, clean-up, removal, response, remedial, or other actions or damages under any Environmental Law; and
 - (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive or other relief resulting from hazardous materials, including any release of those Claims, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment;
- (g) **“Environmental Laws”** means all requirements of the common law, civil code, or of environmental, health or safety statutes of any agency, board or Governmental Entity including, but not limited to, those relating to (i) noise; (ii) pollution or protection of the air, surface water, ground water or land; (iii) solid, gaseous or liquid waste generation, handling, treatment storage, disposal or transportation; (iv) exposure to hazardous or toxic substances; or (v) the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings and the reclamation or restoration of lands;
- (h) **“Expenditures”** means all costs and expenses of whatever kind or nature spent or incurred from the date hereof by the Optionee during the Option Period in the conduct of the Operations on or relating to the Property, including, without limitation:
 - (i) in holding the Property in good standing (including land maintenance costs and any monies expended as required to comply with applicable laws and regulations, such as for the completion and submission of assessment work and filings required in connection therewith), and free from claims, in curing title defects and in acquiring and maintaining surface and other ancillary rights;
 - (ii) in preparing for and in the application for and acquisition of environmental and other permits necessary or desirable to commence and complete exploration and development activities;
 - (iii) in doing geophysical and geological surveys, drilling, assaying and metallurgical testing, including costs of assays, metallurgical testing and other tests and analyses to determine the quantity and quality of Minerals, water and other materials or substances;

- (iv) in the preparation of work programs and the presentation and reporting of data and other results thereof including any program for the preparation of a feasibility study or other evaluation of the Property;
 - (v) for environmental remediation and rehabilitation;
 - (vi) in acquiring facilities, equipment or machinery, or the use thereof, and for all parts, supplies and consumables;
 - (vii) for salaries and wages, including actual labour overhead expenses for employees assigned to exploration and development activities;
 - (viii) 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 including for their food, lodging and other reasonable needs;
 - (ix) payments to contractors or consultants for work done, services rendered or materials supplied; and
 - (x) all taxes levied against or in respect of the Property, or activities thereon, and the cost of insurance premiums and performance bonds or other security.
- (i) **“Force Majeure Event”** means any event beyond a Party’s reasonable control (except those caused by its own lack of funds or its inability to secure funds) that prevents or delays it from conducting activities contemplated by this Agreement including but not limited to: acts of God, fire, flood, explosion or inclement weather conditions; strikes, lockouts or other industrial disturbances; any terrorist act, war or insurrection; military or paramilitary acts or orders; laws, rules, regulations or orders of any duly constituted court or governmental authority; actions or inactions of any Governmental Entity; the imposition of any cease trade orders, trading suspensions or halts; inability to obtain any environmental, operating or other permits or approvals, authorizations or consents; non-availability of materials or transportation; or protests, demonstrations or other events causing work stoppages by native activists, environmental lobbyists or others;
- (j) **“Governmental Entity”** means (i) any international, multinational, national, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the above; (iii) any securities commission or stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;
- (k) **“Liabilities”** means any loss, liability, claim, demand, damage, expense, injury or death (including, without limiting the generality of the foregoing, legal fees) resulting from any Claims, environmental or otherwise;
- (l) **“Minerals”** means all base metals and minerals, all precious metals and minerals, all non-metallic minerals including diamonds, all industrial minerals and all ores, concentrates, precipitates, beneficiated products, and solutions containing any of the aforementioned minerals, and all forms in which such minerals may occur, be found, lawfully extracted or produced on or within the Property;
- (m) **“Mineral Claims”** means the cell claims comprising the Property, and the rights accompanying such cell claims under the laws of British Columbia or any subdivision thereof, whether contractual, statutory or otherwise, or any interest therein;

- (n) **“Operations”** means every kind of work done or activity performed by or under the direction of the operator on or in respect of the Property or the Minerals to carry out or complete programs including, without limitation, the work of assessment, environmental, geophysical, geochemical, geological, land and airborne surveys, studies, assessments and mapping, investigating, testing, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, cross-cutting and drifting, searching for, digging, trucking, sampling, assaying, working and procuring minerals, ores and metals, in surveying and bringing any Mineral Claims to lease or patent, in doing all other work usually considered to be prospecting, acquisition and maintenance of Mineral Claims and properties, access or surface rights, exploration, development, preparation of reports, estimates and studies, mining work, installation, erection, or construction, and operation of mining facilities, milling, concentration, beneficiation of ores and concentrates, as well as the separation and extraction of Minerals, and reclamation or remediation and environmental protection and further including the management and administration necessary to conduct the foregoing work or activity;
- (o) **“Option”** means the sole, exclusive and irrevocable option to acquire not less than a 100% undivided right, title and interest in and to the Property, subject to the Royalty;
- (p) **“Option Exercise Notice”** means written notice to the Optionor from the Optionee that the Optionee has made the payments and Share issuances set out in subsection 2.2 and incurred the Expenditures set out 2.2 and otherwise complied with the requirements of 2.2, as applicable;
- (q) **“Option Period”** means the period during which the Option remains in effect, commencing on the Effective Date and ending on the earlier of the date the Optionee exercises the Option or the date this Agreement is terminated;
- (r) **“Other Rights”** means any interest in real property, whether freehold, leasehold, license, right of way, easement, any other surface or other right in relation to real property, and any right, licence or permit in relation to the use or diversion of water, but excluding any Mineral Claims;
- (s) **“Royalty”** means the 2.0% net smelter returns royalty on the Property to be granted by the Optionee to the Optionors and the buy-back rights granted by the Optionors in relation thereto upon the exercise of the Option pursuant to the Royalty Agreement;
- (t) **“Royalty Agreement”** means the royalty agreement to be entered into upon the exercise of the Option in substantially the form attached hereto as Schedule “B”; and
- (u) **“Shares”** means common shares in the capital of the Optionee, as such common shares are presently constituted.

1.2 Interpretation

In this Agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a numbered or lettered section, subsection, clause or schedule refers to the section, subsection, clause or schedule bearing that number or letter in this Agreement, and a reference to “this Agreement”, “hereof”, “hereunder”, “herein” or words

of similar meaning means this Agreement including the schedules hereto, together with any amendments thereof;

- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to a mineral property means the mineral property referred to and includes any other mineral property applied for, created or granted by way of conversion, reversion or substitution over a greater or lesser area from time to time or effecting any addition, amendment, extension or variation to that mineral property;
- (f) all references to currency are to Canadian dollars;
- (g) "business day" means a day that is not a Saturday, Sunday, public holiday or bank holiday in Vancouver, British Columbia, "business hours" means from 9.00 a.m. to 5.00 p.m. on a business day and a reference to time is to Vancouver, British Columbia time;
- (h) a reference to a Party is to a party to this Agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (i) a reference to a person includes a natural person, partnership, body corporate, joint venture, association, governmental or local authority or agency or other entity;
- (j) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (k) the meaning of general words is not limited by specific examples introduced by "including", "for example" or similar expressions;
- (l) where any representation or warranty is expressly qualified by reference to the knowledge of a Party, such Party shall have made due and diligent inquiry of such persons (including appropriate officers of the Party) as it considers necessary regarding the matters that are the subject of the representation or warranty;
- (m) a rule of construction does not apply to the disadvantage of a Party because the Party was responsible for the preparation of this Agreement or any part of it;
- (n) if a day on or by which an obligation must be performed or an event must occur is not a business day, the obligation must be performed or the event must occur on or by the next business day; and
- (o) the headings to the sections, subsections or clauses of this Agreement are inserted for convenience only and are not intended to affect the construction hereof.

1.3 Schedules

The following schedules are attached to and incorporated in this Agreement by this reference:

- “A” The Property
- “B” Royalty Agreement

2. **OPTION**

2.1 Grant of Option

The Optionors hereby grant the Option to the Optionee for the Option Period on the terms and conditions set forth in this Agreement.

2.2 Option Exercise

- (a) The Optionee may exercise the Option by making the following cash payments to the Optionors, completing the following issuances of Shares to the Optionors, and completing the Expenditures set out below on or before the relevant completion date or as otherwise indicated. For clarity, each Optionor shall be entitled to receive 50% of any cash payments or Share issuances required to be completed by the Optionee under this Section 2.2.:

Completion Date	Cash (\$)	Shares	Expenditures (\$)
On signing of this agreement (the “ Effective Date ”)	5,000	Nil	5,000 (paid) (by December 31, 2018)
On completion of the Optionee’s Initial Public Offering (“ IPO ”) and listing on the CSE or TSX-V	Nil	30,000	70,000 (on or before completion of IPO)
On or before the one-year anniversary of the Effective Date	10,000	60,000	Nil
On or before the two-year anniversary of the Effective Date	20,000	120,000	Nil
On or before the three-year anniversary of the Effective Date	40,000	240,000	100,000
Total	75,000	450,000	175,000

- (b) If the Optionee makes the cash payments and completes the share issuances in accordance with Section 2.2, or earlier as permitted by Section 2.4, it will send the Optionors an Option Exercise Notice within 30 days from the date of exercise of the Option, at which time it will be deemed to have exercised the Option and will have earned an undivided 100% interest in the Property, subject to the Royalty;

- (c) The Parties agree that any Expenditures incurred by the Optionee in any period in excess of the required amount shall be carried forward and applied against the subsequent period's Expenditure requirement;
- (d) The Parties agree that Optionee may pay cash in lieu of any Expenditure obligation, provided that the Optionee complies with its obligations to maintain the Property in good standing under Section 4.3;
- (e) The Parties acknowledge and agree that this Agreement is an option only and except as specifically provided otherwise, unless the Option is exercised, nothing herein contained will be construed as obligating the Optionee to do any acts or make any payments except as set forth herein. For greater certainty, other than the cash payment and Expenditure requirements due on the Effective Date and by December 31, 2018, respectively, the Optionee is not required to make any further payments, issue any further Shares or incur any further Expenditures and any act or acts, or payment or payments as will be made hereunder will not be construed as obligating the Optionee to do any further act or make any further payment. If this Agreement is terminated prior to the Option being exercised, then the Optionee will not be bound thereafter in debt, damages or otherwise under this Agreement save and except as provided for in Section 7.2; and all payments theretofore paid by the Optionee will be retained by the Optionors in consideration for entering into this Agreement and for the rights conferred on the Optionee thereby.

2.3 Share Adjustments

If, at any time while the Option remains in effect and unexercised, the Optionee shall effect:

- (i) a share consolidation; or
- (ii) an exchange of securities, merger, amalgamation, arrangement or other similar business combination with another entity;

then the number of Shares which the Optionors are entitled to receive under this Agreement shall be adjusted accordingly in order to reflect the event or transaction so that Optionors are entitled to receive the same number of Shares on an adjusted basis as they would have been entitled to receive had the event or transaction not occurred.

2.4 Acceleration

The cash payments, Expenditures and share issuances set forth in Section 2.2 may be completed within a shorter time frame at the sole discretion of the Optionee.

2.5 Termination with No Interest

This Agreement is an option to purchase a 100% interest in the Property and the Optionee shall not receive any fractional ownership or interest in and of the Property based on any partial fulfilment of the obligations set forth in Section 2.2. Subject to Section 12.9, the failure by the Optionee to make any cash payment, complete any Share issuance or complete any Expenditure by the applicable completion date (subject to any agreed extensions between the Parties), will result in the termination of the Option, with no interest in the Property having been earned by the Optionee, provided that the Optionors shall provide the Optionee with written notice of such termination.

2.6 Optionee's Election to Terminate

Notwithstanding any other provision of this Section 2, the Optionee may elect at any time to terminate the Option by delivering notice to the Optionors, after which the Option will be of no further force and effect

and will terminate (“**Automatic Termination**”). In the event of Automatic Termination, the Optionee will acquire no interest in the Property and will have no further obligations to the Optionors hereunder except as set forth in Section 7.2.

2.7 Transfer Documentation

Upon receipt of the Option Exercise Notice, the Optionors shall forthwith transfer to the Optionee their respective interests in the Property via Mineral Titles Online or such other online register maintained by the Mineral Titles Branch (British Columbia), and if applicable, deliver to the Optionee one or more duly executed transfers in recordable form for all Mineral Claims comprising the Property in favour of the Optionee or its designated Affiliate, which the Optionee or its Affiliate will be entitled to register.

2.8 Conditions Precedent for the Optionee

In addition to any other conditions precedent contained in this Agreement, the exercise of the Option shall be subject to the following conditions precedent:

- (a) the representations and warranties of the Optionors contained in this Agreement shall be deemed to have been made again on the Closing Date and shall be true and correct as of such date and the Optionors shall deliver a certificate of their respective officers addressed to the Optionee attesting to such effect;
- (b) there shall be no prohibition at law against the exercise of the Option by the Optionee;
- (c) the Optionors shall be in material compliance with the terms of this Agreement; and
- (d) there shall be no liens, charges, Encumbrances, litigation, claims, liabilities or adverse interests affecting the Property of any nature or kind arising from the Optionors' activities.

The foregoing conditions are for the sole benefit of the Optionee and if they are not fulfilled and/or performed on or before the Closing Date, then the Optionee may waive any such conditions without prejudice to the fulfillment and/or performance of any other condition or conditions or in the alternative, the Optionee may withdraw from this Agreement without further liability or obligations on the part of the Optionee, without any prejudice to any of the remedies which the Optionee may have hereunder or at law.

3. **REPRESENTATIONS AND WARRANTIES**

3.1 Mutual Representations and Warranties

Each Party represents and warrants to the other Party that:

- (a) it has full right, power and authority to carry on its business and to enter into and accept the terms of this Agreement and to carry out the transactions contemplated herein;
- (b) it has, or will, prior to the Closing Date, have, duly obtained all necessary governmental, corporate, shareholder and other authorizations for its execution and performance of this Agreement,
- (c) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, with the giving of notice or the passage of time, or both, conflict with, result in the breach of, constitute a default under, or result in the creation of any encumbrances on its assets under the terms or provisions of any law

applicable to it or accelerate the performance required by, its constating documents, any resolution of its directors or shareholders, as applicable, or any indenture, agreement or other instrument to which it is a party or by which it or its assets may be bound;

- (d) the execution and delivery of this Agreement will not violate or result in the breach of the laws of any jurisdiction applicable to it or pertaining thereto or of its organizational documents, as applicable;
- (e) no proceedings are pending and it is not aware of any basis for the institution of any proceedings leading to the dissolution or winding-up of such Party or the placing of such Party into bankruptcy or subject to any other laws governing the affairs of insolvent persons; and
- (f) this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

3.2 Optionors' Representations and Warranties

Each Optionor, jointly and severally, represents and warrants to the Optionee that:

- (a) it is the legal and beneficial owner of and possesses good and marketable title to a 50% interest in the Property, free and clear of all Encumbrances, and the Property is properly described in Schedule "A" attached hereto;
- (b) LGL is the recorded owner of a 100% of the Mineral Claims comprising the Property;
- (c) LGL holds a Free Miner Certificate in accordance with the *Mineral Tenure Act* (British Columbia);
- (d) LGL holds TNS's 50% interest in the Mineral Claims comprising the Property in trust for the sole benefit of TNS pursuant to a valid and enforceable agreement;
- (e) the Mineral Claims comprising the Property have been duly and validly recorded pursuant to the *Mineral Tenure Act* (British Columbia) and all applicable laws and regulations in the Province of British Columbia and are in good standing;
- (f) it has made all taxes, assessment, rentals, levies, or other payments relating to the Property required to be made to any Governmental Entity;
- (g) it is lawfully qualified to hold direct and beneficial interests in Mineral Claims in British Columbia;
- (h) it has the exclusive right to receive 50% of the proceeds from the sale of Minerals lawfully removed from the Property, and no person (other than the other Optionor) is entitled to any royalty or other payment in the nature of a royalty on Minerals from the Property or is entitled to take Minerals in kind and no person has any outstanding agreement or option to purchase or otherwise acquire the Property or any interest therein;
- (i) there are no Claims before any court, arbitrator, local department, commission, administrative agency or other tribunal or Governmental Entity, whether current, pending or, to its knowledge, threatened, which directly or indirectly relate to or affect the Mineral Claims comprising the Property or its interests therein, including any matters pertaining to

Environmental Claims, or Claims of native or indigenous people, nor is it aware of any acts which would lead it to suspect that the same might be initiated or threatened;

- (j) to its knowledge, there are no actual, alleged or potential adverse Claims against or to the ownership of or title to the Property, nor to the to the knowledge of the Optionor is there any basis therefore;
- (k) no consent or approval of any person (including any Governmental Entity) is required for the execution, delivery or performance of this Agreement by the Optionor or the transfer or acquisition of any interest in the Property;
- (l) it has no notice or any knowledge of any proposal to terminate or vary the terms of or rights attaching to any of the Property from any Governmental Entity, or of any challenge to the Optionor's right, title or interest in the Property;
- (m) to its knowledge, the Property does not lie within any protected area, rescued area, reserve, reservation, reserved area or special needs lands as designated by any Governmental Entity having jurisdiction, that would impair the development of a mining project on such land;
- (n) during the period that it has been a beneficial owner of the Property or a portion thereof, the Property has been operated substantially in accordance with all applicable and Environmental Laws and, to its knowledge, all activities on the Property prior to such ownership were conducted in compliance with Environmental Laws and there are no environmental conditions existing in the Property to which any material remedial action is required or any material liability has or may be imposed under applicable Environmental Laws;
- (o) there are no outstanding work orders or, to its knowledge, actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property; and
- (p) to its knowledge there is no fact or circumstance which has not been disclosed to the Optionee which would render any of the foregoing representations and warranties untrue, incomplete or otherwise misleading.

3.3 Optionee's Representations and Warranties

The Optionee represents and warrants to the Optionors that:

- (a) the Optionee is not a reporting issuer in any jurisdiction of Canada and its common shares are not presently listed and posted for trading on any stock exchange;
- (b) the Optionee holds a Free Miner Certificate in accordance with the *Mineral Tenure Act* (British Columbia);
- (c) no consent or approval of any person (including any Governmental Entity) is required for the execution, delivery or performance of this Agreement by the Optionee or the transfer or acquisition of any interest in the Property;
- (d) the Optionee will reserve or set aside sufficient common shares in its treasury to issue the Shares, and the Shares will, at the time of issuance, be issued in accordance with applicable securities laws and will be duly authorized and validly allotted and issued as fully paid and non-assessable, free of any Encumbrances; and

- (e) to the knowledge of the Optionee there is no fact or circumstance which has not been disclosed to the Optionors which would render any of the foregoing representations and warranties untrue, incomplete or otherwise misleading.

3.4 Survival of Representations and Warranties

The representations, warranties and covenants contained in this Agreement are conditions on which the Parties have relied in entering into this Agreement and will survive the execution hereof and the acquisition of any interest in the Property by the Optionee. Each Party will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement. A Party may waive any of such representations, warranties, covenants, agreements or conditions in whole or in part at any time without prejudice of its right in respect of any other breach of the same or any other representation, warranty, covenant, agreement or condition.

4. **OPTION PERIOD RIGHTS AND OBLIGATIONS**

4.1 Operator

The Optionee will be the operator of all programs on the Property and shall have the exclusive right to manage and operate all programs carried out on the Property during the Option Period, provided it is otherwise in compliance with the terms of this Agreement.

4.2 Optionee's Right of Entry

Subject to applicable laws, rules and regulations, during the Option Period, the Optionors will grant the Optionee and its employees, agents and independent contractors, the sole and exclusive right to enter on the Property and to:

- (a) exclusively perform Operations that it may deem appropriate, with no limitation whatsoever;
- (b) have exclusive and quiet possession thereof;
- (c) build, use, maintain, repair, relocate or replace roads, drilling sites, buildings, fences, power and communication lines, structures, camps, field offices and other facilities or infrastructure on the Property which may be of assistance to or appropriate for the Optionee to perform its Operations; and
- (d) extract and remove from the Property non-commercial quantities of ore, for the sole purpose of testing them (including, but not limited to, bulk samples, tests and geo-chemical analysis).

4.3 Optionee's Obligations

During the Option Period, the Optionee will be responsible for all Operations conducted on the Property. Without limiting the generality of the foregoing, the Optionee shall:

- (a) keep all data in respect of the Property in good order and provide such data to the Optionors immediately upon the Termination Date, if it occurs;
- (b) carry out any and all works on the Property in a manner consistent with sound exploration practices for such activities, complying with all applicable laws and regulations;

- (c) report any significant results from Operations to the Optionors as soon as available, and in any case provide semi-annual reports on the progress of Operations to the Optionors, commencing for the period ending June 30, 2019 and then every six (6) months thereafter, such reports to be delivered to the Optionors within 30 days of the end of each such six-month period;
- (d) perform and file with the British Columbia Ministry of Energy, Mines and Petroleum Resources, all Expenditures that qualify as assessment work or make payments in lieu thereof (to the extent required in order to maintain the Property in good standing) and pay such rentals, taxes, maintenance fees or other payments (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by the Optionors), and do all such other things as may be necessary to maintain the Property and related assets in good standing including, without limitation, recording and re-recording mining claims. Any work surplus to assessment requirements should be credited to the Optionors' PAC account;
- (e) pay or cause to be paid any rates, taxes, duties, assessments or fees levied with respect to the Property and the Optionee's obligations thereon and maintain insurance coverage protecting the Parties from third party claims, as determined by the Optionee, acting reasonably;
- (f) keep the Property free of all Encumbrances (other than those, if any, in effect on the Effective Date or the creation of which is permitted by this Agreement) arising out of the carrying out of Operations on the Property and, in the event of any Encumbrance being filed, proceed with diligence to contest or discharge it;
- (g) allow the Optionors or their respective designates, at their own risk and upon at least 10 days' prior written notice, reasonable access to the Property to review Operations carried out on the Property, provided the Optionors agree 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 the Optionors or their respective designates while on the Property, provided however that the Optionors' rights herein shall not unduly interfere with or disrupt the Operations of the Optionee
- (h) prosecute and defend, but not initiate without the consent of the Optionors, all litigation or administrative proceedings arising out of any activities on the Property or relating to the Property, provided that either Party may join in the prosecution or defence at its own expense. The Parties shall approve in advance any settlement arising out of such litigation or administrative proceedings, involving payments, commitment or obligations in excess of \$10,000 cash value;
- (i) arrange for and maintain workers' compensation or equivalent coverage for all eligible employees engaged by the operator in accordance with local statutory requirements; and
- (j) maintain true and correct books, accounts and records of Expenditures on the Property, in accordance with generally accepted accounting principles, consistently applied;

4.4 Optionors' Obligations

During the Option Period, in addition to the covenants set forth elsewhere in this Agreement, each Optionor shall:

- (a) not do any act or thing which would or might in any way adversely affect the rights of the Optionee hereunder to earn an undivided 100% interest in and to the Property;

- (b) not relinquish or abandon all or any part of its interest in the Property;
- (c) not mortgage, pledge or encumber the Property after the Effective Date without the Optionee's prior written consent, which consent shall not be unreasonably withheld; and
- (d) promptly make available to the Optionee and its representatives, during normal business hours, all reports, records, data, maps, information, accounts and files in the possession of the Optionor relating to the Property, and permit the Optionee and its representatives to take abstracts therefrom and make copies thereof at their own expense.

4.5 Registered Title

During the Option Period, the Optionors, or any of their respective Affiliates, will remain the registered holder of the Mineral Claims comprising the Property as of the Effective Date. Upon the exercise of the Option by the Optionee, the Optionee or its nominee will be entitled to become the registered holder of the Property, and the Optionors, or their respective Affiliates, as applicable, will affect any transfers necessary therefor. Each Optionor or the Optionee, to the extent that it is the recorded holder of any Mineral Claims comprising the Property, will hold title to the Property subject to this Agreement.

4.6 Abandonment of Property

The Optionee may elect to treat any of the Mineral Claims comprising the Property as no longer of interest and therefore no longer subject to the provisions of the Option, provided that prompt notice of such proposed abandonment is given to the Optionors, and such area being abandoned will have at least two years before any further assessment work is due to keep such Mineral Claim in good standing. Following such notice of abandonment under this Section 4.6, the Mineral Claims so transferred or abandoned will thereafter cease to form part of the Property and will no longer be subject to this Agreement, except with respect to any obligations or liabilities of the Parties as have accrued to the date of such transfer or abandonment and subject to performing any reclamation on the abandoned Mineral Claims or providing a bond to provide for future payment of such reclamation requirements.

4.7 Area of Interest

If, during the Option Period, the Optionors or any of their respective Affiliates (an "**Acquiring Party**") records or otherwise acquires any interest in Mineral Claims located wholly or partly within the Area of Interest (the "**AOI Rights**"), the Acquiring Party shall forthwith give notice to the Optionee of such recording or acquisition, the costs thereof and all details in its possession with respect to the nature of the Mineral Claims and the known mineralization thereon. Upon delivery of such notice, the Optionee may elect, by notice to the Acquiring Party, to require that such AOI Rights be included in and thereafter form part of the Property and the Acquiring Party shall be reimbursed its recording or acquisition costs by the Optionee, which costs will be payable in cash by the Optionee to the Acquiring Party on or before the expiry of the Option Period.

If, during the Option Period, the Optionee or any of its Affiliates contemplates recording or otherwise acquiring any interest in AOI Rights, prior to staking such AOI Rights, the Optionee shall forthwith give notice to the Optionors of such potential recording or acquisition, the costs thereof and all details in its possession with respect to the nature of the Mineral Claims and the known mineralization thereon. Upon delivery of such notice, the Optionors may elect, by notice to the Optionee, to record such AOI Rights and those AOI Rights will then be included in and thereafter form part of the Property and the Optionors shall be reimbursed their staking or acquisition costs by the Optionee, which costs will be payable in cash on or before the expiry of the Option Period. If, however, the Optionors, after notice by the Optionee, do not stake the AOI Rights named in the notice then the Optionee will have the option of recording those rights and they will not form part of the Property.

Notwithstanding the foregoing, the area of Mineral Claim No. 1032543 currently adjoining the Property and owned by Ross Blusson shall not be subject to any AOI Rights for so long as it remains in good standing.

5. ROYALTIES

5.1 Net Smelter Returns Royalty

Upon the exercise of the Option, the Optionee will grant the Royalty to the Optionors, which grant shall be evidenced by the Royalty Agreement.

5.2 Pre-Production Royalty

Upon the exercise of the Option, the Optionee will grant the Optionors a pre-production royalty in the amount of \$20,000 per annum a "**Pre-Production Royalty Payment**"). Each Pre-Production Royalty Payment shall be payable by the Optionee beginning on the four-year anniversary of the Effective Date, and the obligation to make such payments shall continue on an annual basis thereafter until such time as the Property is put into commercial production, provided that a Pre-Production Royalty Payment shall be offset against any other royalty payments made by the Optionee to the Optionors in any given year. In addition, the Parties agree that: (i) the obligation of the Optionee to make a Pre-Production Royalty Payment in any year shall be satisfied upon the completion of an aggregate of \$200,000 in Expenditures by the Optionee in that year; and / or (ii) Expenditures incurred in excess of \$200,000 in the two years preceding the obligation can be accumulated and used as contributions for the succeeding two years to satisfy the \$200,000 Expenditures obligation to make such Pre-Production Royalty Payment.

6. INDEMNIFICATION

6.1 Indemnification by the Optionors

The Optionee shall not be responsible for any Liabilities in respect of activities conducted on the Property by any other person, including the Optionors, prior to the Effective Date, and each Optionor shall, jointly and severally, indemnify and save the Optionee and its directors, officers, employees, shareholders, consultants and agents harmless from and against any Liabilities resulting from any Claims upon or in relation to the Property, up to the Effective Date.

6.2 Indemnification by the Optionee

The Optionors shall not be responsible for any Liabilities in respect of activities conducted on the Property by the Optionee following the Effective Date, and the Optionee shall indemnify and save each Optionor and its directors, officers, employees, consultants and agents harmless from and against any Liabilities resulting from any such claims upon or in relation to the Property in respect of Operations conducted by the Optionee or persons acting on behalf of the Optionee.

7. TERMINATION

7.1 Termination

This Agreement shall terminate on the date (the "**Termination Date**") any of the following occurs:

- (a) the Option is terminated pursuant to Section 2.5;
- (b) Automatic Termination occurs pursuant to Section 2.6; or
- (c) the Parties mutually agree in writing to terminate this Agreement.

Upon any such termination, the Parties shall have no further obligations hereunder except as required under Sections 9 and 10, and Sections 7.2, 12.1 and 12.10 shall survive any such termination.

7.2 Events on Termination

If the Option is terminated other than upon the exercise thereof, the Optionee will:

- (a) deliver to the Optionors, within 90 days of termination, all data pertaining to the Property in the possession and control of the Optionee, including in relation to work carried out by the Optionee on the Property, together with all drill cores and unprocessed assay samples and copies of all maps, drill logs, assay results and other technical data compiled by the Optionee with respect to the Property which has not been previously delivered by the Optionee to the Optionors;
- (b) remove from the Property within six (6) months of termination, or sooner if required under applicable laws, all structures, machinery, equipment, facilities and supplies (collectively, "**Equipment**") erected, installed or brought upon the Property by or at the insistence of the Optionee; and the Optionors shall have no responsibility to insure or protect from theft, damage or otherwise and the Optionee shall continue to be responsible for such Equipment, unless otherwise agreed in writing by the Parties;
- (c) perform or secure the performance of all reclamation and environmental rehabilitation on the Property as may be required by all applicable laws in relation to the activities completed by the Optionee or on the Optionee's behalf during the Option Period; and
- (d) leave all Mineral Claims comprising the Property in good standing for a minimum of two years following termination.

8. **FORCE MAJEURE**

8.1 Events

Notwithstanding any other provisions contained herein, neither Party will be liable for its failure to perform any of its obligations under this Agreement due to a Force Majeure Event.

8.2 Effect of Force Majeure

All time limits imposed by this Agreement (including, without limitation, the time within which Expenditures are to be made) will be extended by a period equivalent to the period of delay resulting from a Force Majeure Event.

8.3 Obligation to Remove Force Majeure

A Party relying on the provisions of this Section 8 shall take all reasonable steps to eliminate any Force Majeure 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 court or governmental authority or to complete its obligations under this Agreement if a Force Majeure Event renders completion impossible.

8.4 Giving Notice

A Party relying on the provisions of this Section 8 shall give notice to the other Party within 10 business days upon the occurrence of a Force Majeure Event and for each new cause of delay or prevention resulting in a Force Majeure Event, providing particulars thereof and the day upon which the same arose,

and forthwith after the end of the period of delay when such Force Majeure Event has been eliminated or rectified.

9. CONFIDENTIAL INFORMATION

9.1 Confidential Information

Unless and until the transactions contemplated by this Agreement have been completed, or the Termination Date, except with the prior written consent of the other Party, acting reasonably, each Party and its employees, officers, directors, shareholders, agents, advisors and other representatives shall hold all information received from the other Party in strictest confidence, except such information and documents available to the public or as are required to be disclosed by applicable law. All such information in written form and documents will be returned to the Party originally delivering them in the event that the transactions provided for in this Agreement are not consummated.

9.2 Additional Confidentiality Agreements

In the event that the Optionee determines, acting reasonably, that it must provide confidential information in respect of the Property to interested parties proposed to become financial or strategic partners with the Optionee relative to the Property, the Optionee shall notify such third parties of the confidentiality of such information and shall impose such conditions upon such third parties regarding the confidentiality of the information as it determines necessary, acting reasonably.

9.3 Information in Public Domain

The provisions of this Section 9 do not apply to information which is or becomes part of the public domain other than through a breach of the terms hereof.

9.4 News Release

The Parties shall consult with each other prior to issuing any press release or other public statement regarding the Property or the activities of the Optionee or the Optionors with respect thereto. In addition, each Party shall obtain prior consent from the other Party before issuing any press release or public statement except if such disclosure is required by law or by the rules and regulations of any Governmental Entity or stock exchange having jurisdiction, and the other Party unreasonably withholds consent to such press release or other public statement. Notwithstanding the foregoing, where a Party requests consent from the other Party of any press release or public statement and the other Party has not responded to such request within 48 hours, then the Party proposing the press release or public statement will be entitled to proceed with its disclosure as if it had received consent from the other Party. However, any consent by a Party to the other Party issuing a press release or public statement will not be considered an approval or certification of the consenting Party to the accuracy of the information in such press release or public statement, or a confirmation that such press release or public statement complies with the rules, policies, by-laws and disclosure standards of the applicable regulatory authorities or stock exchanges. Notwithstanding the foregoing, the Optionee may, without the prior written consent of the Optionors, disclose the terms of this Agreement and details relating to the Property and its activities on the Property in a prospectus, information circular, filing statement or other similar document related to the listing of its common shares on a stock exchange or for the purposes of becoming a reporting issuer.

10. ARBITRATION

10.1 Dispute

All questions or matters in dispute under this Agreement shall be submitted to arbitration in accordance with this Section 10.

10.2 Prior Notice

It shall be a condition precedent to the right of either Party to submit any matter to arbitration pursuant to the provisions hereof that such Party shall have given not less than 10 days' prior notice of its intention to do so to the other Party, together with particulars of the matter in dispute. On the expiration of such 10 days, the Party who gave such notice may proceed to refer the dispute to arbitration as provided in Section 10.3.

10.3 Conduct of Arbitration

The Party desiring arbitration shall appoint one arbitrator, and shall notify the other Party of such appointment, and the other Party shall, within 15 days after receiving such notice, either consent to the appointment of such arbitrator which shall then carry out the arbitration or appoint an arbitrator, and the two arbitrators so named, before proceeding to act, shall, within 30 days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator to act with them and be chairman of the arbitration herein provided for. If the other Party shall fail to appoint an arbitrator within 15 days after receiving notice of the appointment of the first arbitrator, the first arbitrator shall be the only arbitrator. If the two arbitrators appointed by the Parties shall be unable to agree on the appointment of the chairman, the chairman shall be appointed under the provisions of the *Commercial Arbitration Act* (British Columbia). Except as specifically otherwise provided in this Section 10.3, the arbitration herein provided for shall be conducted in accordance with such Act. The chairman, or in the case where only one arbitrator is appointed, the single arbitrator, shall fix a time and place in Vancouver, British Columbia, for the purpose of hearing the evidence and representations of the Parties, and he shall preside over the arbitration and determine all questions of procedure not provided for under such Act or this Section 10. After hearing any evidence and representations that the Parties may submit, the single arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver one copy thereof to each of the Parties. The expense of the arbitration shall be paid as specified in the award.

11. **NOTICES**

11.1 Method

Each notice, demand or other communication required or permitted to be given under this Agreement (each, a "**Notice**") shall be in writing and be sent by prepaid registered mail addressed to the party entitled to receive the same, or delivered to such party at the address for such party specified on the first page of this Agreement, or by electronic mail, return receipt requested, as follows:

If to the Optionors at:

Email: dave.lefebure@shaw.ca and tsetterfield@shaw.ca

(a) If to the Optionee at:

Email: westoak@direct.ca

11.2 Amending Addresses

Either Party may at any time and from time to time notify the other Party in accordance with this Section 11 of a change of address or electronic mail address, to which all Notices will be given to it thereafter until further notice in accordance with this Section 11.

11.3 Delivery

All Notices shall be effective and shall be deemed delivered (i) if by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic mail, on the next business day following confirmation of transmission of the Notice, and (iii) if solely by registered mail, on the fifth (5th) business day following the date it is posted; provided, however, that if there is a mail strike, slowdown or other labour dispute which might affect delivery of the communication by mail, then the notices, consents, demands and requests shall be effective only if actually delivered.

12. **GENERAL**

12.1 Expenses

Each Party will bear its own expenses in connection with this Agreement and the Option, including, without limitation, the costs and expenses of all attorneys, accountants, geologists, engineers, brokers, investment bankers, agents and finders employed by such Party. The Parties will indemnify each other against any claims, costs, losses, expenses or liabilities arising from any claim for remuneration, commissions, finder's fees or other compensation or reimbursement in connection with this Agreement or the Option which may be asserted by any person based on any agreement or arrangement for payment by the other Party.

12.2 Other Activities and Interests

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

12.3 Entire Agreement

This Agreement and the schedules hereto constitute the entire agreement between the Parties and supersede and replace any preliminary or other agreement or arrangement, whether oral or written, express or implied, statutory or otherwise heretofore existing between the Parties in respect of the subject matter of this Agreement.

12.4 Amendment

This Agreement may not be amended or modified except by an instrument in writing signed by each of the Parties.

12.5 No Waiver

No consent hereunder or waiver of or with respect to any term or condition of this Agreement will be effective unless it is in writing and signed by the consenting or waiving Party. No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by 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.

12.6 Further Assurances

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 and to cooperate with each other and each other's counsel and other professional advisors in the preparation, execution and delivery of any and all documents or instruments necessary to give full force and effect to the terms and provisions set out herein and any other documents required to give effect hereto.

12.7 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, the remaining provisions will nevertheless be and remain valid and subsisting and such remaining provisions will be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

12.8 Enurement

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

12.9 Cure Defaults

Notwithstanding anything in this Agreement to the contrary, if either Party (a "**Defaulting Party**") is in default of any requirement herein set forth, the Party affected by such default shall give written notice to the Defaulting Party specifying the default and the Defaulting Party shall not lose any rights under this Agreement, unless 30 days after the giving of notice of default by the affected Party, the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance, and if the Defaulting Party fails within such period to take reasonable steps to cure any such default, the affected Party shall be entitled to seek any remedy it may have on account of such default including, without limitation, termination of this Agreement.

12.10 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Parties hereby attorn to the jurisdiction of the Court of British Columbia and, except where matters are expressed herein to be subject to arbitration, the courts of such Province will have exclusive jurisdiction to hear and determine all disputes arising hereunder. Nothing contained in this Section 12.10 is intended to affect the rights of a Party to enforce a judgement or award outside of British Columbia.

12.11 Time of the Essence

Time is of the essence in the performance of each obligation under this Agreement.

12.12 Assignment

- (a) Subject to subsection 12.12(b), this Agreement shall not be assigned or otherwise shared by the Optionors or the Optionee and the Property shall not be leased, subleased or otherwise shared or disposed of by the Optionors,
- (b) The Optionors and the Optionee may assign its rights under this Agreement to an Affiliate without the prior written consent of the other Party, provided that such Affiliate agrees to be bound, in writing, by the terms of this Agreement

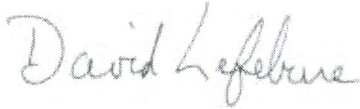
12.13 Counterparts

This Agreement may be executed and delivered in any number of counterparts and by electronic transmission, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed as of the Effective Date.

LEFEBURE GEOLOGIC LTD.

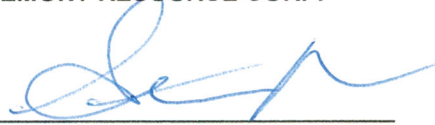
Per:



Name: David Lefebure
Title: Director and Principal

EDGEMONT RESOURCE CORP.

Per:



Name:
Title:



TOM SETTERFIELD

SCHEDULE "A"

THE PROPERTY

The Property consists of the following Mineral Claim located in the province of British Columbia and registered with the Chief Gold Commissioner:

Table A-1: Claim Comprising the Dungate Property

Title No.	Claim Name	Owner	Map No.	Issue Date	Good To Date	Area (ha)
1057771	OPEN SESAME	115447-David Lefebure (100%)	093L	2018/JAN/18	2019/JAN/18	433.28

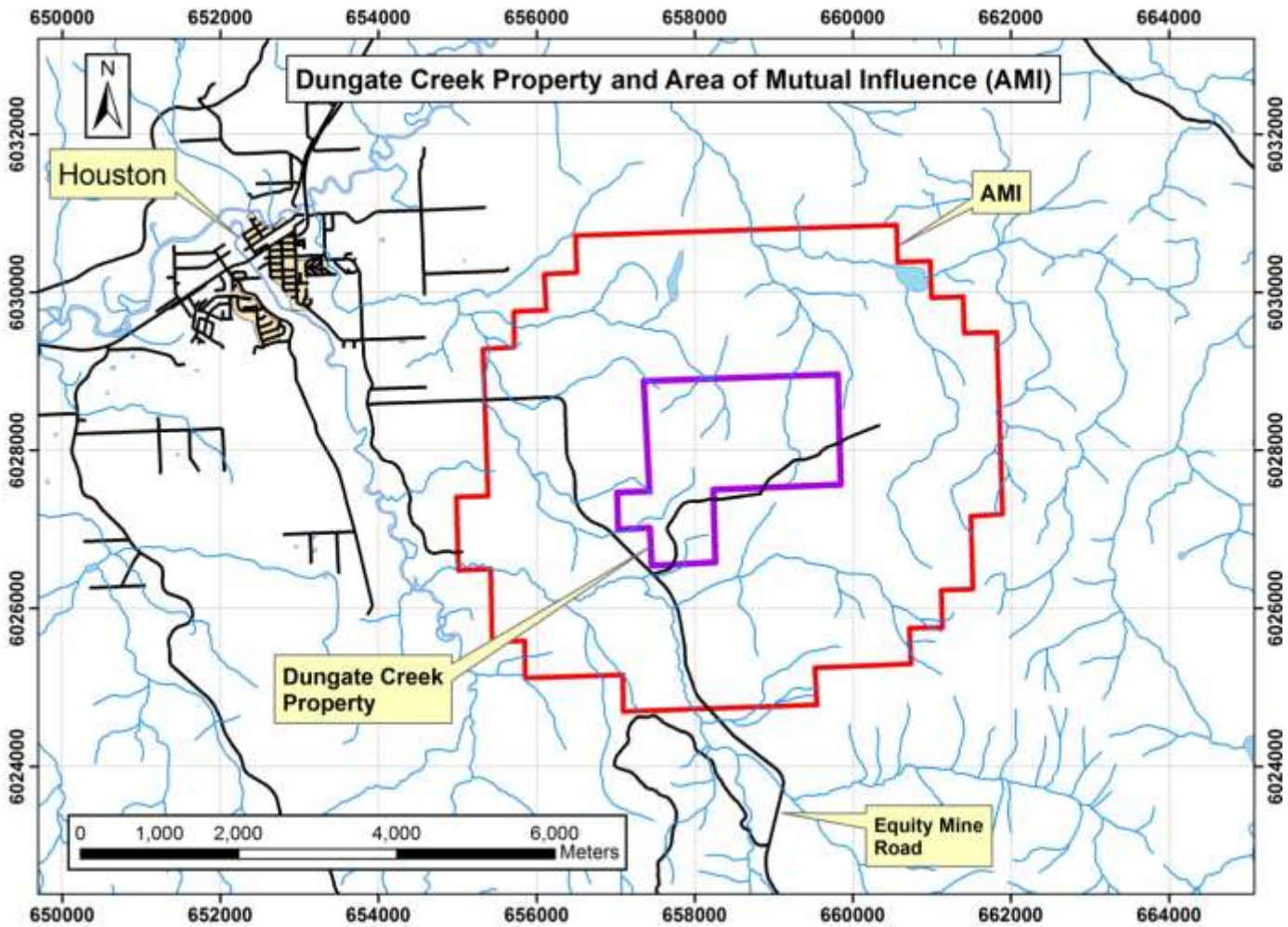


Table A-2: Mineral Cells Comprising the Dungate Property

093L07H036C	093L07H046A	093L07H054B	093L07H055D
093L07H036D	093L07H046B	093L07H054C	093L07H056A
093L07H044C	093L07H046C	093L07H054D	093L07H056B
093L07H044D	093L07H046D	093L07H055A	093L07H056C
093L07H045C	093L07H047A	093L07H055B	093L07H056D
093L07H045D	093L07H054A	093L07H055C	

Table A-3: Mineral Cells Comprising the Blusson Claim 1032543

093L07H034C	093L07H035D	093L07H045A
093L07H035C	093L07H044B	093L07H045B

Table A-4: Mineral Cells Comprising the Area of Interest

093L07H014C	093L07H029D	093L07H042C	093L07H058A	093L07H068A
093L07H015C	093L07H032A	093L07H042D	093L07H058B	093L07H068B
093L07H015D	093L07H032B	093L07H043A	093L07H058C	093L07H068C
093L07H016C	093L07H032C	093L07H043B	093L07H058D	093L07H068D
093L07H016D	093L07H032D	093L07H043C	093L07H059A	093L07H069A
093L07H017D	093L07H033A	093L07H043D	093L07H059D	093L07H072B
093L07H022C	093L07H033B	093L07H044A	093L07H061B	093L07H073A
093L07H023A	093L07H033C	093L07H047B	093L07H062A	093L07H073B
093L07H023B	093L07H033D	093L07H047C	093L07H062B	093L07H073C
093L07H023C	093L07H034A	093L07H047D	093L07H062C	093L07H073D
093L07H023D	093L07H034B	093L07H048A	093L07H062D	093L07H074A
093L07H024A	093L07H034D	093L07H048B	093L07H063A	093L07H074B
093L07H024B	093L07H035A	093L07H048C	093L07H063B	093L07H074C
093L07H024C	093L07H035B	093L07H048D	093L07H063C	093L07H074D
093L07H024D	093L07H036A	093L07H049A	093L07H063D	093L07H075A
093L07H025A	093L07H036B	093L07H049B	093L07H064A	093L07H075B
093L07H025B	093L07H037A	093L07H049D	093L07H064B	093L07H075C
093L07H025C	093L07H037B	093L07H051B	093L07H064C	093L07H075D
093L07H025D	093L07H037C	093L07H051C	093L07H064D	093L07H076A
093L07H026A	093L07H037D	093L07H052A	093L07H065A	093L07H076B
093L07H026B	093L07H038A	093L07H052B	093L07H065B	093L07H076C
093L07H026C	093L07H038B	093L07H052C	093L07H065C	093L07H076D
093L07H026D	093L07H038C	093L07H052D	093L07H065D	093L07H077A
093L07H027A	093L07H038D	093L07H053A	093L07H066A	093L07H077B
093L07H027B	093L07H039A	093L07H053B	093L07H066B	093L07H077D
093L07H027C	093L07H039C	093L07H053C	093L07H066C	093L07H078A
093L07H027D	093L07H039D	093L07H053D	093L07H066D	
093L07H028A	093L07H041B	093L07H057A	093L07H067A	
093L07H028B	093L07H041C	093L07H057B	093L07H067B	
093L07H028C	093L07H042A	093L07H057C	093L07H067C	
093L07H028D	093L07H042B	093L07H057D	093L07H067D	

SCHEDULE "B"

ROYALTY AGREEMENT

ROYALTY AGREEMENT

THIS ROYALTY AGREEMENT is made as of December 19, 2018

BETWEEN:

LEFEBURE GEOLOGIC LTD.

a British Columbia company with an address at
174 Highwood Place, Salt Spring Island, BC V8K 1R9

("LGL")

AND:

TNS CONSULTING

a British Columbia sole proprietorship with an address at
#5 – 570 Crescent Road West, Qualicum Beach, BC V9K 1H9

("TNS", and together with LGL, the "Holders")

AND:

EDGEMONT RESOURCE CORP.

a British Columbia company with an address at
3148 Highland Boulevard, North Vancouver, BC V7R 2X6

("Edgemont")

WHEREAS:

- A. Pursuant to an option agreement dated October 9, 2018 between the Holders and Edgemont (the "**Option Agreement**"), the Holders have agreed to grant to Edgemont the option to acquire a 100% interest in the Property (as defined below);
- B. Pursuant to the Option Agreement and following the exercise of the option thereunder, Edgemont has agreed to grant to the Holders a 2.0% Net Smelter Returns Royalty (as defined below) and certain other rights;
- C. The Holders have agreed to grant a buy-back right to Edgemont pursuant to which Edgemont shall have the right to buy-back up to an aggregate 1.0% Net Smelter Returns Royalty from the Holders; and
- D. The Parties wish to enter into this Agreement to define and establish the conditions governing the Net Smelter Returns Royalty and the buy-back rights.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

1.1 Definitions

Capitalized terms used but not otherwise defined in this Agreement shall have the meanings assigned to such terms in the Option Agreement. As used herein, the following terms shall have the following meanings:

- (a) **“Affiliate”** means any Person that directly or indirectly Controls, is Controlled by, or is under common Control with, a Party;
- (b) **“Allowable Deductions”** means:
- (i) all smelting and refining costs, sampling, assaying and treatment charges and penalties including but not limited to metal losses, penalties for impurities and charges for refining, selling and handling by the smelter, refinery or other purchaser (including price participation charges by smelters and/ or refiners);
 - (ii) costs of handling, transporting, securing and insuring all Products from the Property or from a concentrator, whether situated on or off the Property, to a smelter, refinery or other place of treatment;
 - (iii) *ad valorem* taxes and taxes based upon sales or production, but not income taxes; and
 - (iv) marketing costs, including sales commissions, incurred in selling Products. For clarity, marketing costs comprising more than 5% of the gross value of concentrate or the costs described in paragraph (ii) above, as the case may be, shall not qualify as Allowable Deductions.

Where a cost otherwise deductible under this Agreement is incurred by the Grantor in a transaction with a party with whom it is not dealing at arm’s length, the cost to be deducted shall be the fair market cost under the circumstances and at the time of the transaction;

- (c) **“Buy-Back Royalty”** means that portion of the Net Smelter Returns Royalty that the Grantor may purchase from the Holder pursuant to Section 2.6;
- (d) **“Control”**, when used as a verb and with respect to an entity means, the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of such entity through (i) the legal or beneficial ownership of voting securities or ownership interests; (ii) the right to appoint managers, directors or corporate management; (iii) contract; (iv) membership agreement; (v) voting trust; or otherwise; and, when used with respect to an individual, means the actual or legal ability to control the actions of another through family relationship, agency, contract or otherwise; and when used as a noun means an interest which gives the holder the ability to exercise any of the foregoing powers;
- (e) **“Grantor”** means Edgemont and includes any subsequent holder of the Property;
- (f) **“IFRS”** means International Financial Reporting Standards, from time to time applied on a consistent basis;
- (g) **“Net Smelter Returns”** means the gross revenues received from the sale of all Products after deducting the Allowable Deductions, in each case for the applicable calendar quarter, and specifically includes any insurance proceeds received in connection with a loss of Products. Where revenue otherwise to be included under this Agreement is received by the Grantor in a transaction with a party with whom it is not dealing at arm’s length, the revenue to be included shall be based on the fair market value under the circumstances and at the time of the transaction. For the purposes of determining Net Smelter Returns, all receipts and major disbursements in a currency other than Canadian dollars shall be converted into Canadian currency on the date of receipt or disbursement, as the case may be, and all other disbursements in a currency other than Canadian

dollars shall be converted into Canadian currency at the average rate for the month of disbursement, in each case using the rates published by the Bank of Canada;

- (h) **"Net Smelter Returns Royalty"** means the royalty granted by Section 2.1;
- (i) **"NI 43-101"** means National Instrument 43-101 *Standard of Disclosure for Mineral Projects*, as the same may be amended from time to time;
- (j) **"Party"** means a signatory to this Agreement and **"Parties"** means all of them;
- (k) **"Person"** means an individual, corporation, trust, partnership, limited liability company, joint venture, unincorporated organization, firm, estate, governmental authority or any agency or political subdivision thereof or other entity;
- (l) **"Production"** means the date on which the initial shipment of mineral product is transported from the Property for commercial sale or additional beneficiation for commercial sale; provided, however, that the transport and sale of bulk samples and deliveries and sales from pilot or test operations shall not constitute Production;
- (m) **"Products"** means all ore mined from the Property and all concentrate, including uranium oxide (commonly called "yellow cake"), metal and products derived from ore mined from the Property;
- (n) **"Property"** means the property described in Schedule "A" to the Option Agreement, subject to any modification, change or improvement thereon made from time to time by the Grantor or any subsequent owner thereof, and includes, for clarity, any mineral interests located in the Area of Interest;
- (o) **"Royalty Percentage"** means 2%, which sum may be decreased upon the sale by the Holder of the Buy-Back Royalty pursuant to Section 2.6; and
- (p) **"Transfer"** means any sale, grant, assignment, conveyance or other transfer.

In the event that any term or definition in this Agreement conflicts with any term or definition in the Option Agreement, the term or definition in the Option Agreement shall control and govern.

2. COMPUTATION AND PAYMENT OF NET SMELTER RETURNS

2.1 Grant and Computation

As provided in the Option Agreement, the Holders have reserved to themselves from the transfer of their respective interests in the Property to Edgemont and Edgemont has granted and hereby affirms and restates that it hereby grants and covenants and agrees to pay to the Holders a net smelter returns royalty (the **"Net Smelter Returns Royalty"**) in respect of Products produced from the Property. To compute the Net Smelter Returns Royalty, the Grantor shall multiply the Net Smelter Returns by the Royalty Percentage in each case for the immediately preceding calendar quarter.

2.2 Payments

Upon the Grantor's determination that Net Smelter Returns Royalty payments are due and owing under this Agreement, the Grantor shall pay to the Holders an amount equal to the Net Smelter Returns Royalty computed under Section 2.1 within 30 days after the end of the calendar quarter for royalty obligations that accrued during the preceding calendar quarter for which such computation is made, and shall deliver with such payment a copy of the calculations used in connection with such payment. Any overpayments or underpayments, including overpayments or underpayments resulting from adjustments between

payments and final settlement by the smelter or other purchaser of Products, shall be corrected in the next calendar quarter following determination of such adjustment. All such payments shall be made in Canadian dollars and without demand, notice, set-off or reduction by wire transfer in good, immediately available funds, to such account or accounts as the Holders may designate pursuant to wire transfer instructions provided to the Grantor from time to time.

2.3 Late Payments

Any payments not made when due under this Agreement shall bear interest at an annual rate equal to the Prime Rate (as defined below) plus 1%, calculated and compounded monthly from the due date to the date of payment. For the purposes of this Section 2.3, "**Prime Rate**" means, at any particular time, the annual rate of interest announced from time to time by the Royal Bank of Canada, at its main branch located in Vancouver, British Columbia, as a reference rate then in effect for determining floating rates of interest on Canadian dollar loans made in Canada.

2.4 Certified Calculation

After the year in which a positive production decision occurs, the Holders shall be provided annually, on or before April 30, with a copy of the calculation of Net Smelter Returns for the preceding calendar year, determined in accordance with this Agreement and certified correct by the Grantor.

2.5 Payments Net of Taxes

All amounts payable on account of the Net Smelter Returns Royalty shall be paid free and clear of all taxes, deduction, withholdings, set-off or counterclaims whatsoever (except income taxes of the Holders or taxes on capital gains of the Holders) save only as may be required by law. If any taxes, deductions or withholdings are required by law for such payments, the Grantor shall pay to the Holders such sum as shall, after such taxes, deduction or withholding has been made, leave the Holders with the same amount as they would have been entitled to receive in the absence of any such requirement.

2.6 Grantor Buy Back Right

At any time following the exercise by Edgemont of the option under the Option Agreement and until the commencement of commercial production from Property, the Grantor shall have the right to acquire up to an aggregate 1.0% Net Smelter Returns Royalty (the "**Buy-Back Royalty**") from the Holders upon the payment of \$1,000,000 in cash.

2.7 Notice of Production

The Grantor agrees to give the Holders not less than 30 days but not more than 90 days prior written notice of any targeted date for commencement of Production.

3. **ACCOUNTING MATTERS**

3.1 Accounting Principles

All receipts and Allowable Deductions shall be determined in accordance with IFRS as applied by the Grantor. Allowable Deductions shall be determined by the accrual method.

4. **AUDITS AND DISPUTES**

4.1 Audit

The Holders, upon written notice, shall have the right to have an independent firm of chartered accountants audit the records that relate to the calculation of the Net Smelter Returns Royalty within 12

months after receipt of a payment under Section 2.2 or a certification under Section 2.4. Any calculation not so audited shall be deemed final and shall not thereafter be subject to audit or challenge.

At the conclusion of such audit:

- (a) if the auditors determine that the calculation of the Net Smelter Returns Royalty was accurate within 2% of actual payment or the statement of payment exceeded the calculation of the Net Smelter Returns Royalty by more than 2% of the stated amount, then the costs of the audit shall be borne by the Holders, jointly and severally; and
- (b) if the auditors determine that the statement of payment understated the calculation of the Net Smelter Returns Royalty by greater than a 2% margin, then the costs of the audit shall be borne by the Grantor and the deficiency in amount actually paid as against the calculation of the Net Smelter Returns Royalty shall be paid by the Grantor to the Holders within 30 days.

4.2 Disputes

The Holders shall be deemed to have waived any rights they may have had to object to a payment made for any calendar year, unless they provide notice in writing of such objection within 12 months after receipt of final payment for the calendar year.

4.3 Arbitration

- (a) In the event of any dispute arising out of or relating to this Agreement or its breach, termination or validity, such dispute shall, upon written notice by either Party to the other, be finally settled by arbitration administered under the rules then pertaining of the Arbitrators Association of British Columbia (“AABC”).
- (b) The arbitration shall be heard by a panel of three (3) independent and impartial arbitrators all of whom shall be selected from a list of neutral arbitrators having mining and/or base metals and concentrates markets expertise, supplied by AABC. From such list, each Party shall select one (1) arbitrator, and the arbitrators so selected shall select a third. The panel shall designate one (1) among them to serve as chair.
- (c) The arbitration proceedings shall be conducted in Vancouver, British Columbia.
- (d) Any Party may seek interim or provisional remedies as necessary to protect the rights or property of the Party pending the decision of the arbitrators.
- (e) The Parties shall allow and participate in limited discovery for the production of documents and taking of depositions. All discovery shall be completed within 60 days following the filing of the answer or other responsive pleading. Unresolved discovery disputes shall be brought to the attention of the chair of the arbitration panel and may be disposed of by the chair.
- (f) Each Party shall have up to 50 hours to present evidence and argument in a hearing before the panel of arbitrators, provided that the chair of the panel of arbitrators may establish such longer times for presentations as the chair deems appropriate.
- (g) The arbitration award shall be rendered by the arbitrators within 15 business days after conclusion of the hearing of the matter, shall be in writing and shall specify the factual and legal basis for the award.

- (h) The arbitrators are empowered to order money damages in compensation for a Party's actual damages, specific performance or other appropriate relief to cure a breach; provided, however, that the arbitrators shall have no authority to award special, punitive, exemplary, consequential or liquidated damages, loss of profits or any other money damages that are not measured by the prevailing Party's actual damages.
- (i) Any judgment upon the award rendered by the arbitration may be entered in any court of competent jurisdiction and shall be deemed to be a final and non-appealable order.

5. GENERAL

5.1 Records

The Grantor shall keep accurate records of tonnage, volume of Products, analyses of Products, weight, moisture, assays of payable metal content and other records, as appropriate, related to the computation of Net Smelter Returns hereunder. Within 60 days following the end of each calendar year, the Grantor shall provide the Holders with an annual report of Products mined, milled or processed, recoveries, grades, and capital and development expenses with respect to the Property during such calendar year.

Such annual report shall include estimates of proposed expenditures upon, anticipated production from and estimated remaining mineral reserves and resources on the Property for the succeeding calendar year and any changes to, or replacements of, the mine plan or any "life of mine plan" with respect to the Property. The Grantor shall provide the Holders with a copy of any "life of mine plan", if produced, within 30 days of its approval by the Grantor and any changes to, or replacements of, any such "life of mine plan" or any mine plan within 30 days after such change or replacement thereof.

The Holders shall have the right, at any time and at their own expense, to prepare a technical report on the Property or any portion thereof in compliance with NI 43-101.

5.2 Rights Reserved by Grantor

The Grantor shall be entitled to (a) make all operational decisions with respect to the methods and extent of mining and processing of Products produced from the Property (including the decision to process by heap leaching rather than conventional milling), (b) make all decisions relating to sales of such Products produced; and (c) make all decisions concerning the temporary or long-term cessation of operations.

The Grantor may, but shall not be under any duty to, engage in price protection (hedging) or speculative transactions such as futures contracts and commodity options in its sole discretion covering all or part of production from the Property, and, except in the case where Products are actually delivered and a sale is actually consummated under such price protection or speculative transactions, none of the revenues, costs, profits or losses from such transactions shall be taken into account in calculating Net Smelter Returns or any interest therein.

5.3 Right to Inspect

The Holders or their respective authorized representatives on not less than 10 days' notice to the Grantor, the timing to be mutually agreed upon by the Holders and the Grantor, acting reasonably, may, at their own risk and cost, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and may inspect and copy all records and data pertaining to the computation of their aggregate interest, including without limitation such records and data which are maintained electronically. For clarity, this right is also intended to provide the Holders or their respective authorized representatives with such access as they may reasonably require to prepare a technical report on the Property or any portion thereof in compliance with NI 43-101.

5.4 Headings

The headings to the sections, subsections or clauses of this Agreement are inserted for convenience only, do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

5.5 Notices

- (a) Each notice, demand or other communication required or permitted to be given under this Agreement (each, a "**Notice**") shall be in writing and be sent by prepaid registered mail addressed to the party entitled to receive the same, or delivered to such party at the address for such party specified on the first page of this Agreement, or by electronic mail, return receipt requested, as follows:

If to the Holders at:

Email: dave.lefebure@shaw.ca and tsetterfield@shaw.ca

If to Edgemont at:

Email: westoak@direct.ca and chris@littellawcorp.com

- (b) All Notices shall be effective and shall be deemed delivered (i) if by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic mail, on the next business day following confirmation of transmission of the Notice, and (iii) if solely by registered mail, on the on the fifth (5th) business day following the date it is posted; provided, however, that if there is a mail strike, slowdown or other labour dispute which might affect delivery of the communication by mail, then the notices, consents, demands and requests shall be effective only if actually delivered
- (c) Either Party may at any time and from time to time change its address by Notice to the other Party.

5.6 Real Property Interest

The Net Smelter Return Royalty provided in this Agreement shall attach to (i) any amendments, relocations, adjustments, resurvey, additional locations or conversions of any mining claims comprising the Property; and (ii) to any renewal, amendment or other modification or extensions of any leases of any real property interests comprising the Property. The Net Smelter Returns Royalty shall continue in perpetuity, it being the intent of the Parties that the Net Smelter Return Royalty shall be a real property interest that runs with the Property and shall burden all interests (whether now owned or hereafter acquired) of the Grantor and its successors and assigns in, to or respecting the Property. If any right power or interest of any Party pertaining to the Net Smelter Returns Royalty would violate the rule against perpetuities, then such right power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement. The Holders shall have the right from time to time to register or record notice of the Net Smelter Returns Royalty against title to the Property or elsewhere, and the Grantor 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 the Holders hereunder.

5.7 Confidentiality

- (a) Except as provided in Section 0(b), all information and data provided to the Holders under the terms of this Agreement shall not be disclosed by the Holders, or any of them, to any third party or the public without the prior written consent of the Grantor, which consent shall not be unreasonably withheld.
- (b) The consent required by Section 0(a) shall not apply to a disclosure:
 - (i) by any Holder to a potential successor of all or any significant portion of its interests under this Agreement or to a potential successor by consolidation or merger, or to a proposed joint venture or partnership in which such Holder may become a participating partner or venturer;
 - (ii) to an Affiliate or representative that has a bona fide need to be informed (but subject to the obligations of confidentiality herein);
 - (iii) to a governmental agency or to the public which the disclosing Party or Affiliate believes in good faith is required by applicable law or the rules or regulations of any securities commission, stock exchange or other regulatory body; or
 - (iv) made in connection with litigation or arbitration involving a Party where such disclosure is required by the applicable tribunal or is, on the advice of counsel for such Party, necessary for the prosecution of the case, but subject to prior notification to the other Party to enable such Party to seek appropriate protective orders.
- (c) Prior to any disclosure described in Sections 0(b)(i) or 0(b)(ii), such third Party shall first agree to protect the confidential information from further disclosure to the same extent as the Parties are obligated under this Section 0.

5.8 Commingling

Upon the making of a positive production decision, the Property may be operated as a single operation with other mining properties owned by third parties or in which the Grantor has an interest, in which event the Parties agree that (notwithstanding separate ownership thereof) ores mined from the mining properties (including the Property) may be blended at the time of mining or at any time thereafter, provided, however, that the respective mining properties shall bear and have allocated to them their proportionate part of the Allowable Deductions incurred relating to such single operation, and shall have allocated to each of them the proportionate part of the revenues earned relating to such single operation. In making any such allocation, effect shall be given to the tonnages of ore and other material mined and beneficiated and the characteristics of such material including the metal content of ore removed from, and to any special charges relating particularly to ore, concentrates or other products or the treatment thereof derived from, any of such mining properties. The Grantor shall ensure that reasonable practices and procedures are adopted and employed for weighing, determining moisture content, sampling and assaying and determining recovery factors.

5.9 Covenant of the Grantor

The Grantor covenants to take any actions reasonably requested by the Holders in order to facilitate the proper recording of this Agreement.

5.10 No Partnership

This Agreement is not intended to, and shall not be deemed to, create any partnership relation between the Parties, including, without limitation, a mining partnership or commercial partnership. The obligations and liabilities of the Parties shall be several and not joint and no Party shall have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of any other Party. Nothing herein contained shall be deemed to constitute a Party as the partner, agent or legal representative of another Party.

5.11 Governing Law

This Agreement shall be interpreted and construed in accordance with, and governed and enforced in all respects by, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

5.12 Assignment by the Grantor

The Grantor shall be free to Transfer all or any portion of its interest in the Property or the Buy-Back Royalty, provided that such Transfer shall not be effective as against the Holders until the transferee has delivered to the Holders a written and enforceable undertaking agreeing to be bound, to the extent of the interest disposed of, by all of the terms and conditions of this Agreement. In the event of a Transfer to an arm's length third party who has executed an undertaking required by this Section 5.12, the Holders acknowledge and agree that the Grantor shall be released from all obligations in respect of that portion of the Net Smelter Returns Royalty conveyed or assigned to such third party.

5.13 Assignment by the Holders

The Holders shall be free to Transfer all or any portion of their respective interests in the Net Smelter Returns Royalty and this Agreement, provided that such transferee acknowledges in writing to the Grantor that the Net Smelter Returns Royalty is subject to the buy back rights set out in Section 2.6 and that it assumes the obligations in respect of the same.

5.14 Enurement

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

5.15 Counterparts

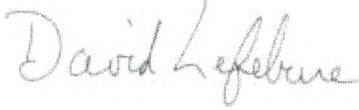
This Agreement may be executed and delivered in any number of counterparts and by electronic transmission, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF this Agreement has been executed as of the date first written above.

LEFEBURE GEOLOGIC LTD.

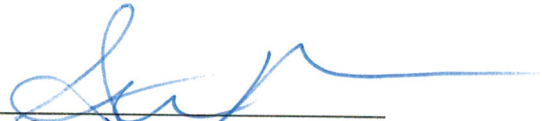
Per:



Name: David Lefebure
Title: Director

EDGEMONT RESOURCE CORP.

Per:



Name: Stuart Rogers
Title: Director

TNS CONSULTING

Per:



Name: Tom Setterfield