

**PURCHASE AGREEMENT
HEMLO NORTH PROJECT**

This agreement made as of October 6, 2020, Emperor Metals Inc. (the “**Buyer**”), a company incorporated under the laws of British Columbia and John C. Florek a resident of Ontario and 2060014 Ontario Inc. a company incorporated under the laws of Ontario having a head office at 1780 Coyote Ridge Road, Crystal Falls, ON P0H 1L0 (each a “**Seller**” and collectively, the “**Sellers**”).

WHEREAS the parties wish to enter into this Agreement pursuant to which the Sellers will sell, and the Buyer will purchase, all of the Sellers’ right, title and interest in and to six unpatented mining claims located in Hemlo, Ontario, as more particularly described in Schedule "A" attached hereto (the “**Claims**”) on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. INTERPRETATION

1.1 In this Agreement:

- (a) “**Abandonment Claims**” has the meaning set forth in Section 8;
- (b) “**Act**” means the *Commercial Arbitration Act* (British Columbia);
- (c) “**Bona Fide Offer**” has the meaning as set forth in Schedule B attached hereto;
- (d) “**Claim Fees**” has the meaning ascribed thereto in Section 6.1(b) of this Agreement;
- (e) “**Claims**” has the meaning ascribed thereto in the recitals to this Agreement;
- (f) “**Closing**” means the completion of the purchase and sale of the Claims contemplated in this Agreement;
- (g) “**Closing Date**” means the date that is two business days following the date of satisfaction or waiver of the conditions precedent set out in Article 4 or such earlier or later date as may be agreed upon in writing by the parties;
- (h) “**Encumbrance**” means any mortgage, hypothec, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, any option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (i) “**Environmental Claims**” means any and all administrative, regulatory, or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, or proceedings 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 government or regulatory authorities for enforcement, clean-up, removal, response, remedial, or other actions or damages under any applicable 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;
- (j) **“Environmental Laws”** means all requirements of the common law, civil code, or of environmental, health, or safety statutes of any agency, board, or governmental authority 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;
- (k) **“Information”** has the meaning ascribed thereto in Section 10.1 of this Agreement;
- (l) **“Intervening Event”** has the meaning ascribed thereto in Section 17.1 of this Agreement;
- (m) **“Listing Date”** means the date on which the Buyer’s securities are listed for trading on the Canadian Securities Exchange or another recognized stock exchange;
- (n) **“Mineral Products”** means the mineral products including, but not limited to gold derived from operating the Claims as a mine;
- (o) **“Net Smelter Returns”** has the meaning as set forth in Schedule B attached hereto;
- (p) **“Payment Shares”** has the meaning ascribed thereto in Section 3.2 of this Agreement;
- (q) **“ROFR”** has the meaning as set forth in Schedule B attached hereto;
- (r) **“ROFR Notice”** has the meaning as set forth in Schedule B attached hereto;
- (s) **“Shares”** means common shares in the capital of the Buyer, as they are presently constituted.

2. REPRESENTATIONS AND WARRANTIES

2.1 The Buyer represents and warrants to the Sellers that:

- (a) it is a body corporate duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction;



- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
 - (c) neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party; and
 - (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of laws of any jurisdiction applicable or pertaining thereto or of its constating documents.
- (d).2 Each of the Sellers, joint and severally, represent and warrant to the Buyer that:
- (a) each of the Sellers is either: (i) a person, or persons, of sound mind with access to independent legal advice; or (ii) a body corporate duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction with access to independent legal advice;
 - (b) each of the Sellers have full power and authority to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
 - (c) neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by any agreement to which a Seller is a party;
 - (d) the Claims have been duly and validly staked and recorded, are in good standing under the laws of the jurisdiction in which they are located as indicated in Schedule A and be free and clear of all liens, charges and Encumbrances;
 - (e) the Sellers have made all taxes, assessment, rentals, levies, or other payments relating to the Claims required to be made to any federal, provincial, or municipal government instrumentality;
 - (f) the Sellers are the recorded and beneficial owners of an aggregate of a 100% undivided interest in and to the Claims and the Sellers have the exclusive right to enter into this Agreement and all necessary authority to dispose of an undivided 100% interest in and to the Claims in accordance with the terms of this Agreement;
 - (g) no person, firm or corporation has any proprietary or possessory interest in the Claims other than the Sellers and no person is entitled to any royalty or other payment in the nature of rent or royalty on any minerals, ores, metals or concentrates or any other such products removed from the Claims;

- (h) there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, pending or threatened, which directly or indirectly relate to or affect the Claims or the interests of the Sellers therein nor are the Sellers aware of any acts that would lead it to suspect that the same might be initiated or threatened;
- (i) there are no outstanding agreements or options to purchase or otherwise acquire the Claims or any portion thereof or any interest therein;
- (j) the conditions on and relating to the Claims respecting all past and current operations on the Claims are, to the best of the knowledge, information and belief of the Sellers, in compliance with all applicable laws, including all Environmental Laws;
- (k) to the best of the knowledge, information and belief of the Sellers there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumpings, or other releases of any kind of any toxic or hazardous substances in, on, or under the Claims or the surrounding environment;
- (l) the Sellers have not received from any government instrumentality any notice of or communication relating to any actual or alleged Environmental Claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Claims or any operations carried out on the Claims;
- (m) to the best of the knowledge, information and belief of the Sellers, there are no obligations or commitments for reclamation, closure or other environmental corrective, clean-up or remediation action directly or indirectly relating to the Claims;
- (n) the Claims are free and clear of all unprotected open mine shafts, mine openings or workings, open pits, rock stockpiles, mine tailings, or waste materials;
- (o) it has made available to the Buyer all information in its possession or control relating to work done on or regarding the Claims that could possibly be considered to be materially significant in indicating whether the Claims might or might not have the potential for economic mineralization;
- (p) there are no outstanding obligations or payables relating to the Claims other than those specified in this Agreement;
- (q) the Sellers have such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks associated with the Payment Shares and is able to bear the economic risk of complete loss of any value represented by the Payment Shares. The Sellers further represent and warrant that, in respect of the Payment Shares, the Sellers are not relying on any representations made by the Buyer or any other person regarding the Buyer or its prospects or the future value or price of the Payment Shares; and



- (r) there are no material dispute involving the Claims and any Aboriginal, non-governmental organization, community, or community group exists or, to the Sellers' knowledge, is threatened or imminent with respect to any of the Claims or exploration activities. The Sellers have not received any written or oral notice of any Aboriginal claim, which could reasonably be expected to affect or impair the Buyer's right, title or interest in, or use of, the Claims.
- (r).3 The representations and warranties hereinbefore set out are conditions on which the parties have relied in entering into this Agreement and will survive the acquisition of the Claims by the Buyer.

3. PURCHASE AND SALE

- 3.1 Under the terms and subject to the conditions of this Agreement, the Sellers agree to sell, assign and transfer to the Buyer (or such subsidiary or other affiliate of the Buyer as the Buyer may direct) an undivided 100% right, title and interest in and to the Claims and the Information (as defined below) and the Buyer agrees to purchase the Claims from the Sellers, free and clear of all Encumbrances and adverse interests and in accordance with the terms of this Agreement.
- 3.2 On Closing, the Buyer shall issue an aggregate of 600,000 Shares at deemed per share price of \$0.10 (the "**Payment Shares**") as consideration for the transfer of the Claims from the Sellers to the Buyer. The Buyer shall issue the Payment Shares as follows:
- (a) issuing 2060014 Ontario Inc. an aggregate of 300,000 Payment Shares; and
 - (b) issuing John C. Florek an aggregate of 300,000 Payment Shares.
- (b).3 The Sellers acknowledge that the issuance of the Shares is exempt from the registration and prospectus requirements of the *Securities Act* (British Columbia) and, consequently, the Shares will be subject to statutory resale restrictions in Canada, and the Sellers acknowledge that a legend will be endorsed on the certificate representing the Shares to the effect that the securities represented are subject to a hold period in Canada and may not be traded until the expiry of the hold period, except as permitted by applicable securities laws.
- (b).4 As additional consideration for the Sellers entering into this Agreement, the Buyer acknowledges that its interest in the Claims shall be subject to two royalties each in the amount of 1% (each a "**NSR Royalty**") of Net Smelter Returns (as defined in Schedule "B") payable to the applicable Seller, on the terms set out in Schedule "B". For greater certainty, each of the Sellers shall independently have a NSR Royalty. The Buyer shall have the right, exercisable at its sole discretion at any time, to purchase up to 0.75% of each of the NSR Royalties from each Seller free and clear of all liens, charges and Encumbrances for an aggregate purchase price for an aggregate of 1.5% of Net Smelter Returns for \$1,500,000 payable in cash. This right shall allow the Buyer to reduce each of the NSR Royalties by



intervals of 0.25% of the Net Smelter Returns for a payment of \$250,000 to the applicable Seller.

- (b).5 The Sellers, jointly and severally, and the Buyer each represent and warrant to the other that no finders' fee or other similar compensation is payable to any party in connection with this Agreement.

4. CONDITIONS OF CLOSING

4.1 The obligation of the Buyer to complete the purchase of the Claims contemplated by this Agreement is subject to the fulfillment of each of the following conditions:

- (a) the representations and warranties of the Sellers contained in this Agreement shall be true on and as of the Closing Date with the same effect as though such representations and warranties had been made as of the Closing Date;
- (b) all documents and registrations necessary or, in the view of counsel to the Buyer, appropriate, to complete the transfer of legal and beneficial ownership in and to the Claims shall have been delivered at or prior to the Closing;
- (c) all of the covenants and agreements of the Sellers to be performed on or before the Closing Date pursuant to this Agreement shall have been duly performed;
- (d) the Buyer shall have received a certificate signed by each of the Sellers to the effect that the matters represented and warranted by the Sellers herein are true and correct as of the Closing with the same force and effect as if made at the Closing; and
- (e) the Buyer shall be satisfied that title to the Claims is recorded in the name of the Buyer.

The Buyer will exercise its commercially reasonable efforts to complete all requirements to close the transaction outlined in this Agreement. In the event that any of the foregoing conditions are not performed or fulfilled at or before the 60th day from the date of this Agreement or such other date as determined in the sole discretion of the Buyer, the Buyer may terminate this Agreement, in which event the Buyer will be released from all obligations under this Agreement, and the Sellers will also be so released unless the Sellers were reasonably capable of causing such condition or conditions to be fulfilled or unless the Sellers have breached any of their covenants or obligations in or under this Agreement. The foregoing conditions are for the benefit of the Buyer only and accordingly the Buyer will be entitled to waive compliance with any such conditions if it sees fit to do so, without prejudice to its rights and remedies at law and in equity and also without prejudice to any of its rights of termination in the event of non-performance of any other conditions in whole or in part.

- (e).2 The obligation of the Sellers to complete the purchase of the Claims contemplated by this Agreement is subject to the fulfillment of each of the following conditions:



- (a) the representations and warranties of the Buyer contained in this Agreement shall be true on and as of the Closing Date with the same effect as though such representations and warranties had been made as of the Closing Date;
- (b) all of the covenants and agreements of the Buyer to be performed on or before the Closing Date pursuant to this Agreement shall have been duly performed; and
- (c) the Sellers shall have received a certificate signed by the Buyer to the effect that the matters represented and warranted by the Buyer herein are true and correct as of the Closing with the same force and effect as if made at the Closing.

The Sellers will exercise their commercially reasonable efforts to complete all requirements to close the transaction outlined in this Agreement. In the event that any of the foregoing conditions are not performed or fulfilled at or before the 60th day from the date of this Agreement or such other date as determined by mutual agreement between the Buyer and the Seller, the Sellers may terminate this Agreement, in which event the Sellers will be released from all obligations under this Agreement, and the Buyer will also be so released unless the Buyer was reasonably capable of causing such condition or conditions to be fulfilled or unless the Buyer has breached any of its covenants or obligations in or under this Agreement. The foregoing conditions are for the benefit of the Sellers only and accordingly the Sellers will be entitled to waive compliance with any such conditions if they see fit to do so, without prejudice to their rights and remedies at law and in equity and also without prejudice to any of his rights of termination in the event of non-performance of any other conditions in whole or in part.

5. RIGHT OF ENTRY

- 5.1 The Sellers confirm, acknowledge and agree that, prior to the Closing, the Buyer, its employees, agents and independent contractors, will have the sole and exclusive right and option to:
- (a) enter upon the Claims;
 - (b) have exclusive and quiet possession thereof;
 - (c) do such prospecting, exploration, development or other mining work thereon and thereunder as the Buyer in its sole discretion may consider advisable;
 - (d) bring and erect upon the Claims such facilities as the Buyer may consider advisable; and
 - (e) remove from the Claims and dispose of, for its own account, ore or mineral products for the purpose of bulk sampling, pilot plant or test operations.

6. COVENANTS OF THE SELLERS

- 6.1 The Sellers confirm, acknowledge and agree that, prior to the Closing, the Sellers will:
- (a) not do any act or thing which would or might in any way adversely affect the rights of the Buyer to purchase the Claims;
 - (b) make all payments or annual filing fees (the “**Claim Fees**”) to ensure the Claims remain in good standing through the currency of this Agreement and the Buyer will reimburse the Sellers for any Claim Fees paid from the date hereof until the Closing or the termination date of this Agreement;
 - (c) make available to the Buyer and its representatives all records and files in the possession of the Buyer relating to the Claims, and permit the Buyer and its representatives at its own expense to take abstracts therefrom and make copies thereof; and
 - (d) promptly provide the Buyer with any and all notices and correspondence from government agencies in respect of the Claims.

7. CLOSING

- 7.1 The Closing shall take place at the offices of DuMoulin Black LLP, 10th Floor, 595 Howe Street, on the Closing Date or such other place as the parties may agree.
- 7.2 At the Closing, the Sellers shall deliver the following to the Buyer:
- (a) the certificate referred to in Section 4.1(d);
 - (b) all copies of the Information in the possession or control of the Sellers; and
 - (c) any deeds, bills of sale, conveyances, transfers, assignments, instruments and other documents which are necessary to assign, quit claims, sell and transfer the Claims and Information to the Buyer in such form and content as the Buyer may reasonably require.
- (c).3 At the Closing, the Buyer will deliver to the Sellers:
- (a) a certified copy of resolutions of the directors of the Buyer approving the entering into of this Agreement and the allotment, issue, sale and delivery of the Payment Shares as contemplated by this Agreement;
 - (b) the certificate referred to in Section 4.2(c); and



- (c) a certificates representing the Payment Shares registered in the name of the applicable Seller in accordance with Section 3.2.
- (c).4 It shall be a condition of the Closing that all matters of execution and delivery of documents by each party to the other pursuant to the terms hereof shall be concurrent requirements and that nothing shall be complete at the Closing until everything required as to be executed and delivered at the Closing has been executed and delivered.

8. ABANDONMENT

If at any time within three years after Closing the Buyer wishes to permanently abandon any of the Claims ("**Abandonment Claims**"), the Buyer shall first give notice of such intention to John C. Florek at least thirty calendar days in advance of the proposed date of abandonment. If the Buyer receives from John C. Florek written notice no later than ten calendar days before the proposed date of abandonment that John C. Florek wishes to acquire the Abandonment Claims, the Buyer shall transfer to John C. Florek or an assignee thereof the Abandonment Claims on an "as is" basis for nominal consideration. For greater certainty, John C. Florek's rights in respect of the Abandonment Claims described herein shall terminate upon the sale of any or all of the Claims to a bona fide third party.

If John C. Florek does not give such notice to the Buyer on or before the date that is ten calendar days before the proposed date of abandonment, the Buyer may abandon the Abandonment Claims.

9. INDEMNITIES

- 9.1 The Sellers agrees from and after the Closing Date to, jointly and severally, indemnify and save harmless the Buyer from and against any and all claims, judgments, liabilities, loss, cost, expense or damage, of any kind or nature whatsoever (including reasonable legal costs on a solicitor and his own client basis), that the Buyer suffers or incurs as a result of:
 - (a) any misrepresentation or breach of any representation or warranty made or given by the Sellers in this Agreement;
 - (b) any failure by the Sellers to observe or perform any covenant or obligation to be performed by the Sellers contained in this Agreement; and
 - (c) third party claims that relate to the Claims and that arise from or relate to acts, omissions, events or circumstances, including but not limited to claims for breach of Environmental Laws, occurring on or before the Closing Date.
- (c).2 The Buyer agrees from and after the Closing Date to indemnify and save harmless the Sellers from and against any and all claims, judgments, liabilities, loss, cost, expense or damage, of any kind or nature whatsoever (including reasonable legal costs on a solicitor and his own client basis), that are suffered or incurred by the Sellers as a result of:



- (a) any misrepresentation or breach of any representation or warranty made or given by the Buyer in this Agreement;
- (b) any failure by the Buyer to observe or perform any covenant or obligation to be performed by the Buyer contained in this Agreement; and
- (c) third party claims that relate to the Claims and that arise from or relate to acts, omissions, events or circumstances, including claims for breach of Environmental Laws, occurring after the Closing Date.

10. CONFIDENTIAL NATURE OF INFORMATION

10.1 The parties agree that all information (the “**Information**”) obtained from the work carried out on the Claims including work under this Agreement will be the exclusive property of the Buyer and will not be used or disclosed by the Sellers. Upon the Closing, the Sellers shall deliver to the Buyer all copies of the Information in the Sellers’ possession or control.

11. FURTHER ASSURANCES

11.1 The parties hereto agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.

12. NOTICE

12.1 Any notice, direction or other communication required or permitted to be given under this Agreement will be in writing and will be given by personal delivery or by prepaid registered or certified mail or by facsimile or other form of telecommunication, in each case addressed as follows:

(a) if to the Buyer:

10545 – 45 Avenue NW
250 Southridge, Suite 300
Edmonton, AB, T6H 4M9
Attention: Alex Horsley

Email: [REDACTED]

NTD: E-mail redacted as private personal confidential information.

With a copy to : Sean Mager

Email: [REDACTED]

NTD: E-mail redacted as private personal confidential information.

(b) if to the Seller:

[REDACTED]
[REDACTED]

NTD: Address redacted as private personal confidential information.



Marathon, ON P0T 2E0

Attention: John Florek

Email: [REDACTED] NTD: E-mail redacted as private personal confidential information.

With a copy to : []

Email : []

- (b).2 Any notice, direction or other communication aforesaid will, if delivered, be deemed to have been given and received on the day it was delivered, and if mailed, be deemed to have been given and received on the third business day following the day of mailing, except in the event of disruption of the postal services in which event notice will be deemed to be received only when actually received, and if sent by facsimile or other form of telecommunication, will be deemed to have been given or received on the next business day following the date on which it was so sent.
- (b).3 Any party may at any time give to the other notice in writing of any change of address of the party giving such notice and from and after the giving of such notice, the address or addresses therein specified will be deemed to be the address of such party for the purpose of giving notice hereunder.

13. HEADINGS

- 13.1 The headings to the respective sections herein will not be deemed part of this Agreement but will be regarded as having been used for convenience only.

14. PAYMENT

- 14.1 All references to monies hereunder will be in Canadian funds except where otherwise designated.

15. ENUREMENT

- 15.1 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

16. APPLICABLE LAW

- 16.1 The terms and provisions of this Agreement will be interpreted in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.



17. FORCE MAJEURE

- 17.1 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 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 and or resources or transportation (each an “**Intervening Event**”).
- 17.2 All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event described in Section 17.1.
- 17.3 A party relying on the provisions of Section 17.1 will 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.

18. ENTIRE AGREEMENT

- 18.1 This Agreement constitutes the entire agreement between the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether verbal or written, express or implied, statutory or otherwise between the parties with respect to the subject matter herein.

19. TIME OF ESSENCE

- 19.1 Time will be of the essence in this Agreement.

20. ARBITRATION

- 20.1 Disputes between the parties arising out of or in connection with this Agreement or its interpretation will be settled in accordance with this Section 20 and will be settled in the first instance available. If amicable settlement cannot be reached within 30 days following written notice by one party to the other party of the existence of any such dispute, the matter will be submitted to binding arbitration in accordance with the provisions of this Section 20.
- 20.2 Following the expiry of the 30 day notice period, any party may refer any matter to arbitration by written notice to the others and, within 10 days after receipt of such notice, the parties will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act.



- 20.3 If the parties cannot agree on a single arbitrator as provided in Section 20.2 either party may submit the matter to arbitration (before a single arbitrator) in accordance with the *Commercial Arbitration Act* (British Columbia) (the "**Act**").
- 20.4 Except as specifically provided in this Section 20, an arbitration hereunder will be conducted in accordance with the Act. The arbitrator will fix a time and place in Vancouver, British Columbia for the purpose of hearing the evidence and representations of the parties and he will preside over the arbitration and determine all questions of procedure not provided for under such Act or this Section 20. After hearing any evidence and representations that the parties may submit, the arbitrator will make an award and reduce the same to writing and deliver one copy thereof to each of the parties. The decision of the arbitrator will be made within 45 days after his appointment, subject to any reasonable delay due to unforeseen circumstances. The expense of the arbitration will be paid as specified in the award. The parties agree that the award of the single arbitrator will be final and binding upon each of them and will not be subject to appeal.

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IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

s/ "*John Florek*"

JOHN C. FLOREK

2060014 ONTARIO INC.

s/ "*Steven Andersen*"

Per: _____
Steven Dean Andersen

EMPEROR METALS INC.

s/ "*Alex Horsley*"

Per: _____
Nigel Alexander Horsley

Schedule A

Hemlo North:

Project	Twshp	Claim Type	Claim Group Number	Units	Hectares	Cost/Unit	Annual Fee	Month (Due Date)	Year	NTS	Extension Date Granted
Hemlo North	Wabikoba Lake Area	Boundary	108373	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	306814	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	306813	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	246970	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	239489	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	202860	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	202958	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	202957	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	160807	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Boundary	172886	1	16	\$200	\$200	23 Aug	2020	Yes	Anniversary Date Dec 23, 2020
	Wabikoba Lake Area	Single	190806	1	16	\$400	\$400	Dec 23	2020	Challenging	lost Steven Dean Andersen
	Wabikoba Lake Area	Single	202059	1	16	\$400	\$400	Dec 23	2020	Challenging	lost

**Schedule B
NSR Royalty**

1. The term "Net Smelter Returns" shall, subject to paragraphs 2, 3, 4, 5 and 6 below, mean gross revenues received from the sale by the Buyer of Mineral Products, after deduction of the following:
 - (a) all smelting and refining costs, sampling, assaying, umpire assaying and treatment charges and penalties including without limitation mineral losses, penalties for impurities and charges for refining, selling and handling by the mint, smelter, refinery or other purchaser (including price participation charges by mints, smelters, refiners and/or other purchasers);
 - (b) all costs of handling, transporting, securing and insuring such material from the Claims or from a concentrator, whether situated on or off the Claims, to a mint, smelter, refinery or other place of treatment, and security costs;
 - (c) all ad valorem taxes and taxes based upon sales or production, but not income taxes;
 - (d) all marketing costs, including sales commissions, incurred in selling Mineral Products; and
 - (e) related insurance on such Mineral Products.
2. Where revenue otherwise to be included in Net Smelter Returns is received by the Buyer 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.
3. Where a cost otherwise deductible from Net Smelter Returns is incurred by the Buyer 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.
4. For the purposes of determining Net Smelter Returns, all receipts and disbursements in a currency other than Canadian shall be converted into Canadian currency on the day of receipt or disbursement, as the case may be, and all other disbursements in a currency other than Canadian shall be converted into Canadian currency at the average rate for the month of disbursement determined using the Bank of Canada noon rates.
5. The Buyer and the Seller hereby expressly agree that in no event shall the Buyer have any liability to the Seller as the result of the amount of revenues received by the Buyer from any forward sales or other hedging activities engaged in and by the Buyer with respect to Mineral Products. In addition, the Buyer and the Seller agree that the Buyer shall have no obligation, express or implied, to engage in (or not engage in) any forward sales or other hedging activities with respect to Mineral Products. For greater certainty, the Seller will be paid for the amount of Mineral Product actually produced from the Claims calculated according to the terms and conditions herein regardless of the hedging practices of the Buyer.



6. If the Claims or any of them are brought into commercial production, they may be operated as a single operation with other mining properties owned by third parties or in which the Buyer has an interest, in which event the parties agree that (notwithstanding separate ownership thereof) ores mined from the mining properties (including the Claims) 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 costs described in paragraphs 1(a) to 1(d) above incurred relating to the 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 mineral 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 Buyer shall ensure that reasonable practices and procedures are adopted and employed for weighing, determining moisture content, sampling and assaying and determining recovery factors.
7. Payments of the NSR Royalty shall be made within 60 days after the end of each calendar quarter in which Net Smelter Returns, as determined on the basis of final adjusted invoices, are received by the Buyer. All such payments shall be made in Canadian dollars.
8. After the year in which operation of any of the Claims is commenced, the Seller shall be provided within 120 days after the end of each year in which Mineral Products are sold, with a copy of the calculation of Net Smelter Returns, determined in accordance herewith, for such year. The Seller shall have the right within six months after the end of a year, upon serving 30 days' notice to the Buyer, to conduct one independent audit for such year, at its sole cost, and the Buyer will provide such materials and information as reasonably necessary to allow the audit to be performed.
9. Nothing in this Agreement shall in any way limit or fetter the Buyer's rights as the owner of the Claims or any interest therein or related thereto. Without limiting the generality of the foregoing, the Buyer shall be entitled to:
 - (i) make all operational decisions with respect to the methods and extent of mining and processing of Mineral Products (for example, without limitation, the decision to process by a particular method);
 - (ii) freely mortgage, charge, encumber or transfer the Claims or any of them;
 - (iii) make all decisions relating to sales of Mineral Products; and
 - (iv) make all decisions concerning temporary or long-term cessation of operations.
10. In the event the Seller receives a bona fide offer to purchase (the "**Bona Fide Offer**") all of the Seller's interest in and to the NSR Royalty, the Seller may not sell, assign, transfer, convey, or otherwise dispose of its rights and interests in and to the NSR Royalty unless it first gives the Buyer 30 days' written notice (the "**ROFR Notice**") of the price and terms set forth in the Bona Fide Offer pursuant to which the Seller would sell such rights and interests. The Buyer may, by



notice to the Seller within the 30-day period, elect to acquire such rights and interests at the price and on the terms set forth in the Bona Fide Offer (the "**ROFR**"). In the event the Buyer does not elect in writing within the said 30-day period to acquire such rights and interests, the Seller may transfer the whole of such rights and interests to the party making the Bona Fide Offer on the terms set forth in the Bona Fide Offer, and the recipient of such transfer by the Seller shall be subject to all terms of this Agreement. If the Seller fails to consummate the transfer within 30 days after the Buyer's failure to elect to acquire the Seller's rights and interests, the ROFR of the Buyer will be revived and any subsequent Bona Fide Offer to purchase the Seller's rights and interests in or with respect to the NSR Royalty is again subject to the provisions of this Section 10.

11. The NSR Royalty is inclusive of all other royalties burdening the Claims of whatever kind or nature existing as of the Closing Date.

A handwritten signature in blue ink, consisting of a stylized, cursive script.