

MINERAL PROPERTY OPTION AGREEMENT

This mineral property option agreement (the "**Agreement**") is dated for reference August 6, 2020

BETWEEN:

TRACTION EXPLORATION INC., a company incorporated under the laws of British Columbia and having its registered office at 905 West Pender Street, 6th Floor, Vancouver, British Columbia V6C 1L6

("Optionee")

AND:

AFZAAL AHMED PIRZADA, an individual with an address at [redacted]

("Optionor" and, together with the Optionee, the "**Parties**")

WHEREAS:

- A. the Optionor is the registered holder of the claims comprising the Property, as hereafter defined, and beneficially entitled to a 100% interest in the Property; and
- B. the Optionor has agreed to grant the Optionee the sole and exclusive right and option to acquire a 100% interest in the Property, subject to and in accordance with the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained, the Parties mutually agree as follows:

SECTION 1. - INTERPRETATION.

- 1.1 **Definitions.** In this Agreement terms and expressions given a defined meaning in any Schedule will have the corresponding meaning in this Agreement and:
- (a) "**Agreement**" means this Agreement, including the recitals and the Schedules, all as amended, from time to time;
 - (b) "**Applicable Law**" means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, regulatory policy or guideline, by-law (zoning or otherwise), order, decree or proclamation, or any consent, exemption, approval or license, of any Governmental Authority, that applies, in whole or in part, to the Parties or the Property, or that applies to the acquisition, maintenance or exploration of mineral tenures and the land subject

thereto, or to the exploitation, extraction, processing, transportation, sale or export of Mineral Products;

- (c) **“Commercial Production”** means the commercial exploitation of Mineral Products from the Property or any part thereof as a mine but does not include milling for the purposes of testing or milling by a pilot plant;
- (d) **“Earn-in Period”** means the period commencing on the Effective Date and ending on the date that is the earlier of:
 - (i) the date the Option is exercised by the Optionee, and
 - (ii) the date this Agreement is terminated in accordance with its terms;
- (e) **“Effective Date”** means the date on which this Agreement is signed by the last Party;
- (f) **“Encumbrance”** means any mortgage, charge, deed of trust, security interest, pledge, lien, hypothecation, assignment, title retention arrangement, restrictive covenant, condition, royalty or other burden of any nature whether imposed by contract or operation of law;
- (g) **“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;
- (h) **“Environmental Laws”** means any Applicable Law with respect to 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, and the reclamation or restoration of land;
- (i) **“Expenditures”** includes all direct or indirect expenses (net of government incentives) of or incidental to Mining Operations;
- (j) **“Facilities”** means all mines, plants and facilities, including without limitation, all pits, shafts, haulage ways, and other underground workings, and all buildings, plants, facilities and other structures, fixtures and improvements, and all other property, whether fixed or moveable, as the

same may exist at any time, in or on the Property and relating to the operation of the Property as a mine, or outside the Property if for the exclusive benefit of the Property only;

- (k) **“Governmental Authority”** means any domestic or foreign government, whether federal, provincial, state or municipal, and any branch, department or ministry thereof, or any governmental agency, governmental authority, governmental tribunal, board or commission of any kind whatever;
- (l) **“Mineral Products”** means minerals derived from operating the Property as a mine to which has been applied the least number of treatments or processes necessary to render the minerals into a substance or state for which there is a commercially significant market involving arm’s length sales or purchases between unrelated parties;
- (m) **“Mining Operations”** includes:
 - (i) every kind of work done on or with respect to the Property or the Mineral Products by or under the direction of the Optionee; and
 - (ii) without limiting the generality of the foregoing, includes 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 of mineral claims, access or surface rights, exploration, development, preparation of a feasibility study, mining work, installation, erection, or construction, and operation of Facilities, milling, concentration, bonification of ores and concentrates, as well as the separation and extraction of Mineral Products, and reclamation or remediation relating to the exploration and mining for and of Mineral Products;
- (n) **“NSR Royalty”** means the 3.0% net smelter returns royalty to be granted by the Optionee to the Optionor in respect of the Property pursuant to this Agreement, subject to the terms and conditions set forth in Schedule B;
- (o) **“Operator”** means the Party responsible for carrying out, or causing to be carried out, all exploration and mining operations during the Earn-in Period;
- (p) **“Option”** means the option granted to the Optionee by the Optionor in accordance with Section 3.1;
- (q) **“Party”** and **“Parties”** means the parties to this Agreement, being the Optionee and the Optionor;
- (r) **“Person”** means an individual, corporation, partnership, body corporate, trust, joint venture or any other form of enterprise or legal entity or Governmental Authority;

- (s) **“Program”** means a written description, prepared by the Optionee, outlining the Mining Operations proposed to be conducted on the Property and the estimated Expenditures to be incurred in carrying out the Mining Operations under the Program;
- (t) **“Property”** means the Whitewater Gold Property located in British Columbia and consisting of the three claims described in Schedule “A” hereto, together with all substitute or successor titles.
- 1.2 **Extended Meanings.** Unless otherwise specified, words importing the singular include the plural and vice versa. The term “including” means “including, without limitation.”
- 1.3 **Headings.** The division of this Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.
- 1.4 **Severability.** If any provision of this Agreement is held to be unenforceable, then that provision is to be construed either by modifying it to the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not). If an unenforceable provision is modified or disregarded in accordance with this Section 1.4, the rest of the Agreement is to remain in effect as written, and the unenforceable provision is to remain as written in any circumstances other than those in which the provision is held to be unenforceable.
- 1.5 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior arrangements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or oral.
- 1.6 **Time.** For every provision in this Agreement, time is of the essence.
- 1.7 **Governing Law.** This Agreement is governed by and will be construed and interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia.
- 1.8 **Currency.** All dollar amounts referred to herein are expressed in Canadian dollars unless otherwise indicated.
- 1.9 **Statutory References.** Each reference to a statute in this Agreement includes the regulations made under that statute, as amended or re-enacted from time to time.
- 1.10 **Schedules.** The following Schedules are attached to and form part of this Agreement:

| <u>Schedule</u> | <u>Description</u> |
|-----------------|----------------------------------|
| Schedule “A” | Description of the Property |
| Schedule “B” | NSR Royalty Terms and Conditions |

SECTION 2. – REPRESENTATIONS AND WARRANTIES.

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

- (a) he is of the full age of majority and has the legal capacity and competence to enter into and perform his obligations under this Agreement;
- (b) the entering into this Agreement and the consummation of the transactions contemplated hereby does not conflict with any Applicable Laws nor does it conflict with, or result in a breach of or accelerate the performance required by any other contract or other commitment to which he is party or by which he is bound;
- (c) this Agreement has been duly executed and delivered by him and constitutes a legal, valid and binding obligation on him, enforceable 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;
- (d) the claims comprising the Property are accurately described in Schedule "A", and those claims were properly located and acquired on Mineral Titles Online in the name of the Optionor, are in good standing and confer upon the Optionor exclusive prospecting rights to the Property;
- (e) all applicable governmental fees required to hold the Property have been paid;
- (f) all evidence of payment of applicable governmental fees, and other filings required to maintain the Property in good standing have been properly and timely recorded or filed with appropriate Governmental Authority;
- (g) no Person has any right, agreement, option, understanding, commitment or privilege capable of becoming an agreement to acquire or purchase the Property or any interest in or portion thereof and the Optionor has the exclusive right to receive 100% of the proceeds from the sale of Mineral Products removed from the Property and, no Person is entitled to any royalty or other payment in the nature of rent or royalty on Mineral Products removed from the Property or is entitled to take Mineral Products from the Property in kind, other than mineral taxes payable to the British Columbia government pursuant to statute;
- (h) the Optionor has a 100% registered and beneficial interest in the Property and the Optionor is in exclusive possession of the Property and has the exclusive right to explore and the Property and the Optionor holds all permits, licenses, registrations and applications required to hold the Property;
- (i) the Property is free and clear of all Encumbrances, and defects in title and third-party interests and is not subject to any claims against its validity by any Person;

- (j) during the period that the Optionor has been the beneficial owner of the claims comprising the Property, the Property has been operated substantially in accordance with all Applicable and Environmental Laws and, to the knowledge of the Optionor 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;
- (k) the Optionor has 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 Property or any operations carried out on the Property;
- (l) there are no pending or threatened actions, suits, claims or proceedings regarding the Optionor or the Property nor, to the best of its knowledge (after due inquiry), and there are no outstanding notices, orders, assessments, directives, rulings or other documents issued in respect of the Property by any Governmental Authority;
- (m) all previous work done by the Optionor or any affiliates and any parties authorized by the Optionor or any affiliate has been in accordance with Applicable Laws and Environmental Laws and sound mining, environmental and business practices;
- (n) all filings, payments and recordings required to be made with any Governmental Authority to maintain the Property in good standing have been made and all work requirements to be met to maintain the Property in good standing have been met and, to the best of the Optionor's knowledge, no default has been alleged in respect thereto;
- (o) to the best of the Optionor's knowledge, no reclamation, rehabilitation, restoration or abandonment obligations exist with respect to the Property; and
- (p) the Optionor has delivered to the Optionee all information concerning title to the Property in its possession or control.

2.2 The Optionee hereby represents and warrants to the Optionor that:

- (a) it is a company duly incorporated and organised and validly existing under the *Business Corporations Act* (British Columbia);
- (b) it has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) it is qualified to carry on business in British Columbia and to conduct mineral exploration activities in the Province of British Columbia;
- (d) the entering into this Agreement and the consummation of the transactions contemplated hereby does not conflict with any Applicable Laws or with its constating documents nor does

it conflict with, or result in a breach of or accelerate the performance required by any other contract or other commitment to which it is party or by which it is bound;

- (e) this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding obligation on it, enforceable 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; and
- (f) there are no consents or approvals to its performance under this Agreement which have not been obtained.

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

SECTION 3. - OPTION.

3.1 The Optionor hereby grants to the Optionee the sole and exclusive right and Option to acquire a 100% interest in the Property free and clear of any Encumbrance for and in consideration of the Optionee agreeing to incur at least \$515,000 in Expenditures and pay \$80,000 in cash, all in accordance with the terms of this Agreement.

3.2 Subject to Section 3.7, in order to maintain the Option in good standing and to earn a 100% interest in the Property, the Optionee must:

- (a) within three months of the Effective Date, incur minimum Expenditures of \$75,000;
- (b) on or before the first anniversary of the date upon which the Optionee's shares are listed for trading on any stock exchange in Canada (the "**Listing Date**"), incur minimum Expenditures of \$110,000;
- (c) on or before the second anniversary of the Listing Date:
 - (i) pay to the Optionor \$30,000; and
 - (ii) incur minimum additional Expenditures of \$130,000; and
- (d) on or before the third anniversary of the Listing Date:
 - (i) pay to the Optionor \$50,000; and
 - (ii) incur minimum additional Expenditures \$200,000.

3.3 Any excess in Expenditures incurred in any period in Section 3.2 may be carried forward against Expenditures due to be incurred in the next period in Section 3.2. the Optionee may accelerate the cash and Expenditure obligations set out herein in order to acquire an interest in the Property in a shorter period of time than as set out herein and may at any time accelerate the exercise of the Option by paying to the Optionor an amount of funds equal to the remaining amount of Expenditures and cash to exercise the Option at the time of such payment.

3.4 A notice to the Optionor accompanied by:

- (a) a certificate of a senior officer of the Optionee certifying that the amount of Expenditures for a period specified in subsection 3.2 has been incurred; and
- (b) a reasonably itemized statement of the Expenditures,

will be conclusive evidence of the making thereof unless the Optionor delivers to the Optionee a notice reasonably questioning the accuracy of such statement within thirty (30) days of the receipt by the Optionor thereof. The certificate, notice and itemized statement of Expenditures will be delivered to the Optionor by the Optionee not later than sixty (60) days from the expiration of each period set out in Section 3.2. Upon delivery by the Optionor of a notice reasonably questioning the accuracy of any such certificate, the matter will be referred to the auditor of the Optionee (or, if the Optionee then has no auditor, to the auditor of the Optionor or an auditor mutually agreeable to the Parties) for final determination. If such auditor determines that the Optionee has not spent the required Expenditures within the particular time specified in Section 3.2, the Optionee will not lose any of its rights hereunder and the Option will not terminate if the Optionee pays to the Optionor, within thirty (30) days of receipt of the auditor's determination, 100% of the deficiency in such Expenditures (all of which, if paid in a timely manner, will be deemed to be Expenditures). The costs of such audit will be for the account of the Optionor unless such auditor determines that the Optionee has not spent the required Expenditures, in which case the costs of the audit will be for the account of the Optionee.

3.5 Upon the Optionee incurring the Expenditures and making the payments pursuant to Section 3.2, the Optionee will be deemed to have exercised the Option and will be entitled to a 100% interest in the Property, free and clear of any Encumbrances, subject to the rights of the Optionor to receive the NSR Royalty.

3.6 The Option is an option only and except as specifically provided otherwise, nothing herein contained will be construed as obligating the Optionee to do any acts, incur any Expenditures, or make any payments hereunder except as otherwise set forth, and any act or acts, the incurring of any Expenditures, and the making of any payment or payments as may be made hereunder will not be construed as obligating the Optionee to do any further act or incur any additional Expenditures or make any further payment or payments.

3.7 If the Optionee fails to incur any of the Expenditures listed in Section 3.2 by the end of the last day on which the same was due to be incurred by reason of Section 3.2, the Optionee may, at any time within thirty (30) days of that day, make a cash payment to the Optionor in an amount equal to the

deficiency in the Expenditures. Any cash payment so made will be deemed to have been Expenditures duly and properly incurred in an amount equal to the cash payment.

3.8 Until the Option is exercised, the Optionee shall provide the Optionor with the Expenditures reports that qualify for assessment credits in British Columbia in a form adequate for the Optionor to be able to file a statement of work for the annual claim maintenance. The Optionee will prepare the appropriate assessment reports and cooperate with the Optionor to ensure that they are filed in a timely manner.

3.9 The Optionee shall be the Operator of the Property during the Earn-in Period.

SECTION 4. - COVENANTS OF OPTIONOR.

4.1 During the Earn-in Period, the Optionor shall:

- (a) not do any other act or thing which would or might in any way adversely affect the rights of the Optionee hereunder;
- (b) make available to the Optionee and its representatives all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Property in the Optionor's possession or control, including soil samples, and all records and files relating to the Property and permit the Optionee and its representatives at their own expense to take abstracts therefrom and make copies thereof;
- (c) promptly provide the Optionee with any and all notices and correspondence from Government Authorities in respect of the Property;
- (d) cooperate fully with the Optionee in obtaining any surface and other rights on or related to the Property as the Optionee deems desirable;
- (e) grant to the Optionee, its employees, agents and independent contractors, the sole and exclusive right and option to:
 - (i) enter upon the Property;
 - (ii) have exclusive and quiet possession thereof;
 - (iii) do such prospecting, exploration, development or other mining work thereon and thereunder as the Optionee in its sole discretion may consider advisable;
 - (iv) bring and erect upon the Property such equipment and facilities as the Optionee may consider advisable; and
 - (v) remove from the Property and dispose of material for the purpose of testing;

- (f) to the extent possible under Applicable Law, record or otherwise give notice of this Agreement as necessary to protect the rights of the Optionee hereunder from third parties;
- (g) execute and deliver to the Optionee such powers of attorney, consents and authorizations as are, in the opinion of the Optionee, necessary or desirable to permit the Optionee to carry out activities on or with respect to the Property as contemplated hereunder; and
- (h) except to the extent agreed to be done by the Optionee, hereunder, comply with all requirements and obligations of the Property and not take any action which may adversely affect the interest of the Optionee in the Property.

SECTION 5. - COVENANTS OF OPTIONEE.

5.1 During the Earn-in Period the Optionee shall:

- (a) keep the Property free and clear of all Encumbrances arising from its operations hereunder (other than those in effect on the Effective Date and except liens for taxes not yet due, other inchoate liens or liens contested in good faith by the Optionee) and proceed with all diligence to contest or discharge any Encumbrance that is filed;
- (b) pay or cause to be paid all workers and wage earners employed by it or its contractors on the Property, and pay for all materials, services and supplies purchased or delivered in connection with its activities on or with respect to the Property;
- (c) permit the Optionor at his own risk and expense, access to the Property at all reasonable times and to all records and reports, if any, prepared by the Optionee in connection with work done on or with respect to the Property, and furnish the Optionor within sixty (60) days of the completion of a Program with a report with respect to the work carried out by the Optionee pursuant to such Program and material results obtained; and
- (d) conduct all work on or with respect to the Property in a careful and workmanlike manner and in compliance with all Applicable Laws, and indemnify and save the Optionor harmless from any and all claims, suits, demands, losses and expenses including, without limitation, with respect to environmental matters, made or brought against it as a result of work done or any act or thing done or omitted to be done by the Optionee on or with respect to the Property.

5.2 In the event of termination of the Option for any reason other than through the exercise thereof, this Agreement, including the Option, but excluding this Section 5.2 (which will continue in full force and effect for so long as is required to give full effect to the same) will be of no further force and effect except that the Optionee will:

- (a) leave the claims comprising the Property in good standing for a period of six (6) months from the effective date of termination;
- (b) leave the Property:
 - (i) free and clear of all Encumbrances arising from its operations hereunder,
 - (ii) in a safe and orderly condition, and
 - (iii) in a condition which is in compliance with all Applicable Laws with respect to reclamation and rehabilitation of all disturbances resulting from the Optionee's use and occupancy of the Property;
- (c) deliver to the Optionor, within 120 days of a written request therefor, a report on all work carried out by the Optionee on the Property (limited to factual matters only) together with copies of all sample location maps, drill hole assay logs, assay results and other technical data compiled by the Optionee with respect to the Property;
- (d) have the right (and, if requested by the Optionor within 120 days of the effective date of termination, the obligation) to remove from the Property all Facilities erected, installed or brought upon the Property by or at the instance of the Optionee, provided however that this right will expire six (6) months following termination; and
- (e) file a report written to British Columbia assessment report standards on such work carried out by the Optionee on the Property up to the date of termination which was not contained in a previously filed assessment report, as may be reasonably requested by the Optionor.

5.3 During the Earn-in Period, the Optionee shall provide a right of first refusal to the Optionor in respect of contracts to carry out Mining Operations under a Program, on condition that the Optionor is qualified to do the work involved in the Mining Operations and charges reasonable standard rates comparable to other professionals who have similar experience and qualifications and experience with properties and deposit types similar to the Property.

SECTION 6. NSR ROYALTY.

6.1 The transfer of the Property by the Optionor is subject to the Optionor retaining the NSR Royalty with respect to Mineral Products from the Property having the attributes set forth in the terms and conditions of the NSR Royalty attached as Schedule "B" hereto.

SECTION 7. – CONFIDENTIALITY.

7.1 All matters concerning the execution and contents of this Agreement, and the Property shall be treated as and kept confidential by the Parties and neither Party shall make any public release of any information concerning the Property without the prior written consent of the other Party, such consent not to be unreasonably withheld, except as required by Applicable Laws and the rules of any stock exchange on which a Party's shares are listed. Notwithstanding the foregoing, the Parties

are entitled to disclose confidential information to prospective investors or lenders, who shall be required by the disclosing Party to keep all such confidential information confidential.

SECTION 8. - DEFAULT

8.1 If any 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 thirty (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 the 30 day 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 limiting, electing to terminate this Agreement. For greater certainty, in the case of default of an obligation under Section 3.2 hereof, “reasonable steps” shall mean payment of the amounts that are in default within the 30-day period.

SECTION 9. TERMINATION

9.1 This Agreement shall terminate upon the occurrence of the earliest of:

- (a) a written agreement by the Parties to terminate;
- (b) the Optionee giving fifteen (15) days’ notice of termination to the Optionor, which it shall be at liberty to do at any time after the Effective Date, where termination will be effective upon the expiry of such notice period; and
- (c) the termination of the Option and this Agreement pursuant to Section 8.

9.2 In the event of termination under Section 9.1, this Agreement, will be of no further force and effect save and except for any obligations of a Party incurred prior to the effective date of termination.

SECTION 10. – GENERAL

10.1 The Optionee may assign all or part of its obligations under this Agreement to any third party (an “**Assignee**”) without consent of the Optionor (but upon notice) on condition that the Assignee agrees to execute an acknowledgement to be bound by the terms hereof insofar as the Optionor’s rights hereunder are concerned.

10.2 This Agreement enures to the benefit of and binds the Parties and their respective successors and permitted assigns.

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

- 10.4 No waiver of any term of this Agreement by a Party is binding unless the waiver is in writing and signed by the Party entitled to grant such waiver. No failure to exercise, and no delay in exercising, any right or remedy under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any term of this Agreement will be deemed to be a waiver of any subsequent breach of that term.
- 10.5 No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by each Party.
- 10.6 Any notice or other communication required or permitted to be given under this Agreement must be in writing and will be effectively given if delivered personally (including by courier service) or if sent by facsimile or sent by electronic mail addressed as follows:

If to the Optionor:

Afzaal Ahmed Pirzada
[redacted]

If to the Optionee:

Traction Exploration Inc.
[redacted]

Any notice or other communication given in accordance with this Section, if delivered personally as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery is received before 4:00 p.m. at the place of delivery; otherwise it will be deemed to be validly and effectively given on the next following Business Day. Any notice or communication which is transmitted by facsimile transmission or electronic mail as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such day is a Business Day and such transmission is received before 4:00 p.m. at the place of receipt; otherwise it will be deemed to have been validly and effectively given on the next following Business Day.

Any Party may at any time change its address for service from time to time by notice given in accordance with this Section 10.6.

- 10.7 This Agreement may be executed by facsimile or other electronic means and in any number of counterparts, all of which together will be deemed to constitute one and the same agreement.

[Signature Page Follows]

Intending to be legally bound, the Parties have duly executed this Agreement as of the Effective Date.

TRACTION EXPLORATION INC.

/s/ Michael Malana

Per: Michael Malana

/s/ Afzaal Ahmed Pirzada

AFZAAL AHMED PIRZADA

SCHEDULE "A" – DESCRIPTION OF THE PROPERTY

| Name | Claim # | Holder | Hectares | Claimed | Expiry Date |
|-----------------|---------|-------------------------|----------|---------------|---------------|
| WHITEWATER GOLD | 1075878 | Afzaal Pirzada Ahmed | 248.83 | 2020/April/24 | 2021/April/24 |
| WHITEWATER 2 | 1076510 | Afzaal Pirzada Ahmed | 475.91 | 2020/May/30 | 2021/May/30 |
| WHITEWATER 3 | 1076559 | Afzaal Pirzada Ahmed | 311.14 | 2020/June/02 | 2021/June/02 |

SCHEDULE "B"
NSR ROYALTY
Terms and Conditions

The NSR Royalty will be calculated and paid as follows:

1. Definitions.

In this Schedule, terms that are defined in the Mineral Property Option Agreement to which this Schedule B is attached and not otherwise defined herein have the meanings so defined. In this Schedule, the following terms have the following meanings:

- (a) **"Owner"** means the owner or owners of the Property.
- (b) **"Payee"** means the person to whom the NSR Royalty is payable.
- (c) **"Net Smelter Returns"** means the amount paid or credited by a smelter or other buyer in respect of the sale of ore, ore concentrates, minerals excluding diamonds and metals from the Property after deduction of the sum of:
 - (i) smelter and/or refining charges;
 - (ii) government imposed production and value-added taxes (excluding taxes on income);
 - (iii) ore treatment charges, penalties and any and all charges made by the purchaser of ore or concentrates; and
 - (iv) all insurance costs which may be incurred in connection with the transportation of ore or concentrates.

2. Payment.

Payment will be made quarterly within 45 days after the end of each fiscal quarter of the Property in which Net Smelter Returns are received and will be accompanied by unaudited financial statements pertaining to the operations carried out on the Property. Within 90 days after the end of each fiscal year of the Property, the records relating to the calculation of Net Smelter Returns for that year will be audited by the Owner's external independent auditor and any resulting adjustments in the payment of the NSR Royalty will be made forthwith. A copy of the auditor's report and accompanying financial information shall be delivered to the Payee within 30 days of the end of that 90-day period.

3. Audit.

Each annual audit will be final and not subject to adjustment unless the Payee delivers to the Owner written exceptions in reasonable detail within six months after the Payee receives the report. The Payee, or its representative duly authorized in writing, at its expense, will have the right to audit the books and records related to Net Smelter Returns to determine the accuracy of the auditor's report, but will not have access to any other books and records of the Owner. The audit will be conducted by an independent

chartered or certified public accountant of recognized standing. The Owner shall have the right to condition access to its books and records on execution of a written agreement by the auditor that all information will be held in confidence and used solely for purposes of audit and resolution of any disputes related to the auditor's report. A copy of the Payee's report will be delivered to the Owner upon completion, and any discrepancy between the amount actually paid and the amount which should have been paid according to the Payee's report will be paid forthwith, one party to the other. In the event that the discrepancy is to the detriment of the Payee and exceeds 5% of the amount actually paid by the Owner, then the Owner will pay the entire cost of the Payee's audit.