

**ASSET PURCHASE AGREEMENT**

**THIS AGREEMENT** is made this 18<sup>th</sup> day of May, 2022,

BETWEEN:

**PYRAMID PEAK MINING, LLC**,  
a New Mexico limited liability company,  
  
(hereinafter referred to as “**PPM**”),

- and -

**MASON RESOURCES (US) INC.**,  
a Nevada corporation,  
  
(hereinafter referred to as “**Mason**”),

- and -

**CIRRUS GOLD CORP.**,  
a British Columbia corporation,  
  
(hereinafter referred to as the “**Buyer**”),

- and -

**AMERICAN COPPER NMX, INC.**,  
a New Mexico corporation,  
  
(hereinafter referred to as the “**Buyer Subsidiary**”).

WHEREAS PPM owns, among other things, the PPM Purchased Assets (as defined below) and Mason owns, among other things, the Mason Purchased Assets (as defined below), in each case located in the State of New Mexico;

AND WHEREAS (a) PPM wishes to sell to the Buyer, and the Buyer wishes to purchase from PPM, all of PPM's right, title and interest in and to the PPM Purchased Assets, and (b) Mason wishes to sell to the Buyer, and the Buyer wishes to purchase from Mason, all of Mason's right, title and interest in and to the Mason Purchased Assets, in each case all on the terms and conditions set out in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and the mutual agreements in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties agree as follows:

**ARTICLE 1**  
**INTERPRETATION**

**1.1**            **Definitions**

In this Agreement the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

**“363 Order”** means the Order of the United States Bankruptcy Court for the District of Delaware, Case No. 15-11761 (MFW), in respect of Santa Fe Gold Corp., et al. dated February 5, 2016 approving the sale of certain assets, as more particularly set forth therein, and including the asset purchase agreement dated as of February 2016 attached thereto and all schedules, appendixes, exhibits and attachments thereto;

**“Acquired Permits”** means, collectively, the PPM Acquired Permits and the Mason Acquired Permits;

**“Affiliate”** means, (i) with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the Person specified and (ii) with respect to PPM, includes Waterton Precious Metals Fund II Cayman, LP. For purposes hereof, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, through ownership of voting securities or rights, by contract, as trustee, executor or otherwise;

**“Agreement”** means this asset purchase agreement and all attached Schedules and Exhibits;

**“Applicable Securities Laws”** means the securities legislation in (a) the United States, including the U.S. Securities Act, and (b) each of the Provinces of British Columbia, Alberta and Ontario, including all rules, regulations, published policy statements and blanket orders thereunder or issued by one or more of the Canadian Securities Regulatory Authorities;

**“Assumed Contracts”** means, collectively, the PPM Assumed Contracts and the Mason Assumed Contracts;

**“Assumed Obligations”** means, collectively, the PPM Assumed Obligations and the Mason Assumed Obligations;

**“Banner Lease”** means the lease agreement dated May 19, 2021 between PPM and Summit Gold Corporation and recorded as instrument number 2100577 of the records of the Hidalgo County Clerk;

**“Business Day”** means any day other than a Saturday, Sunday or a legal holiday on which banking institutions in the State of New Mexico, the Province of Ontario or the Province of British Columbia are not required to open;

**“Buyer”** has the meaning set forth in the preamble;

**“Buyer Material Adverse Effect”** means any event, change or effect that, when taken individually or together with all other adverse effects, will or would be reasonably likely to have a materially adverse effect on the business, affairs, capitalization, assets, liabilities, results of operations or condition (financial or otherwise) of the Buyer and its subsidiaries (collectively, the **“Buyer Group”**), taken as a whole; provided, however, that effects relating to:

- (a) changes in general political, regulatory, financial or economic conditions and changes affecting generally the industries and markets in which the Buyer Group conducts business;
- (b) any fluctuation in interest rates, Canadian and U.S. currency exchange rates;
- (c) any fluctuation in commodity prices, including the price of gold;
- (d) any natural disaster;
- (e) the fact of the pendency of the transactions contemplated by this Agreement and the identity of either Seller;
- (f) the adoption or proposed implementation of, or changes in, applicable Laws (including Tax Laws);
- (g) any act of terrorism or any outbreak of hostilities, military action or war, riot, protest or similar social disturbance or any escalation or worsening thereof; and
- (h) any general outbreaks of sickness or pandemics, including any event, change or effect relating to or caused by the COVID-19 pandemic,

are not Buyer Material Adverse Effects and are not to be taken into account in determining whether a Buyer Material Adverse Effect has occurred, provided that in the case of (a), (b), (d), and (f) through (h) above such changes or developments do not disproportionately affect the Buyer Group, taken as a whole, relative to other comparable companies operating in the industries in which the Buyer Group operates;

**“Buyer Public Documents”** means all forms, reports, schedules, statements and other documents filed by the Buyer on The System for Electronic Document Analysis and Retrieval (SEDAR) pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* under Applicable Securities Laws, and including any news releases, financial statements, management’s discussion and analysis, material change reports, information circulars and other continuous disclosure documents since July 7, 2021;

**“Buyer Shares”** means common shares in the capital of the Buyer;

**“Buyer Subsidiary”** has the meaning set forth in the preamble;

**“Canadian Securities Regulatory Authorities”** means, collectively, the securities regulatory authorities in each of the Provinces of British Columbia, Alberta and Ontario;

**“Claims”** means all rights or causes of action (whether in law or equity), Proceedings, obligations, demands, restrictions, warranties, guaranties, indemnities, consent rights,

options, contract rights, rights of recovery, setoff, recoupment, indemnity or contribution, covenants and interests of any kind or nature whatsoever (known or unknown, matured or unmatured, accrued or contingent and regardless of whether currently exercisable or whether imposed by agreement, understanding, law, equity or otherwise);

**“Closing”** means the completion of the sale to, and purchase by, the Buyer of the Purchased Assets and the assumption by the Buyer of the Assumed Obligations and the completion of all other transactions contemplated by this Agreement which are to occur contemporaneously with the purchase and sale of the Purchased Assets and the assumption of the Assumed Obligations;

**“Closing Date”** means, subject to Section 10.1(d), (i) the date that is five Business Days following satisfaction or waiver of the last of the conditions set out in Sections 6.1 and Section 6.2, or (ii) such other date as the Parties may mutually agree in writing as the date that the Closing shall take place;

**“Closing Document”** means any document, agreement, instrument, certificate, bill of sale, conveyance, assignment or deed required to be delivered at or prior to the Closing Time by any of the Parties as provided for in or pursuant to this Agreement;

**“Closing Time”** means 10:00 a.m. (New Mexico time) on the Closing Date or such other time on the Closing Date as the Parties may mutually agree in writing that the Closing shall take place;

**“Code”** means the U.S. Internal Revenue Code of 1986;

**“Confidential Information”** has the meaning set forth in Section 7.5(a);

**“Consideration Shares”** means, collectively, the Payment Shares and the MPR Shares;

**“Contract”** means any written or oral contract, lease, license, purchase order, sales order or other agreement, arrangement, understanding or commitment that is binding upon a Person or its property;

**“CSE”** means the Canadian Securities Exchange;

**“Due Diligence”** has the meaning set forth in Section 2.13;

**“Environment”** means any ambient, workplace or indoor air, surface water, drinking water, groundwater, land surface, subsurface strata, sediment and natural resources;

**“Environmental and Remediation Liabilities”** means any Liabilities (a) arising under or pursuant to any Environmental Laws with respect to the Purchased Assets, Assumed Contracts, Assumed Obligations or the operations of the Sellers or any other activity (past, present or future) conducted at any of the Purchased Assets and/or the Release or presence of any pollutant, contaminant, waste, chemical, or Hazardous Materials at, to or from the Purchased Assets (including any offsite disposal of any pollutant, contaminant, waste, chemical, or Hazardous Materials) and/or (b) to perform or to pay for the Remediation of any of the Purchased Assets;

**“Environmental Laws”** means all applicable Laws imposing obligations, responsibilities, liabilities or standards of conduct for or relating to: (a) the management, generation, processing, labeling, registration, use, treatment, handling, storage, disposal, destruction, transfer, import, export, sale, transportation, re-use, recycling or reclamation of any Hazardous Materials; (b) the management, handling, containment, recontouring, reclamation, revegetation, closure or monitoring of materials, discharges or disturbances relating to exploration or mining activities; (c) activities in connection with or for occupational health and safety, protection of human health or safety, the Environment or endangered or threatened species; (d) any Release or threatened Release, including investigation, study, assessment, testing, monitoring, containment, removal, Remediation, cleanup or abatement of such Release or threatened Release; and (e) the condition of a building, facility, fixture or other structure as related to environmental impacts, including the Comprehensive Environmental Response, Compensation and Liability Act as amended (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136 et seq.), the Mine Safety and Health Act (30 U.S.C. § 801 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), each of their state and local counterparts or equivalents (including New Mexico’s Water Quality Act, Air Quality Act, Hazardous Waste Act, Solid Waste Act and Mining Act), each of their foreign and international equivalents, and any transfer of ownership notification or approval statute, as each has been amended and the regulations promulgated pursuant thereto;

**“Equity Financing”** means the financing of the Buyer for gross proceeds of at least \$10,000,000 by way of one or more private placements of subscription receipts of the Buyer for \$0.25 per subscription receipt prior to the Closing Time;

**“Excluded Assets”** has the meaning set forth in Section 2.3;

**“Exhibits”** means the exhibits attached to and forming part of this Agreement;

**“Financial Statements”** has the meaning set forth in Section 7.7(a)(ii);

**“Governmental Entity”** means any federal, state, provincial, tribal, local, municipal, foreign or other (a) government; (b) governmental or quasi-governmental entity of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal); (c) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature; or (d) the CSE;

**“Hazardous Materials”** means any material, waste, substance, chemical, pollutant or contaminant that is regulated or for which Liabilities or standards of care are imposed under applicable Environmental Laws due to hazardous or toxic properties, including: (a) any type of crude oil, petroleum or petroleum distillate, or fraction or by-product thereof; and (b) all substances falling within the definitions of “hazardous substances,” “hazardous materials,” “toxic substances,” “radioactive materials,” “hazardous chemicals,” “toxic chemicals,” or “hazardous waste,” as set forth in any applicable Environmental Law;

**“Information”** means all information (whether oral or in writing, or stored in computerized, electronic, disk or other form) provided by a Party, its Affiliates, and their respective Representatives, and all analyses, compilations, data, studies or other documents or records prepared by a Party or its Representatives containing or based, in whole or in part, upon any such provided information or derived from access provided by a Party, its Affiliates and their respective Representatives, and each item thereof, whether obtained before or after the date of this Agreement;

**“Interim Period”** means the period from the date hereof and continuing until the earlier of the termination of this Agreement and the Closing;

**“Law”** means any federal, state, provincial, local or foreign statute, law, ordinance, regulation, rule, code, Order, principle of common law, judgment or decree enacted, promulgated, issued, enforced or entered by any Governmental Entity or other requirement or rule of law;

**“Liabilities”** means, as to any Person, adverse Claims, liabilities, commitments, responsibilities, and obligations of any kind or nature whatsoever, direct or indirect, absolute or contingent, whether accrued, vested or otherwise, whether known or unknown and whether or not actually reflected, or required to be reflected, in such Person’s balance sheet or other books and records;

**“Lien”** means any lien (statutory or otherwise), Claim, pledge, option, charge, right of first refusal, hypothecation, encumbrance, royalty, easement, lease or sublease, security interest, right-of-way, encroachment, mortgage, deed of trust, restriction on transferability or other, similar restriction, whether imposed by agreement, Law or otherwise and whether of record or otherwise;

**“Listing Approval”** has the meaning set forth in Section 7.4;

**“Losses”** means, in respect of any matter, all Claims, demands, losses, damages, liabilities, deficiencies, fines, costs and expenses (including all legal and other professional fees and disbursements, interest, assessments, penalties and amounts paid in settlement) and judgments arising directly or indirectly as a consequence of such matter;

**“Mason”** has the meaning set forth in the preamble;

**“Mason Acquired Permits”** has the meaning set forth in Section 2.2(e);

**“Mason Assumed Contracts”** has the meaning set forth in Section 2.2(c);

**“Mason Assumed Obligations”** has the meaning set forth in Section 2.5;

**“Mason Leased Real Property”** has the meaning set forth in Section 2.2(b);

**“Mason Lock-up, Placement and Voting Agreement”** means the lock-up, placement and voting agreement to be entered into between Mason (or its designee) and the Buyer on the Closing Date in the form attached hereto as Exhibit 1.1(b);

**“Mason Mining Claims”** means, collectively, the Mason Unpatented Mining Claims and the Mason Leased Real Property;

**“Mason Payment Shares”** has the meaning set forth in Section 2.6(b);

**“Mason Personal Property”** has the meaning set forth in Section 2.2(d);

**“Mason Purchase Price”** has the meaning set forth in Section 2.6(b);

**“Mason Purchased Assets”** has the meaning set forth in Section 2.2;

**“Mason Reclamation Bonds”** has the meaning set forth in Section 4.15;

**“Mason Royalty Grant Instrument”** has the meaning set forth in Section 2.6(b)(ii);

**“Mason Threshold Amount”** has the meaning set forth in Section 11.5(b);

**“Mason Unpatented Mining Claims”** has the meaning set forth in Section 2.2(a);

**“Mining Claims”** means, collectively, the PPM Mining Claims and the Mason Mining Claims;

**“MPR”** means a freely transferable milestone payment right to be issued to PPM, substantially in the form attached hereto as Exhibit 1.1(a);

**“MPR Shares”** means the Buyer Shares that may be issued pursuant to the terms of the MPR;

**“Non-Assignable Permit”** has the meaning set forth in Section 9.2(a);

**“Notice of Claim”** means written notification by the Buyer to a Seller or by a Seller to the Buyer of a claim for indemnification under Section 11.1, 11.2 or 11.3, as applicable;

**“Obligated Party”** has the meaning set forth in Section 10.3(b)(i);

**“Order”** means any judgment, order, injunction, writ, ruling, decree, stipulation or award of any Governmental Entity;

**“Ordinary Course”** means any transaction that constitutes an ordinary day-to-day business activity of a Person in accordance with, and materially consistent with, its past business practices;

**“Outside Date”** has the meaning set forth in Section 10.1(d), subject to Sections 7.3 and 7.4;

**“Parties”** means, collectively, PPM, Mason, the Buyer and the Buyer Subsidiary, and **“Party”** means any one of them;

**“Payment Shares”** means, collectively, the PPM Payment Shares and the Mason Payment Shares;

**“Permits”** means permits, licences, registrations, certificates of occupancy, approvals, consents, clearances, rights-of-way, rights-of-entry and other authorizations issued by any Governmental Entity;

**“Permitted Liens”** means any one or more of the following: (a) title of a lessor under a lease that is an Assumed Contract; (b) such Liens, imperfections in title, servitudes, easements, rights-of-way or restrictions that are due to zoning or subdivision, entitlement, and other land use Laws or regulations; (c) Liens imposed by or arising from Environmental Laws or regulations of any Governmental Entity; (d) Liens for Taxes which are not delinquent or the validity of which is being contested at the time in good faith by proper legal Proceedings; (e) inchoate Liens claimed or held by any Governmental Entity or a public utility in respect of the payment of Taxes or utilities not yet due and payable; (f) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others arising in the Ordinary Course, provided that such Liens are related to obligations not yet due and payable; (g) paramount title of the United States of America in and to all lands within any unpatented mining claim that is subject to this Agreement, the rights of citizens of the United States and other qualified parties to enter onto and use the public lands within such mining claims, and the authority and right of the United States to administer and manage entry onto and use of such public lands; (h) Liens that arise by reason of acts of the Buyer or the Buyer Subsidiary or with the prior written approval of the Buyer or the Buyer Subsidiary; (i) the interests and rights of any third parties in respect of the surface estate of any split-estate land within the Purchased Assets; (j) all covenants, conditions, restrictions, easements, charges, rights of way, or other similar encumbrances on title, whether or not filed of record; (k) any and all royalties or similar interests existing as of January 4, 2022, whether or not filed of record; (l) any and all liens or defects described in the due diligence information provided to the Buyer (including historical title reports provided to the Buyer); (m) the Banner Lease; (n) with respect to the property covered by the Banner Lease, any liens arising by, through or under the actions of Galane Gold Ltd., Summit Gold Corporation or any of their subsidiaries and affiliates; and (o) all “Permitted Liens” as defined in the 363 Order and all Liens described in Schedule 1.1;

**“Person”** means an individual, a partnership, a joint venture, a corporation, a business trust, a limited liability company, a trust, an unincorporated organization, a joint stock company, a labor union, an estate, a Governmental Entity or any other entity;

**“Phase 1 Report”** means the Phase 1 Environmental Site Assessment dated February 2020 and prepared by SLR International Corporation in respect of the PPM Mining Claims underlying the Banner Lease;

**“PPM”** has the meaning set forth in the preamble;

**“PPM Acquired Permits”** has the meaning set forth in Section 2.1(e);

**“PPM Acquired Water Rights”** has the meaning set forth in Section 2.1(f);

**“PPM Assumed Contracts”** has the meaning set forth in Section 2.1(d);

**“PPM Assumed Obligations”** has the meaning set forth in Section 2.4;

**“PPM Cash Consideration”** has the meaning set forth in Section 2.6(a);



**“PPM Leased Real Property”** has the meaning set forth in Section 2.1(c);

**“PPM Mining Claims”** means, collectively, the PPM Patented Mining Claims, the PPM Unpatented Mining Claims and the PPM Leased Real Property;

**“PPM Patented Mining Claims”** has the meaning set forth in Section 2.1(a);

**“PPM Payment Shares”** has the meaning set forth in Section 2.6(a)(ii);

**“PPM Purchase Price”** has the meaning set forth in Section 2.6(a);

**“PPM Purchased Assets”** has the meaning set forth in Section 2.1;

**“PPM Royalty Grant Instrument”** has the meaning set forth in Section 2.6(a)(iv);

**“PPM Threshold Amount”** has the meaning set forth in Section 11.5(a);

**“PPM Unpatented Mining Claims”** has the meaning set forth in Section 2.1(b);

**“Proceeding”** means any Claim, action, arbitration, audit, known investigation (including a notice of preliminary investigation or formal investigation), notice of violation, hearing, litigation or suit (whether civil, criminal or administrative), commenced, brought, conducted or heard by or before any Governmental Entity or arbitrator;

**“Purchased Assets”** means, collectively, the PPM Purchased Assets and the Mason Purchased Assets;

**“Purchased Assets MAE”** means any event, change or effect that, when taken individually or together with all other adverse effects, will or would be reasonably likely to have a materially adverse effect on the Purchased Assets, taken as a whole, or the ability of either Seller to perform its obligations under this Agreement or to consummate the transactions contemplated hereby; provided, however, that any matters expressly and specifically disclosed in the Schedules and any effects relating to:

- (a) changes in general political, regulatory, financial or economic conditions and changes affecting generally the industries and markets in which a Seller conducts business;
- (b) any fluctuation in interest rates, Canadian and U.S. currency exchange rates;
- (c) any fluctuation in commodity prices, including the price of gold;
- (d) any natural disaster;
- (e) the fact of the pendency of the transactions contemplated by this Agreement and the identity of the Buyer;
- (f) the adoption or proposed implementation of, or changes in, applicable Laws (including Tax Laws);
- (g) any act of terrorism or any outbreak of hostilities, military action or war, riot, protest or similar social disturbance or any escalation or worsening thereof; and

- (h) any general outbreaks of sickness or pandemics, including any event, change or effect relating to or caused by the COVID-19 pandemic,

are not Purchased Assets MAEs and are not to be taken into account in determining whether a Purchased Assets MAE has occurred, provided that in the case of (a), (b), (d), and (f) through (h) above such changes or developments do not disproportionately affect the Purchased Assets, taken as a whole;

**“Regulation S”** means Regulation S promulgated under the U.S. Securities Act;

**“Release”** means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, or other release of any Hazardous Materials at, in, on, into or onto the Environment, including the migration of any Hazardous Materials through or in the Environment, the abandonment or discard of barrels, containers, tanks or other receptacles containing any Hazardous Materials, or any release, emission or discharge as those terms are defined in any applicable Environmental Law;

**“Remediation”** means any investigation, study, assessment, testing, monitoring, containment, removal, remediation, response, cleanup or abatement of any threatened or actual Release or presence of or exposure to any Hazardous Materials, whether on the Purchased Assets or off the Purchased Assets, pursuant to any applicable Environmental Law;

**“Replacement Bonds”** has the meaning set forth in Section 9.4;

**“Representative”** means, with respect to any Person, such Person’s and such Person’s Affiliates’ officers, directors, members, managers, employees, agents, representatives and financing sources (including any investment banker, financial advisor, accountant, legal counsel, agent, representative or expert retained by or acting on behalf of such Person or its Affiliates);

**“Schedules”** means the schedules attached to this Agreement;

**“Sellers”** means, collectively, PPM and Mason;

**“Surface Use Agreement”** means the surface use agreement dated March 28, 2018 between Mason and Rouse Cattle Company;

**“Tax”** means any and all taxes, assessments, levies, duties or other governmental charge imposed by any Governmental Entity, including any income, alternative or add-on minimum, accumulated earnings, franchise, capital stock, environmental, profits, windfall profits, gross receipts, sales, use, value added, transfer, registration, stamp, premium, excise, customs duties, severance, real property, personal property, ad valorem, occupancy, license, occupation, employment, payroll, social security, disability, unemployment, withholding, corporation, inheritance, stamp duty reserve, estimated or other similar tax, assessment, levy, duty (including duties of customs and excise) or other governmental charge of any kind whatsoever (other than financial assurance requirements relating to environmental matters, exploration or mining-related reclamation or closure), including any payments in lieu of taxes or other similar

payments, chargeable by any Tax Authority together with all penalties, interest and additions thereto, whether disputed or not;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;

“**Tax Authority**” means any Governmental Entity (whether within or outside the United States) competent to impose Tax;

“**Tax Return**” means any and all returns, declarations, reports, documents, claims for refund, or information returns, statements or filings that are required to be supplied to any Tax Authority or any other Person, including any schedule or attachment thereto, and including any amendments thereof;

“**Technical Report**” has the meaning set forth in Section 7.7(a)(i);

“**Terminating Party**” has the meaning set forth in Section 10.3(b);

“**Termination Payment**” has the meaning set forth in Section 10.2(a);

“**Termination Payment Event**” has the meaning set forth in Section 10.2(a);

“**Transfer Tax**” means any sales, use, transfer, conveyance, documentary transfer, stamp, recording or other similar Tax imposed upon the sale, transfer or assignment of property or any interest therein or the recording thereof, and any penalty, addition to Tax or interest with respect thereto, but such term shall not include any Tax on, based upon or measured by, the net income, gains or profits from such sale, transfer or assignment of the property or any interest therein, and shall not include any filing fees to be paid to the Bureau of Land Management or similar state agency;

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended; and

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

## 1.2 **Rules of Interpretation**

In this Agreement:

- (a) **Consent** – Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Agreement** – The terms “Agreement”, “this Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof.
- (c) **Headings** – Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- (d) **Section References** – References to an “Article”, “Section”, “Schedule” or “Exhibit” followed by a number or letter refer to the specified Article, Section, Schedule or Exhibit to this Agreement.
- (e) **Including** – Where the word “including” or “includes” is used in this Agreement, it means “including without limitation” or “includes without limitation” and grammatical variations have corresponding meanings.
- (f) **No Strict Construction** – The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (g) **Number and Gender** – Words importing the singular include the plural and *vice versa* and words importing gender include all genders.
- (h) **Severability** – If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a manner materially adverse to a Party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the full extent possible.
- (i) **Contracts** – References to any Contract (including this Agreement) means such Contract as amended, modified, replaced or supplemented from time to time.
- (j) **Statutory References** – References to any statute includes all regulations made pursuant to or in connection with such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, modifies, replaces or supplements any such statute or any such regulation from time to time.
- (k) **Time** – Time is of the essence of this Agreement.
- (l) **Time Periods** – In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (New Mexico time) on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall terminate at 5:00 p.m. (New Mexico time) on the next Business Day.
- (m) **Payments** – Unless otherwise indicated, whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (n) **Currency** – Unless specified otherwise, all statements or references to dollar amounts in this Agreement are to Canadian dollars.

- (o) **Knowledge** – References in this Agreement (a) to the “knowledge of PPM” mean the actual knowledge of Jack McMahon and (b) to the “knowledge of Mason” mean the actual knowledge of Craig Hallworth, in each case after reasonable inquiry, but without any requirement to make any inquiries of third parties or any Governmental Entity, or to perform any search of any public registry office or system.

### **1.3 Governing Law and Submission to Jurisdiction; Waiver of Right to Trial by Jury**

(a) This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein, except insofar as it relates to federal mining claims or the conveyancing of real property and other matters of local law, in which case the laws of the United States and/or the State of New Mexico shall govern.

(b) Each of the Parties irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the courts of the Province of Ontario over any action or Proceeding arising out of or relating to this Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts, and (iii) agrees not to assert that such courts are not a convenient forum or the proper venue for the determination of any such action or Proceeding.

(c) THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

### **1.4 Entire Agreement**

This Agreement, together with the deeds, bills of sale, conveyances, transfers, assignments, instruments and other covenants contemplated by Sections 8.2, 8.3 and 8.4 constitute the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral, including the letter of intent dated January 4, 2022 entered into by the Parties. The Parties do not intend there to be any terms, conditions, rights, duties, obligations, representations, collateral agreements, waivers, arrangements or understandings between them, whether before or after the date hereof and whether oral, by conduct or otherwise, relating to the transactions provided for in this Agreement except as expressly provided herein or as may be expressly provided in further agreements in writing signed by the Parties.

### **1.5 Schedules and Exhibits**

(a) The following Schedules and Exhibits are attached to and form an integral part of this Agreement:

- |                 |                                |
|-----------------|--------------------------------|
| Schedule 1.1    | - Additional Permitted Liens   |
| Schedule 2.1(a) | - PPM Patented Mining Claims   |
| Schedule 2.1(b) | - PPM Unpatented Mining Claims |
| Schedule 2.1(c) | - PPM Leased Real Property     |
| Schedule 2.1(d) | - PPM Assumed Contracts        |

Schedule 2.1(e)	- PPM Acquired Permits
Schedule 2.1(f)	- PPM Acquired Water Rights
Schedule 2.2(a)	- Mason Unpatented Mining Claims
Schedule 2.2(b)	- Mason Leased Real Property
Schedule 2.2(c)	- Mason Assumed Contracts
Schedule 2.2(d)	- Mason Personal Property
Schedule 2.2(e)	- Mason Acquired Permits
Schedule 2.8	- PPM Purchase Price Allocation
Schedule 2.9	- Mason Purchase Price Allocation
Schedule 3.2	- Consents (PPM)
Schedule 3.4	- Taxes (PPM)
Schedule 3.11	- Royalties (PPM)
Schedule 3.16	- Litigation (PPM)
Schedule 4.2	- Consents (Mason)
Schedule 4.4	- Taxes (Mason)
Schedule 4.11	- Royalties (Mason)
Schedule 4.15	- Mason Reclamation Bonds
Schedule 4.16	- Litigation (Mason)
Exhibit 1.1(a)	- Milestone Payment Right Agreement
Exhibit 1.1(b)	- Mason Lock-up, Placement and Voting Agreement
Exhibit 2.6(a)	- PPM Royalty Grant Instrument
Exhibit 2.6(b)	- Mason Royalty Grant Instrument
Exhibit 2.7(a)	- Form of Deed (PPM Mining Claims)
Exhibit 2.7(b)	- Form of Deed (Mason Mining Claims)
Exhibit 2.11(a)	- PPM Asset Transfer Documents
Exhibit 2.11(b)	- Mason Asset Transfer Documents

(b) Any matter disclosed in one section or subsection of the Schedules is deemed disclosed for all purposes of the Schedules to the extent this Agreement requires such disclosure.

## **ARTICLE 2**

### **PURCHASE AND SALE OF THE PURCHASED ASSETS**

#### **2.1 Purchase and Sale of the PPM Purchased Assets**

Subject to the terms and conditions set forth in this Agreement, PPM hereby covenants and agrees to sell, transfer, assign, convey and set over to the Buyer Subsidiary, and the Buyer hereby covenants and agrees to purchase and acquire (through the Buyer Subsidiary) from PPM, effective as of and from and after the Closing Time, all of PPM's right, title and interest in and to the following (and only the following) assets, tangible or intangible, real or personal (collectively, the "**PPM Purchased Assets**"), which, in each case, shall not include any Excluded Assets:

- (a) the patented mining claims owned by PPM listed on Schedule 2.1(a) (the "**PPM Patented Mining Claims**");
- (b) the unpatented mining claims owned by PPM (subject to the paramount title of the United States) listed on Schedule 2.1(b) (the "**PPM Unpatented Mining Claims**");

- (c) the real property leased by PPM listed on Schedule 2.1(c) (the “**PPM Leased Real Property**”);
- (d) the Contracts set forth on Schedule 2.1(d), including the Banner Lease (collectively, the “**PPM Assumed Contracts**”);
- (e) the Permits set forth on Schedule 2.1(e) (collectively, the “**PPM Acquired Permits**”), subject to obtaining any necessary consents to such assignment or transfer as contemplated by Section 9.2 and set forth on Schedule 3.2;
- (f) the water rights set forth in Schedule 2.1(f) (collectively, the “**PPM Acquired Water Rights**”); and
- (g) all documents, data (including all relevant land management data), drill core, technical, geological and scientific information, technical reports, logs, assay results, drill logs, samples, geophysical, geo-chemical and engineering data and books and records relating to the foregoing, in each case only to the extent owned by PPM and in the possession or control of PPM and its Affiliates.

## **2.2 Purchase and Sale of the Mason Purchased Assets**

Subject to the terms and conditions set forth in this Agreement, Mason hereby covenants and agrees to sell, transfer, assign, convey and set over to the Buyer Subsidiary, and the Buyer hereby covenants and agrees to purchase and acquire (through the Buyer Subsidiary) from Mason, effective as of and from and after the Closing Time, all of Mason’s right, title and interest in and to the following (and only the following) assets, tangible or intangible, real or personal (collectively, the “**Mason Purchased Assets**”), which, in each case, shall not include any Excluded Assets:

- (a) the unpatented mining claims owned by Mason (subject to the paramount title of the United States) listed on Schedule 2.2(a) (the “**Mason Unpatented Mining Claims**”);
- (b) the real property leased by Mason listed on Schedule 2.2(b) (the “**Mason Leased Real Property**”);
- (c) the Contracts set forth on Schedule 2.2(c) (collectively, the “**Mason Assumed Contracts**”);
- (d) the personal property listed on Schedule 2.2(d) (the “**Mason Personal Property**”);
- (e) the Permits set forth on Schedule 2.2(e) (collectively, the “**Mason Acquired Permits**”), subject to obtaining any necessary consents to such assignment or transfer as contemplated by Section 9.2 and set forth on Schedule 4.2; and
- (f) all documents, data (including all relevant land management data), drill core, technical, geological and scientific information, technical reports, logs, assay results, drill logs, samples, geophysical, geo-chemical and engineering data and books and records relating to the foregoing, in each case only to the extent owned by Mason and in the possession or control of Mason and its Affiliates.

### **2.3 Excluded Assets**

The Purchased Assets do not include, and the Sellers hereby reserve and exclude from the transactions contemplated by this Agreement, all other property and assets of the Sellers, tangible or intangible, real or personal, including for greater certainty the following assets (collectively, the “**Excluded Assets**”):

- (a) all water, water rights (whether vested, certificated, permitted or otherwise, whether or not adjudicated and whether or not with a place of use or point of diversion on the Mining Claims), historical water use rights, statements of claim, statements of claimant, grandfathered rights, water right applications, reservoirs and reservoir rights, ditches and ditch rights, irrigation systems and irrigation rights, wells, well permits and other rights of use and all wells, pumps, pumping stations, machinery and equipment associated therewith, and all shares of stock or similar interest, if any, evidencing reservoir, ditch, irrigation or other water rights or rights of use, other than the PPM Acquired Water Rights;
- (b) all cash and cash equivalents, bank accounts and securities of the Sellers, including any cash or other deposits being held to secure obligations under leases, services, permits or for reclamation obligations;
- (c) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of the Sellers;
- (d) all insurance policies of the Sellers and all rights to applicable claims and proceeds thereunder;
- (e) all Tax assets (including duty and Tax refunds and prepayments) of the Sellers and their Affiliates;
- (f) the rights which accrue or will accrue to the Sellers under this Agreement;
- (g) all Contracts to which any Seller is a party (other than the Assumed Contracts); and
- (h) any other properties or assets of the Sellers that are not specifically enumerated herein as a Purchased Asset.

### **2.4 Assumption of PPM Liabilities by the Buyer**

Subject to the terms and conditions set forth in this Agreement, the Buyer hereby covenants and agrees to assume, pay, satisfy, discharge, perform and fulfil, effective as of and from and after the Closing Time, when due any and all Liabilities of PPM and its Affiliates of any nature, kind or character whatsoever (whether known or unknown, accrued, absolute, contingent, determined, determinable or otherwise) arising out of or relating to the PPM Purchased Assets, including any and all Environmental and Remediation Liabilities and any and all Liabilities under each of the PPM Mining Claims, the PPM Assumed Contracts, the PPM Acquired Permits and the Permitted Liens (collectively, the “**PPM Assumed Obligations**”).



## **2.5 Assumption of Mason Liabilities by the Buyer**

Subject to the terms and conditions set forth in this Agreement, the Buyer hereby covenants and agrees to assume, pay, satisfy, discharge, perform and fulfil, effective as of and from and after the Closing Time, when due any and all Liabilities of Mason and its Affiliates of any nature, kind or character whatsoever (whether known or unknown, accrued, absolute, contingent, determined, determinable or otherwise) arising out of or relating to the Mason Purchased Assets, including any and all Environmental and Remediation Liabilities and any and all Liabilities under each of the Mason Mining Claims, the Mason Assumed Contracts, the Mason Acquired Permits, the Permitted Liens and the Replacement Bonds, and any and all obligations under any Mason Reclamation Bond prior to the procurement of a Replacement Bond therefor (collectively, the “**Mason Assumed Obligations**”).

## **2.6 Purchase Price**

(a) The aggregate purchase price (the “**PPM Purchase Price**”) payable by the Buyer to PPM for the PPM Purchased Assets shall be satisfied at the Closing Time by the assumption, payment, satisfaction, discharge, performance and fulfillment by the Buyer of the PPM Assumed Obligations and by:

- (i) the payment by the Buyer to PPM of \$2,331,500 in cash (the “**PPM Cash Consideration**”), in accordance with Section 2.10;
- (ii) the issuance to PPM or its designee of that number of Buyer Shares (the “**PPM Payment Shares**”) having a value of \$2,035,000, with the number of Buyer Shares to be based on the purchase price for subscribers under the Equity Financing (so that, for greater certainty, if the Equity Financing is carried out at a price of \$0.25 per subscription receipt, PPM shall be issued 8,140,000 Buyer Shares);
- (iii) the issuance to PPM or its designee of the MPR; and
- (iv) the granting to PPM (or its designee) by the Buyer Subsidiary of a 0.5% net smelter returns royalty on all minerals produced from the Mason Mining Claims, using an instrument substantially in the form of the document attached as Exhibit 2.6(a) (the “**PPM Royalty Grant Instrument**”).

(b) The aggregate purchase price (the “**Mason Purchase Price**”) payable by the Buyer to Mason for the Mason Purchased Assets shall be satisfied at the Closing Time by the assumption, payment, satisfaction, discharge, performance and fulfillment by the Buyer of the Mason Assumed Obligations and by:

- (i) the issuance to Mason or its designee of that number of Buyer Shares (the “**Mason Payment Shares**”) having a value of \$2,474,148, with the number of Buyer Shares to be based on the purchase price for subscribers under the Equity Financing (so that, for greater certainty, if the Equity Financing is carried out at a price of \$0.25 per subscription receipt, Mason shall be issued 9,896,591 Buyer Shares); and

- (ii) the granting to Mason (or its designee) by the Buyer Subsidiary of a 0.5% net smelter returns royalty on all minerals produced from the PPM Mining Claims except for the Hat 1-57 mining claims (NMMC194586-194642) (in recognition of the fact that such Hat claims, if acquired by the Buyer Subsidiary under the relevant existing option agreement, will be subject to a 2% net smelter returns royalty in favour of the current owner of those claims), using an instrument substantially in the form of the document attached as Exhibit 2.6(b) (the "**Mason Royalty Grant Instrument**").

(c) Each Seller may designate its designees for purposes of Sections 2.6(a) and 2.6(b) to the Buyer in writing at any time prior to Closing.

## **2.7 Reservation of Royalty**

The Buyer acknowledges and agrees that:

- (a) in conveying the PPM Mining Claims to the Buyer Subsidiary, PPM shall reserve to itself or its designee in the relevant deed a 1.5% net smelter returns royalty on all minerals produced from the PPM Mining Claims except for the Hat 1-57 mining claims (NMMC194586-194642) (in recognition of the fact that such Hat claims, if acquired by the Buyer Subsidiary under the relevant existing option agreement, will be subject to a 2% net smelter returns royalty in favour of the current owner of those claims), using an instrument substantially in the form of the deed attached as Exhibit 2.7(a); and
- (b) in conveying the Mason Mining Claims to the Buyer Subsidiary, Mason shall reserve to itself or its designee in the relevant deed a 1.5% net smelter returns royalty on all minerals produced from the Mason Mining Claims, using an instrument substantially in the form of the deed attached as Exhibit 2.7(b).

## **2.8 Allocation of PPM Purchase Price**

(a) The PPM Purchase Price shall be allocated in accordance with Schedule 2.8. After the Closing, the Buyer and PPM shall make consistent use of the allocation, fair market value specified in Schedule 2.8 for all Tax purposes and in all filings, declarations and reports with all Tax Authorities in respect thereof and will not, in connection with such filings, declarations and reports, make any allocation that is contrary to such allocation unless required to do so by applicable Law and after prior written notice thereof to the respective Parties. In any Proceeding related to the determination of any Tax, neither the Buyer nor PPM shall contend or represent that such allocation is not a correct allocation.

(b) If the PPM Purchase Price allocation set out in Schedule 2.8 is disputed by any Governmental Entity for purposes of applicable Transfer Taxes, the Buyer and PPM shall determine whether an adjustment to the PPM Purchase Price allocation shall be made so as to satisfy the requirements of such Governmental Entity. Each of the Buyer and PPM agrees to share such information within its possession and control and cooperate to the extent reasonably necessary or requested to facilitate such PPM Purchase Price allocation hereunder and to obtain the endorsement and approval of such PPM Purchase Price allocation by any Governmental Entity and to permit the transactions contemplated by this Agreement to be properly, timely and consistently reported; provided that nothing contained herein shall require the Buyer, PPM or their Affiliates to contest or to litigate in any forum any proposed deficiency or

adjustment by any such Governmental Entity which challenges such PPM Purchase Price allocation. Any adjustment to the PPM Purchase Price allocation in accordance with this Section 2.8(b) shall be final and binding upon the Parties.

## **2.9 Allocation of Mason Purchase Price**

(a) The Mason Purchase Price shall be allocated in accordance with Schedule 2.9. After the Closing, the Buyer and Mason shall make consistent use of the allocation, fair market value specified in Schedule 2.9 for all Tax purposes and in all filings, declarations and reports with all Tax Authorities in respect thereof and will not, in connection with such filings, declarations and reports, make any allocation that is contrary to such allocation unless required to do so by applicable Law and after prior written notice thereof to the respective Parties. In any Proceeding related to the determination of any Tax, neither the Buyer nor Mason shall contend or represent that such allocation is not a correct allocation.

(b) If the Mason Purchase Price allocation set out in Schedule 2.9 is disputed by any Governmental Entity for purposes of applicable Transfer Taxes, the Buyer and Mason shall determine whether an adjustment to the Mason Purchase Price allocation shall be made so as to satisfy the requirements of such Governmental Entity. Each of the Buyer and Mason agrees to share such information within its possession and control and cooperate to the extent reasonably necessary or requested to facilitate such Mason Purchase Price allocation hereunder and to obtain the endorsement and approval of such Mason Purchase Price allocation by any Governmental Entity and to permit the transactions contemplated by this Agreement to be properly, timely and consistently reported; provided that nothing contained herein shall require the Buyer, Mason or their Affiliates to contest or to litigate in any forum any proposed deficiency or adjustment by any such Governmental Entity which challenges such Mason Purchase Price allocation. Any adjustment to the Mason Purchase Price allocation in accordance with this Section 2.9(b) shall be final and binding upon the Parties.

## **2.10 Payment of PPM Cash Consideration**

The Buyer shall pay the PPM Cash Consideration to PPM at the Closing Time by wire transfer in accordance with wire transfer instructions delivered by PPM to the Buyer not later than two Business Days prior to the Closing Date.

## **2.11 Transfer of Assets and Assumption of Obligations**

At the Closing Time, subject to Section 9.2 and Section 9.4, (a) PPM shall transfer to the Buyer Subsidiary the PPM Purchased Assets and the Buyer Subsidiary shall assume the PPM Assumed Obligations, using instruments substantially in the form of the documents attached as Exhibit 2.11(a), and (b) Mason shall transfer to the Buyer Subsidiary the Mason Purchased Assets and the Buyer Subsidiary shall assume the Mason Assumed Obligations, using instruments substantially in the form of the documents attached as Exhibit 2.11(b).

## **2.12 Risk of Loss and Damage Prior to Closing**

(a) PPM shall bear all risk of loss or damage to, or destruction of, the PPM Purchased Assets until the Closing Time and the Buyer shall bear all such risk of loss from and after the Closing Time.

(b) Mason shall bear all risk of loss or damage to, or destruction of, the Mason Purchased Assets until the Closing Time and the Buyer shall bear all such risk of loss from and after the Closing Time.

### **2.13 Buyer's Due Diligence**

The Buyer acknowledges, agrees and confirms that: (a) it has diligently pursued to completion all due diligence (the "**Due Diligence**") deemed necessary or desirable by the Buyer in connection with the transactions contemplated by this Agreement (including due diligence regarding title to and the environmental condition of the Purchased Assets); and (b) it is satisfied with the results of its Due Diligence. The provisions of this Section 2.13 shall survive and shall not merge on Closing or any termination of this Agreement regardless of the cause of such termination.

### **2.14 Payment of Taxes on Sale and Transfer**

The responsibility for any Transfer Taxes payable in respect of the sale and transfer of the Purchased Assets to the Buyer shall be borne 50% by the applicable Seller and 50% by the Buyer and the parties shall cooperate in paying or causing to be paid when due such amounts to the appropriate Governmental Entity. The PPM Purchase Price shall be paid to PPM (or its designee) and the Mason Purchase Price shall be paid to Mason (or its designee) without any withholding or deduction for, or on account of, Taxes. If any withholding or deduction for, or account of, Taxes is required from the PPM Purchase Price or the Mason Purchase Price by applicable Law, then the Buyer shall pay such additional amounts as are necessary such that the net amount received by PPM (or its designee) or Mason (or its designee), as the case may be, after such withholding or deduction, is the amount that PPM (or its designee) or Mason (or its designee), as the case may be, would have received had such withholding or deduction not been made. For the avoidance of doubt, 100% of any filing fees that become due and payable to the Bureau of Land Management or any other similar state land management agency at or after the Closing Time shall be borne by the Buyer or the Buyer Subsidiary.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF PPM**

PPM represents and warrants to the Buyer as follows and acknowledges that the Buyer and the Buyer Subsidiary are relying upon such representations and warranties in entering into this Agreement.

### **3.1 PPM Company Matters**

(a) PPM is a limited liability company validly existing and in good standing under the laws of the State of New Mexico and has the company power to own its property, including the PPM Purchased Assets owned or leased by it, to carry on its business as now being conducted by it and to enter into this Agreement and each of the Closing Documents to which it is or will be a party and to perform its obligations hereunder and thereunder. PPM is duly qualified as a limited liability company to do business in each jurisdiction in which the nature of the PPM Purchased Assets owned by it makes such qualification necessary.

(b) PPM has all necessary company power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing

Documents to which it is or will be a party and has taken all company action necessary to authorize the execution and delivery of, and the observance and performance of its covenants and obligations under, this Agreement and the Closing Documents to which it is or will be a party. Without limiting the generality of the foregoing, PPM has taken all company action necessary to approve the disposition of the PPM Purchased Assets.

(c) This Agreement has been, and each Closing Document to which PPM will be a party, when executed and delivered, will be, duly executed and delivered by PPM and this Agreement constitutes, and each Closing Document to which PPM will be a party, when executed and delivered, will constitute, a legal, valid and binding obligation of PPM, enforceable against PPM in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally.

### **3.2 Consents**

None of the execution, delivery or performance by PPM of this Agreement or any Closing Document to which PPM will be a party, or the consummation by PPM of the transactions contemplated hereby or thereby, will require any material consent of or from, or material filing to be made by PPM with or to, any Governmental Entity or other Person, other than as contemplated in Schedule 3.2.

### **3.3 No Conflicts**

The execution, delivery and performance by PPM of this Agreement and each Closing Document to which PPM will be a party and the consummation of the transactions contemplated hereby and thereby do not and will not (a) conflict with or result in any breach of or default under any provision of the organizational documents of PPM or the terms of any material indenture, agreement or instrument to which PPM is a party or by which PPM is bound, (b) materially violate any Law applicable to PPM with respect to the PPM Purchased Assets, or (c) result in, or require the creation or imposition of, any Lien on any of the PPM Purchased Assets, other than a Permitted Lien.

### **3.4 Taxes**

Except as set forth on Schedule 3.4:

- (a) PPM has paid in full all income Taxes and other material Taxes (whether or not shown on any Tax Return) due and payable with respect to the ownership, maintenance or operation of the PPM Purchased Assets, and PPM is not currently under audit or examination with respect to any material Taxes;
- (b) PPM has satisfied all withholding Tax requirements that could result in a Lien on the PPM Purchased Assets;
- (c) there is no waiver or extension of any statute of limitations with respect to Taxes that could result in a Lien on any of the PPM Purchased Assets; and
- (d) no claim for unpaid Taxes that could result in a Lien on any of the PPM Purchased Assets has been made by any Governmental Entity, and there are no pending audits or examinations with respect to any such Taxes.

### **3.5 Payments**

For the period prior to the effective time of the 363 Order, to the knowledge of PPM, all assessments, rentals, levies or other payments related to the PPM Purchased Assets and PPM Assumed Obligations to be made to any Governmental Entity have been made, and for the period after the effective time of the 363 Order, all assessments, rentals, levies or other payments related to the PPM Purchased Assets and PPM Assumed Obligations to be made to any Governmental Entity have been made.

### **3.6 PPM Mineral Property**

(a) **PPM Patented Mining Claims.** Schedule 2.1(a) sets forth a true and complete list of the PPM Patented Mining Claims. Except as set forth in Schedule 2.1(a) and except for any Permitted Liens, it has good and indefeasible title in fee simple to the PPM Patented Mining Claims.

(b) **PPM Unpatented Mining Claims.** Schedule 2.1(b) sets forth a true and complete list of the PPM Unpatented Mining Claims. Except as set forth in Schedule 2.1(b) and except for any Permitted Liens, PPM owns and possesses in compliance with all applicable Laws, subject to the paramount title of the United States and subject to any split estate surface ownership rights, all of the PPM Unpatented Mining Claims pursuant to valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments. During its period of ownership of the PPM Unpatented Mining Claims, PPM timely made annual maintenance fee payments and filings to the Bureau of Land Management, and PPM has not received any written communication bringing or threatening a claims contest proceeding or alleging: (i) that PPM does not own and possess any of the PPM Unpatented Mining Claims; (ii) that any of the PPM Unpatented Mining Claims are invalid; or (iii) that any third party has overstaked or has superior claims to the same federal ground covered by the PPM Unpatented Mining Claims.

(c) **PPM Leased Real Property.** Schedule 2.1(c) sets forth a true and complete list of the PPM Leased Real Property, together with the reference information for each of the leases or other agreements applicable thereto. Except as set forth in Schedule 2.1(c) and except for any Permitted Liens: (i) PPM has a valid, binding and enforceable leasehold or option interest in each of the PPM Leased Real Properties; (ii) there are no tenants or other parties, other than PPM and, in the case of optioned claims, the owner of the optioned claims, in possession of any PPM Leased Real Property; (iii) there are no subleases, Permits, Liens or other Contracts granting to any party or parties the right of use or occupancy of any portion of the PPM Leased Real Property and none of any subleases, Permits, Liens or Contracts set forth in Schedule 2.1(c) have a material adverse impact on PPM's right to use or maintain the PPM Leased Real Property; and (iv) none of the PPM Leased Real Property, or the current use thereof by PPM, contravenes or violates any building or zoning Law, or any Environmental Law or other applicable Law in any material respect.

(d) **Surface and Access Rights.** Except as set forth in Schedules 2.1(a), 2.1(b) and 2.1(c) or as limited by law or any requirements to obtain one or more Permits from any Governmental Entity, and subject to all Permitted Liens, to its knowledge PPM has the right of surface use and access upon and across the PPM Patented Mining Claims, the PPM Unpatented Mining Claims and the PPM Leased Real Property.

(e) **Tribal Matters.** PPM has not received any written notice of any kind that a tribe group asserts jurisdiction over any of the PPM Purchased Assets. PPM has disclosed to the Buyer the nature and substance of any material written or material verbal communications, negotiations or consultation with any tribe or aboriginal group with respect to the PPM Purchased Assets.

### **3.7 PPM Assumed Contracts.**

Schedule 2.1(d) sets forth a true and complete list of the PPM Assumed Contracts. The PPM Assumed Contracts are in full force and effect and are valid and enforceable in accordance with their terms. PPM is not in material default or material breach of its obligations under the PPM Assumed Contracts, and no event has occurred and no condition or state of facts exists that, with the passage of time or the giving of notice or both, would constitute such a material default or material breach by PPM or, to its knowledge, any other party thereto. PPM does not intend, and has not received a notice that any party to the PPM Assumed Contracts intends, to terminate, amend, not renew or cancel the PPM Assumed Contracts.

### **3.8 PPM Acquired Water Rights**

Schedule 2.1(f) sets forth a true and complete list of the PPM Acquired Water Rights.

### **3.9 Compliance with Other Laws and Permits**

Schedule 2.1(e) sets forth a true and complete list of all material Permits comprising the PPM Acquired Permits issued by any Governmental Entity under any Laws and to which PPM is a party as of the date hereof. To the knowledge of PPM, PPM is in compliance with such Permits and with applicable Laws. To the knowledge of PPM, each Permit has been validly issued and is in full force and effect and all applicable appeal periods challenging any such issuance have expired and, subject to all applicable Governmental Entity transfer approval requirements, no such Permit will be subject to suspension, modification, revocation or non-renewal as a result of the transactions contemplated by this Agreement.

### **3.10 Outstanding Agreements, Claims or Challenges**

Other than as provided in Section 3.6(b), PPM has not received any claim against or challenge to PPM's ownership of or title to any of the PPM Purchased Assets. Other than the Banner Lease and this Agreement, PPM is not party to any Contract providing for the acquisition, lease or purchase by any Person of the PPM Purchased Assets or any portion thereof.

### **3.11 Royalties**

Schedule 3.11 sets forth a true and complete list of all royalties relating to the PPM Mining Claims.

### **3.12 Liabilities Under Environmental Laws**

To the knowledge of PPM, except for (a) matters set out in the Phase 1 Report and (b) reclamation obligations and financial assurance associated with the operations of the

mill on the PPM Mining Claims covered by the Banner Lease, there are no material outstanding obligations or liabilities, contingent or otherwise, under Environmental Laws, including Remediation work, associated with the PPM Mining Claims.

**3.13 Insolvency**

PPM is not insolvent and PPM has not committed an act of bankruptcy, proposed a compromise or arrangement to its creditors generally, had any petition for a receiving order in bankruptcy filed against it, taken any Proceeding with respect to a compromise or arrangement, taken any Proceeding to have itself declared bankrupt, taken any Proceeding to have a receiver appointed for any part of its assets, had an encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

**3.14 Financial Advisors**

No Person acting, directly or indirectly, as a broker, finder or financial advisor for PPM in connection with the transactions contemplated by this Agreement is entitled to any fee or commission or like payment in respect thereof from PPM.

**3.15 Reclamation Bonds**

There are no surety bonds, reclamation bonds, guaranties, letters of credit, certificates of deposit, cash deposits or other similar instruments maintained by PPM or any Affiliate of PPM with respect to the PPM Purchased Assets.

**3.16 Litigation**

Except as set forth on Schedule 3.16, there is no active nor, to the knowledge of PPM, pending or threatened Proceeding against PPM relating to the PPM Purchased Assets or the PPM Assumed Obligations.

**3.17 Intellectual Property**

PPM does not own or license or have the benefit of any licence for any patents, patent rights, trademarks, trade names, service marks, copyrights, know how or other proprietary intellectual property rights that are material to the PPM Purchased Assets.

**3.18 No Other Representations and Warranties**

Except for the express representations and warranties contained in this Article 3 (including the related portions of the Schedules), neither PPM nor any of its Affiliates or Representatives, or any other Person, has made, and does not make, any other express or implied representation or warranty, either written or oral, including any representation or warranty as to the discovery of any valuable minerals within any of the PPM Mining Claims, the factual validity of any of the PPM Mining Claims, the accuracy or completeness of any information provided or made available to the Buyer or any of its Representatives or as to the condition, characteristics, fitness for purpose, quantity, quality, value, operability, revenue, profitability or success of the PPM Purchased Assets or the PPM Assumed Obligations, or any representation or warranty arising from statute or otherwise at law.



**ARTICLE 4**  
**REPRESENTATIONS AND WARRANTIES OF MASON**

Mason represents and warrants to the Buyer as follows and acknowledges that the Buyer and the Buyer Subsidiary are relying upon such representations and warranties in entering into this Agreement.

**4.1**           **Mason Corporate Matters**

(a)       Mason is a corporation validly existing and in good standing under the laws of Nevada and has the corporate power to own its property, including the Mason Purchased Assets owned or leased by it, to carry on its business as now being conducted by it and to enter into this Agreement and each of the Closing Documents to which it is or will be a party and to perform its obligations hereunder and thereunder. Mason is duly qualified as a corporation to do business in each jurisdiction in which the nature of the Mason Purchased Assets owned by it makes such qualification necessary.

(b)       Mason has all necessary corporate power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it is or will be a party and has taken all corporate action necessary to authorize the execution and delivery of, and the observance and performance of its covenants and obligations under, this Agreement and the Closing Documents to which it is or will be a party. Without limiting the generality of the foregoing, Mason has taken all corporate action necessary to approve the disposition of the Mason Purchased Assets.

(c)       This Agreement has been, and each Closing Document to which Mason will be a party, when executed and delivered, will be, duly executed and delivered by Mason and this Agreement constitutes, and each Closing Document to which Mason will be a party, when executed and delivered, will constitute, a legal, valid and binding obligation of Mason, enforceable against Mason in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally.

**4.2**           **Consents**

None of the execution, delivery or performance by Mason of this Agreement or any Closing Document to which Mason will be a party, or the consummation by Mason of the transactions contemplated hereby or thereby, will require any material consent of or from, or material filing to be made by Mason with or to, any Governmental Entity or other Person, other than as contemplated in Schedule 4.2.

**4.3**           **No Conflicts**

The execution, delivery and performance by Mason of this Agreement and each Closing Document to which Mason will be a party by and the consummation of the transactions contemplated hereby do not and will not (a) conflict with or result in any breach of any provision of the organizational documents of Mason or the terms of any material indenture, agreement or instrument to which Mason is a party or by which Mason is bound, (b) materially violate any Law applicable to Mason with respect to the Mason Purchased Assets, or (c) result in, or require the creation or imposition of, any Lien on any of the Mason Purchased Assets other than a Permitted Lien.

#### **4.4**            **Taxes**

Except as set forth on Schedule 4.4:

- (a) Mason has paid in full all income Taxes and other material Taxes (whether or not shown on any Tax Return) due and payable with respect to the ownership, maintenance or operation of the Mason Purchased Assets, and Mason is not currently under audit or examination with respect to any material Taxes;
- (b) Mason has satisfied all withholding Tax requirements that could result in a Lien on the Mason Purchased Assets;
- (c) there is no waiver or extension of any statute of limitations with respect to Taxes that could result in a Lien on any of the Mason Purchased Assets; and
- (d) no claim for unpaid Taxes that could result in a Lien on any of the Mason Purchased Assets has been made by any Governmental Entity, and there are no pending audits or examinations with respect to any such Taxes.

#### **4.5**            **Payments**

For the period prior to May 9, 2017, to the knowledge of Mason, all assessments, rentals, levies or other payments related to the Mason Purchased Assets and Mason Assumed Obligations to be made to any Governmental Entity have been made, and, for the period after May 9, 2017, all assessments, rentals, levies or other payments related to the Mason Purchased Assets and Mason Assumed Obligations to be made to any Governmental Entity have been made.

#### **4.6**            **Mason Mineral Property**

(a)    **Mason Unpatented Mining Claims.** Schedule 2.2(a) sets forth sets forth a true and complete list of the Mason Unpatented Mining Claims. Except as set forth in Schedule 2.2(b) and except for any Permitted Liens, Mason owns and possesses in compliance with all applicable Laws, subject to the paramount title of the United States and subject to any split estate surface ownership rights, all of the Mason Unpatented Mining Claims pursuant to valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments. During its period of ownership of the Mason Unpatented Mining Claims, Mason timely made annual maintenance fee payments and filings to the Bureau of Land Management, and Mason has not received any written communication bringing or threatening a claims contest proceeding or alleging: (i) that Mason does not own and possess any of the Mason Unpatented Mining Claims; (ii) that any of the Mason Unpatented Mining Claims are invalid; or (iii) that any third party has overstaked or has superior claims to the same federal ground covered by the Mason Unpatented Mining Claims.

(b)    **Mason Leased Real Property.** Schedule 2.2(b) sets forth a true and complete list of the Mason Leased Real Property, together with the reference information for each of the leases or other agreements applicable thereto. Except as set forth in Schedule 2.2(c) and except for any Permitted Liens: (i) Mason has a valid, binding and enforceable leasehold or other usage interest in each of the Mason Leased Real Properties; (ii) there are no tenants or other parties, other than Mason and the surface owner of the split estate land within the Mason Leased Real Property, in possession of any Mason Leased Real Property; (iii) there are no

subleases, Permits, Liens or other Contracts granting to any party or parties right of use or occupancy of any portion of the Mason Leased Real Property and none of any subleases, Permits, Liens or Contracts set forth in Schedule 2.1(c) have a material adverse impact on Mason's right to use or maintain the Mason Leased Real Property; and (iv) none of the Mason Leased Real Property, or the current use thereof by Mason, contravenes or violates any building or zoning Law, or any Environmental Law or other applicable Law in any material respect.

(c) **Surface and Access Rights.** Except as set forth in Schedules 2.2(a) and 2.2(b) or as limited by law or any requirements to obtain one or more Permits from any Governmental Entity, and subject to all Permitted Liens, to its knowledge Mason has the right of surface use and access upon and across the Mason Unpatented Mining Claims and the Mason Leased Real Property.

(d) **Tribal Matters.** Mason has not received any written notice of any kind that a tribe group asserts jurisdiction over any of the Mason Purchased Assets. Mason has disclosed to the Buyer the nature and substance of any material written or material verbal communications, negotiations or consultation with any tribe or aboriginal group with respect to the Mason Purchased Assets.

#### **4.7 Mason Assumed Contracts**

Schedule 2.2(c) sets forth a true and complete list of the Mason Assumed Contracts. The Mason Assumed Contracts are in full force and effect and are valid and enforceable in accordance with their terms. Mason is not in material default or material breach of its obligations under the Mason Assumed Contracts, and no event has occurred and no condition or state of facts exists that, with the passage of time or the giving of notice or both, would constitute such a material default or material breach by Mason or, to its knowledge, any other party thereto. Mason does not intend, and has not received a notice that any party to the Mason Assumed Contracts intends, to terminate, amend, not renew or cancel the Mason Assumed Contracts.

#### **4.8 Mason Personal Property**

Schedule 2.2(d) sets forth a true and complete list of the Mason Personal Property. The Mason Personal Property is in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of the Mason Personal Property is in need of maintenance or repairs except for routine maintenance and repairs in the ordinary course.

#### **4.9 Compliance with Other Laws and Permits**

Schedule 2.2(e) sets forth a true and complete list of all material Permits comprising the Mason Acquired Permits issued by any Governmental Entity under any Laws and to which Mason is a party as of the date hereof. To the knowledge of Mason, Mason is in compliance with such Permits and with applicable Laws. To the knowledge of Mason, each such Permit has been validly issued and is in full force and effect and all applicable appeal periods challenging any such issuance have expired and, subject to all applicable Governmental Entity transfer approval requirements, no such Permit will be subject to suspension, modification, revocation or non-renewal as a result of the transactions contemplated by this Agreement.

#### **4.10 Outstanding Agreements, Claims or Challenges**

Other than as provided in Section 4.6(b), Mason has not received any claim against or challenge to Mason's ownership of or title to any of the Mason Purchased Assets. Other than this Agreement, Mason is not party to any Contract providing for the acquisition, lease or purchase by any Person of the Mason Purchased Assets or any portion thereof.

#### **4.11 Royalties**

Schedule 4.11 sets forth a true and complete list of all royalties relating to the Mason Mining Claims.

#### **4.12 Liabilities Under Environmental Laws**

To the knowledge of Mason, except for the Remediation work and financial assurance associated with the Mason Reclamation Bonds, there are no material outstanding obligations or liabilities, contingent or otherwise, under Environmental Laws, including Remediation work, associated with the Mason Mining Claims.

#### **4.13 Insolvency**

Mason is not insolvent and Mason has not committed an act of bankruptcy, proposed a compromise or arrangement to its creditors generally, had any petition for a receiving order in bankruptcy filed against it, taken any Proceeding with respect to a compromise or arrangement, taken any Proceeding to have itself declared bankrupt, taken any Proceeding to have a receiver appointed for any part of its assets, had an encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

#### **4.14 Financial Advisors**

No Person acting, directly or indirectly, as a broker, finder or financial advisor for Mason in connection with the transactions contemplated by this Agreement is entitled to any fee or commission or like payment in respect thereof from Mason.

#### **4.15 Reclamation Bonds**

Schedule 4.15 sets forth a list of all surety bonds, reclamation bonds, guaranties, letters of credit, certificates of deposit, cash deposits and other similar instruments required and maintained by Mason and any Affiliate of Mason with respect to the Mason Purchased Assets (collectively, the "**Mason Reclamation Bonds**").

#### **4.16 Litigation**

Except as set forth on Schedule 4.16, there is no active nor, to the knowledge of Mason, pending or threatened Proceeding against Mason relating to the Mason Purchased Assets or the Mason Assumed Obligations.

**4.17 Intellectual Property**

Mason does not own or license or have the benefit of any licence for any patents, patent rights, trademarks, trade names, service marks, copyrights, know how or other proprietary intellectual property rights that are material to the Mason Purchased Assets.

**4.18 No Other Representations and Warranties**

Except for the express representations and warranties contained in this Article 4 (including the related portions of the Schedules), neither Mason nor any of its Affiliates or Representatives, or any other Person, has made, and does not make, any other express or implied representation or warranty, either written or oral, including any representation or warranty as to the discovery of any valuable minerals within any of the Mason Mining Claims, the factual validity of any of the Mason Mining Claims, the accuracy or completeness of any information provided or made available to the Buyer or any of its Representatives or as to the condition, characteristics, fitness for purpose, quantity, quality, value, operability, revenue, profitability or success of the Mason Purchased Assets or the Mason Assumed Obligations, or any representation or warranty arising from statute or otherwise at law.

**ARTICLE 5**  
**REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer represents and warrants to the Sellers as follows and acknowledge that the Sellers are relying upon such representations and warranties in entering into this Agreement.

**5.1 Corporate Matters**

(a) The Buyer is a corporation validly existing and in good standing under the laws of the Province of British Columbia. The Buyer has the corporate power to own or lease its property, including to acquire the Purchased Assets, to carry on its business as now being conducted by it and to enter into this Agreement and each of the Closing Documents to which it is or will be a party and to perform its obligations hereunder and thereunder. The Buyer is duly qualified as a corporation to do business in each jurisdiction in which the nature of its business or the property and assets carried on by it, or owned or leased by it, makes such qualification necessary.

(b) The Buyer has all necessary corporate power and capacity to execute and deliver, and to observe and perform its covenants and obligations under, this Agreement and the Closing Documents to which it is or will be a party and has taken all corporate action necessary to authorize the execution and delivery of, and the observance and performance of its covenants and obligations under, this Agreement and the Closing Documents to which it is or will be a party. Without limiting the generality of the foregoing, the Buyer has taken all corporate action necessary to approve the acquisition of the Purchased Assets and the assumption of the Assumed Obligations.

(c) This Agreement has been, and each Closing Document to which the Buyer will be a party, when executed and delivered will be, duly executed and delivered by the Buyer, and this Agreement constitutes, and each Closing Document to which the Buyer is or will be a party, when executed and delivered, will constitute a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, subject to applicable bankruptcy,

insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally.

## **5.2 Consents**

Except for the approval of the CSE, none of the execution, delivery or performance of this Agreement by the Buyer will require any material consent of or from, or material filing to be made by the Buyer with or to, any Governmental Entity.

## **5.3 No Conflicts**

The execution, delivery and performance of this Agreement by the Buyer and the consummation of the transactions contemplated hereby, do not and will not conflict with or result in any breach of any provision of its organizational documents, except as would not result in a Buyer Material Adverse Effect on the ability of the Buyer to perform its obligations under this Agreement or to consummate the transactions contemplated hereby.

## **5.4 Tax Matters**

(a) The Buyer is not and, immediately after the Closing, the Buyer will not be, a "controlled foreign corporation" as defined in Section 957 of the Code.

(b) The Buyer was not a "passive foreign investment company" within the meaning of Section 1297 of the Code for the taxable year ended December 31, 2021 and does not expect to be a PFIC for the current taxable year or subsequent years.

(c) At no time in the 60-month period preceding the date hereof was more than 50% of the fair market value of any PPM Payment Share derived directly or indirectly (otherwise than through a corporation, partnership or trust the shares or interests in which were not themselves taxable Canadian property (as defined in the Tax Act)) from one or any combination of real or immovable property situated in Canada, Canadian resource properties, timber resource properties or options in respect of, or interest in, or civil Law rights in, any of the foregoing types of property, whether or not the property exists (as each such term is interpreted for the purposes of the definition of taxable Canadian property in the Tax Act).

## **5.5 Capitalization**

(a) The authorized share capital of the Buyer consists of an unlimited number of Buyer Shares. As of the date of this Agreement, 14,575,000 Buyer Shares were issued and outstanding. All outstanding Buyer Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights. Other than as disclosed in the Buyer Public Documents or pursuant to the Equity Financing and other than the Payment Shares and the MPR to be issued at the Closing Time, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by the Buyer of any shares of the Buyer or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Buyer.

(b) There are no outstanding contractual obligations of the Buyer to repurchase, redeem or otherwise acquire any Buyer Shares.

(c) Other than the CSE trading halt imposed on the public announcement of the transactions contemplated by this Agreement, no order ceasing or suspending trading in securities of the Buyer or prohibiting the sale of such securities has been issued and is outstanding against the Buyer or its directors, officers or promoters and, to the knowledge of the Buyer, no Proceedings for that purpose have been instituted or are pending, contemplated or threatened under any Applicable Securities Laws or by any other Governmental Entity.

(d) All Buyer Shares have been issued in compliance with all Applicable Securities Laws.

(e) All Consideration Shares issued in accordance with the terms of this Agreement or the MPR, as applicable, will be duly authorized and validly issued as fully paid and non-assessable, will not be subject to any pre-emptive rights, will be approved for listing on the CSE and will be freely tradeable, subject to the terms of the Mason Lock-up, Placement and Voting Agreement, as applicable, Applicable Securities Laws and CSE policies. All Consideration Shares and the MPR will be issued in compliance with all Applicable Securities Laws.

## **5.6 Public Documents**

Since July 7, 2021, the Buyer has filed with all applicable Governmental Entities true and complete in all material respects copies of the Buyer Public Documents that the Buyer is required to file therewith. The Buyer Public Documents at the time filed: (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) complied in all material respects with the requirements of Applicable Securities Laws. The Buyer has not filed any confidential material change report with any Governmental Entity remains confidential.

## **5.7 Securities Law Matters**

(a) The Buyer is a reporting issuer in each of the Provinces of British Columbia, Alberta and Ontario, is in material compliance with all Applicable Securities Laws therein and is not on the list of reporting issuers in default under Applicable Securities Laws of such provinces.

(b) On the Closing Date, the Buyer will not be subject to any delisting, suspension of trading in or cease trading or other order that may operate to prevent or restrict trading in the Buyer Shares, and no Proceedings will have been initiated or be pending or threatened by any Governmental Entity in relation thereto.

(c) No class of equity securities of the Buyer (including the Buyer Shares) is or is required to be, and as of the Closing Date no class of equity securities of Buyer (including the Buyer Shares) will be or required to be, registered under section 12 of the U.S. Exchange Act. The Buyer is, and as of the Closing Date the Buyer will be, a "foreign private issuer" as such term is defined in Rule 405 under the U.S. Securities Act and Rule 3b-4 under the U.S. Exchange Act. No "substantial U.S. market interest" (as defined in Rule 902(j) of Regulation S) with respect to the Buyer Shares exists, and, as of the Closing, no "substantial U.S. market interest" (as defined in Rule 902(j) of Regulation S) will exist, with respect to the Buyer Shares. Neither Buyer nor any of its Affiliates, nor any Persons acting on any of their behalf, has engaged or will engage in any "directed selling efforts" (as defined in Rule 902(c) of Regulation S) with respect to the Consideration Shares.

## **5.8 Financial Statements**

(a) The audited consolidated financial statements for Buyer as at and for the period from incorporation on February 5, 2020 to December 31, 2020, including the notes thereto and the report by the Buyer's auditors thereon, and the unaudited interim condensed financial statements for the Buyer as at and for the period ended September 30, 2021, including the notes thereto, have been prepared in accordance with IFRS applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position and results of operations of the Buyer as of the respective dates thereof and the results of operations and cash flows of the Buyer for the respective periods covered thereby. There are no outstanding loans made by the Buyer to any director or executive officer of the Buyer. There has been no material change in the Buyer's accounting policies since December 31, 2020.

(b) Since December 31, 2020, neither the Buyer nor, to the Buyer's knowledge, any Representative of the Buyer has received or otherwise had or obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Buyer or its internal accounting controls, including any complaint allegation, assertion or claims that Buyer has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the board of directors of the Buyer.

## **5.9 Compliance with Laws**

The operations of the Buyer have been and are now conducted in compliance in all material respects with all Laws which have been and are now applicable to the business of the Buyer, and the Buyer has not received any notice of any alleged material violation of any such applicable Laws.

## **5.10 Proceedings and Claims**

There are, to the knowledge of the Buyer, no Proceedings outstanding, pending or threatened against the Buyer which would or could reasonably be expected to materially affect the Buyer or its business, property or assets or prohibit, restrict or seek to enjoin or materially delay or impose material conditions in respect of the transactions contemplated by this Agreement.

## **5.11 Insolvency**

The Buyer is not insolvent and the Buyer has not committed an act of bankruptcy, proposed a compromise or arrangement to its creditors generally, had any petition for a receiving order in bankruptcy filed against it, taken any Proceeding with respect to a compromise or arrangement, taken any Proceeding to have itself declared bankrupt, taken any Proceeding to have a receiver appointed for any part of its assets, had an encumbrancer take possession of any of its property, or had any execution or distress become enforceable or become levied upon any of its property.

## **5.12 Financial Advisors**

No Person acting, directly or indirectly, as a broker, finder or financial advisor for the Buyer in connection with the transactions contemplated by this Agreement is entitled to any



fee or commission or like payment in respect thereof from any Seller or any of its Affiliates. Notwithstanding the foregoing, PPM and Mason acknowledge and agree that brokers, finders and/or financial advisors may be retained by the Buyer in connection with the Equity Financing provided that, for the avoidance of doubt, the fees and expenses of such brokers, finders and financial advisors shall be borne by the Buyer.

## **ARTICLE 6** **CONDITIONS PRECEDENT**

### **6.1 Conditions of Closing in Favour of the Buyer**

The Buyer shall be obliged to complete the Closing only if each of the following conditions precedent has been satisfied, fulfilled or performed in full at or before the Closing Time. Each such condition precedent is for the exclusive benefit of the Buyer, and the Buyer may, in its sole discretion, waive any condition precedent in whole or in part in writing:

- (a) the representations and warranties of the Sellers in Article 3 and Article 4 that are qualified by materiality or Purchased Assets MAE shall be true and correct and the representations and warranties of the Sellers in Article 3 and Article 4 that are not so qualified shall be true and correct in all material respects, in each case as of the Closing Time as if made on and as of such time (unless they are expressed to be made only as of an earlier fixed date, in which case they need be true and correct only as of such earlier date), except to the extent that such representations and warranties may be affected by events or transactions expressly permitted by this Agreement, and each Seller shall have delivered to the Buyer a certificate dated as of the Closing Date and signed by an officer of such Seller to that effect in respect of the representations and warranties made by such Seller;
- (b) the Sellers shall have observed, satisfied and performed in all material respects all of the obligations, covenants and agreements under this Agreement to be performed by the Sellers at or before the Closing Time, and each Seller shall have delivered to the Buyer a certificate dated as of the Closing Date and signed by an officer of such Seller to that effect;
- (c) there shall not be pending any Proceeding against the Buyer or any Seller or in respect of any of the Purchased Assets, brought by any Governmental Entity or any other Person that seeks to prohibit, restrain, modify or invalidate the transactions contemplated by this Agreement and no Order that would prohibit, restrain, modify or invalidate such transactions shall be in effect;
- (d) the CSE shall approved the transactions contemplated hereby as a “fundamental change” of the Buyer;
- (e) the Sellers shall have obtained, executed and delivered or caused to have been obtained, executed and delivered to the Buyer all the documents and other deliverables contemplated in Sections 8.2 and 8.3;
- (f) all required approvals of the Buyer’s shareholders relating to this Agreement and the transactions contemplated hereby shall have been obtained;

- (g) all consents listed in Schedule 3.2 and Schedule 4.2, other than as contemplated in Sections 9.2, 9.3 and 9.4, shall have been obtained; and
- (h) the Equity Financing shall have closed.

## **6.2 Conditions of Closing in Favour of the Sellers**

Each Seller shall be obliged to complete the Closing only if each of the following conditions precedent has been satisfied, fulfilled or performed in full at or before the Closing Time. Each such condition precedent is for the exclusive benefit of each Seller, and any Seller may, in its sole discretion, waive any condition precedent in whole or in part in writing:

- (a) the representations and warranties of the Buyer in Article 5 that are qualified by materiality or Buyer Material Adverse Effect shall be true and correct and the representations and warranties of the Buyer in Article 5 that are not so qualified shall be true and correct in all material respects, in each case as of the Closing Time as if made on and as of such time (unless they are expressed to be made only as of an earlier fixed date, in which case they need be true and correct only as of such earlier date), except to the extent that such representations and warranties may be affected by events or transactions expressly permitted by this Agreement, and the Buyer shall have delivered to each Seller a certificate dated as of the Closing Date and signed by an officer of the Buyer to that effect;
- (b) the Buyer shall have observed, satisfied or performed in all material respects all of the obligations, covenants and agreements under this Agreement to be performed by it at or before the Closing Time, and the Buyer shall have delivered to each Seller a certificate dated as of the Closing Date and signed by an officer of the Buyer to that effect;
- (c) there shall not be pending any Proceeding against any Seller or the Buyer or in respect of any of the Purchased Assets, brought by any Governmental Entity or any other Person that seeks to prohibit, restrain, modify or invalidate the transactions contemplated by this Agreement and no Order that would prohibit, restrain, modify or invalidate such transactions shall be in effect;
- (d) the CSE shall approved the transactions contemplated hereby as a “fundamental change” of the Buyer;
- (e) the Buyer shall have obtained, executed and delivered or caused to have been obtained, executed and delivered to the Sellers, as applicable, all the documents and other deliverables contemplated in Section 8.4;
- (f) all required approvals of the Buyer’s shareholders relating to this Agreement and the transactions contemplated hereby shall have been obtained; and
- (g) the Equity Financing shall have closed.

## **6.3 Actions to Satisfy Closing Conditions**

(a) Each Seller shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions set out in this Article 6 which are for the benefit of the Buyer, to

the extent the same is within its control, and take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated hereby, including using its commercially reasonable efforts to obtain or cooperate with the Buyer to obtain any and all consents, approvals and waivers of any Person required to consummate the transactions contemplated by this Agreement.

(b) The Buyer shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions set out in this Article 6 which are for the benefit of the Sellers, to the extent the same is within its control, and take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated hereby, including using its commercially reasonable efforts to obtain or cooperate with the Sellers to obtain any and all consents, approvals and waivers of any Person required to consummate the transactions contemplated by this Agreement.

(c) Except as otherwise contemplated by this Agreement, each Party shall, at its own expense, cooperate as necessary or in such manner as the other Parties may reasonably request in the making of all necessary filings and applications required in order to obtain any consents and make any necessary filings and applications under all applicable Laws required in connection with the transactions contemplated herein.

## **ARTICLE 7**

### **PRE-CLOSING COVENANTS OF THE PARTIES**

#### **7.1 Conduct of Business of Sellers Prior to Closing**

During the Interim Period, except as required by applicable Laws or any Governmental Entity, each Seller shall hold, own or lease, as applicable, the Purchased Assets to be conveyed by it to the Buyer in the Ordinary Course and in compliance in all material respects with all applicable Laws. Without limiting the generality of the foregoing, each Seller shall (a) not without the prior written consent of the Buyer, enter into any transaction or refrain from doing any action which, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation hereunder of such Seller; (b) use commercially reasonable efforts to maintain its current right, title and interest in and to the Purchased Assets to be conveyed by it to the Buyer; and (c) use commercially reasonable efforts to preserve intact the Purchased Assets to be conveyed by it to the Buyer as currently owned, leased or held by such Seller. For the avoidance of doubt, PPM shall not be responsible under this Section 7.1 for any conduct of Summit Gold Corporation on the PPM Mining Claims.

#### **7.2 Material Adverse Effect**

(a) The Buyer shall promptly notify the Sellers of the occurrence of any Buyer Material Adverse Effect after the date hereof.

(b) Each Seller shall promptly notify the Buyer and the other Seller of the occurrence of any Purchased Assets MAE after the date hereof of which it becomes aware.

### **7.3 Injunctions**

If any court of competent jurisdiction or Governmental Entity having jurisdiction over any of the Parties issues any Order before the Closing Time which would prohibit or materially restrict or hinder the Closing, the Parties shall use their respective commercially reasonable efforts to have such Order dissolved, revoked or otherwise eliminated as promptly as possible. If the Order is not rescinded by the Outside Date and provided that such Order is being contested or appealed, the Outside Date shall automatically be extended for a single period of 90 days.

### **7.4 Listing Approval**

The Buyer shall obtain approval from the CSE to have the Consideration Shares listed on the CSE on or before the Closing Date (the "**Listing Approval**"). From and after the Closing Date, the Buyer shall use commercially reasonable efforts to maintain the listing or quotation of the Consideration Shares on the trading market on which such securities are then listed and shall comply in all respects with their respective reporting, filing and other obligations under the bylaws or rules of the applicable trading markets. If the Buyer applies to have the Consideration Shares traded on any other trading market, it will then include in such application all of the Consideration Shares, and will take such other action as is necessary to cause all of the Consideration Shares to be listed or quoted on such other trading market as promptly as possible. The Buyer shall then take all action reasonably necessary to continue the listing or quotation and trading of the class of securities which comprise the Consideration Shares on such trading market and will use commercially reasonable efforts to comply in all respects with its reporting, filing and other obligations under the bylaws or rules of such trading market. If the Listing Approval is not obtained by the Outside Date, the Outside Date shall automatically be extended for a single period of 30 days provided that the Buyer is using its best efforts to obtain the Listing Approval.

### **7.5 Confidentiality and Public Announcements**

(a) Each Party acknowledges having received Confidential Information belonging to the other Parties in the course of negotiating this Agreement. As used herein, the term "**Confidential Information**" means any and all information of the Parties that has been or may hereafter be disclosed by any Party or its Representatives (collectively, a "**Disclosing Party**") to another Party or its Representatives (collectively, a "**Receiving Party**") by any means, whether written, oral, electronic or visual. Information is not, however, "Confidential Information" if it (i) was known to the Receiving Party, prior to its disclosure to the Receiving Party by the Disclosing Party, from a source not known by the Receiving Party to be under an obligation of confidentiality to the Disclosing Party after due inquiry, (ii) is or becomes known generally otherwise than through breach of this Agreement, or (iii) was independently developed by the Receiving Party without reliance on the Confidential Information of the Disclosing Party.

(b) Each Receiving Party acknowledges the confidential and proprietary nature of the Confidential Information of the Disclosing Party and agrees that such Confidential Information: (i) shall be kept confidential by the Receiving Party; (ii) shall not be used for any reason or purpose other than to evaluate and consummate the transactions contemplated by this Agreement; and (iii) without limiting the foregoing, shall not be disclosed by the Receiving Party to any Person, except in each case as otherwise expressly permitted by the terms of this Agreement or with the prior written consent of an authorized Representative of the Disclosing Party. Each Party shall disclose the Confidential Information of the other Parties only to its

Representatives who require such material for the purpose of evaluating the transactions contemplated by this Agreement and are informed by such Party of the confidentiality obligations herein. Each Party shall (x) enforce the terms of this Section 7.5 as to its respective Representatives; (y) take such action to the extent necessary to cause its Representatives to comply with the terms and conditions of this Section 7.5; and (z) be responsible and liable for any breach herein by its Representatives.

(c) Unless and until this Agreement is terminated, and except as required by applicable Law or legal process (in compliance with Section 7.5(e)), (i) PPM shall maintain as confidential any Confidential Information of PPM relating to any of the PPM Purchased Assets and the PPM Assumed Obligations and (ii) Mason shall maintain as confidential any Confidential Information of Mason relating to any of the Mason Purchased Assets and the Mason Assumed Obligations. Notwithstanding the preceding sentence the Sellers may use any of their respective Confidential Information before the Closing in the Ordinary Course.

(d) The Parties shall consult with each other before issuing any press release or making any other public announcement with respect to this Agreement or the transactions contemplated hereby and, except as required by any applicable Law, none of them shall issue any such press release or make any such public announcement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

(e) Prior to any public announcement of the transactions contemplated hereby, no Party shall disclose this Agreement or any aspects of such transactions except to its board of directors, its senior management, its shareholders, its members and managers, its legal, accounting, financial or other professional advisors, or as may be required by any applicable Law or legal process. If any Party or an Affiliate thereof is required to disclose any Confidential Information of another Party to comply with applicable Law (including the rules of any stock exchange) or by any Governmental Entity or legal process having jurisdiction, such Party shall as soon as reasonably practicable, unless prohibited by applicable Law or legal process, provide such other Party with written notice of such requirement so that such other Party may, at its own option and expense, seek an appropriate protective order or other remedy to prevent or restrict the disclosure of the Confidential Information. In the event such protective order or other remedy is not obtained, the notifying Party and/or its Representatives, as applicable, shall only disclose to the requesting Person that portion of the Confidential Information which it reasonably believes, based on the advice of outside legal counsel, it is required by applicable Law or legal process to disclose.

(f) The provisions of this Section 7.5 shall survive and shall not merge on Closing or any termination of this Agreement.

## **7.6 Non-Public Information**

After the date of this Agreement, neither the Buyer nor any other Person acting on its behalf will provide any Seller or any of their respective agents or counsel with any information that constitutes, or that the Buyer reasonably believes constitutes, material non-public information, unless prior thereto such Seller shall have expressly consented in writing to the receipt of such information.

## **7.7 Technical Report and Financial Statements**

(a) Prior to Closing and as soon as reasonably practicable after the date hereof, the Buyer shall, at the expense of the Buyer:

- (i) cause to be prepared by an independent third party technical consultant a current independent technical report (the “**Technical Report**”) for the Mining Claims prepared in accordance with the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects; and
- (ii) prepare the financial statements of the Buyer in the form required by the CSE and the relevant securities regulatory authorities (the “**Financial Statements**”).

(b) The Sellers agree to provide such assistance to the Buyer in connection with the preparation of the Technical Report and the Financial Statements as may be reasonably requested by the Buyer. The Buyer acknowledges and agrees that neither of the Sellers nor any of their respective Affiliates or Representatives (i) is or will be the owner of or have any responsibility for the content of the Technical Report, the Financial Statements or any disclosure therein, (ii) makes any representation or warranty with respect to the Technical Report, the Financial Statements or any data, information, statement, representation or conclusion contained therein or (iii) shall have any liability or obligation related to the Technical Report, the Financial Statements or any disclosure therein, including with respect to any information or assistance provided by such Seller in respect of the preparation thereof.

## **ARTICLE 8 CLOSING ARRANGEMENTS**

### **8.1 Place of Closing**

The Closing shall take place electronically on the Closing Date at the Closing Time.

### **8.2 Deliveries by PPM**

At the Closing Time, PPM shall execute and deliver or cause to be executed and delivered to the Buyer (unless delivered previously):

- (a) all deeds, bills of sale, conveyances, transfers, assignments, instruments and other documents which are necessary to assign, sell, transfer, convey and set over the PPM Purchased Assets and the PPM Assumed Obligations to the Buyer as contemplated by this Agreement, including those instruments described in Section 2.11, in such form and content as the Buyer and PPM, each acting reasonably, may mutually agree (unless otherwise attached as an Exhibit hereto);
- (b) a counterpart of the PPM Royalty Grant Instrument, substantially in the form attached hereto as Exhibit 2.6(a);
- (c) a counterpart of the Form of Deed (PPM Mining Claims), substantially in the form attached hereto as Exhibit 2.7(a);

- (d) a counterpart of the MPR;
- (e) the certificates described in Sections 6.1(a) and 6.1(b);
- (f) all consents listed in Schedule 3.2, other than as contemplated in Section 9.2, 9.3 and 9.4, shall have been obtained;
- (g) all PPM Purchased Assets referred to in Section 2.1(g); and<sup>1</sup>
- (h) a completed and signed IRS Form W-9, *Request for Taxpayer Identification Number and Certification*, provided in accordance with Treasury Regulations Section 1.1445-2(b)(2)(v).

### **8.3 Deliveries by Mason**

At the Closing Time, Mason shall execute and deliver or cause to be executed and delivered to the Buyer (unless delivered previously):

- (a) all deeds, bills of sale, conveyances, transfers, assignments, instruments and other documents which are necessary to assign, sell, transfer, convey and set over the Mason Purchased Assets and the Mason Assumed Obligations to the Buyer as contemplated by this Agreement, including those instruments described in Section 2.11, in such form and content as the Buyer and Mason, each acting reasonably, may mutually agree (unless otherwise attached as an Exhibit hereto);
- (b) a counterpart of the Mason Royalty Grant Instrument, substantially in the form attached here to as Exhibit 2.6(b);
- (c) a counterpart of the Form of Deed (Mason Mining Claims), substantially in the form attached hereto as Exhibit 2.7(b);
- (d) a counterpart of the Mason Lock-up, Placement and Voting Agreement;
- (e) the certificates described in Sections 6.1(a) and 6.1(b);
- (f) all consents listed in Schedule 4.2, other than as contemplated in Sections 9.2, 9.3 and 9.4, shall have been obtained;
- (g) all Mason Purchased Assets referred to in Section 2.2(f); and
- (h) a completed and signed IRS Form W-9, *Request for Taxpayer Identification Number and Certification*, provided in accordance with Treasury Regulations Section 1.1445-2(b)(2)(v).

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<sup>1</sup> Note to DLA: PPM will not convey the software as it is not part of the PPM Purchased Assets.

#### **8.4 Deliveries by the Buyer**

At the Closing Time, the Buyer shall execute and deliver or cause to be executed and delivered to the Sellers, as applicable, or their designees (unless delivered previously):

- (a) all instruments and other documents which are necessary to pay or satisfy in full the PPM Purchase Price payable by the Buyer to PPM pursuant to Section 2.6(a), including (i) delivery of the PPM Cash Consideration, (ii) execution and delivery of the MPR, and (iii) delivery of the PPM Payment Shares, registered in the name of PPM or its designee;
- (b) all instruments and other documents which are necessary to pay or satisfy in full the Mason Purchase Price payable by the Buyer to Mason pursuant to Section 2.6(b), including delivery of the Mason Payment Shares, registered in the name of Mason or its designee;
- (c) all deeds, bills of sale, conveyances, transfers, assignments, instruments and other documents which are necessary to assign, sell, transfer, convey and set over the Purchased Assets and the Assumed Obligations to the Buyer as contemplated by this Agreement, including those instruments described in Section 2.11, in such form and content as the applicable Seller and the Buyer, each acting reasonably, may mutually agree (unless otherwise attached as an Exhibit hereto);
- (d) a counterpart of the PPM Royalty Grant Instrument, substantially in the form attached hereto as Exhibit 2.6(a);
- (e) a counterpart of the Mason Royalty Grant Instrument, substantially in the form attached here to as Exhibit 2.6(b);
- (f) a counterpart of the Form of Deed (PPM Mining Claims), substantially in the form attached hereto as Exhibit 2.7(a);
- (g) a counterpart of the Form of Deed (Mason Mining Claims), substantially in the form attached hereto as Exhibit 2.7(b);
- (h) a counterpart of the Mason Lock-up, Placement and Voting Agreement; and
- (i) the certificates described in Sections 6.2(a) and 6.2(b).

#### **8.5 Delivery of Purchased Assets**

It shall be a condition of the Closing that all matters of payment and the execution and delivery of documents by any Party to the others pursuant to the terms of this Agreement shall be concurrent requirements and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, satisfied, executed and delivered, as the case may be. At the Closing Time, each Seller shall deliver to the Buyer possession of the Purchased Assets to be conveyed by such Seller, except for the Mason Personal Property, which shall be delivered to the Buyer at the Closing Time or as soon thereafter as reasonably practicable.



**ARTICLE 9**  
**ADDITIONAL COVENANTS OF THE PARTIES**

**9.1**            **Copies and Access**

Notwithstanding anything else in this Agreement, each Seller shall be entitled to make and retain copies of all books and records and such other documentation as is necessary for the purposes of (a) preparing Tax Returns, (b) preparing any other filings required by a Governmental Entity; (iii) record keeping in accordance with its document retention policy, or (iv) enforcing its rights and remedies under this Agreement.

**9.2**            **Licenses and Permits**

(a) To the extent that the rights under any Acquired Permit cannot be conveyed to the Buyer or the Buyer Subsidiary on Closing without the prior consent or approval of any Governmental Entity, the applicable Seller shall use its commercially reasonable efforts to ensure that consents or approvals to the assignment of such Acquired Permit (the “**Non-Assignable Permit**”) to the Buyer or the Buyer Subsidiary are obtained within 60 days after the Closing. Notwithstanding any provision to the contrary, the obtaining of any such consents or approvals is not a condition precedent to Closing in favour of any Party.

(b) Until such time as any Non-Assignable Permits have been assigned to the Buyer or the Buyer Subsidiary, to the greatest extent permitted by Law, the applicable Seller shall continue to hold such Non-Assignable Permits in trust for the benefit of the Buyer and to provide the benefit of such Non-Assignable Permits to the Buyer, provided that the Buyer fully performs and discharges all obligations of such Seller (and, if applicable, its Affiliates) under any Non-Assignable Permits. To the greatest extent permitted by Law, all Liabilities associated with any Non-Assignable Permits shall be, and shall for all purposes be deemed to be, transferred to the Buyer or the Buyer Subsidiary as of the Closing Date and the Buyer or the Buyer Subsidiary shall thereafter be fully responsible and liable therefor.

**9.3**            **Surface Use Agreement**

Mason shall use commercially reasonable efforts to obtain the consent to the assignment of the Surface Use Agreement to the Buyer or the Buyer Subsidiary prior to the Closing. If such consent is not obtained by the Closing Time and the Closing occurs, then from and after the Closing Time:

- (a) the Surface Use Agreement will be deemed not to have been assigned by Mason to the Buyer or the Buyer Subsidiary under this Agreement;
- (b) Mason shall hold the Surface Use Agreement in trust for the exclusive benefit of the Buyer;
- (c) Mason shall, at the request and expense and under the direction of the Buyer, acting reasonably, do all things or cause all things to be done that the Buyer, acting reasonably, considers necessary or desirable to perform the obligations of Mason under the Surface Use Agreement so as to preserve the value of Mason’s rights thereunder and ensure that any amounts receivable under the Surface Use Agreement will be received by the Buyer;

- (d) Mason shall promptly pay over to the Buyer any amounts collected by Mason under the Surface Use Agreement;
- (e) the Buyer shall promptly pay all amounts payable under the Surface Use Agreement or, if any such amount is paid by Mason, shall promptly reimburse Mason for any amount so paid;
- (f) Mason, the Buyer and the Buyer Subsidiary shall make commercially reasonable efforts and cooperate with each other in good faith to obtain the consent to the assignment of the Surface Use Agreement to the Buyer or the Buyer Subsidiary; and
- (g) if Mason obtains the necessary consent under the Surface Use Agreement then, effective as of the date the Buyer or the Buyer Subsidiary receives a copy of that consent, the Surface Use Agreement will be deemed to have been assigned and transferred by Mason to the Buyer or the Buyer Subsidiary, as applicable.

#### **9.4 Replacement Mason Reclamation Bonds**

Following the Closing, the Buyer and the Buyer Subsidiary shall use their best efforts to procure substitute guarantees, letters of credit, bonds, security deposits, or other surety obligations and evidence of financial capacity, in each case acceptable to the relevant Governmental Entity, in replacement of the Mason Reclamation Bonds (the “**Replacement Bonds**”). Within six months after the Closing, the Buyer or the Buyer Subsidiary shall deliver to the applicable Governmental Entity duly executed Replacement Bonds, and the Buyer and the Buyer Subsidiary shall use their best efforts to cause such agencies to fully and unconditionally release Mason and its Affiliates from all obligations (past, present and future) relating to the Mason Reclamation Bonds and any liabilities related thereto. If, despite the exercise of the Buyer’s and the Buyer Subsidiary’s best efforts, the Mason Reclamation Bonds are not replaced within six months of Closing, then the Buyer or the Buyer Subsidiary will provide to Mason guarantees, letters of credit, bonds, security deposits, or other surety obligations acceptable to Mason acting reasonably, which Mason shall hold until the Mason Reclamation Bonds are fully and unconditionally released, and Mason shall be able to call upon such obligations of the Buyer or the Buyer Subsidiary in the event the Mason Reclamation Bonds are called upon by the relevant Governmental Entity, and the Buyer and the Buyer Subsidiary shall jointly and severally be responsible for prompt reimbursement to Mason of any amounts called in respect of a Mason Reclamation Bond from and after the Closing and prior to the issuance of the Replacement Bonds. Mason shall provide all information, documents and other assistance as reasonably required by the Buyer or the Buyer Subsidiary in connection with the foregoing.

### **ARTICLE 10 GENERAL TERMINATION PROVISIONS**

#### **10.1 Termination**

This Agreement may be terminated at any time prior to Closing:

- (a) in writing, by mutual consent of the Parties;
- (b) by written notice by the Buyer if:

- (i) any of the conditions set forth in Section 6.1 have not been satisfied or waived by the Outside Date, or if it becomes apparent to the Buyer (acting reasonably) that any such condition cannot be satisfied by the Outside Date and the Buyer does not waive such condition, provided that the right to terminate this Agreement under this Section 10.1(b) shall not be available if the failure of such condition to be satisfied was caused by, contributed to, or resulted from the Buyer's failure to fulfill any of its covenants or obligations or a breach of any of its representations and warranties under this Agreement; or
  - (ii) there has occurred a Purchased Assets MAE on or after the date of this Agreement that is incapable of being cured on or prior to the Outside Date;
- (c) by written notice by any Seller if:
  - (i) any of the conditions set forth in 6.2 have not been satisfied or waived by such Seller by the Outside Date, or if it becomes apparent to such Seller (acting reasonably) that any such condition cannot be satisfied by the Outside Date and such Seller does not waive such condition, provided that the right to terminate this Agreement under this Section 10.1(c) shall not be available if the failure of such condition to be satisfied was caused by, contributed to, or resulted from such Seller's failure to fulfill any of its covenants or obligations or a breach of any of its representations and warranties under this Agreement; or
  - (ii) there has occurred a Buyer Material Adverse Effect on or after the date of this Agreement that is incapable of being cured on or prior to the Outside Date; or
- (d) by written notice by any Party if the Closing has not occurred on or before May 30, 2022 (the "**Outside Date**") (or such later date as the Parties may mutually agree upon in writing), except that the right to terminate this Agreement under this Section 10.1(d) shall not be available to a Party if the failure of the Closing to occur by the Outside Date was caused by, contributed to, or resulted from such Party's failure to fulfill any of its covenants or obligations or a breach of any of its representations and warranties under this Agreement.

## **10.2 Termination Payment**

(a) PPM shall be entitled to a payment of \$100,000 (the "**Termination Payment**") upon the termination of this Agreement for any reason unless the termination was directly caused by PPM's failure to fulfill any of its covenants or obligations or any of PPM's representations or warranties under this Agreement being incorrect or untrue in any material respect (a "**Termination Payment Event**").

(b) On the occurrence of a Termination Payment Event, the Termination Payment shall be paid by the Buyer to PPM by 5:00 p.m. (Toronto time) on the second Business Day following termination by wire transfer in immediately available funds to an account specified by PPM. The Termination Payment shall be paid to PPM without any withholding or deduction for, or on account of, Taxes. If any withholding or deduction for, or on account of, Taxes is required

by applicable Law from the Termination Payment, then the Buyer shall pay such additional amounts as are necessary such that the net amount received by PPM after such withholding or deduction is the amount that PPM would have received had such withholding or deduction not been made.

### **10.3 Termination Procedure**

(a) In the event of the termination of this Agreement pursuant to Section 10.1, this Agreement shall terminate without further action by any Party. If this Agreement is terminated pursuant to Section 10.1:

- (i) all Information received by any Party shall be treated in accordance with Section 7.5(a);
- (ii) all filings, applications and other submissions made pursuant to this Agreement shall, to the extent practicable, be withdrawn from the Governmental Entity or other Person to which made; and
- (iii) the obligations provided for in this Section 10.3(a) shall survive any such termination.

(b) If this Agreement is terminated by the Buyer or a Seller, as applicable, pursuant to Section 10.1(b), Section 10.1(c) or Section 10.1(d) (the "**Terminating Party**"), and except for the payment of a Termination Payment on the occurrence of a Termination Payment Event, if applicable, and except as otherwise provided in this Agreement:

- (i) the Terminating Party (and, if the Terminating Party is a Seller, the other Seller) shall be released from all obligations hereunder if, and to the extent that, the condition or conditions which have not been satisfied were reasonably capable of being performed or caused to be performed by the Buyer (where the Terminating Party is a Seller) or the Sellers (where the Terminating Party is the Buyer) (the "**Obligated Party**") and have not been satisfied by reason of a default by the Obligated Party; and
- (ii) the Obligated Party shall be released from the obligations hereunder if, and to the extent that, the condition or conditions which have not been satisfied and for which the Terminating Party has terminated this Agreement were reasonably capable of being performed or caused to be performed by the Terminating Party or have not been satisfied by reason of a default by the Terminating Party hereunder.

(c) If this Agreement is terminated pursuant to Section 10.1(a), there shall be no liability or obligation hereunder on the part of any Party.

(d) Nothing in Sections 10.3(b), 10.3(c) or 10.3(d) shall relieve any Party from liability for any breach of or default under this Agreement, including where this Agreement is terminated due to a condition not being satisfied and such non-satisfaction is the result of a breach or default by a Seller or the Buyer, as applicable, in which case the Sellers will retain all remedies against the Buyer, and *vice versa*, except as otherwise expressly provided in this Agreement to the contrary. If this Agreement is terminated, the provisions of Section 7.5(a) (Confidentiality) and this Article 10 shall survive such termination and remain in full force and effect, along with

any other provisions of this Agreement which expressly or by their nature survive the termination hereof.

## **ARTICLE 11** **INDEMNIFICATION**

### **11.1 Indemnification by PPM**

Subject to the limitations set out elsewhere in this Article 11, PPM shall indemnify and save harmless the Buyer and the Buyer Subsidiary from and against all Losses suffered or incurred by the Buyer or the Buyer Subsidiary as a result of or arising out of or in connection with:

- (a) any breach or inaccuracy of any representation or warranty of PPM contained in this Agreement; or
- (b) any breach or non-performance by PPM of any covenant of PPM contained in this Agreement;

provided that the foregoing shall not apply to any Losses suffered or incurred by the Buyer or the Buyer Subsidiary as a result of or arising out of or in connection with (i) the gross negligence or willful misconduct of the Buyer or the Buyer Subsidiary or (ii) any breach of this Agreement by the Buyer or the Buyer Subsidiary.

### **11.2 Indemnification by Mason**

Subject to the limitations set out elsewhere in this Article 11, Mason shall indemnify and save harmless the Buyer and the Buyer Subsidiary from and against all Losses suffered or incurred by the Buyer or the Buyer Subsidiary as a result of or arising out of or in connection with:

- (a) any breach or inaccuracy of any representation or warranty of Mason contained in this Agreement; or
- (b) any breach or non-performance by Mason of any covenant of Mason contained in this Agreement;

provided that the foregoing shall not apply to any Losses suffered or incurred by the Buyer or the Buyer Subsidiary as a result of or arising out of or in connection with (i) the gross negligence or willful misconduct of the Buyer or the Buyer Subsidiary or (ii) any breach of this Agreement by the Buyer or the Buyer Subsidiary.

### **11.3 Indemnification by the Buyer**

Subject to the limitations set out elsewhere in this Article 11, the Buyer and the Buyer Subsidiary shall jointly and severally indemnify and save harmless each Seller from and against all Losses suffered or incurred by such Seller as a result of or arising out of or in connection with:

- (a) any breach or inaccuracy of any representation or warranty of the Buyer contained in this Agreement; or

- (b) any breach or non-performance by the Buyer or the Buyer Subsidiary of any covenant of the Buyer or the Buyer Subsidiary contained in this Agreement;

provided that the foregoing shall not apply to any Losses suffered or incurred by a Seller as a result of or arising out of or in connection with (i) the gross negligence or willful misconduct of such Seller or (ii) any breach of this Agreement by such Seller.

#### **11.4 Time Limits for Indemnification**

(a) No Seller shall be required to indemnify or save harmless the Buyer or the Buyer Subsidiary pursuant to Section 11.1(a) or 11.2(a) unless the Buyer or the Buyer Subsidiary shall have provided to such Seller a Notice of Claim not later than 18 months after the Closing Date.

(b) The Buyer and the Buyer Subsidiary shall not be required to indemnify or save harmless a Seller pursuant to Section 11.3(a) unless such Seller shall have provided to the Buyer a Notice of Claim not later than 18 months after the Closing Date.

#### **11.5 Limitation of Liability**

(a) The Buyer and the Buyer Subsidiary shall not be entitled to require payment of any amount by PPM on the indemnities contained in Section 11.1(a) until the aggregate of all such amounts for which the Buyer or the Buyer Subsidiary would otherwise be entitled to require payment under such Section exceeds \$25,000 (the "**PPM Threshold Amount**"). Once the PPM Threshold Amount has been exceeded, the Buyer and the Buyer Subsidiary shall be entitled to require payment on these indemnities from the first dollar of Losses, without regard to the PPM Threshold Amount.

(b) The Buyer and the Buyer Subsidiary shall not be entitled to require payment of any amount by Mason on the indemnities contained in Section 11.2(a) until the aggregate of all such amounts for which the Buyer or the Buyer Subsidiary would otherwise be entitled to require payment under such Section exceeds \$12,500 (the "**Mason Threshold Amount**"). Once the Mason Threshold Amount has been exceeded, the Buyer and the Buyer Subsidiary shall be entitled to require payment on these indemnities from the first dollar of Losses, without regard to the Mason Threshold Amount.

(c) PPM shall not be entitled to require payment of any amount by the Buyer or the Buyer Subsidiary on the indemnities contained in Section 11.3(a) until the aggregate of all such amounts for which PPM would otherwise be entitled to require payment under such Section exceeds the PPM Threshold Amount. Once the PPM Threshold Amount has been exceeded, PPM shall be entitled to require payment on these indemnities from the first dollar of Losses, without regard to the PPM Threshold Amount.

(d) Mason shall not be entitled to require payment of any amount by the Buyer or the Buyer Subsidiary on the indemnities contained in Section 11.3(a) until the aggregate of all such amounts for which Mason would otherwise be entitled to require payment under such Section exceeds the Mason Threshold Amount. Once the Mason Threshold Amount has been exceeded, Mason shall be entitled to require payment on these indemnities from the first dollar of Losses, without regard to the Mason Threshold Amount.

(e) The Buyer and the Buyer Subsidiary shall not be entitled to require payment of amounts, in the aggregate, by PPM on the indemnities contained in Section 11.1(a) in excess of \$365,000.

(f) The Buyer and the Buyer Subsidiary shall not be entitled to require payment of amounts, in the aggregate, by Mason on the indemnities contained in Section 11.2(a) in excess of \$100,000.

(g) PPM shall not be entitled to require payment of amounts, in the aggregate, by the Buyer and the Buyer Subsidiary on the indemnities contained in Section 11.3(a) in excess of \$365,000.

(h) Mason shall not be entitled to require payment of amounts, in the aggregate, by the Buyer and the Buyer Subsidiary on the indemnities contained in Section 11.3(a) in excess of \$100,000.

(i) For the avoidance of doubt, (a) PPM shall have no liability to the Buyer or the Buyer Subsidiary for any Losses suffered or incurred by the Buyer or the Buyer Subsidiary as a result of or arising out of or in connection with any matter described in Section 11.2(a) or 11.2(b) and (b) Mason shall have no liability to the Buyer or the Buyer Subsidiary for any Losses suffered or incurred by the Buyer or the Buyer Subsidiary as a result of or arising out of or in connection with any matter described in Section 11.1(a) or 11.1(b).

#### **11.6 Exclusivity**

No Party may make any claim for Losses in respect of any breach or inaccuracy of any representation or warranty of a Party contained in this Agreement or any breach or non-performance by a Party of any covenant of such Party contained in this Agreement except by making a claim for indemnification pursuant to and in accordance with this Article 11. The provisions of this Section 11.6 shall survive any termination of this Agreement.

### **ARTICLE 12 GENERAL**

#### **12.1 Survival of Covenants; Representations and Warranties**

(a) The covenants and obligations of the Parties contained in this Agreement and in all other agreements, documents and certificates delivered pursuant to or contemplated by this Agreement (other than the conditions of closing set out in Article 6 and any provisions that have been fully performed in accordance with their terms at or prior to the Closing Time) shall survive and shall not merge on Closing and shall continue in full force and effect until such covenants and obligations have been fully performed, satisfied or expired in accordance with the terms thereof.

(b) The representations and warranties of the Parties contained in this Agreement and in all other agreements, documents and certificates delivered pursuant to or contemplated by this Agreement shall survive the Closing for a period of 18 months.

**12.2**            **Disclosures**

No representation or warranty is breached by reason of, and no Party is liable to any other Party in respect of, any fact, matter or circumstance disclosed in writing with reasonable particularity in or reasonably identifiable on its face in the Schedules or Exhibits to this Agreement.

**12.3**            **Expenses**

Except as otherwise expressly provided herein, each Party shall pay for its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement, the Closing Documents and the transactions contemplated herein and therein, whether or not the transactions contemplated by this Agreement are completed, including all fees and expenses of its legal counsel, financial advisors, bankers, investment bankers, brokers, accountants or other Representatives and fees payable to any Governmental Entity.

**12.4**            **Notices**

(a) Any notice, consent, waiver, demand, direction or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person (including by prepaid courier), transmitted by email or similar means of recorded electronic communication, or sent by registered mail, charges prepaid, addressed as follows:

(i) if to PPM:

c/o Waterton Global Resource Management, Inc.  
Commerce Court West  
199 Bay Street, Suite 5050  
Toronto, ON M5L 1E2

Attention:     Richard Wells, Chief Financial Officer  
                  Aaron Wolochatiuk, Associate General Counsel

Email:           [redacted]

(ii) if to Mason:

5255 East Williams Circle  
Suite W1065  
Tucson, AZ 85711

Attention:     Matthew Bingham

Email:           [redacted]

with a copy to:

c/o Hudbay Minerals Inc.  
25 York Street, Suite 800  
Toronto, ON M5J 2V5

Attention:     Patrick Donnelly

Email:           [redacted]



(iii) if to the Buyer or the Buyer Subsidiary:

2710 – 200 Granville Street  
Vancouver, BC V6C 1S4

Attention: Daniel Schieber  
Email: [redacted]

with a copy to:

DLA Piper (Canada) LLP  
Suite 2800, Park Place  
666 Burrard St  
Vancouver, BC V6C 2Z7

Attention: Denis G. Silva  
Email: [redacted]

(b) Any such notice, consent, waiver, demand, direction or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day), or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice, consent, waiver, demand, direction or other communication hereunder shall be delivered or transmitted by email or similar means of recorded electronic communication as aforesaid.

(c) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 12.4.

## **12.5 Amendments**

This Agreement may be amended, modified or supplemented only by the written agreement of all the Parties.

## **12.6 Waivers**

(a) At any time prior to the termination of this Agreement pursuant to Section 10.1, any Party may: (i) extend the time for the performance of any of the obligations or other acts of the other Parties; or (ii) waive compliance with any of the agreements or obligations of the other Parties or with any conditions to its own obligations or acts, in each case, only to the extent such obligations, agreements and conditions are intended for its benefit.

(b) Any extension or waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if such extension, waiver or consent is in writing and signed by the Party giving such extension, waiver or consent, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver thereof. No single or partial exercise of any such right,

power or privilege shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege under this Agreement.

**12.7            Assignment**

No Party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, to any Person without the prior written consent of the other Parties.

**12.8            Successors and Assigns**

This Agreement shall enure to the benefit of and be binding upon and enforceable by and against the Parties and, where the context so permits, their respective successors (including any successor by reason of amalgamation, wind-up or statutory arrangement of any Party) and permitted assigns.

**12.9            No Third Party Beneficiaries**

Nothing in this Agreement or in any Closing Document is intended expressly or by implication to, or shall, confer upon any Person other than the Parties and their Affiliates any rights or remedies of any kind.

**12.10          Further Assurances**

Each of the Parties shall at all times and from time to time, including at all times from and after the Closing Date, upon any reasonable request of another Party, promptly do, execute, deliver or cause to be done, executed and delivered, all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement, the Closing Documents and such other instruments of sale, transfer, conveyance, assignment, confirmation, certificates and other instruments as may be reasonably requested from time to time in order to more effectively sell, transfer, convey, assign and set over the Purchased Assets and assign the Assumed Obligations to the Buyer and to effectuate the transactions contemplated by this Agreement and the Closing Documents and the other documents contemplated herein and therein.

**12.11          Specific Performance**

The Parties agree that irreparable harm may occur for which money damages would not be an adequate remedy at law in the event that any of the covenants of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that the parties shall be entitled to injunctive, specific performance and other equitable relief to prevent breaches or threatened breaches of the covenants contained in this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the parties may be entitled at law or in equity.

**12.12          Counterparts**

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one

and the same instrument and notwithstanding their date of execution shall be deemed to be executed on the date first written above. The delivery of an executed counterpart copy of this Agreement by electronic means shall be deemed to be the equivalent of the delivery of an original executed copy thereof.

**[The remainder of this page has been intentionally left blank; signature page follows.]**

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

**PYRAMID PEAK MINING, LLC**

by "Jack McMahon"  
Name: Jack McMahon  
Title: Authorized Signatory

**MASON RESOURCES (US) INC.**

by "Matthew Bingham"  
Name: Matthew Bingham  
Title: Secretary

**CIRRUS GOLD CORP.**

by "James Walchuck"  
Name: James Walchuck  
Title: CEO, President and Director

**AMERICAN COPPER NMX, INC.**

by "Daniel Schieber"  
Name: Daniel Schieber  
Title: Authorized Signatory

**SCHEDULE 1.1**  
**Additional Permitted Liens**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.1(a)**  
**PPM Patented Mining Claims**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.1(b)**  
**PPM Unpatented Mining Claims**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.1(c)**  
**PPM Leased Real Property**

[Redacted - Commercially Sensitive Information]



**SCHEDULE 2.1(d)**  
**PPM Assumed Contracts**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.1(e)**  
**PPM Acquired Permits**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.1(f)**  
**PPM Acquired Water Rights**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.2(a)**  
**Mason Unpatented Claims**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.2(b)**  
**Mason Leased Real Property**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.2(c)**  
**Mason Assumed Contracts**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.2(d)**  
**Mason Personal Property**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.2(e)**  
**Mason Acquired Permits**

[Redacted - Commercially Sensitive Information]



**SCHEDULE 2.8**  
**PPM Purchase Price Allocation**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 2.9**  
**Mason Purchase Price Allocation**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 3.2**  
**Consents (PPM)**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 3.4**  
**Taxes (PPM)**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 3.11**  
**Royalties (PPM)**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 3.16**  
**Litigation (PPM)**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 4.2**  
**Consents (Mason)**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 4.4**  
**Taxes (Mason)**

[Redacted - Commercially Sensitive Information]



**SCHEDULE 4.11**  
**Royalties (Mason)**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 4.15**  
**Mason Reclamation Bonds**

[Redacted - Commercially Sensitive Information]

**SCHEDULE 4.16**  
**Litigation (Mason)**

[Redacted - Commercially Sensitive Information]

## MILESTONE PAYMENT RIGHTS AGREEMENT

THIS AGREEMENT made as of the ■ day of ■, 2022.

BETWEEN:

**WATERTON NEVADA SPLITTER, LLC**,  
a limited liability company existing under  
the laws of the State of Nevada,

(hereinafter referred to as the “**Splitter**”),

- and -

**CIRRUS GOLD CORP.**,  
a corporation existing under  
the laws of the Province of British Columbia,

(hereinafter referred to as the “**Buyer**”).

WHEREAS Pyramid Peak Mining, LLC (“**PPM**”), Mason Resources (US) Inc. (“**Mason**”), the Buyer and American Copper NMX, Inc. entered into an asset purchase agreement dated May 18, 2022 (as it may be amended or supplemented from time to time pursuant to the terms thereof, the “**Purchase Agreement**”) for the purchase and sale of, among other things, the PPM Mining Claims and the PPM Acquired Water Rights;

AND WHEREAS the Splitter is an Affiliate of PPM;

AND WHEREAS pursuant to the Purchase Agreement, the Buyer is required to provide to PPM or its designee the right to receive payments of cash and/or shares in certain circumstances as hereinafter described, and PPM has named the Splitter as its designee;

AND WHEREAS pursuant to this Agreement, the MPR entitles the holder thereof to receive after the date hereof (a) \$1,000,000 (the “**First Payment**”) upon the occurrence of the First Milestone, (b) \$1,500,000 (the “**Second Payment**”) upon the occurrence of the Second Milestone and (c) \$2,500,000 (the “**Third Payment**”) upon the occurrence of the Third Milestone, in each case subject to the terms of this Agreement and without interest;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

### **ARTICLE 1** **INTERPRETATION**

#### **1.1 Definitions.**

As used in this Agreement, the following terms will have the following meanings:

**"Affiliate"** means as to any Person, any other Person that, directly or indirectly, controls, or is controlled by, or is under common control with, such Person. For this purpose, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

**"Assignee"** has the meaning set forth in Section 3.3.

**"Business Day"** means any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario or Vancouver, British Columbia are authorized or obligated by law or executive order to remain closed.

**"Buyer Shares"** means the common shares in the capital of the Buyer.

**"Buyer Subsidiary"** has the meaning given to that term in the Purchase Agreement.

**"Deed of Trust"** means a first position deed of trust, in the form attached hereto as Schedule A, filed against the PPM Mining Claims and the PPM Acquired Water Rights, to secure the obligations of the Buyer hereunder, executed and delivered by the Buyer Subsidiary, as trustor, in favor of the Splitter, as beneficiary, constituting a charge and security interest in the Trust Estate (as defined in the Deed of Trust);

**"Entity"** means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), firm, society or other enterprise, association, organization or entity.

**"First Milestone"** means the date that is 12 months following the date of this Agreement.

**"First Milestone Amount"** means, for a given Holder, the product of (a) the First Payment and (b) the percentage of the MPR held by such Holder as reflected on the MPR Register as of the close of business on the date of the occurrence of the First Milestone.

**"Governmental Body"** means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature including any governmental division, department, agency, commission, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court, arbitrator or other tribunal.

**"Holder"** means a Person in whose name the MPR (or any part thereof) is registered in the MPR Register at the applicable time.

**"Milestone Amounts"** means, collectively, the First Milestone Amount, the Second Milestone Amount and the Third Milestone Amount, and **"Milestone Amount"** means any one of them.

**"MPR"** means the rights of the Holders (granted initially to the Splitter pursuant to the Purchase Agreement) to receive payments pursuant to this Agreement.

**"MPR Register"** has the meaning set forth in Section 2.3(b).

**"Ownership Threshold"** has the meaning set forth in Section 2.4(c).

**"Person"** means any individual, Entity or Governmental Body.

**"PPM Acquired Water Rights"** has the meaning given to that term in the Purchase Agreement.

**"PPM Mining Claims"** has the meaning given to that term in the Purchase Agreement.

**"PPM Purchase Price"** has the meaning given to that term in the Purchase Agreement.

**"PPM Purchased Assets"** has the meaning given to that term in the Purchase Agreement.

**"Second Milestone"** means the date that is 24 months following the date of this Agreement.

**"Second Milestone Amount"** means, for a given Holder, the product of (a) the Second Payment and (b) the percentage of the MPR held by such Holder as reflected on the MPR Register as of the close of business on the date of the occurrence of the Second Milestone.

**"Tax"** shall mean any tax (including any income tax, franchise tax, capital gains tax, gross receipts tax, value-added tax, surtax, estimated tax, unemployment tax, national health insurance tax, excise tax, premium, alternative or minimum tax, ad valorem tax, transfer tax, stamp tax, sales tax, use tax, property tax, business tax, escheat or unclaimed property, withholding tax or payroll tax), levy, assessment, tariff, impost, imposition, duty (including any customs duty) or other tax or charge of any kind whatsoever, including any charge or amount (including any fine, penalty, interest or other additions thereto) related thereto, imposed, assessed or collected by or under the authority of any Governmental Body, including as a result of being or having been a member of an affiliated, consolidated, controlled, fiscal, combined, unitary or aggregate group or being a transferee of or successor to any Person or as a result of any express obligation to assume such Taxes or to indemnify any other Person.

**"Third Milestone"** means the date that is 36 months following the date of this Agreement.

**"Third Milestone Amount"** means, for a given Holder, the product of (a) the Third Payment and (b) the percentage of the MPR held by such Holder as reflected on the MPR Register as of the close of business on the date of the occurrence of the Third Milestone.

**"Transfer"** has the meaning set forth in Section 2.2.

“**UCC Statement**” means a UCC-1 financing statement, in the form attached hereto as Schedule B, securing the obligations of the Buyer hereunder, in favor of the Splitter as the secured party.

“**VWAP**” means the volume weighted average trading price of the Buyer Shares, calculated by dividing the total value by the total volume of securities traded for the relevant period on the relevant exchange on which the Buyer Shares are listed at the relevant time.

## 1.2 Rules of Construction.

In this Agreement, unless otherwise specified:

(a) **Headings, etc.** The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.

(b) **Currency.** All references to dollars or to \$ are references to Canadian dollars.

(c) **Gender and Number.** Any reference to gender includes all genders, and words importing the singular number only include the plural and vice versa.

(d) **Certain Phrases and References, etc.** The words “including”, “includes” and “include” mean “including (or includes or include) without limitation,” and “the aggregate” means “the aggregate (or total or sum), without duplication, of.” Unless stated otherwise, “Article” and “Section” followed by a number or letter mean and refer to the specified Article or Section of this Agreement. The term “Agreement” and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it.

(e) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(f) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

(g) **Time References.** References to time are to local time, Toronto, Ontario.

(h) **No Presumptions.** The parties acknowledge that they and their respective legal counsel have reviewed and participated in negotiating and settling the terms of this Agreement and agree that the *contra proferentem* principle of construction, or any similar rule or principle, shall not be applied in interpreting this Agreement, including to resolve any ambiguity in this Agreement.

**ARTICLE 2**  
**MILESTONE PAYMENT RIGHT**

**2.1 MPR.**

The MPR represents the rights of the Holders to receive cash or share payments, as applicable, pursuant to this Agreement, without any further act or formality or payment of additional consideration. The Buyer hereby creates and issues one MPR to the Splitter.

**2.2 Transfers.**

The MPR may be transferred, sold, assigned or otherwise disposed of (each, a “**Transfer**”), in whole or in part, by the Splitter or any Holder at any time and from time to time to any Person, provided that:

- (a) the Splitter or such Holder provides written notice of the Transfer, together with the identity of the transferee(s), to the Buyer no later than two Business Days following such Transfer; and
- (b) such Transfer is evidenced by a duly executed instrument of transfer reasonably satisfactory to the Buyer.

As promptly as reasonably practicable following any Transfer, the Buyer shall register the Transfer in the MPR Register and record thereon the identity of any new Holder or Holders. The duly Transferred MPR registered in the MPR Register will be the valid obligation of the Buyer and will entitle the transferee(s) to the same benefits and rights under this Agreement as those held immediately prior to the Transfer by the Splitter or such Holder, as applicable.

**2.3 No Certificate; Registration; Registration of Transfer; Change of Address.**

- (a) The MPR will not be evidenced by a certificate or other instrument.
- (b) The Buyer shall keep and maintain a register (the “**MPR Register**”), substantially in the form set out in Schedule C, for the purpose of (i) identifying the Holders of the MPR, and (ii) registering the MPR and any Transfers thereof. Any Holder may receive and inspect a copy of the MPR Register, from time to time, upon written request made to the Buyer. Within two Business Days after receipt of such request, the Buyer shall deliver a copy of the MPR Register, as then in effect, to the applicable Holder at the address requested by such Holder.
- (c) A Holder may make a written request to the Buyer to change such Holder’s address of record in the MPR Register. The written request must be duly executed by the Holder. Upon receipt of such written notice, the Buyer shall promptly record the change of address in the MPR Register.

**2.4 Payment Procedures.**

- (a) Subject to Section 2.4(c), one half of each Milestone Amount shall be paid in cash and the other half of each Milestone Amount shall be paid in Buyer Shares (at a price per Buyer Share equal to the greater of (i) the 20-day VWAP and (ii) the minimum price permitted by the stock exchange on which the Buyer Shares are listed for trading at such time).



(b) On or prior to the date that is five Business Days following the First Milestone, the Second Milestone or the Third Milestone, the Buyer shall pay to each Holder the cash portion of such Holder's First Milestone Amount, Second Milestone Amount or Third Milestone Amount, as applicable, by way of wire transfer of immediately available funds as directed by each such Holder.

(c) Notwithstanding Section 2.4(a), if, as a result of the issuance of Buyer Shares to the Holders (or their designees), PPM and the Splitter, together with their Affiliates, would own more than 19.9% of the issued and outstanding Buyer Shares on a basic basis (the "**Ownership Threshold**"), the Buyer shall only be permitted to pay that portion of the applicable Milestone Amount in Buyer Shares such that the Ownership Threshold is not exceeded and shall be required to pay and satisfy the remainder of such Milestone Amount in cash. For greater certainty, if a Milestone Amount is payable at any time that the Ownership Threshold is exceeded, the entire amount of such Milestone Amount shall be paid in cash.

(d) Except to the extent any portion of any Milestone Amount is required to be treated as imputed interest and except as otherwise required pursuant to applicable law, the parties hereto intend to treat the Milestone Amounts for all Tax purposes as consideration for the PPM Purchased Assets (which, for the avoidance of doubt, shall be treated as part of the PPM Purchase Price) pursuant to the Purchase Agreement. The Buyer shall report imputed interest on the MPR as required by applicable law.

(e) The Milestone Amounts shall be paid to the Holders without any withholding or deduction for, or on account of, Taxes. If any withholding or deduction for, or account of, Taxes is required from any Milestone Amount by applicable law, then the Buyer shall pay such additional amounts as are necessary such that the net amount received by each Holder, after such withholding or deduction, is the amount that such Holder would have received had such withholding or deduction not been made.

## **2.5 No Equity or Ownership Interest.**

(a) The MPR will not have any voting or dividend rights, and interest will not accrue on any amounts payable on the MPR to any Holder.

(b) The MPR will not represent any equity or ownership interest in the Buyer or any of its Affiliates or in the PPM Mining Claims or the PPM Acquired Water Rights.

## **2.6 Books and Records.**

The Buyer shall, and shall cause its Affiliates to, keep records in sufficient detail to enable the Holders to determine the amounts payable hereunder.

## **2.7 Security.**

The obligations of the Buyer under this Agreement will be secured by the Deed of Trust and the UCC Statement.

**ARTICLE 3**  
**GENERAL**

**3.1 Amendments and Waivers.**

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

**3.2 Notices.**

Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given when delivered in person, by overnight courier, or by electronic mail, or two Business Days after being sent by registered or certified mail (postage prepaid, return receipt requested), as follows:

If to the Buyer:

Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC V6C 1S4

Attention: Daniel Schieber  
Email: [redacted]

with a copy to (which shall not constitute notice):

DLA Piper (Canada) LLP  
Suite 2800, Park Place  
666 Burrard St  
Vancouver, BC V6C 2Z7

Attention: Denis G. Silva  
Email: [redacted]

If to the Splitter:

Waterton Nevada Splitter, LLC  
199 Bay Street, Suite 5050  
Toronto, ON M5L 1E2

Attention: Richard Wells, Chief Financial Officer  
Aaron Wolochatiuk, Associate General Counsel  
Email: [redacted]

with a copy to (which shall not constitute notice):

Davies Ward Phillips & Vineberg LLP  
155 Wellington Street West  
Toronto, ON M5V 3J7

Attention: Brett Seifred  
Email: [redacted]

Any party may specify a different address or email address by giving notice in accordance with this Section 3.2.

### **3.3 Successors and Assigns.**

(a) The Buyer may assign any or all of its rights, interests and obligations hereunder to (a) in its sole discretion and without the consent of any other party, any controlled Affiliate of the Buyer, but only for so long as it remains a controlled Affiliate of the Buyer, or (b) with the prior written consent of each of the Holders (which consent may not be unreasonably withheld), any other Person (any permitted assignee under clause (a) or (b), an “**Assignee**”), in each case provided that the Assignee expressly agrees in writing to assume and be bound by all of the terms of this Agreement. Any Assignee may thereafter assign any or all of its rights, interests and obligations hereunder in the same manner as the Buyer pursuant to the prior sentence. In connection with any assignment to an Assignee described in clause (a) above, the Buyer (and the other assignor) shall agree to remain liable for the performance by each Assignee (and such other assignor, if applicable) of all obligations of the Buyer hereunder, with such Assignee substituted for the Buyer under this Agreement. This Agreement will be binding upon, enure to the benefit of and be enforceable by the Buyer’s successors and each Assignee. Each of the Buyer’s successors and Assignees shall expressly assume, by an instrument supplemental hereto, the due and punctual payment of the MPR and the due and punctual performance and observance of all of the covenants and obligations of this Agreement to be performed or observed by the Buyer. Any attempted assignment of this Agreement or any such rights in violation of this Section 3.3 shall be void and of no effect.

(b) Notwithstanding any other provision of this Agreement, the parties agree that the MPR, and the Buyer’s obligation to pay the First Milestone Amount, the Second Milestone Amount and the Third Milestone Amount to the Holders in accordance with the terms of this Agreement, shall run with the PPM Mining Claims and the PPM Acquired Water Rights (and shall be evidenced of record by the Deed of Trust and the UCC Statement), and shall be binding upon any and all successors or Assignees of the Buyer and of the Buyer Subsidiary (and any respective successors or Assignees of any Assignee), until such time as all obligations of the Buyer under this Agreement have been satisfied, as contemplated in Section 3.4.

### **3.4 Release of Security.**

At such time as the Buyer has indefeasibly satisfied all of its indebtedness, liabilities and obligations under this Agreement, including payment in full of the First Milestone Amount, the Second Milestone Amount and the Third Milestone Amount to the Holders in accordance with the terms of this Agreement, the parties shall promptly, and in any event within 15 Business Days, enter into such agreements and other instruments as may be necessary to release, reassign, reconvey, discharge and terminate the security contemplated by the Deed of Trust and the UCC Statement.

### **3.5 Benefits of Agreement.**

Nothing in this Agreement, express or implied, will give to any Person (other than the Buyer or the Buyer's successors and Assignees, the Holders and the Holders' successors and assigns pursuant to a Transfer) any benefit or any legal or equitable right, remedy or claim under this Agreement or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the foregoing.

### **3.6 Governing Law; Jurisdiction.**

(a) This Agreement (but not, for the avoidance of doubt, the Deed of Trust and the UCC Statement) shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) Each of the parties irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Agreement (other than the Deed of Trust and the UCC Statement), (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

### **3.7 Severability.**

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a manner materially adverse to a party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

### **3.8 Rule Against Perpetuities.**

The parties do not intend for this Agreement to violate the common law rule against perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of rights or estates in land. If any provision of this Agreement would violate any such rule, then this Agreement shall not be deemed void or voidable or terminated, but shall be interpreted in such a way as to effect the parties' objectives to the fullest extent permitted by law.

### **3.9 Further Assurances.**

Each of the parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement, including as may be reasonably requested in order to more effectively carry out the matters contemplated in Section 3.4.

**3.10 Counterparts.**

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall together constitute one and the same original document.

**3.11 Termination.**

This Agreement will be terminated and of no force or effect, the parties hereto will have no liability hereunder, and no payments will be required to be made, upon the indefeasible satisfaction by the Buyer of all of its indebtedness, liabilities and obligations under this Agreement, including payment in full of the First Milestone Amount, the Second Milestone Amount and the Third Milestone Amount to the Holders in accordance with the terms of this Agreement.

**3.12 Entire Agreement.**

This Agreement, the Deed of Trust, the UCC Statement and the Purchase Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral, including the letter of intent dated January 4, 2022 among PPM, Mason and the Buyer. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein.

**[Signature Page Follows.]**

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

**WATERTON NEVADA SPLITTER, LLC**

by \_\_\_\_\_  
Name: Isser Elishis  
Title: Authorized Signatory

**CIRRUS GOLD CORP.**

by \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A**  
**FORM OF DEED OF TRUST**

See attached.

RECORDED AT THE REQUEST OF, AND  
AFTER RECORDING PLEASE RETURN TO:  
Daniel A. Jensen  
Parr Brown Gee & Loveless  
101 South 200 East, Suite 700  
Salt Lake City, UT 84111

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**DEED OF TRUST, ASSIGNMENT OF LEASES,  
RENTS AND CONTRACTS, SECURITY AGREEMENT  
AND FIXTURE FILING**

**AMERICAN COPPER NMX, INC., as Trustor**

**to**

**WESTERN NEW MEXICO TITLE COMPANY, INC., as Trustee**

**for the benefit of**

**WATERTON NEVADA SPLITTER, LLC, as Beneficiary**



THIS DEED OF TRUST, ASSIGNMENT OF LEASES, RENTS AND CONTRACTS, SECURITY AGREEMENT AND FIXTURE FILING (“**Deed of Trust**”) is made as of [REDACTED], 2022, by **AMERICAN COPPER NMX, INC.**, a New Mexico corporation, as trustor, whose mailing address is 500 4th Street NW, Suite 1000, Albuquerque, New Mexico 87102 (“**Trustor**”), to **WESTERN NEW MEXICO TITLE COMPANY, INC.**, a New Mexico corporation, as trustee, whose mailing address is 3445 Highway 180 East, Silver City, New Mexico 88061 (“**Trustee**”), for the benefit of **WATERTON NEVADA SPLITTER, LLC**, a Nevada limited liability company, as beneficiary (“**Beneficiary**”).

## RECITALS

A. Pyramid Peak Mining, LLC, a New Mexico limited liability company, Mason Resources (US) Inc., a Nevada corporation, Cirrus Gold Corp. (to be renamed American Copper Development Corporation), a corporation organized under the laws of British Columbia (“**Purchaser**”), and Trustor are parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

B. In connection with the Purchase Agreement, Beneficiary and Purchaser entered into that certain Milestone Payment Rights Agreement dated as of the date hereof (the “**MPR Agreement**”).

C. Pursuant to the MPR Agreement, the obligations of Purchaser under the MPR Agreement are to be secured by this Deed of Trust.

D. It is a requirement under the MPR Agreement that Trustor execute and deliver this Deed of Trust and, as a wholly owned subsidiary of Purchaser, Trustor acknowledges that it will benefit from and receive adequate consideration for the granting of this Deed of Trust.

E. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the MPR Agreement, and if any capitalized term is not defined herein or in the MPR Agreement, then such term shall have the meaning ascribed to it in the Purchase Agreement.

## AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale and right of entry and possession, for the benefit and security of Beneficiary, under and subject to the terms and conditions herein set forth, all of Trustor’s present and future rights, titles, interests and claims in and to all of the following described property whether now owned or hereafter acquired (all of Trustor’s present and future rights, titles, interests and claims in the property described in the following clauses (a) through (m) severally and collectively, the “**Trust Estate**”):

(a) Those certain patented mining claims, fee properties and water rights (including all proceeds, royalties and income from all minerals or soil components (whether in-ground or

extracted therefrom), mineral rights, mining rights, and all rights and claims to minerals (whether in-ground or extracted) contained on or within such fee properties), more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with any greater estate therein as may now exist or hereafter may be acquired by Trustor, whether owned or leased by Trustor, located in Hidalgo County, New Mexico (collectively, the “**Fee Property**”);

(b) Those certain unpatented mining claims, minerals thereon and therein, all proceeds, royalties and income from all minerals or soil components (whether in-ground or extracted therefrom), all mineral (whether in-ground or extracted) and mining rights relating thereto, and all rights and claims to minerals thereon or therein, whether owned or leased by Trustor, located in Hidalgo County, New Mexico (collectively, the “**Mining Claims**”), more particularly described in Exhibit A attached hereto and incorporated herein by this reference (collectively with the Fee Property, the “**Real Property**”), together with all rights appurtenant to the Real Property, including all easements and rights of way over any other adjoining land granted by any legal entitlements, easement agreements, covenant or restrictive agreements, and all air rights, minerals, mineral rights and interests, resources, reserves, land positions, stockpiled ore and minerals, overburden piles, tailings, byproducts, oil and gas rights, geothermal rights and resources, timber and development rights, if any, relating thereto, and also together with all of the other easements, rights, privileges, interests, hereditaments and appurtenances thereunto belonging or in any way appertaining and all of the estate, right, title, interest, claim or demand whatsoever of Trustor therein, either in law or in equity, in possession or expectancy, now or hereafter acquired, and all of Trustor’s rights and interest in and to streets, roads, ways, railways and public places, opened or postponed, and all rights of way, public or private, now or hereafter used in connection with, or belonging or appertaining to or being adjacent to the Real Property;

(c) Any and all buildings and other improvements now or hereafter erected on the Real Property including fixtures, attachments, appliances, equipment, machinery, and other personal property attached or affixed to, installed in, or used in connection with such buildings and other improvements (the “**Improvements**”), all of which shall be deemed and construed to be a part of the Real Property;

(d) All rents, issues, profits, claims, royalties, income, accounts and other benefits now or hereafter derived from the Real Property and the Improvements (collectively the “**Rents**”), subject to the terms and provisions of Article 2 of this Deed of Trust with respect to all leases and subleases of the Real Property or Improvements now or hereafter existing or entered into, or portions thereof, granted by Trustor, and further subject to the right, power and authority hereinafter given to Trustor to collect and apply such Rents;

(e) All surface and ground water and water rights, whether presently held or hereafter acquired, whether appurtenant, severed or leased, of all legal dispositions or status (including temporary, adjudicated, vested, decreed, certificated, permitted, leased, changed or modified water rights), appurtenant to or used or usable in connection with the Real Property, including the water rights listed on Exhibit A and any and all shares of stock (whether certificated or uncertificated), contracts, agreements, entitlements and authorizations evidencing the same, similar or associated right or interest in any ditch, irrigation or canal company, whether presently existing or hereafter created, recognized, obtained or acquired (including entitlements, connection credits and other authorizations of any kind from any public or private water supplier or entity), and including all

easements, rights of way, wells, pumps, casing, downhole equipment, meters, utilities and utility lines, diversion structures, canals, ditches, pipelines, headgates, weirs and other entitlements, improvements, fixtures and facilities used to withdraw, pump, divert, store, transport and use said water and water rights (collectively the “**Water Rights**”);

(f) All easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, utility reservations and capacity rights, and other rights now owned or hereafter acquired by Trustor used in connection with the Real Property or the Improvements or as a means of access thereto (including all rights pursuant to any trackage agreement and all rights to the nonexclusive use of common drive entries, and all powers, estates, rights, titles, interests, minerals, royalties, privileges, liberties, tenements, hereditaments and appurtenances thereof and thereto);

(g) All grazing and range rights relating or pertaining to the Real Property; all oil, gas, minerals (including all gold, silver, copper and other precious and base metals) and their intermediate products such as mineral bearing products, such as mineral bearing ores and concentrates, coal and other substances of any kind or character on or within the Real Property; all electrical users rights in or hereafter relating to or used in connection with the Real Property; all shares of stock evidencing any such rights; all fixtures and equipment (whether or not annexed thereto) now or hereafter used for the production or distribution of minerals, water or electricity in connection with the use or occupancy of the Real Property or for the drainage or supply thereof; and all appendages, appurtenances, covenants, easements, hereditaments, liberties, privileges, rights of way, tenements and other rights benefiting, or otherwise relating to, the Real Property and/or the Improvements or any owner, occupier or user thereof;

(h) All now or hereafter existing leases or licenses (under which Trustor is landlord) and subleases (under which Trustor is sublandlord), concession, management, mineral or other agreements of a similar kind that permit the use or occupancy of all or any portion of the Trust Estate for any purpose in return for any payment, or the extraction or taking of any gas, water, geothermal resources or other minerals from the Trust Estate in return for payment of any fee, rent or royalty, including Trustor’s right, title and interest as lessor in the same (collectively, “**Leases**”);

(i) All right, title, and interest of Trustor in (i) the property and interests in property described in Exhibit B attached hereto and incorporated herein by reference, (ii) all other personal property now or hereafter owned or acquired by Trustor that is now or hereafter located on or used in connection with or related to the Real Property or the Improvements, (iii) all other rights and interests of Trustor now or hereafter held in personal property that is now or hereafter located on or used in connection with the Real Property or the Improvements, and (iv) all proceeds thereof (such personal property and proceeds are referred to herein collectively as the “**Personal Property**”);

(j) All rights of Trustor under any covenants, conditions and restrictions affecting the Real Property or the Improvements whether now existing or hereafter arising, including all voting rights, declarant’s rights, developer rights and similar rights arising under any such covenants, conditions and restrictions (collectively, the “**CC&Rs**”), provided, Trustor shall retain the right to exercise its privileges under the CC&Rs (subject in all respects to the terms of the MPR

Agreement) before any Event of Default (as defined below) and thereafter subject to Trustee's and Beneficiary's rights hereunder and under the MPR Agreement;

(k) All rights (but none of the obligations) of Trustor under any contracts, agreements, licenses or other documents affecting, relating to, executed in connection with, or used in the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition, management or ownership of the Real Property or Improvements or the sale of goods or services produced in or relating to the Real Property or the Improvements (collectively, the "**Other Agreements**"), provided, Trustor shall retain the right to exercise its privileges under the Other Agreements (subject in all respects to the terms of the MPR Agreement) before any Event of Default and thereafter subject to Trustee's and Beneficiary's rights hereunder and under the MPR Agreement;

(l) All the estate, interest, right, title, other claim or demand, both in law and in equity (including claims or demands with respect to the proceeds of insurance in effect with respect thereto) that Trustor now has or may hereafter acquire in the Real Property, the Improvements, the Personal Property or any other part of the Trust Estate, and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Trust Estate (including any awards resulting from a change of grade of streets and awards for severance damages); and

(m) All proceeds, products, rents, revenues, issues, profits, royalties, income, benefits, additions, renewals, extensions, substitutions, replacements, minerals and mineral rights (including the Mining Claims), whether in-ground or extracted, and accessions of, and to, any of the foregoing.

Notwithstanding the foregoing, the Trust Estate shall not include any of the Other Agreements or other permit or license to the extent that Trustor is expressly prohibited from granting a security interest in such instrument pursuant to the terms thereof, but only to the extent such prohibition is not invalidated under the Uniform Commercial Code or any Excluded Assets (as defined in Exhibit B). The foregoing descriptions of items constituting the Trust Estate shall be construed as cumulative and not limiting, and the terms "include" and "including", when used in those descriptions and elsewhere in this Deed of Trust, shall mean without limitation by reason of enumeration. Unless the context clearly indicates otherwise, the terms "equipment," "inventory," "accounts," "instruments," "promissory notes," "investment property," "commercial tort claims," "deposit accounts," "letter-of-credit rights," "supporting obligations," "chattel paper," "general intangibles," "proceeds" and "products" shall have the meanings provided for those terms in the Uniform Commercial Code as adopted and enacted by the State of New Mexico (as amended or replaced from time to time, the "**New Mexico Uniform Commercial Code**") in effect on the date of this Deed of Trust.

For the purpose of securing the payment of all amounts payable arising under the MPR Agreement, and performance of Purchaser's obligations under the MPR Agreement, and all other indebtedness, obligations and liabilities, direct or indirect, absolute or contingent, matured or not, of Trustor or Purchaser to Beneficiary under the MPR Agreement or hereunder, whether incurred before, at the time of, or subsequent to the execution hereof, whether incurred alone or with another or others, including extensions and renewals, thereof (together, the "**Secured Obligations**"),

which shall include interest accruing subsequent to the filing of, or which would have accrued but for the filing of, a petition for bankruptcy, in accordance with and at the Interest Rate (as defined below) (including any rate applicable upon any default or event of default under the MPR Agreement, to the extent lawful), whether or not such interest is an allowable claim in such bankruptcy proceeding.

TRUSTOR HEREBY COVENANTS AND FURTHER AGREES AS FOLLOWS:

**ARTICLE 1  
COVENANTS AND AGREEMENTS OF TRUSTOR**

1.01 Payment and Performance of Obligations; Protection of Lien.

(a) Trustor shall not sell, transfer, convey, lease, let, mortgage, pledge, encumber, create, or permit a lien on or security interest in, or otherwise hypothecate all or any part of the Trust Estate except for liens, encumbrances, and transfers expressly permitted under the MPR Agreement.

(b) This Deed of Trust provides a first position security interest and lien against the Trust Estate, subject to the terms and conditions of the MPR Agreement. Trustor shall forever warrant and defend the title to the Trust Estate and priority of the lien of this Deed of Trust unto Beneficiary against the claims of all persons whomsoever.

(c) Trustor shall pay, or cause to be paid, when due and/or perform, or cause to be performed, each of the Secured Obligations. All covenants contained in the MPR Agreement are hereby incorporated into this Deed of Trust by reference.

1.02 Maintenance, Repair, Alterations. Trustor shall keep, maintain, preserve and protect the Trust Estate in good repair, working order, and condition, ordinary wear and tear excepted. Trustor shall: (a) complete any Improvement that may now be or hereafter constructed in good and workmanlike manner; and (b) restore any Improvements that may be damaged or destroyed to substantially the same condition as existing immediately before such damage or destruction and pay when due all claims for labor performed and materials furnished therefor, in either case excepting any Improvements that Trustor does not reasonably consider to be material to the business of Trustor. Trustor shall comply in all material respects with all Requirements (as defined below) and shall not suffer to occur or exist any violation in any material respect of any Requirement. Trustor shall not commit or permit any waste or deterioration of the Trust Estate, and, to the extent permitted by law or required by the MPR Agreement, shall keep and maintain abutting grounds, roads, parking areas, etc. in good and neat order and repair. Trustor shall perform in all material respects its obligations under each Lease and the CC&Rs, if any. **“Requirement”** and **“Requirements”** mean, respectively, each and all obligations and requirements now or hereafter in effect by which Trustor or the Trust Estate are bound or which are otherwise applicable to the Trust Estate, any work or activity necessary to preserve and maintain the Trust Estate, preserve or maintain mining, leasehold or other rights in the Trust Estate, any construction of any Improvements on the Trust Estate, or operation, occupancy or use of the Trust Estate (including (i) such obligations and requirements imposed by common law or any law, statute, ordinance, regulation or rule (federal, state, or local), including any mining reports, filings,

verifications of mining activity, etc. and (ii) such obligations and requirements of, in or in respect of (A) any consent, authorization, license, permit or approval relating to the Trust Estate, (B) any condition, covenant, restriction, easement or right-of-way reservation applicable to the Trust Estate, (C) any lien or encumbrance, (D) any other agreement, document or instrument to which Trustor is a party or by which Trustor or the Trust Estate is bound or affected (including the CC&Rs, if any, and the Other Agreements), and (E) any order, writ, judgment, injunction or award of any arbitrator, other private adjudicator, court, government or governmental authority (federal, state or local) to which Trustor is a party or by which Trustor or the Trust Estate is bound or affected).

1.03 Required Insurance. Trustor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force with respect to the Trust Estate, at no expense to Trustee or Beneficiary, policies of insurance in accordance with prudent mining practices or as required by the Purchase Agreement or the MPR Agreement. All such policies of insurance required by this Deed of Trust shall contain endorsements or agreements by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Trustor or any party holding under Trustor that might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights to set off, counterclaims and deductions against Trustor. Prior to the expiration of each required policy, Trustor shall deliver to Beneficiary evidence reasonably satisfactory to Beneficiary of the payment of the premium and the renewal or replacement of such policy continuing insurance in form as required by this Deed of Trust, the Purchase Agreement, or the MPR Agreement.

1.04 Payment of Premiums. In the event Trustor fails to obtain, maintain or deliver to Beneficiary the policies of insurance with respect to the Trust Estate required under the MPR Agreement or this Deed of Trust, Beneficiary may, but without any obligation to do so, obtain such policies or take other action that it deems appropriate to remedy the failure and pursue its rights and remedies in the MPR Agreement and in this Deed of Trust. All sums, including reasonable attorneys' fees, so expended by or on behalf of Beneficiary will be a lien on the Trust Estate, will be secured by this Deed of Trust, and will be paid by Trustor on demand, together with interest at twelve percent (the "**Interest Rate**"). No payment or other action by Beneficiary under this Deed of Trust, including this section, will impair any other right or remedy available to Beneficiary or constitute a waiver of any default.

1.05 Casualties; Insurance Proceeds. After the happening of any material casualty to or in connection with the Trust Estate or any part thereof, whether or not covered by insurance, Trustor shall give prompt written notice thereof to Beneficiary. All proceeds of property casualty insurance with respect to the Trust Estate shall be payable to Beneficiary. If Trustor receives any proceeds of insurance resulting from such casualty, Trustor shall promptly pay over such proceeds to Beneficiary.

1.06 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust as a mortgage, a sale under the power of sale, or any other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the Secured Obligations, all right, title and interest of Trustor in and to all policies of insurance required by Section 1.03 shall inure to the benefit of and pass to the successor in interest to Trustor or the purchaser or grantee of the Trust Estate, to the extent such policies are assignable pursuant to the terms thereof.

1.07 Waiver of Offset. Except for such notice as may be expressly required hereunder or under the MPR Agreement, all sums payable by Trustor pursuant to the MPR Agreement or this Deed of Trust shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; (ii) any restriction or prevention of or interference by any person with any use of the Trust Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Real Property or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding; or (v) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Trustor shall have notice or knowledge of any of the foregoing.

1.08 Impositions.

(a) Trustor shall pay, or cause to be paid, before the date due, and in any event before delinquency, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever (including nongovernmental levies or assessments such as property owners' association assessments, fees and dues, maintenance charges, water charges, water toll charges, irrigation fees and assessments, levies, or charges resulting from CC&Rs affecting the Trust Estate), that are assessed or imposed upon the Trust Estate or become due and payable and that create or may create if not paid a lien upon the Trust Estate (the above are sometimes referred to herein individually as an "**Imposition**" and collectively as "**Impositions**"), provided, however, that if by law any Imposition is payable, or may at the option of the taxpayer be paid, in installments, Trustor may pay the same or cause it to be paid, together with any accrued interest on the unpaid balance of such Imposition, in installments as the same becomes due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed a fee, tax or assessment on Beneficiary (other than income taxes) and measured by or based in whole or in part upon this Deed of Trust or the outstanding amount of the Secured Obligations, then all such taxes, assessments or fees shall be deemed to be included within the term "**Impositions**" as defined in Section 1.08(a) and Trustor shall, subject to Section 1.08(c), pay and discharge the same as herein provided with respect to the payment of Impositions. Subject to Section 1.08(c), if Trustor fails to pay such Impositions before delinquency, Beneficiary may, at its option, pay such Imposition or take other action that it deems appropriate to remedy the failure and pursue any and all rights and remedies hereunder or under the MPR Agreement as an Event of Default, and such remedies may be pursued individually, singly or concurrently. All sums, including reasonable attorneys' fees, so expended by or on behalf of Beneficiary shall be a lien on the Trust Estate, shall be secured by this Deed of Trust, and shall be paid by Trustor on demand, together with interest at the Interest Rate.

(c) Trustor shall have the right before and after any delinquency occurs to contest or

object to the amount or validity of any Imposition by appropriate proceedings, but this shall not be deemed or construed in any way as relieving, modifying or extending Trustor's covenant to pay any such Imposition at the time and in the manner provided in this Section 1.08, unless Trustor has given prior written notice to Beneficiary of Trustor's intent to so contest or object to an Imposition, and unless, in Beneficiary's absolute and sole discretion, (i) Trustor shall demonstrate to Beneficiary's satisfaction that the proceedings to be initiated by Trustor shall conclusively operate to prevent the sale of the Trust Estate or any part thereof or interest therein to satisfy such Imposition before final determination of such proceedings, (ii) Trustor shall furnish a good and sufficient bond or surety as requested by and satisfactory to Beneficiary, or (iii) Trustor shall demonstrate to Beneficiary's satisfaction that Trustor has provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale.

1.09 Utilities. Trustor shall pay when due all charges that are incurred by Trustor for the benefit of the Trust Estate or that may become a charge or lien against the Trust Estate for gas, electricity, water, sewer or other services furnished to the Trust Estate.

1.10 Actions Affecting Trust Estate. Trustor shall notify Beneficiary promptly upon obtaining written notice of any condemnation proceeding against the Trust Estate. Trustor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee hereunder; and shall pay all reasonable and documented costs and expenses (including costs of evidence of title, litigation and attorneys' fees) in any such action or proceeding in which Beneficiary or Trustee may appear. Notwithstanding the foregoing, Beneficiary may, but shall not be required to, participate in any such proceedings or contest, at Trustor's sole cost and expense.

1.11 Appointment of Successor Trustee. Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and recorded in the county in which the Trust Estate is located and by otherwise complying with the provisions of applicable law, substitute a successor or successors to any Trustee named herein or acting hereunder, and such successor(s) shall, without conveyance from the Trustee predecessor, succeed to all title, estate, rights, powers and duties of such predecessor.

1.12 Trustee's Powers. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and without affecting the personal liability of any person for payment of the Secured Obligations or the effect of this Deed of Trust upon the remainder of said Trust Estate, Trustee may: (a) reconvey any part of said Trust Estate, (b) consent in writing to the making of any map or plat thereof, (c) join in granting any easement thereon, or (d) join any extension agreement or any agreement subordinating the lien or charge hereof.

1.13 Beneficiary's Powers. Without affecting the liability of any person liable for the payment of the Secured Obligations herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Estate not then or theretofore released as security for the Secured Obligations, Beneficiary may, from time to time and without notice: (a) release any person so liable, (b) extend the Secured Obligations, (c) release or reconvey, or cause to be released or reconveyed, at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (d) take or release any other or additional security or any guaranty for any Secured



Obligations herein mentioned, or (e) make compositions or other arrangements with debtors in relation thereto.

1.14 Compliance with Law. Trustor shall comply in all respects with all laws, rules, ordinances, codes, regulations, covenants, conditions, restrictions, easements and agreements pertaining to the Trust Estate. Trustor shall not permit, commit or suffer any act to be done in or upon the Trust Estate in violation of law. Trustor shall not initiate or acquiesce in any change in any zoning or other land use classification now or hereafter in effect and affecting the Trust Estate or any part thereof nor shall Trustor otherwise change or attempt to change the use of the Trust Estate or any portion thereof without in each case obtaining Beneficiary's prior written discretionary consent thereto.

1.15 Mining Claims. Trustor agrees not to amend, modify, sell, transfer, convey, lease, sublease or terminate any of the Mining Claims which comprise a portion of the Trust Estate without the express written consent of Beneficiary, which consent may be given or withheld, conditioned or delayed in Beneficiary's sole and absolute discretion. Consent to one such action shall not be deemed to be a waiver of the right to require consent to other, future or successive actions. Trustor agrees to and shall perform all obligations and agreements necessary to maintain all of the Mining Claims and shall not take any action or omit to take any action that would adversely affect or permit the termination of any Mining Claim. Trustor agrees to notify Beneficiary in writing with respect to any claim made or threatened against the validity or good standing of any portion of the Mining Claims. Trustor shall perform any required assessment work and timely prepare, record and file appropriate evidence of such work, together with the payment of all applicable fees as may be required from time to time under federal or state law. Trustor shall timely pay all annual mining claim maintenance or rental fees and make all federal and state filings with respect to the Mining Claims as are necessary or beneficial to maintain the Mining Claims in full effect as valid unpatented mining claims under federal and state law. Without limiting the foregoing, by no later than July 15th of each year, Trustor shall deliver to Beneficiary documentation of acknowledgment by the United States Bureau of Land Management ("BLM") that the annual unpatented mining claim maintenance fees for all Mining Claims have been paid and copies of the annual affidavit and notice of intent to hold the Mining Claims as recorded in Hidalgo County, New Mexico. Trustor shall provide to Beneficiary a copy of all material correspondence received from, or sent to, the BLM, the Hidalgo County Recorder, the State of New Mexico or any third party, concerning the Mining Claims within three business days following receipt or transmittal by Trustor.

1.16 Water Rights. Trustor shall cause all Water Rights to be maintained in good standing. Trustor shall cause all equipment and facilities used in connection with the Water Rights to be maintained in a safe and properly operable condition. Trustor shall consistently place the Water Rights to beneficial use in a manner sufficient to prevent any possible forfeiture or partial forfeiture of any Water Right; provided, however, that Trustor, acting reasonably, may instead seek and obtain appropriate regulatory authorizations for nonuse of water prior to the time that any Water Right becomes subject to forfeiture or partial forfeiture. Trustor shall comply with all applicable statutes and rules pertaining to use of the Water Rights.

1.17 Indemnification. Trustor shall protect, indemnify, save harmless and defend Beneficiary and Trustee and their respective affiliates, officers, directors, shareholders, members,

managers, employees, successors and assigns from and against any and all liability, loss, costs, charges, penalties, obligations, expenses, attorneys' fees, litigation, judgments, damages, claims and demands imposed upon or incurred by or asserted against Beneficiary or Trustee by reason of (a) ownership by Trustee or Beneficiary of its interest in any portion of the Trust Estate pursuant to this Deed of Trust, (b) any accident or injury to or death of persons or loss of or damage to or loss of the use of property occurring on or about the Trust Estate or any part thereof, (c) any use, non-use or condition of the Trust Estate or any part thereof, (d) any failure on the part of Trustor to perform or comply with any of the terms of this Deed of Trust or any instrument or agreement secured hereby, (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Trust Estate or any part thereof made or suffered to be made by or on behalf of Trustor, (f) any negligence or tortious act on the part of Trustor or any of its employees, agents, contractors, lessees, licensees or invitees, (g) any work in connection with any alterations, changes, new construction or demolition of the Trust Estate, whether or not permitted hereunder, or (h) the exercise by Beneficiary of any of its rights and remedies, or the performance of any of its obligations, under this Deed of Trust, except, in each case of the foregoing, to the extent such liability, loss, costs, charges, penalties, obligations, expenses, attorneys' fees, litigation, judgments, damages, claims or demands results from the gross negligence, bad faith or willful misconduct (as determined pursuant to a non-appealable judgement by a court of competent jurisdiction) of such Trustee, Beneficiary or any of their respective affiliates, officers, directors, shareholders, members, managers, employees, successors or assigns which are seeking indemnification hereunder. All amounts payable to Beneficiary or Trustee, as the case may be, under this Section 1.17 shall be payable on demand and shall be deemed indebtedness secured by this Deed of Trust.

## **ARTICLE 2 ASSIGNMENT OF RENTS**

2.01 Assignment of Rents. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns, transfers and grants to Beneficiary (i) all present and future right and interest in and to the Rents, and hereby gives to and confers upon Beneficiary the right, power and authority to collect the Rents, at any time, with or without notice, and (ii) all of Trustor's estate, right, title, interest, claim and demand, as landlord, under any and all of the Leases. The assignment of the Rents and Leases in this Article 2 is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest. Trustor irrevocably appoints Beneficiary, effective upon and during the continuation of an Event of Default, its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Trustor or Beneficiary, for all Rents and apply the same to the payment of the Secured Obligations in such order as Beneficiary shall determine. Trustor hereby authorizes and directs the lessees, occupants and tenants under Leases to make all payments under the Leases directly to Beneficiary upon written demand by Beneficiary (which may be made at any time on and after an Event of Default), without further consent of Trustor.

2.02 License to Collect Rents. Beneficiary hereby confers upon Trustor a revocable license ("**License**") to collect and retain the Rents as they become due and payable (but not more than one month in advance unless the written approval of Beneficiary is first obtained), and to retain and enjoy the same, so long as no revocation of the License by Beneficiary has occurred

after the occurrence and during the continuance of an Event of Default. For the avoidance of doubt, Beneficiary may not revoke the License unless and until an Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License with or without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

2.03 Collection Upon an Event of Default. After the occurrence and during the continuance of an Event of Default and Beneficiary's subsequent revocation of the License, Beneficiary may, at any time with or without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations, enter upon and take possession of the Trust Estate, or any part thereof, and, with or without such entry or taking possession, in its own name sue for or otherwise enforce the Leases and collect the Rents (including those past due and unpaid) and apply the same, less costs and expenses of operation and collection (including reasonable attorneys' fees) upon payment of the Secured Obligations in such order as Beneficiary may determine. The collection of such Rents, or the entering upon and taking possession of the Trust Estate, or the application of the Rents as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Trustor also hereby authorizes Beneficiary upon such entry, at its option, to take over and assume the management, operation and maintenance of the Trust Estate and to perform all acts Beneficiary in its sole discretion deems necessary and proper and to expend such sums out of Rents as may be needed in connection therewith, in the same manner and to the same extent as Trustor theretofore could do (including the right to enter into new Leases, to cancel, surrender, alter or amend the terms of, and/or renew existing Leases and/or to make concessions to tenants).

2.04 Application of Rents. Upon receipt, Beneficiary shall, after payment of all property charges and expenses (including reasonable compensation to any receiver or managing agent) and after the accumulation of a reasonable reserve to meet requisite amounts, credit the net amount of the Rents received by it to the Secured Obligations, but the manner of the application of such net income and which items shall be credited shall be determined by Beneficiary pursuant to the applicable provisions, if any, of the MPR Agreement, but in all cases subject to applicable law. Beneficiary shall not be accountable for more monies than it actually receives from the Trust Estate, nor shall it be liable for failure to collect Rents. Beneficiary shall make reasonable efforts to collect Rents, reserving, however, within its own absolute and sole discretion, the right to determine the method of collection and the extent to which enforcement of collection of Rents shall be prosecuted and Beneficiary's judgment shall be deemed conclusive and reasonable.

2.05 Mortgagee in Possession. It is not the intention of the parties hereto that an entry by Beneficiary upon the Real Property under the terms of this instrument shall make Beneficiary a party in possession in contemplation of the law, except at the option of Beneficiary.

2.06 Indemnity. Trustor hereby agrees to indemnify and hold harmless Beneficiary for, from and against any and all losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs and expenses, including legal fees and expenses, howsoever and by whomsoever asserted, arising out of or in any way connected with this assignment, except, in each case to the extent resulting from the gross negligence, bad faith or willful misconduct (as determined pursuant

to a non-appealable judgement by a court of competent jurisdiction) of Beneficiary; and all such losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs and expenses shall be deemed added to the indebtedness secured hereby and shall be secured by any and all other instruments securing said indebtedness.

2.07 No Obligation to Perform. Nothing contained herein shall operate or be construed to obligate Beneficiary to perform any obligations of Trustor under any Lease (including any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated). This Deed of Trust shall not operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Trust Estate or any portion thereof, and the execution of this Deed of Trust by Trustor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Trust Estate is and shall be that of Trustor.

### **ARTICLE 3 SECURITY AGREEMENT**

3.01 Creation of Security Interest. Trustor hereby grants to Beneficiary, as secured party, a security interest in and to all the Personal Property as security for the prompt payment and performance when due of the Secured Obligations, whether now existing or hereafter arising.

3.02 Representations, Warranties and Covenants of Trustor. Trustor hereby represents, warrants and covenants (which representations, warranties and covenants shall survive the creation and expiration or satisfaction of any Secured Obligations) as of the date of this Deed of Trust, as follows and acknowledges and confirms that Beneficiary is relying upon such representations warranties and covenants in entering into this Deed of Trust and in extending credit to Trustor:

(a) The Personal Property is not used or bought for personal, family or household purposes;

(b) Except as may be permitted under the MPR Agreement, the tangible portion of the Personal Property shall be kept on or at the Real Property or Improvements and Trustor shall not, without the prior written consent of Beneficiary (not to be unreasonably withheld, but subject to any rights of Beneficiary to approve pursuant to the MPR Agreement), remove the Personal Property or any portion thereof therefrom;

(c) Trustor hereby authorizes Beneficiary (in Beneficiary's sole discretion) to file one or more financing statements and continuations and/or execute one or more fixture filings and continuations pursuant to the New Mexico Uniform Commercial Code, in form satisfactory to Beneficiary, and shall pay the cost of recording and filing the same in all public offices wherever recording or filing is deemed by Beneficiary to be necessary or desirable;

(d) Trustor is duly qualified to conduct business in the State of New Mexico. Trustor does not do business under any trade name. Trustor shall promptly (but in any event at least 30 days before such change occurs) notify Beneficiary in writing of any change in its principal place of business or the adoption or change of its legal name, and shall upon request of Beneficiary, authorize any additional financing statements or execute any other certificates necessary to reflect

the adoption or change in legal name. Trustor shall also notify Beneficiary of any change of Trustor's organizational identification number within 30 days after such change occurs;

(e) Trustor currently has, and shall continue to hold until this Deed of Trust is terminated and released in full, full right, power and authority to convey and mortgage the same and to execute this Deed of Trust;

(f) Trustor's exact legal name is correct in the introductory paragraph of this Deed of Trust;

(g) Trustor's organizational identification number assigned by the jurisdiction of formation is 6833802; and

(h) This Deed of Trust provides a first position security interest against the Personal Property, subject to the terms and conditions of the MPR Agreement.

3.03 Use of Personal Property by Trustor. Until the occurrence of an Event of Default (and thereafter, subject to the rights and remedies of Trustor and Beneficiary hereunder and under the MPR Agreement), Trustor may have possession of the Personal Property and use it in any lawful manner not inconsistent with this Deed of Trust or the MPR Agreement and not inconsistent with any policy of insurance thereon.

3.04 Remedies.

(a) In addition to the remedies provided in Section 4.02 hereof, upon the occurrence and during the continuance of an Event of Default, Beneficiary may, at its option, and subject to applicable law, do any one or more of the following:

(i) Either personally, or by means of a court appointed receiver, take possession of all or any of the Personal Property and exclude therefrom Trustor and all others claiming under Trustor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Trustor with respect to the Personal Property or any part thereof. In the event Beneficiary demands, or attempts to take, possession of the Personal Property in the exercise of any rights under this Deed of Trust, Trustor agrees to promptly turn over and deliver possession thereof to Beneficiary;

(ii) Without notice to or demand upon Trustor, make such payments and do such acts as Beneficiary may deem necessary to protect its security interest in the Personal Property (including paying, purchasing, contesting or compromising any lien or encumbrance, whether superior or inferior to such security interest) and in exercising any such powers or authority to pay all expenses (including litigation costs and reasonable attorneys' fees) incurred in connection therewith;

(iii) Require Trustor from time to time to assemble the Personal Property, or any portion thereof, at a place designated by Beneficiary and reasonably convenient to both parties, and deliver promptly such Personal Property to Beneficiary, or an agent or representative designated by Beneficiary. Beneficiary, and its agents and representatives,

shall have the right to enter upon any or all of Trustor's premises and property to exercise Beneficiary's rights hereunder;

(iv) Realize upon the Personal Property or any part thereof as herein provided or in any manner permitted by law and exercise any and all of the other rights and remedies conferred upon Beneficiary by this Deed of Trust and the MPR Agreement, or by law, either concurrently or in such order as Beneficiary may determine;

(v) Sell or cause to be sold in such order as Beneficiary may determine, as a whole or in such parcels as Beneficiary may determine, the Personal Property;

(vi) Sell, lease or otherwise dispose of the Personal Property at public or private sale, upon terms and in such manner as Beneficiary may determine. Beneficiary may be a purchaser at any public sale; and

(vii) Exercise any other remedies of a secured party under the New Mexico Uniform Commercial Code or any other applicable law.

(b) Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary shall give Trustor at least ten days', or such longer time as may be required by applicable law, prior written notice of the time and place of any public sale of the Personal Property or other intended disposition thereof to be made under Section 3.04(a). Such notice may be mailed to Trustor at the address in Section 5.04. If Beneficiary fails to comply with this Section 3.04 in any respect, its liability for such failure shall be limited to the liability (if any) imposed on it as a matter of law under the New Mexico Uniform Commercial Code (or under the Uniform Commercial Code, enforced from time to time, in any other state to the extent the same is the applicable law).

(c) The proceeds of any sale under Section 3.04(a) shall be applied in Beneficiary's sole discretion to the extent not inconsistent with New Mexico law.

(d) After the occurrence and during the continuance of an Event of Default, Beneficiary shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Beneficiary from pursuing any further remedy that it may have. Any repossession or retaking or sale of the Personal Property pursuant to the terms hereof shall not operate to release Trustor until full payment of the Secured Obligations and any deficiency has been indefeasibly made to Beneficiary in cash.

(e) Beneficiary may comply with any applicable state or federal law or regulatory requirements in connection with a disposition of the Personal Property and such compliance shall not be considered to affect adversely the commercial reasonableness of any sale of the Personal Property.

(f) After the occurrence and during the continuance of an Event of Default, Beneficiary may sell the Personal Property without giving any warranties as to such property, and may specifically disclaim any warranties of title, merchantability, fitness for a particular purpose or the like, and this procedure shall not be considered to adversely affect the commercial reasonableness of any sale of the Personal Property. Trustor acknowledges that a private sale of the Personal

Property may result in less proceeds than a public sale.

(g) Trustor acknowledges that the Personal Property may be sold under Section 3.04(a) at a loss to Trustor and that, in such event, Beneficiary shall have no liability or responsibility to Trustor for such loss.

(h) Beneficiary shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Beneficiary from pursuing any further remedy that it may have.

3.05 Security Agreement. This Deed of Trust constitutes and shall be deemed to be a “**security agreement**” for all purposes of the New Mexico Uniform Commercial Code and Beneficiary shall be entitled to all the rights and remedies of a “**secured party**” under the New Mexico Uniform Commercial Code.

3.06 Fixture Filing. Upon its recording in the real property records, this Deed of Trust shall be effective as a financing statement filed as a fixture filing under the New Mexico Uniform Commercial Code. As a fixture filing this Deed of Trust covers all assets of Trustor located upon or within the Real Property and meeting the definition of “fixtures” under the New Mexico Uniform Commercial Code, whether now owned or hereafter acquired or arising. In addition, a carbon, photographic or other reproduced copy of this Deed of Trust and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder. For this purpose, the following information is given:

(a) Name and address of Debtor:

American Copper NMX, Inc.  
c/o Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC  
Canada V6C 1S4  
Attention: Daniel Schieber

(b) Type of Organization: corporation

(c) Organizational Number: 6833802

(d) Name and address of Secured Party:

Waterton Nevada Splitter, LLC  
c/o Waterton Global Resource Management, Inc.  
Commerce Court West  
199 Bay Street, Suite 5050  
Toronto, ON M5L 1E2  
Attention: Richard Wells

- (e) Description of property covered by this fixture filing: “All assets”
- (f) Description of real estate to which the collateral is attached or upon which it is or will be located: See Exhibit A.

3.07 Authorization to File Financing Statements: Power of Attorney. Trustor hereby authorizes Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto, and continuation statements with respect to the Trust Estate with or without the signature of Trustor as authorized by applicable law. For purposes of such filing, Trustor agrees to furnish any information reasonably requested by Beneficiary promptly upon request by Beneficiary. Trustor also ratifies its authorization for Beneficiary to have filed any like initial financing statements, amendments thereto, or continuation statements if filed before the date of this Deed of Trust. Trustor hereby irrevocably constitutes and appoints Beneficiary and any officer or agent of Beneficiary, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Trustor or in Trustor’s own name to execute in Trustor’s name any such documents and to otherwise carry out the purposes of this Section 3.07, to the extent that Trustor’s authorization above is not sufficient. To the extent permitted by law, Trustor hereby ratifies and affirms all acts said attorneys-in-fact shall lawfully do, have done in the past, or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

#### **ARTICLE 4 REMEDIES UPON DEFAULT**

4.01 Events of Default. The occurrence of any default or event of default under the MPR Agreement or this Deed of Trust shall be an event of default under this Deed of Trust (each an “**Event of Default**”).

4.02 Remedies Upon Event of Default. Upon the occurrence of an Event of Default, Beneficiary may, at its option, declare all or any part of the Secured Obligations immediately due and payable without any presentment, demand, protest or notice of any kind. In addition, upon the occurrence of any Event of Default, Trustee and Beneficiary shall have the following rights and remedies in Sections 4.03 through 4.10.

Notwithstanding the foregoing, Trustee and Beneficiary shall have all powers, rights and remedies under applicable law whether or not specifically or generally granted or described in this Deed of Trust, including all rights and remedies of an assignee of rents under the Uniform Assignment of Rents Act, New Mexico Statutes Chapter 56, Article 15. Nothing contained herein shall be construed to impair or to restrict such powers, rights and remedies or to preclude any procedures or process otherwise available to trustees or beneficiaries under deeds of trust in the State of New Mexico. Trustee and Beneficiary, and each of them, shall be entitled to enforce the payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust or the MPR Agreement or under any other agreement or any laws now or hereafter in force, notwithstanding the fact that some or all of the indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage,



deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers contained herein, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other rights or security now or hereafter held by Trustee or Beneficiary. Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other rights or security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy contained herein or by law provided or permitted, but each shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Every power or remedy given by the MPR Agreement and this Deed of Trust, to Trustee or Beneficiary, or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary, and either of them may pursue inconsistent remedies. By exercising or by failing to exercise any right, option or election hereunder, Beneficiary shall not be deemed to have waived any provision hereof or to have released Trustor from any of the obligations secured hereby unless such waiver or release is in writing and signed by Beneficiary.

4.03 Entry; Appointment of Receiver. After the occurrence and during the continuance of an Event of Default, Beneficiary in person or by agent or by court-appointed receiver may, at its option, without any action on its part being required, without in any way waiving such Event of Default, with or without the appointment of a receiver, or an application therefor:

(a) Take possession of the Trust Estate or any part thereof and conduct tests of, manage or hire a manager to manage, lease, operate and sell or convey all or any part of the Trust Estate, on such terms and for such period of time as Beneficiary or a court-appointed receiver may deem proper, with full power to make, from time to time, all alterations, renovations, repairs or replacements thereto as may seem proper to Beneficiary;

(b) With or without taking possession of the Trust Estate, collect and receive all Rents, notify tenants under the Leases or any other parties in possession of the Trust Estate to pay Rents directly to Beneficiary, its agent or a court-appointed receiver and apply such Rents to the payment of:

(i) all costs and expenses incident to taking and retaining possession of the Trust Estate (including the cost of any receivership), management and operation of the Trust Estate, keeping the Trust Estate properly insured and all alterations, renovations, repairs and replacements to the Trust Estate;

(ii) all taxes, charges, fees, claims, assessments, and any other liens which may be prior in lien or payment to this Deed of Trust and the MPR Agreement and premiums for insurance, with interest on all such items; and

(iii) the indebtedness secured hereby together with all costs and attorneys' fees, in such order or priority as to any of such items as Beneficiary in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding;

- (c) Exclude Trustor, its agents and servants wholly from the Trust Estate;
- (d) Take possession of all the books, papers and accounts of Trustor relating to the Trust Estate, at the expense of Trustor;
- (e) Commence, appear in and/or defend any action or proceedings purporting to affect the interests, rights, powers or duties of Beneficiary hereunder, whether brought by or against Trustor or Beneficiary; and
- (f) Pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of Beneficiary may affect or appear to affect the interest of Beneficiary or the rights, powers and/or duties of Beneficiary hereunder.

Trustee or Beneficiary, as a matter of right with or without notice to Trustor or anyone claiming under it and without regard to the then value of the Trust Estate or the interest of Trustor therein or the solvency of Trustor, Purchaser or any other person or entity liable for the Secured Obligations, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers to take charge of the Trust Estate or any portion thereof. Any such receiver or receivers shall have all of the usual and customary powers and duties of receivers in like or similar cases and all of the powers and duties of Beneficiary in case of entry as provided hereinabove, including the right to collect and receive Rents, and shall serve without posting a bond. All such Rents paid to Trustee or Beneficiary or collected by such receiver shall be applied as provided for in Section 4.03(b) above. Trustor for itself and any subsequent owner of the Trust Estate hereby waives any and all defenses to the application for such receiver and hereby irrevocably consents to such appointment without notice of any application therefor.

The receipt by Beneficiary of any Rents pursuant to this Deed of Trust after the institution of foreclosure or other proceedings under this Deed of Trust (other than payment constituting payment in full of the outstanding Secured Obligations) shall not cure any such Event of Default or affect such proceedings or any sale pursuant thereto. After deducting the expenses and amounts stated above in this Section 4.03, as well as just and reasonable compensation for all Beneficiary's employees and other agents (including reasonable and actual attorneys' fees and management and rental commissions) engaged and employed, the moneys remaining, at the option of Beneficiary, may be applied to the Secured Obligations. Whenever all amounts due under the MPR Agreement and under this Deed of Trust shall have been indefeasibly paid in full to Beneficiary and all Events of Default have been cured and any such cure has been accepted by Beneficiary, Beneficiary shall surrender possession to Trustor. The same right of entry, however, shall exist if any subsequent Event of Default shall occur; provided, however, neither Trustee nor Beneficiary shall be under any obligation to make any of the payments or do any of the acts referred to in this Section 4.03.

4.04 Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this instrument or to enforce any of the covenants and agreements hereof. The Trust Estate may be foreclosed in parts or as an entirety to the extent permitted by law.

4.05 Power of Sale. After the occurrence and during the continuance of an Event of Default, Beneficiary may elect to cause the Trust Estate or any part thereof to be sold under the power of sale herein granted in any manner permitted by applicable law. If Beneficiary should

elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee.

Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, mailed or delivered to Trustor such notice of default and election to sell as is then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale has been given as required by law, sell the Trust Estate at the time and place of sale fixed by it in such notice of sale, either as a whole, or in separate lots or parcels, and in such order as it may determine, at public auction, to the highest bidder for cash in lawful money of the United States payable at the time of sale. If the Trust Estate consists of more than one lot or parcel, the lots or parcels may be sold separately, together or in any combination, and in such order as Beneficiary determines, at the sole discretion of Beneficiary. Trustor waives the right to direct the order in which the Trust Estate may be sold when it consists of more than one lot or parcel. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Purchaser or Beneficiary, may purchase at such sale. Beneficiary may credit bid the amount of the Secured Obligations toward payment of the purchase price.

To the extent permitted by law, Trustee may postpone the sale of all or any portion of the Trust Estate by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or by subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Beneficiary may rescind any such notice of default at any time before Trustee's sale by executing a notice of rescission and recording the same. The exercise by Beneficiary of the right of rescission shall not constitute a waiver of any Event of Default, nor otherwise affect this Deed of Trust or the MPR Agreement, or any of the rights, obligations or remedies of Beneficiary or Trustee hereunder or thereunder.

4.06 Rescission of Notice of Default. Beneficiary, from time to time before Trustee's sale, public sale or deed in lieu of foreclosure, may rescind any such notice of breach or default and of election to cause the Trust Estate to be sold by executing and delivering to Trustee a written notice of such rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale or such documents as may be required by the laws of the state in which the Real Property is located to effect such rescission. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or Event of Default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demand for sale, and notices of breach or default, and of election to cause the Trust Estate, including the Real Property, to be sold to satisfy the obligations hereof, nor otherwise affect any provision, agreement, covenant or condition of the MPR Agreement or of this Deed of Trust or any of the rights, obligations or remedies of the parties under this Deed of Trust or under the MPR Agreement.

4.07 Beneficiary's Remedies Respecting Trust Estate. After the occurrence and during the continuance of an Event of Default, Beneficiary may realize upon the Trust Estate, enforce and

exercise all of Trustor's rights, powers, privileges and remedies in respect of the Trust Estate, dispose of or otherwise deal with the Trust Estate in such order as Beneficiary may in its discretion determine, and exercise any and all other rights, powers, privileges and remedies afforded to a secured party under the laws of the state in which the Real Property is located as well as all other rights and remedies available at law or in equity.

4.08 Proceeds of Sales. The proceeds of any sale(s) made under or by virtue of this Article 4, together with all other sums which then may be held by Trustee or Beneficiary under this Deed of Trust, whether under the provisions of this Article 4 or otherwise, shall be applied, subject to applicable law, as follows:

(a) To the payment of the costs, fees and expenses of sale and of any judicial proceedings wherein the same may be made, including the cost of evidence of title in connection with the sale, compensation to Trustee and Beneficiary, and to the payment of all expenses, liabilities and advances made or incurred by Trustee under this Deed of Trust, together with interest on all advances made by Trustee at the Interest Rate, but limited to any maximum rate permitted by law to be charged by Trustee;

(b) To the payment of any and all sums expended by Beneficiary under the terms hereof, not then repaid, with accrued interest at the Interest Rate, as determined by Beneficiary, and all other Secured Obligations required to be paid by Trustor pursuant to any provisions of this Deed of Trust or the MPR Agreement, including all expenses, liabilities and advances made or incurred by Beneficiary under this Deed of Trust or in connection with the enforcement thereof, together with interest thereon as herein provided;

(c) To the payment of the entire amount of then due, owing or unpaid Secured Obligations, and any other obligation secured hereby; and then

(d) The remainder, if any, to the person or persons, including Trustor, legally entitled thereto.

4.09 Waiver of Marshaling, Rights of Redemption, Homestead and Valuation.

(a) Trustor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Deed of Trust, hereby expressly waives and releases all rights to direct the order in which any of the Trust Estate shall be sold in the event of any sale or sales pursuant hereto and to have any of the Trust Estate and/or any other property now or hereafter constituting security for any of the indebtedness secured hereby marshaled upon any foreclosure of this Deed of Trust or of any other security for any of said indebtedness.

(b) To the fullest extent permitted by law, Trustor, for itself and all who may at any time claim through or under it, hereby expressly waives, releases and renounces all rights of redemption from any foreclosure sale, all rights of homestead, exception, monitoring reinstatements, forbearance, appraisal, valuation and stay, and all rights under any other laws which may be enacted extending the time for or otherwise affecting enforcement or collection of any instrument under the MPR Agreement or under this Deed of Trust.

(c) To the fullest extent permitted by law, Trustor, for itself and all who may at any time claim through or under it, hereby expressly waives, releases and renounces all rights to assert any statutory or common law right of partition with respect to the Trust Estate and agrees not to assert any such right so long as this Deed of Trust is a lien on the Trust Estate.

4.10 Remedies Cumulative. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of Trustee or Beneficiary to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any Event of Default or any acquiescence therein. Every power and remedy given by this Deed of Trust to Trustee or Beneficiary may be exercised separately, successively or concurrently from time to time as often as may be deemed expedient by Trustee or Beneficiary. If there exists additional security for the performance of the obligations secured hereby, Beneficiary, at its sole option, and without limiting or affecting any of its rights or remedies hereunder, may exercise any of the rights and remedies to which it may be entitled hereunder either concurrently with whatever rights and remedies it may have in connection with such other security or in such order as it may determine. Any application of any amounts or any portion thereof held by Beneficiary at any time as additional security or otherwise, to any indebtedness secured hereby shall not extend or postpone the due dates of any payments due from Trustor to Beneficiary hereunder or under the MPR Agreement, or change the amounts of any such payments, or otherwise be construed to cure or waive any default or notice of default hereunder or invalidate any act done pursuant to any such default or notice.

## **ARTICLE 5 MISCELLANEOUS**

5.01 Change, Discharge, Termination or Waiver. No provision of this Deed of Trust may be changed, discharged, terminated or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination or waiver is sought. No failure on the part of Beneficiary to exercise and no delay by Beneficiary in exercising any right or remedy under this Deed of Trust or under the MPR Agreement or under applicable law shall operate as a waiver thereof.

5.02 Trustor Waiver of Rights. Without limiting any other waivers herein and in addition to such waivers, Trustor waives, to the extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any portion of the Trust Estate, (b) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the Secured Obligations and marshaling in the event of foreclosure of the liens hereby created, (c) all rights and remedies that Trustor may have or be able to assert by reason of the laws of the State of New Mexico, and (d) all surety and other defenses Trustor may have or be able to assert by reason of the laws of the State of New Mexico or otherwise.

5.03 Reconveyance by Trustee. Upon written request of Beneficiary stating that all Secured Obligations have been satisfied in full, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall

reconvey to the person or persons, including Trustor, legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as “the person or persons legally entitled thereto”.

5.04 Notices. All notices, requests, demands and other communications concerning this Deed of Trust shall be made at the addresses, in the manner and with the effect provided in Section 3.2 of the MPR Agreement or at such other address as shall have been furnished in writing by any party hereto to the party required to give notice hereunder.

5.05 Captions and References. The headings at the beginning of each article and section of this Deed of Trust are solely for convenience and are not part of this Deed of Trust. Unless otherwise indicated, each reference in this Deed of Trust to an article, a section or an exhibit is a reference to the respective article or section herein or exhibit hereto.

5.06 Invalidity of Certain Provisions. If any provision of this Deed of Trust is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially secured portion of the debt shall be completely paid before the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Deed of Trust.

5.07 Subrogation. To the extent that proceeds of the Secured Obligations are used to pay any outstanding lien, charge or prior encumbrance against the Trust Estate, such proceeds have been or will be advanced by Beneficiary at Trustor’s request and Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

5.08 Attorneys’ Fees. If any or all of the Secured Obligations are not paid when due or if an Event of Default occurs, Trustor agrees to pay all costs of enforcement and collection and preparation therefor (including reasonable attorneys’ fees and expenses) whether or not any action or proceeding is brought (including all such costs incurred in connection with any bankruptcy, receivership or other court proceedings (whether at the trial or appellate level)), together with interest therein from the date of demand at the Interest Rate.

5.09 Governing Law. The laws of the State of New Mexico shall govern the validity, construction, performance, effect and enforcement of this Deed of Trust without giving effect to conflict of law principles. Any procedures provided herein for remedies shall be modified and replaced with, where inconsistent with or required by, any procedures or requirements of the laws of the state in which the Real Property is located.

5.10 Joint and Several Obligations. If this Deed of Trust is signed by more than one party as Trustor, all obligations of Trustor herein shall be the joint and several obligations of each party executing this Deed of Trust as Trustor.

5.11 Number and Gender. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter gender and vice versa, if the context so requires.

5.12 Counterparts. This document may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to form physically one document, which may be recorded.

5.13 No Merger of Lease. If both the lessor's and lessee's estate under any lease or any portion thereof which constitutes a part of the Trust Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless Beneficiary so elects as evidenced by recording a written declaration executed by Beneficiary so stating, and, unless and until Beneficiary so elects, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estate pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Trust Estate shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at such foreclosure sale shall expressly so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

5.14 Integration. This Deed of Trust and the MPR Agreement contain the complete understanding and agreement of Trustor and Beneficiary with regard to the Secured Obligations and supersede all prior representations, warranties, agreements, arrangements, understandings and negotiations regarding the Secured Obligations.

5.15 Binding Effect. This Deed of Trust shall be binding upon, and inure to the benefit of, Trustor, Trustee and Beneficiary and their respective successors and assigns. Trustor may not delegate its obligations under this Deed of Trust.

5.16 Time of the Essence. Time is of the essence with regard to each provision of this Deed of Trust as to which time is a factor.

5.17 Survival. The representations, warranties and covenants of Trustor under this Deed of Trust shall survive the execution and delivery of the Deed of Trust and the grant of the rights to Beneficiary pursuant to the MPR Agreement.

5.18 MPR Agreement Controls. This Deed of Trust and the MPR Agreement are intended to supplement and complement each other and shall, where possible, be thus interpreted. If, however, any provision of this Deed of Trust irreconcilably conflicts with a provision of the MPR Agreement, the terms of the MPR Agreement shall govern and control.

5.19 Intended Agreement. This Deed of Trust is the result of arms-length negotiations among parties of roughly equivalent bargaining power and expresses the complete, actual and intended agreement of the parties. This Deed of Trust shall not be construed for or against any

party as a result of its participation, or the participation of its counsel, in the preparation and/or drafting of this Deed of Trust or any exhibit thereto.

5.21 Performance of Work. In the event of a failure of Trustor to perform any annual labor or improvement or timely provide evidence of the payment any annual maintenance fee or filing that may be required by law to prevent the forfeiture of any or all of the Mining Claims, including complying with the obligations of Section 1.15, Beneficiary may, without waiving any of Beneficiary's rights or remedies hereunder or under the MPR Agreement, perform such obligations, including the annual labor or improvement or pay such annual maintenance fee and make such annual filings, and the amount expended for such purposes shall be secured by this Deed of Trust as part of the Secured Obligations.

5.22 Trustee Provisions. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. The trust created hereby is irrevocable by Trustor. Trustee, upon presentation to it of an affidavit signed by or on behalf of Beneficiary, setting forth any facts showing a default by Trustor under any of the terms or conditions of this Deed of Trust or of the MPR Agreement, is authorized to accept as true and conclusive all facts and statements in such affidavit and to act hereunder in complete reliance thereon. Except as may be required by applicable law, Trustee shall be under no obligation to notify any party hereof of any action or proceeding of any kind in which Trustor, Beneficiary and/or Trustee shall be a party, unless brought by Trustee, or of any pending sale under any other deed of trust. The necessity of Trustee's making oath, filing inventory or giving bond as security for the execution of this Deed of Trust, as may now be or hereafter required by the laws of the state in which the Real Property is located, is hereby expressly waived.

5.23 Waiver of Jury Trial. TRUSTOR, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS DEED OF TRUST OR ANY CONDUCT, ACT OR OMISSION OF ANY PARTY HERETO OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, MANAGERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH ANY OF THE PARTIES IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

*[Signature page follows]*



IN WITNESS WHEREOF, Trustor has caused this Deed of Trust to be executed and delivered by a duly authorized representative as of the day and year first hereinabove written.

AMERICAN COPPER NMX, INC., a New Mexico corporation

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY/MUNICIPALITY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN COPPER NMX, INC., a New Mexico corporation, who acknowledged that he or she executed this instrument on behalf of said corporation.

[seal]

\_\_\_\_\_  
NOTARY PUBLIC, residing in  
\_\_\_\_\_

My commission expires:  
\_\_\_\_\_

**Exhibit A**

**REAL PROPERTY**

**Patented Mining Claims Owned by Trustor**

[Redacted - Commercially Sensitive Information]

**Unpatented Mining Claims Owned by Trustor**

[Redacted - Commercially Sensitive Information]

**Properties Leased by Trustor as Lessor**

[Redacted - Commercially Sensitive Information]

**Properties Leased to Trustor as Lessee**

[Redacted - Commercially Sensitive Information]

**Water Rights Owned by Trustor**

[Redacted - Commercially Sensitive Information]

*[End]*

## Exhibit B

### DESCRIPTION OF PERSONAL PROPERTY

All Personal Property (including all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory, construction materials and software embedded in any of the foregoing) in which Trustor now has or hereafter acquires an interest or right, which is now or hereafter located on or affixed to the Real Property or the Improvements or used or useful in or related to the operation, use or occupancy thereof or the construction of any Improvements thereon, together with any interest of Trustor in and to personal property which is leased or subject to any superior security interest, and all books, records, leases and other agreements, documents and instruments of whatever kind or character, relating to the Real Property, Improvements or such personal property;

(a) All fees, income, rents, issues, profits, earnings, receipts, royalties and revenues which, after the date hereof and while any portion of the Secured Obligations remains unpaid or unperformed, may accrue to Trustor from such personal property or any part thereof or from the Real Property, the Improvements or any other part of the Trust Estate, or which may be received or receivable by Trustor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation or use thereof;

(b) All of Trustor's present and future rights to receive payments of money, services or property, including rights to all deposits from tenants of the Real Property or Improvements, rights to receive capital contributions or subscriptions from Trustor's partners, members or shareholders, amounts payable on account of the sale of any capital stock of Trustor, accounts and other accounts receivable, deposit accounts maintained with Beneficiary and its affiliates, chattel paper (whether tangible or electronic), notes, drafts, contract rights, instruments and general intangibles, all as defined in the New Mexico Uniform Commercial Code, as presently or hereafter in effect, and principal, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents and instruments, evidencing, securing or guarantying the same;

(c) All other intangible property (and related software) and rights relating to the Real Property, the Improvements, the personal property described in Paragraph (a) above or the operation, occupancy or use thereof, including all governmental and non-governmental permits, licenses and approvals relating to construction on or operation, occupancy or use of the Real Property or Improvements, all names under or by which the Real Property or Improvements may at any time be operated or known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks relating in any way to the Real Property or the Improvements, and all good will and software in any way relating to the Real Property or the Improvements;

(d) Trustor's rights under all insurance policies covering the Real Property, the Improvements, the Personal Property and the other parts of the Trust Estate and any and all proceeds, loss payments and premium refunds payable regarding the same;

(e) All reserves, deferred payments, deposits, refunds, cost savings and payments of any kind relating to the construction of any Improvements on the Real Property;

(f) All water rights and water shares relating to the Real Property;

(g) All causes of action, claims, compensation and recoveries for any damage to, destruction of, or condemnation or taking of the Real Property, the Improvements, the Personal Property or any other part of the Trust Estate, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Real Property, the Improvements, the Personal Property or any other part of the Trust Estate, or for any loss or diminution in value of the Real Property, the Improvements, the Personal Property or any other part of the Trust Estate;

(h) All geological, architectural, structural, mechanical and engineering plans and specifications prepared for construction of Improvements or extraction of minerals from the Real Property and all studies, data, and drawings related thereto; and also all contracts and agreements of Trustor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings or to the construction of Improvements on or extraction of minerals from the Real Property;

(i) All commercial tort claims Trustor now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Exhibit B or elsewhere in the Deed of Trust;

(j) All letter of credit rights (whether or not the letter of credit is evidenced by a writing) Trustor now has or hereafter requires relating to the properties, rights, titles and interests referred to in this Deed of Trust;

(k) All proceeds from any of the aforesaid collateral and all supporting obligations ancillary thereto or arising in any way in connection therewith;

(l) All of Trustor's rights in any and all warranties and guaranties with respect to any goods, materials, supplies, chattels, fixtures, equipment, machinery, building materials and work in progress attached to or placed in or on any part of the Real Property, or used in connection with any construction on the Real Property; and

(m) All of Trustor's rights in all plans, specifications, plats, agreements, assessments, reports and surveys related to the Real Property.

Notwithstanding the foregoing, the Personal Property shall not include any of the following (i) any Other Agreements or other permit or license to the extent that Trustor is expressly prohibited from granting a security interest in such instrument pursuant to the terms thereof, but only to the extent such prohibition is not invalidated under the New Mexico Uniform Commercial Code, (ii) governmental licenses, state or local franchises, charters and authorizations and any other property and assets to the extent that Trustee or Beneficiary may not validly possess a security interest therein under applicable laws (including rules and regulations of any governmental authority or agency) or the pledge or creation of a security interest which would require governmental consent, approval, license or authorization, other than to the extent such prohibition or limitation is rendered ineffective under the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition, including any governmental licenses or

state or local franchises, charters and authorizations to the extent a security interest is prohibited or restricted thereby; (iii) any lease, license, permit or agreement (A) to the extent that a grant of a security interest therein (1) is prohibited by applicable law other than to the extent such prohibition is rendered ineffective under Section 9-406, 9-407, 9-408 or 9-409 (or any successor provisions thereof) of the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition, or (2) would violate the terms thereof or would give rise to a termination right thereunder (except to the extent such provision is rendered ineffective under Section 9-406, 9-407, 9-408 or 9-409 (or any successor provisions thereof) of the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition), or (B) which by their express terms are not assignable or would become void, voidable, terminable or revocable if pledged or assigned hereunder without written consent of the other party(ies) thereto (except to the extent such provision is rendered ineffective under Section 9-406, 9-407, 9-408 or 9-409 (or any successor provisions thereof) of the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition); provided, Trustor shall have no obligations to obtain any such consent; (iv) any property or asset for which the creation or perfection of pledges or security interests therein could reasonably be expected to result in material adverse tax consequences or adverse regulatory consequences to Trustor or any of its affiliates, as reasonably determined by Trustor; (v) any deposit accounts that are used exclusively for tax accounts, withholding accounts, payroll accounts or trust accounts, and in each case, any funds on deposit therein; and (vi) any United States intent-to-use trademark application to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under the applicable federal law (the assets described in the immediately preceding clauses (i) through (vi) collectively, the “**Excluded Assets**”); provided further, however, that “**Excluded Assets**” shall not include any proceeds, substitutions or replacements of any Excluded Assets referred to in clauses (i) through (vi) unless such proceeds, substitutions or replacements would independently constitute Excluded Assets referred to in clauses (i) through (vi). Notwithstanding the foregoing, if and when any property that would otherwise constitute Personal Property shall cease to be Excluded Assets, a lien on and security interest in such property shall be deemed granted therein.

*[End]*

**SCHEDULE B**  
**FORM OF UCC STATEMENT**

See attached.

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Daniel A. Jensen**  
**Parr Brown Gee & Loveless**  
**101 South 200 East, Suite 700**  
**Salt Lake City, UT 84111**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME  
**AMERICAN COPPER NMX, INC.**

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
--------------------------	---------------------	-------------------------------	--------

1c. MAILING ADDRESS

<b>2710 – 200 Granville Street</b>	CITY <b>Vancouver</b>	STATE <b>BC</b>	POSTAL CODE <b>V6C 1S4</b>	COUNTRY <b>CAN</b>
------------------------------------	--------------------------	--------------------	-------------------------------	-----------------------

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
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2c. MAILING ADDRESS

	CITY	STATE	POSTAL CODE	COUNTRY
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3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**WATERTON NEVADA SPLITTER, LLC**

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
--------------------------	---------------------	-------------------------------	--------

3c. MAILING ADDRESS

<b>199 Bay Street, Suite 5050</b>	CITY <b>Toronto</b>	STATE <b>ON</b>	POSTAL CODE <b>M5L 1E2</b>	COUNTRY <b>CAN</b>
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4. COLLATERAL: This financing statement covers the following collateral:  
**All right, title, and interest of Debtor in (i) the property and interests in property described on Exhibit A attached hereto and incorporated herein by reference, (ii) all other personal property now or hereafter owned or acquired by Debtor that is now or hereafter located on or used in connection with or related to the Real Property (as defined on Exhibit A) or the Improvements (as defined on Exhibit A), (iii) all other rights and interests of Debtor now or hereafter held in personal property that is now or hereafter located on or used in connection with the Real Property or the Improvements, and (iv) all proceeds thereof.**

5. Check only if applicable and check only one box: Collateral is  held in a Trust (see UCC1Ad, item 17 and Instructions)  being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:  
 Public-Finance Transaction  Manufactured-Home Transaction  A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:  
 Agricultural Lien  Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable):  Lessee/Lessor  Consignee/Consignor  Seller/Buyer  Bailee/Bailor  Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:  
**158070.31 SMT (New Mexico)**

### **Exhibit A to UCC-1 Financing Statement**

- (a) All personal property (including all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory, construction materials and software embedded in any of the foregoing) in which Debtor now has or hereafter acquires an interest or right, which is now or hereafter located on or affixed to the Real Property (as defined below) or the Improvements (as defined below) or used or useful in or related to the operation, use or occupancy thereof or the construction of any Improvements thereon, together with any interest of Debtor in and to personal property which is leased or subject to any superior security interest, and all books, records, leases and other agreements, documents and instruments of whatever kind or character, relating to the Real Property, Improvements or such personal property;
- (b) All fees, income, rents, issues, profits, earnings, receipts, royalties, and revenues which, after the date hereof, may accrue to Debtor from the personal property described herein (the "Personal Property") or any part thereof or from the Real Property, the Improvements or any other part of the collateral, or which may be received or receivable by Debtor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation, or use thereof;
- (c) All of Debtor's present and future rights to receive payments of money, services or property, including rights to all deposits from tenants of the Real Property or Improvements, rights to receive capital contributions or subscriptions from Debtor's partners, members or shareholders, amounts payable on account of the sale of any capital stock of Debtor, accounts and other accounts receivable, deposit accounts maintained with Secured Party and its affiliates, chattel paper (whether tangible or electronic), notes, drafts, contract rights, instruments and general intangibles, all as defined in the New Mexico Uniform Commercial Code, as presently or hereafter in effect, and principal, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents, and instruments, evidencing, securing or guarantying the same;
- (d) All other intangible property (and related software) and rights relating to the Real Property, the Improvements, the personal property described in Paragraph (a) above or the operation, occupancy or use thereof, including all governmental and non-governmental permits, licenses and approvals relating to construction on or operation, occupancy or use of the Real Property or Improvements, all names under or by which the Real Property or Improvements may at any time be operated or known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks relating in any way to the Real Property or the Improvements, and all good will and software in any way relating to the Real Property or the Improvements;
- (e) Debtor's rights under all insurance policies covering the Real Property, the Improvements, the Personal Property and the other parts of the collateral and any and all proceeds, loss payments and premium refunds payable regarding the same;
- (f) All reserves, deferred payments, deposits, refunds, cost savings, and payments of any kind relating to the construction of any Improvements on the Real Property;
- (g) All water rights and water shares relating to the Real Property;
- (h) All causes of action, claims, compensation, and recoveries for any damage to, destruction of, or condemnation or taking of the Real Property, the Improvements, the Personal Property or any other part of the collateral, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Real Property, the Improvements, the Personal Property or any other part of the collateral,



or for any loss or diminution in value of the Real Property, the Improvements, the Personal Property or any other part of the Trust Estate;

(i) All geological, architectural, structural, mechanical and engineering plans and specifications prepared for construction of Improvements or extraction of minerals from the Real Property and all studies, data and drawings related thereto; and also all contracts and agreements of Debtor relating to the aforesaid plans and specifications or to the aforesaid studies, data, and drawings or to the construction of Improvements on or extraction of minerals from the Real Property;

(j) All commercial tort claims Debtor now has or hereafter acquires relating to the properties, rights, titles, and interests referred to in this Exhibit A or elsewhere in the Deed of Trust;

(k) All letter of credit rights (whether or not the letter of credit is evidenced by a writing) Debtor now has or hereafter requires relating to the properties, rights, titles and interests referred to in the Deed of Trust;

(l) All proceeds from any of the aforesaid collateral and all supporting obligations ancillary thereto or arising in any way in connection therewith;

(m) All of Debtor's rights in any and all warranties and guaranties with respect to any goods, materials, supplies, chattels, fixtures, equipment, machinery, building materials and work in progress attached to or placed in or on any part of the Real Property or used in connection with any construction on the Real Property; and

(n) All of Debtor's rights in all plans, specifications, plats, agreements, assessments, reports and surveys related to the Real Property.

Notwithstanding the foregoing, the Personal Property shall not include any of the following (i) any Other Agreements or other permit or license to the extent that Debtor is expressly prohibited from granting a security interest in such instrument pursuant to the terms thereof, but only to the extent such prohibition is not invalidated under the New Mexico Uniform Commercial Code, (ii) governmental licenses, state or local franchises, charters and authorizations and any other property and assets to the extent that Secured Party may not validly possess a security interest therein under applicable laws (including rules and regulations of any governmental authority or agency) or the pledge or creation of a security interest which would require governmental consent, approval, license or authorization, other than to the extent such prohibition or limitation is rendered ineffective under the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition, including any governmental licenses or state or local franchises, charters and authorizations to the extent a security interest is prohibited or restricted thereby; (iii) any lease, license, permit or agreement (A) to the extent that a grant of a security interest therein (1) is prohibited by applicable law other than to the extent such prohibition is rendered ineffective under Section 9-406, 9-407, 9-408 or 9-409 (or any successor provisions thereof) of the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition, or (2) would violate the terms thereof or would give rise to a termination right thereunder (except to the extent such provision is rendered ineffective under Section 9-406, 9-407, 9-408 or 9-409 (or any successor provisions thereof) of the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition), or (B) which by their express terms are not assignable or would become void, voidable, terminable or revocable if pledged or assigned hereunder without written consent of the other party(ies) thereto (except to the extent such provision is rendered ineffective under Section 9-406, 9-407, 9-408 or 9-409 (or any successor provisions thereof) of the New Mexico Uniform Commercial Code or other applicable law notwithstanding such prohibition); provided, Debtor shall have no obligations to obtain any such consent;

(iv) any property or asset for which the creation or perfection of pledges or security interests therein could reasonably be expected to result in material adverse tax consequences or adverse regulatory consequences to Debtor or any of its affiliates, as reasonably determined by Debtor; (v) any deposit accounts that are used exclusively for tax accounts, withholding accounts, payroll accounts or trust accounts, and in each case, any funds on deposit therein; and (vi) any United States intent-to-use trademark application to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under the applicable federal law (the assets described in the immediately preceding clauses (i) through (vi) collectively, the “Excluded Assets”); provided further, however, that “Excluded Assets” shall not include any proceeds, substitutions or replacements of any Excluded Assets referred to in clauses (i) through (vi) unless such proceeds, substitutions or replacements would independently constitute Excluded Assets referred to in clauses (i) through (vi). Notwithstanding the foregoing, if and when any property that would otherwise constitute Personal Property shall cease to be Excluded Assets, a Lien on and security interest in such property shall be perfected hereby.

“Deed of Trust” means that certain Deed of Trust, Assignment of Leases, Rents and Contracts, Security Agreement and Fixture Filing by Debtor in favor of Western New Mexico Title Company, Inc., as trustee, for the benefit of Secured Party, encumbering the Real Property and other collateral described therein.

“Improvements” means any and all buildings and other improvements now or hereafter erected on the Real Property including fixtures, attachments, appliances, equipment, machinery, and other personal property attached or affixed to, installed in, or used in connection with such buildings and other improvements.

“Other Agreements” means all rights (but none of the obligations) of Debtor under any contracts, agreements, licenses or other documents affecting, relating to, executed in connection with, or used in the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition, management or ownership of the Real Property or Improvements or the sale of goods or services produced in or relating to the Real Property or the Improvements.

“Real Property” means (a) those certain patented mining claims, fee properties and water rights (including all proceeds, royalties and income from all minerals or soil components (whether in-ground or extracted therefrom), mineral rights, mining rights, and all rights and claims to minerals (whether in-ground or extracted) contained on or within such fee properties), more particularly described in Schedule 1 below, together with any greater estate therein as may now exist or hereafter may be acquired by Debtor, whether owned or leased by Debtor, located in Hidalgo County, New Mexico, and (b) those certain unpatented mining claims, minerals thereon and therein, and all proceeds, royalties and income from all minerals or soil components (whether in-ground or extracted therefrom), all mineral (whether in-ground or extracted) and mining rights relating thereto, and all rights and claims to minerals thereon or therein, whether owned or leased by Debtor, located in Hidalgo County, New Mexico, more particularly described in Schedule 1 below.

## **Schedule 1 - Real Property**

### **Patented Mining Claims Owned by Trustor**

[Redacted - Commercially Sensitive Information]

### **Unpatented Mining Claims Owned by Trustor**

[Redacted - Commercially Sensitive Information]

### **Properties Leased by Trustor as Lessor**

[Redacted - Commercially Sensitive Information]

### **Properties Leased to Trustor as Lessee**

[Redacted - Commercially Sensitive Information]

### **Properties Optioned to Trustor as Optionee**

[Redacted - Commercially Sensitive Information]

### **Water Rights Owned by Trustor**

[Redacted - Commercially Sensitive Information]

**SCHEDULE C**  
**FORM OF MPR REGISTER**

<b>Holder</b>	<b>Date Acquired</b>	<b>Transferor</b>	<b>Percentage of MPR Held</b>
Waterton Nevada Splitter, LLC	■, 2022	N/A	100%

# **LOCK-UP, PLACEMENT AND VOTING AGREEMENT**

**MASON RESOURCES (US) INC.**

- and -

**CIRRUS GOLD CORP.**

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May ■, 2022

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## LOCK-UP, PLACEMENT AND VOTING AGREEMENT

THIS AGREEMENT made the ■ day of May, 2022,

BETWEEN:

**MASON RESOURCES (US) INC.,**

a limited liability company existing under the laws of the State of Nevada,

(hereinafter referred to as the “Investor”),

- and -

**CIRRUS GOLD CORP.,**

a corporation existing under the laws of the Province of British Columbia,

(hereinafter referred to as the “Company”).

WHEREAS the Investor, Pyramid Peak Mining, LLC, American Copper NMX, Inc. and the Company have entered into an asset purchase agreement dated May 18, 2022 (the “Purchase Agreement”) providing for, among other things, the sale by Mason to the Company of all of Mason’s right, title and interest in and to the Mason Purchased Assets (as defined in the Purchase Agreement);

AND WHEREAS the Purchase Agreement provides that as part of the consideration payable for the Mason Purchased Assets, the Company will issue common shares to Mason or its designee (the “Mason Payment Shares”);

AND WHEREAS as a condition to the completion of the transactions contemplated in the Purchase Agreement, the Company has agreed to grant certain rights to the Investor on the terms and subject to the conditions set out herein and the Investor has agreed to make certain covenants in favour of the Company on the terms and subject to the conditions set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this Agreement, capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Purchase Agreement, otherwise, the following terms have the following meanings:

**“affiliate”** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly;

**“Applicable Laws”** means applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any Regulatory Authority having the force of law;

**“Applicable Securities Laws”** means the securities legislation in each province and territory of Canada where the Company is a “reporting issuer” or the equivalent from time to time, including all rules, regulations, published policy statements and blanket orders thereunder or issued by one or more of the Canadian Securities Regulatory Authorities;

**“Board Materials”** has the meaning set out in Section 2.3(a);

**“Board of Directors”** means the board of directors of the Company;

**“Business Day”** means any day, other than a Saturday or Sunday, on which chartered banks in Toronto, Ontario and Vancouver, British Columbia are open for commercial banking business during normal banking hours;

**“Canadian Securities Regulatory Authorities”** means, collectively, the securities regulatory authority in each province and territory of Canada where the Company is a “reporting issuer” or the equivalent from time to time;

**“Common Shares”** means the common shares in the capital of the Company;

**“Company”** has the meaning set out in the recitals;

**“Company Directors”** means the duly appointed or elected directors of the Company from time to time;

**“Company Offer”** has the meaning set out in Section 3.1(a)(ii);

**“Company Offer Notice”** has the meaning set out in Section 3.1(a)(ii);

**“Company Offer Notice Period”** has the meaning set out in Section 3.1(a)(ii);

**“control”** means, in respect of:

- (a) a corporation, the ability of a Person or group of Persons acting in concert to influence the manner in which the business of such corporation is carried on, whether as a result of ownership of sufficient voting shares of such corporation to entitle that Person or group of Persons to elect a majority of the directors of such corporation or by contract or otherwise; or
- (b) a partnership, trust, syndicate or other entity, actual power or authority to manage and direct the affairs of, or ownership of more than fifty percent (50%) of the transferable beneficial interests in, such entity,



and the term “**controlled**” has a corresponding meaning;

“**Director Eligibility Criteria**” has the meaning set out in Section 2.1(d);

“**Distribution**” means a distribution or sale of Common Shares to the public for cash by means of a prospectus under Applicable Securities Laws, and the terms “**Distribute**” and “**Distributed**” shall have corresponding meanings;

“**Exchange**” means such stock exchange(s) and quotation service(s), if any, as the Common Shares may be listed or quoted on, as applicable, from time to time;

“**independent**” means, with respect to any director of the Company or any individual nominated for election as a director of the Company, that such individual satisfies the independence criteria set forth in sections 1.4 and 1.5 of NI 52-110 – *Audit Committees* and the independence requirements, if any, of the Exchange;

“**Investor**” has the meaning set out in the recitals;

“**Investor Nominee**” means the Company Director who is nominated by the Investor and elected or appointed from time to time to the Board of Directors pursuant to the terms of this Agreement;

“**Minimum Sale Price**” has the meaning set out in Section 3.1(a)(i);

“**Notices**” has the meaning set out in Section 4.1;

“**Observer**” has the meaning set out in Section 2.3;

“**Offered Shares**” has the meaning set out in Section 3.1(a)(i);

“**Person**” means any individual, sole proprietorship, partnership, firm, entity, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Entity, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“**Mason Payment Shares**” has the meaning set out in the recitals;

“**Pro-Rata Portion**” means, at a particular time, the percentage equal to (a) the number of Common Shares beneficially owned, directed or controlled by the Investor and its affiliates, collectively, divided by (b) the total number of Common Shares issued and outstanding at such time (calculated, for certainty, on a non-diluted basis);

“**Proposed Third Party Sale**” has the meaning set out in Section 3.1(a);

“**Proposed Third Party Sale Notice**” has the meaning set out in Section 3.1(a)(i);

“**Purchase Agreement**” has the meaning set out in the recitals;

“**Regulatory Authority**” means:

- (a) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;
- (b) any self-regulatory organization or stock exchange, including the Exchange;
- (c) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; and
- (d) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies pursuant to the foregoing; and

**“Shareholder”** means a holder of Common Shares.

## **1.2 Rules of Construction**

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;
- (c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;
- (e) the word “including” is deemed to mean “including without limitation”;
- (f) the terms “party” and “the parties” refer to a party or the parties to this Agreement;
- (g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- (h) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;

- (i) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends;
- (j) references to “underwriter” include agents acting on an agency or best efforts basis, and references to “underwritten” offerings, issuances or distributions include offerings, issuances or distributions made on an agency or best efforts basis; and
- (k) whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day.

### **1.3 Entire Agreement**

This Agreement and the Purchase Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement and the Purchase Agreement.

### **1.4 Time of Essence**

Time shall be of the essence of this Agreement.

### **1.5 Governing Law and Submission to Jurisdiction**

(a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

(b) Each of the parties irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

### **1.6 Severability**

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

**1.7 Waiver**

No waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a party shall constitute a waiver of such party's right to insist on performance in full and in a timely manner of all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

**1.8 Amendments**

This Agreement may be amended or supplemented only by a written agreement signed by each of the parties.

**1.9 Binding Effect**

This Agreement shall be binding upon the parties hereto, their heirs and legal personal representatives and their respective permitted successors and permitted assigns.

**1.10 Nature of Holdings**

The entering into of this Agreement by the Investor shall not be interpreted to mean that the Common Shares held by the Investor may not legally be sold or otherwise disposed of, including in any of the relevant provinces and territories of Canada, without a prospectus and that such Common Shares may not thereafter be freely resold without a prospectus.

**ARTICLE 2  
BOARD OF DIRECTORS**

**2.1 Board of Directors Nominee**

(a) The Board of Directors shall be comprised of up to five Directors which shall, immediately following the Closing, include Rick Van Nieuwenhuysse, Daniel Schieber and James Walchuck.

(b) During the period commencing on the date hereof and ending on the later of (i) the date on which the Investor's Pro-Rata Portion ceases to be at least 10% and (ii) the date that is three years following the date hereof, the Investor shall be entitled to designate one Investor Nominee for election to the Board of Directors. For the avoidance of doubt, any decision by the Investor to designate an Investor Nominee for election to the Board of Directors pursuant to this Section 2.1(b) shall be in the Investor's sole discretion and there shall be no obligation on the part of the Investor to designate an Investor Nominee in any given year.

(c) The Company agrees to nominate and recommend for election, at each meeting of Shareholders at which Company Directors are to be elected, the designated Investor Nominee as set forth in Section 2.1(b) for election to the Board of Directors that is provided to the Company in accordance with Section 2.1(e).

(d) The Investor agrees that the initial Investor Nominee and any replacement Investor Nominee shall be mutually agreeable to the Investor and the Company having regard for the skills matrix and requirements of the Board of Directors (as determined in good faith by the Board of Directors or an authorized committee thereof and including, for greater certainty, any Applicable Laws or Exchange rules or policies) for director candidates (the “**Director Eligibility Criteria**”).

(e) The Investor shall advise the Company of the identity of the Investor Nominee by the later of: (i) at least 60 days prior to any meeting of Shareholders at which directors of the Company are to be elected; and (ii) the tenth day following the date on which the Investor receives written notice of the record date for a meeting of Shareholders at which directors of the Company are to be elected.

(f) In the event that an appointed Investor Nominee shall cease to serve as a Company Director, whether due to such Investor Nominee’s death, disability, resignation or removal, the Investor shall have the right to nominate a replacement Investor Nominee and the Company shall cause the Board of Directors to appoint, as soon as practicable, such replacement Investor Nominee in accordance with this Agreement to fill the vacancy caused by such death, disability, resignation or removal, provided that such Investor Nominee satisfies the Director Eligibility Criteria and the Investor remains eligible to nominate such Investor Nominee pursuant to Section 2.1(b).

(g) In the event that the Investor ceases to have any right to appoint an Investor Nominee pursuant to Section 2.1(b), the Investor shall use commercially reasonable efforts to, unless requested otherwise by the Company, cause the Investor Nominee to forthwith resign from the Board of Directors.

## **2.2 Management to Endorse and Vote**

The Company agrees that management of the Company shall, in respect of every meeting of Shareholders at which the election of Company Directors is to be considered, and at every reconvened meeting following an adjournment or postponement thereof, endorse and recommend the Investor Nominee identified in the Company’s proxy materials for election to the Board of Directors so long as such Investor Nominee satisfies the Director Eligibility Criteria, and shall vote their Common Shares in respect of which management is granted a discretionary proxy in favour of the election of such Investor Nominee to the Board of Directors at every such meeting.

## **2.3 Observer**

(a) If at any time or from time to time the Investor is entitled to nominate an Investor Nominee pursuant to Section 2.1, but has not done so, the Investor shall, in the alternative, be entitled to designate one individual (who may change from time to time upon 30 days’ notice to the Company) designated as an observer (an “**Observer**”) to attend all meetings of the Board of Directors. The Observer shall have the right to receive notice of, and review the same information and materials (“**Board Materials**”) as are provided to Directors for, such meetings and to speak at such meetings but shall not be entitled to vote. The Company shall deliver to the Observer copies of any resolutions proposed to be adopted by the Board of Directors, at the same time as such resolutions are circulated to members of the Board of Directors or any committee of the Board of Directors. Prior to the Observer attending the first meeting of the Board of Directors, the Investor shall cause the Observer to sign a customary non-disclosure

agreement provided by the Company, provided that any such non-disclosure agreement is reasonable in both form and in substance, and sign an acknowledgement agreeing to be bound by the Company's disclosure and insider trading policies. Any Observer may provide information concerning the Company furnished to such Observer to the Investor and its representatives, subject to customary confidentiality restrictions.

(b) Notwithstanding anything herein to the contrary, the Company may exclude the Observer from access to any Board Materials or from any meeting of the Board of Directors or any committee of the Board of Directors (or any portion thereof) if the Board of Directors concludes that: (i) such exclusion is necessary to preserve the solicitor-client or litigation privilege between the Company or its affiliates and its counsel (provided that any such exclusion shall only apply to such portion of such Board Materials or meeting which would be required to preserve such privilege); (ii) such Board Materials or discussion relates to the Company's or its affiliates' relationship, contractual or otherwise, with the Investor or its affiliates or any actual or potential transactions between or involving the Company or its affiliates and the Investor or its affiliates; (iii) such exclusion is necessary to avoid a conflict of interest or disclosure that is restricted by any agreement to which the Company or any of its affiliates is a party or otherwise bound; or (iv) such exclusion is necessary to comply with Applicable Laws.

#### **2.4 Rights and Privileges of Investor Nominee**

(a) The Investor Nominee shall be entitled to the benefit of any directors' liability insurance or indemnity to which other Company Directors are entitled.

(b) The Investor Nominee shall be reimbursed for all reasonable expenses related to his or her service on the Board of Directors on a basis that is consistent with the Company's policies for director reimbursement. The Investor Nominee shall be entitled to compensation consistent with the compensation received by other non-employee independent members of the Board of Directors, including any fees and equity awards.

### **ARTICLE 3 ADDITIONAL RIGHTS AND COVENANTS**

#### **3.1 Third-Party Sales**

(a) If the Investor desires to sell, directly or indirectly, whether in one transaction or multiple transactions occurring within a period of 180 consecutive days, in the aggregate more than 2.5% of the then outstanding Common Shares to a person or persons that are not affiliates of the Investor (a "**Proposed Third Party Sale**"), then:

- (i) the Investor shall give written notice thereof (the "**Proposed Third Party Sale Notice**") to the Company, which Proposed Third Party Sale Notice shall specify the total number of Common Shares proposed to be sold pursuant to the Proposed Third Party Sale (the "**Offered Shares**"), the minimum sale price at which the Investor would be prepared to sell the Offered Shares (the "**Minimum Sale Price**") and any other material terms and conditions of the proposed sale; and

- (ii) the Company shall have the right to acquire or privately place all, but not less than all, of the Common Shares subject to the Proposed Third Party Sale at a price per Common Share no less than the Minimum Sale Price (the “**Company Offer**”), by delivering a written notice thereof (the “**Company Offer Notice**”) no later than two Business Days (the “**Company Offer Notice Period**”) following receipt of the Proposed Third Party Sale Notice by the Company.

(b) If the Company delivers a Company Offer Notice within the Company Offer Notice Period, the Company shall complete the acquisition or private placement of the Offered Shares no later than ten Business Days following delivery of the Company Offer Notice by the Company and the Company shall acquire the Offered Shares or sell the Offered Shares to one or more third parties identified by the Company in accordance with the Company Offer, as applicable. The Investor shall not be permitted to abandon the Proposed Third Party Sale and retain all of the Offered Shares. In the event that the Company fails to deliver a Company Offer Notice within the Company Offer Notice Period or the Company fails to complete the acquisition or private placement of the Offered Shares as aforesaid, then the Investor may sell or transfer the Offered Shares without any restriction or limitation provided that the price per Common Share being sold by the Investor is at least equal to 95.0% of the Minimum Sale Price and the other terms of such sale or transfer are not materially less favourable to the Investor than those set out in the Proposed Third Party Sale Notice.

(c) If the Company fails to deliver a Company Offer Notice within the Company Offer Notice Period, the Company shall be deemed not to have made a Company Offer and the Investor may proceed with the Proposed Third Party Sale without any restriction or limitation provided the price per Common Share being sold by the Investor is at least equal to 95.0% of the Minimum Sale Price and the other terms of such sale or transfer are not materially less favourable to the Investor than those set out in the Proposed Third Party Sale Notice.

(d) If the Investor does not complete the Proposed Third Party Sale within 180 days of the date of the Proposed Third Party Sale Notice, the provisions of this Section 3.1 shall again apply.

(e) For greater certainty, nothing in this Section 3.1 shall (i) restrict the Investor from proceeding with and closing a Proposed Third Party Sale, provided that the Investor has complied with this Section 3.1, or (ii) restrict the Investor from transferring any or all of its Common Shares to any of its affiliates.

### **3.2 Obligations of the Company**

The Company covenants and agrees that it shall make all filings required from time to time under Applicable Securities Laws to maintain the Company’s status as a “reporting issuer” (or the equivalent) under such Applicable Securities Laws and use commercially reasonable efforts to maintain the listing and posting for trading of the Common Shares on a recognized stock exchange in Canada.

### **3.3 Voting**

(a) From the date hereof until the date which is the earlier of (i) the date on which the Investor’s Pro-Rata Portion ceases to be at least 10% and (ii) the date that is two years following the date hereof, the Investor agrees that it will vote its Common Shares at any meeting

of shareholders of the Company held during such period in favour of the slate of nominees to the Board of Directors that is nominated and recommend for election by the Company in its proxy materials.

(b) Section 3.3(a) shall not apply if, at the relevant time, the Company is in material default with respect to this Agreement or the surviving covenants of the Purchase Agreement, including allowing the Investor to designate the Investor Nominee or Observer, or if, in the reasonable opinion of the Investor, the Company or the Board of Directors is not in material compliance with all Applicable Laws (including without limitation Applicable Securities Laws and Exchange rules).

(c) For greater certainty, nothing in this Agreement shall require the Investor Nominee to vote in his or her capacity as a director of the Company with management, and the Investor Nominee shall have unfettered discretion to exercise his or her fiduciary duties as a director of the Company, including on all matters put forward to a vote of the Board of Directors, in his or her sole and absolute discretion.

## **ARTICLE 4 GENERAL**

### **4.1 Notices**

All notices, demands or other communications ("**Notices**") to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient or by email addressed to the recipient. Such notices, demands and other communications shall be delivered, mailed or sent electronically to the parties at the respective addresses or email addresses indicated below:

(a) in the case of a Notice to the Company at:

Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC V6C 1S4

Attention: Daniel Schieber  
Email: [redacted]

with a copy, in the case of notice to the Company, to:

DLA Piper (Canada) LLP  
Suite 2800, Park Place  
666 Burrard St  
Vancouver, BC V6C 2Z7

Attention: Denis G. Silva  
E-mail: [redacted]

(b) in the case of a Notice to the Investor at:



5255 East Williams Circle  
Suite W1065  
Tucson, AZ 85711  
Attention: Matthew Bingham  
Email: [redacted]

with a copy, in the case of notice to the Investor, to:

c/o Hudbay Minerals Inc.  
25 York Street, Suite 800  
Toronto, ON M5J 2V5  
Attention: Patrick Donnelly  
Email: [redacted]

and with a copy, in the case of notice to the Investor, to:

Fennemore Craig, P.C.  
2394 East Camelback Road, Suite 600  
Phoenix, Arizona 85016

Attention: Sarah A. Strunk  
Email: [redacted]

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of emailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, emailed or sent before 5:00 p.m. (local time at the address of the party receiving such communication) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

#### **4.2 Further Assurances**

Each party shall act in good faith in performing its obligations and exercising its rights herein and shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable commercial efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

#### **4.3 Ownership of Common Shares**

The Investor shall promptly notify the Company in writing if, to its knowledge, its Pro-Rata Portion ceases to be at least 10%.

#### **4.4 Assignment**

This Agreement is not assignable by any party except with the prior written consent of the other party, except that the Investor may assign this Agreement without the consent of the Company to any affiliate, provided that (a) the Investor shall provide written notice of any such assignment to the Company at least five Business Days prior to such assignment, (b) any such affiliate shall enter into a written agreement with the Company agreeing to be bound by all obligations under this Agreement and (c) if any such affiliate ceases to be an affiliate of the Investor, such affiliate shall immediately re-assign this Agreement to the Investor or an affiliate of the Investor.

#### **4.5 Injunctive Relief**

The Company agrees that any breach of the terms of this Agreement would result in immediate and irreparable injury and damage to the Investor for which the Investor could not be adequately compensated by damages. The Company therefore also agrees that in the event of any such breach or any anticipated or threatened breach, the Investor shall be entitled to equitable relief by way of temporary or permanent injunction, without having to prove damages or post any bond, in addition to any other remedies (including damages) to which the Investor may be entitled at law or in equity.

#### **4.6 Termination**

This Agreement shall terminate and be of no further force and effect upon the earlier to occur of (a) the mutual written agreement of the Investor and the Company and (b) the date that is three years following the date hereof.

#### **4.7 Counterparts**

This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement. Delivery of an executed signature page to this Agreement by a party by facsimile or electronic transmission shall be as effective as delivery of a manually executed copy of this Agreement by such party.

*[Remainder of page left intentionally blank]*

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**CIRRUS GOLD CORP.**

by \_\_\_\_\_  
Name:  
Title:

**MASON RESOURCES (US) INC.**

by \_\_\_\_\_  
Name:  
Title:

## Exhibit 2.6(a)

AFTER RECORDING, PLEASE RETURN TO:

Pyramid Peak Mining, LLC  
c/o Elko Mining Group LLC  
9650 Gateway Drive, Suite 202  
Reno, NV 89521

### ROYALTY DEED

This Royalty Deed (this “**Deed**”) is made effective as of [REDACTED], 2022 (the “**Effective Date**”), by and between AMERICAN COPPER NMX, INC., a New Mexico corporation, whose registered address is 500 4th Street NW, Suite 1000, Albuquerque, NM 87102 (“**Grantor**”), and PYRAMID PEAK MINING, LLC, a New Mexico limited liability company, whose address is c/o Elko Mining Group LLC, 9650 Gateway Drive, Suite 202, Reno, Nevada 89521 (“**Grantee**”). Grantor and Grantee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

#### RECITALS

- A. Grantee, Grantor and Grantor’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).
- B. Grantor is the owner of the unpatented mining claims described in Exhibit 1 hereto (the “**Claims**”), which Claims are located in Hidalgo County, New Mexico.
- C. The Parties desire to execute this Deed in order to fulfill, in part, their obligations under the Purchase Agreement.

#### WITNESSETH

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the recitals set forth above, undertake and agree as follows:

- Grant of Royalty. Grantor hereby grants to Grantee and its successors, and covenants to pay to Grantee and its successors, a net smelter returns production royalty on any sale of minerals from the Claims, to be determined and paid in accordance with the provisions of Exhibit 2 hereto (the “**Royalty**”). The rate of the Royalty (the “**Royalty Rate**”) shall be one-half of one percent (0.5%). The Royalty shall run with the Claims (subject to the paramount title of the United States and including any amendments or modifications of the Claims, any replacements or relocations of the Claims or the ground therein, and any conversion of the Claims to another form of tenure) for so long as the Claims (or any amendments, modifications, replacements, relocations or conversions thereof) continue to exist. On the amendment, modification, replacement, relocation or conversion to another form of tenure of any of the Claims, Grantee agrees and covenants to execute and deliver to Grantor a recordable instrument by which Grantee subjects the amended, modified, replaced or

relocated mining claims and the converted tenure, as applicable, to the Royalty and to all of the burdens, conditions, obligations and terms of this Deed.

2. Royalty Reduction Right. Grantor and its successors shall have the one-time right (the “**Royalty Reduction Right**”) to permanently reduce the Royalty Rate, by half, to one-quarter of one percent (0.25%) (the “**Reduced Royalty Rate**”). The Royalty Reduction Right may be exercised at any time before the earlier of (a) the commencement of commercial mineral production from the Claims, or (b) ten years after the Effective Date. To exercise the Royalty Reduction Right, Grantor must deliver to Grantee written notice of such exercise, and must within five days thereafter wire to an account to be designated by Grantee the sum of One Million Two Hundred Fifty Thousand Canadian Dollars (CAD\$1,250,000) in immediately available funds (the “**Royalty Reduction Payment**”). Upon the timely receipt of (a) such notice and (b) the Royalty Reduction Payment, the Royalty shall thenceforth become payable at the Reduced Royalty Rate, and Grantor and Grantee shall promptly prepare, execute and record in the public records an instrument providing notice to third parties of Grantor’s exercise of the Royalty Reduction Right. Except for the reduction in the Royalty Rate, all other provisions of this Deed shall remain the same if and after the Royalty Reduction Right is exercised by Grantor.

3. Underlying Agreement. This Deed is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Deed. In the event of any conflict between the terms of this Deed and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

4. Warranties. In executing and delivering this Deed, Grantor makes only those warranties expressly set forth in the Purchase Agreement and does not make, and expressly disclaims, any other warranties whatsoever (whether express, implied or applicable by law) concerning the Claims.

5. Further Assurances. The Parties agree to execute and deliver such additional documents and to take such other actions as may be reasonably necessary to fully implement the transactions contemplated in this Deed.

6. Transfer of Royalty. In their sole discretion, Grantee and its successors may freely convey or otherwise transfer their ownership of the Royalty, in full or in part; provided, however, that no such conveyance or transfer shall be effective against Grantor until Grantor receives written notice of the conveyance or transfer in accordance with Section 10 of Exhibit 2 hereto.

7. No Partnership. This Deed shall not be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between the Parties.

8. Authority. Each Party represents to the other that (a) it is an entity in good standing under the laws of the state of its incorporation or formation, (b) the person signing this Deed on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Deed, and (d) this Deed is valid and binding on it.

9. Governing Law. This Deed, and any causes of action arising out of or based upon this

Deed, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of New Mexico, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of New Mexico or the federal district court for the District of New Mexico, as may be applicable, in respect of any disputes arising hereunder, with venue to be in Bernalillo County, New Mexico. This Deed shall be construed as if both Parties jointly drafted each of its provisions.

10. Binding Effect. This Deed shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

11. Rule Against Perpetuities. The Parties do not intend or desire for this Deed to violate the common law Rule against Perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land. If any provision of this Deed does or would violate the Rule against Perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land, then this Deed shall not be deemed void or voidable, but shall be interpreted in such a way as to maintain and carry out the Parties' objectives to the fullest extent possible by law.

12. Counterparts. This Deed may be executed in counterparts, which taken together shall constitute a single and complete instrument.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have caused this Deed to be executed by their duly authorized representatives on the dates indicated in the acknowledgements below, but effective as of the Effective Date.

Grantor:

AMERICAN COPPER NMX, INC., a New Mexico corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Grantee:

PYRAMID PEAK MINING, LLC, a New Mexico limited liability company

By its Manager:

ELKO MINING GROUP LLC, a Nevada limited liability company

By \_\_\_\_\_  
Richard J. Wells, Manager

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN COPPER NMX, INC., a New Mexico corporation, who acknowledged that he or she executed the above instrument on behalf of said entity.

[seal]

\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_

PROVINCE OF ONTARIO )  
 ) ss.  
COUNTY OF YORK )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, Richard J. Wells, the Manager of ELKO MINING GROUP LLC, a Nevada limited liability company, which is the Manager of PYRAMID PEAK MINING, LLC, a New Mexico limited liability company, who acknowledged that he executed the above instrument on behalf of said entities.

[seal]

\_\_\_\_\_  
Laura Fernandez, NOTARY PUBLIC,  
residing in Toronto, Ontario

My commission does not expire



Exhibit 1

**Claims**

[Redacted - Commercially Sensitive Information]

## Exhibit 2

### **Royalty**

1. “**Net Smelter Returns**” means the proceeds actually received, or deemed to have been received in the case of refined gold and silver as described in Section 1.a below, from the sale or deemed sale of any and all ores, metals, minerals (of whatsoever kind) and mineral products (“**Mineral Substances**”) produced from the Claims, less the charges (and only the charges) described in Section 1.b below.

a. If Grantor sells refined gold or silver, Grantor will be deemed to have received proceeds from the sale thereof equal to the number of ounces of refined gold or silver outturned to Grantor’s account during the calendar quarter multiplied in the case of gold by the average daily afternoon LBMA Gold Price (formerly known as the London Bullion Brokers P.M. Gold Fixing) during such calendar quarter and in the case of silver by the average of the daily Handy & Harmon Noon Silver Quotation during the calendar quarter. The average price for a calendar quarter shall be determined by dividing the sum of all daily prices posted during the calendar quarter by the number of days that prices were posted. The posted price shall be obtained from the *Wall Street Journal*, *Reuters*, *E&MJ* or other industry-accepted source. Grantor shall have the right to market and sell to third parties refined gold and silver in any manner it chooses, including the sale of such refined gold and silver on the commodity market (which marketing and sale activities, however, shall not affect the deemed sale proceeds hereunder). In this regard, Grantee shall have no right to participate in any gains and/or profits or obligation to suffer any losses accruing to Grantor as a result of forward sales, options trading, commodities futures trading or similar transactions.

b. Charges to be deducted from proceeds in determining Net Smelter Returns are the following (and only the following):

(1) all costs, charges and expenses paid or incurred by Grantor for treatment in the smelting, refining and treatment processes (including handling, storage, insurance, representation, processing, interest and provisional settlement fees, sampling, assaying and representation costs, umpire charges, penalties and other processor deductions);

(2) all costs, charges and expenses paid or incurred by Grantor for transportation of Mineral Substance concentrates and doré from the Claims to the place or places of smelting, refining and treatment and thence to the place or places of sale (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation); and

(3) sales and brokerage costs on the Mineral Substance for which the Royalty is payable.

For the avoidance of doubt, in calculating Net Smelter Returns there shall be no deduction for any costs of mining, or any costs of transporting Mineral Substances between the Claims or other tenures or to the mill or other processing site (that does not involve the smelting, refining and treatment described in Section 1.b.(1) above), or any costs of processing Mineral Substances other than said

smelting and refining costs. If any sale of Mineral Substances is to an affiliate of Grantor or is otherwise less than an arm's length transaction, the amount of proceeds for determining Net Smelter Returns shall not be less than the amount that would have been received in an arm's length transaction. Likewise, if any charge in determining Net Smelter Returns is payable to an affiliate of Grantor or is otherwise less than an arm's length transaction, the amount of the charge shall not be more than the amount that would have been charged in an arm's length transaction.

2. Royalties shall accrue quarterly (based on calendar quarters) and shall become due and payable by Grantor on the last day of the month following the end of each quarter. All Royalty payments shall be calculated on the basis of and paid in United States Dollars. All Royalty payments shall be accompanied by a written statement setting forth the manner in which such payment was calculated and shall include relevant production and sale information, settlement sheets, and such other documentation as will readily allow Grantee to understand and verify the calculation of the Royalty payment, including such other information and documentation as Grantee may reasonably request from time to time.

3. Except in the case of fraud or intentional misrepresentation, all statements for Royalties rendered to Grantee by Grantor during any quarter shall conclusively be presumed to be true and correct after two years following the end of such quarter unless within said two-year period Grantee takes written exception thereto and makes a claim on Grantor for adjustment. No adjustment favorable to Grantor shall be made unless the claim therefor is made within the same prescribed period.

4. If Grantor commences the production of Mineral Substances from the Claims, then not later than March 1 of each year Grantor shall deliver to Grantee a summary report of exploration, development and mining activities and operations conducted by Grantor on or relating to the Claims during the preceding calendar year.

5. Grantor shall allow Grantee and its representatives, at their sole risk and expense, during normal business hours and following reasonable notice to Grantor, access to the Claims for the purposes of viewing and inspecting Grantors operations (including any stage when Mineral Substances are mined, handled, stored, treated, weighed, sampled, assayed, moisture-determined or commingled), at times that do not unreasonably interfere with Grantor's operations. Grantee, on behalf of itself and its representatives, agrees to indemnify and hold harmless Grantor from and against all claims, demands and liabilities arising from or relating to such inspections, except to the extent caused by Grantor's negligence or willful misconduct.

6. All books and records used by Grantor to calculate Royalty payments shall be kept in accordance with generally accepted accounting principles, consistently applied. Grantee and its authorized agents, upon not less than three days' notice in writing to Grantor, shall have the right to audit, inspect and copy Grantor's accounts and records relating to calculation and payment of the Royalty. All audits shall be conducted by Grantee at the office of Grantor where the relevant books and records are maintained and such audits shall be conducted during normal business hours. All audits shall be at the sole cost of Grantee, unless the audit discloses a Royalty underpayment of 5% or more, in which case the cost of the audit shall be paid by Grantor.

7. Grantor shall have the right to mine amounts of Mineral Substances reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the mineral potential of the Claims without incurring any obligation to make Royalty payments; provided, however, that if Grantor sells such Mineral Substances or products produced therefrom, Grantor shall be required to pay the Royalty on all such Mineral Substances or products sold.

8. Grantor shall have the right to commingle ore removed from the Claims or products derived therefrom after treatment, with other ore or products, before or after concentration or beneficiation, so long as Grantor first collects (in accordance with generally accepted industry practices) such data as are necessary to determine Grantee's interest in the ores or products so mixed. At least 60 days before any commingling is to begin, Grantor shall deliver to Grantee a detailed written description of Grantor's proposed commingling procedures and methodologies in order that Grantee may determine whether such procedures and methodologies are consistent with accepted industry practices and the provisions of this Deed. No commingling may be done by Grantor without Grantee's written consent to such procedures and methodologies, which consent shall not be unreasonably delayed or withheld.

9. Without limiting the scope of remedies available to Grantee in respect of Royalty payments, any late Royalty payment shall accrue interest at the rate of eight percent per annum. Grantee shall at all times have a lien on all Mineral Substances mined from, and all mining-related improvements on, the Claims as security for any Royalties due and payable provided that such lien shall be automatically released with respect to any Mineral Substances for which Royalties have been paid, and provided further that Grantee's lien shall not prevent Grantor from selling Mineral Substances in the ordinary course of business.

10. For payment and communication purposes, the addresses of the Parties shall be as set forth in the first paragraph of this Deed. All notices and communications regarding this Deed shall be in writing and shall be effective upon receipt after personal delivery (including delivery by express courier service) or delivery by certified mail to such addresses. Either Party may, by notice to the other given as aforesaid, change its address for future payments and notices.

11. All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively "**Materials**") resulting from Grantor's operations and activities on the Claims shall be the sole property of Grantor, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Mineral Substances. Notwithstanding the foregoing, Grantor shall have the right to dispose of Materials from the Claims on or off of the Claims and to commingle such Materials (as provided herein) with materials from other properties. In the event Materials from the Claims are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined and paid in strict accordance with the provisions of this Deed.

12. Grantor shall not have any obligation to mine the Claims. Grantor shall have sole discretion to determine the extent of its mining, if any, of the Claims and the time or the times for beginning, continuing, terminating and resuming any mining operations.

## Exhibit 2.6(b)

AFTER RECORDING, PLEASE RETURN TO:  
Mason Resources (US) Inc.  
5255 East Williams Circle  
Suite W1065  
Tucson, AZ 85711

### ROYALTY DEED

This Royalty Deed (this “**Deed**”) is made effective as of \_\_\_\_\_, 2022 (the “**Effective Date**”), by and between AMERICAN COPPER NMX, INC., a New Mexico corporation, whose registered address is 500 4th Street NW, Suite 1000, Albuquerque, NM 87102 (“**Grantor**”), and MASON RESOURCES (US) INC., a Nevada corporation, whose address is 5255 East Williams Circle, Suite W1065, Tucson, AZ 85711 (“**Grantee**”). Grantor and Grantee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

#### RECITALS

A. Grantee, Grantor and Grantor’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

B. Grantor is the owner of the patented mining claims described in Exhibit 1 hereto (the “**Patented Claims**”), which Patented Claims are located in Hidalgo County, New Mexico.

C. Grantor is the owner of the unpatented mining claims described in Exhibit 2 hereto (the “**Unpatented Claims**”), which Unpatented Claims are located in Hidalgo County, New Mexico.

D. Grantor is the lessee of the patented and unpatented mining claims described in Exhibit 3 hereto (the “**Henry Clay Claims**”), which Henry Clay Claims are located in Hidalgo County, New Mexico, pursuant to that certain Mining Lease dated March 19, 2015 by and between Henry Clay Mines, Incorporated, as lessor, and Lordsburg Mining Company, as lessee (the “**Henry Clay Lease**”).

E. Grantor is the lessee of the patented mining claims described in Exhibit 4 hereto (the “**Reid Claims**”), which Reid Claims are located in Hidalgo County, New Mexico, pursuant to that certain Surface and Mineral Lease Agreement dated November 1, 2014 by and between Kathryn Sullivan Trust, Trustee Roberta Heesen Reid, as lessor, and The Lordsburg Mining Company, as lessee (the “**Reid Lease**”).

F. The Patented Claims and the Unpatented Claims are sometimes referred to herein collectively as the “**Owned Claims**.” The Henry Clay Claims and the Reid Claims are sometimes referred to herein collectively as the “**Leased Claims**.” The Owned Claims and the Leased Claims are sometimes referred to herein collectively as the “**Claims**.” The Henry Clay Lease and the

Reid Lease are sometimes referred to herein collectively as the “**Leases**” and individually as a “**Lease**.”

C. The Parties desire to execute this Deed in order to fulfill, in part, their obligations under the Purchase Agreement.

#### WITNESSETH

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the recitals set forth above, undertake and agree as follows:

1. Grant of Royalty. Grantor hereby grants to Grantee and its successors, and covenants to pay to Grantee and its successors, a net smelter returns production royalty on any sale of minerals from the Claims, to be determined and paid in accordance with the provisions of Exhibit 5 hereto (the “**Royalty**”). The rate of the Royalty (the “**Royalty Rate**”) shall be one-half of one percent (0.5%). The Royalty (i) shall run with the Patented Claims perpetually, (ii) shall run with the Unpatented Claims (subject to the paramount title of the United States and including any amendments or modifications of the Unpatented Claims, any replacements or relocations of the Unpatented Claims or the ground therein, and any conversion of the Unpatented Claims to another form of tenure) for so long as the Unpatented Claims (or any amendments, modifications, replacements, relocations or conversions thereof) continue to exist, (iii) shall run with the relevant Leased Claims for so long as the relevant Lease remains in effect, and (iv) shall be binding upon Grantor and all successors to Grantor. If Grantor, or any successor, acquires the lessor’s interest under a Lease, the Royalty and the obligation of Grantor and its successors to pay the Royalty shall survive such acquisition regardless of whether the Lease is terminated, and the Royalty shall become a direct burden on the interest and related property that Grantor so acquired. Grantor agrees and covenants to execute and deliver a recordable instrument by which Grantor grants to Grantee the Royalty in any such acquired interest and property. On the amendment, modification, replacement, relocation or conversion to another form of tenure of any of the Claims, Grantor agrees and covenants to execute and deliver to Grantee a recordable instrument by which Grantor subjects the amended, modified, replaced or relocated mining claims and the converted tenure, as applicable, to the Royalty and to all of the burdens, conditions, obligations and terms of this Deed.

2. Royalty Reduction Right. Grantor and its successors shall have the one-time right (the “**Royalty Reduction Right**”) to permanently reduce the Royalty Rate, by half, to one-quarter of one percent (0.25%) (the “**Reduced Royalty Rate**”). The Royalty Reduction Right may be exercised at any time before the earlier of (a) the commencement of commercial mineral production from the Claims, or (b) ten years after the Effective Date. To exercise the Royalty Reduction Right, Grantor must deliver to Grantee written notice of such exercise, and must within five days thereafter wire to an account to be designated by Grantee the sum of One Million Two Hundred Fifty Thousand Canadian Dollars (CAD\$1,250,000) in immediately available funds (the “**Royalty Reduction Payment**”). Upon the timely receipt of (a) such notice and (b) the Royalty Reduction Payment, the Royalty shall thenceforth become payable at the Reduced Royalty Rate, and Grantor and Grantee shall promptly prepare, execute and record in the public records an instrument providing notice to third parties of Grantor’s exercise of the Royalty Reduction Right. Except for the reduction in the

Royalty Rate, all other provisions of this Deed shall remain the same if and after the Royalty Reduction Right is exercised by Grantor.

3. Underlying Agreement. This Deed is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Deed. In the event of any conflict between the terms of this Deed and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

4. Warranties. In executing and delivering this Deed, Grantor makes only those warranties expressly set forth in the Purchase Agreement and does not make, and expressly disclaims, any other warranties whatsoever (whether express, implied or applicable by law) concerning the Claims or the Leases.

5. Further Assurances. The Parties agree to execute and deliver such additional documents and to take such other actions as may be reasonably necessary to fully implement the transactions contemplated in this Deed.

6. Transfer of Royalty. In their sole discretion, Grantee and its successors may freely convey or otherwise transfer their ownership of the Royalty, in full or in part; provided, however, that no such conveyance or transfer shall be effective against Grantor until Grantor receives written notice of the conveyance or transfer in accordance with Section 10 of Exhibit 2 hereto.

7. No Partnership. This Deed shall not be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between the Parties.

8. Authority. Each Party represents to the other that (a) it is an entity in good standing under the laws of the state of its incorporation or formation, (b) the person signing this Deed on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Deed, and (d) this Deed is valid and binding on it.

9. Governing Law. This Deed, and any causes of action arising out of or based upon this Deed, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of New Mexico, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of New Mexico or the federal district court for the District of New Mexico, as may be applicable, in respect of any disputes arising hereunder, with venue to be in Bernalillo County, New Mexico. This Deed shall be construed as if both Parties jointly drafted each of its provisions.

10. Binding Effect. This Deed shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

11. Rule Against Perpetuities. The Parties do not intend or desire for this Deed to violate the common law Rule against Perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land. If any provision of this Deed does or would violate the Rule against Perpetuities or

any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land, then this Deed shall not be deemed void or voidable, but shall be interpreted in such a way as to maintain and carry out the Parties' objectives to the fullest extent possible by law.

12. Counterparts. This Deed may be executed in counterparts, which taken together shall constitute a single and complete instrument.

*[Signature page follows]*



IN WITNESS WHEREOF, the Parties have caused this Deed to be executed by their duly authorized representatives on the dates indicated in the acknowledgements below, but effective as of the Effective Date.

Grantor:

AMERICAN COPPER NMX, INC., a New Mexico corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Grantee:

MASON RESOURCES (US) INC., a Nevada corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN COPPER NMX, INC., a New Mexico corporation, who acknowledged that he or she executed the above instrument on behalf of said entity.

[seal]

\_\_\_\_\_  
\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of MASON RESOURCES (US) INC., a Nevada corporation, who acknowledged that he executed the above instrument on behalf of said entities.

\_\_\_\_\_

My commission expires:

Exhibit 1

**Patented Claims**

[Redacted - Commercially Sensitive Information]

Exhibit 2

**Unpatented Claims**

[Redacted - Commercially Sensitive Information]

Exhibit 3

**Henry Clay Claims**

[Redacted - Commercially Sensitive Information]

Exhibit 4

**Reid Claims**

[Redacted - Commercially Sensitive Information]

## Exhibit 5

### **Royalty**

1. “**Net Smelter Returns**” means the proceeds actually received, or deemed to have been received in the case of refined gold and silver as described in Section 1.a below, from the sale or deemed sale of any and all ores, metals, minerals (of whatsoever kind) and mineral products (“**Mineral Substances**”) produced from the Claims, less the charges (and only the charges) described in Section 1.b below.

a. If Grantor sells refined gold or silver, Grantor will be deemed to have received proceeds from the sale thereof equal to the number of ounces of refined gold or silver outturned to Grantor’s account during the calendar quarter multiplied in the case of gold by the average daily afternoon LBMA Gold Price (formerly known as the London Bullion Brokers P.M. Gold Fixing) during such calendar quarter and in the case of silver by the average of the daily Handy & Harmon Noon Silver Quotation during the calendar quarter. The average price for a calendar quarter shall be determined by dividing the sum of all daily prices posted during the calendar quarter by the number of days that prices were posted. The posted price shall be obtained from the *Wall Street Journal*, *Reuters*, *E&MJ* or other industry-accepted source. Grantor shall have the right to market and sell to third parties refined gold and silver in any manner it chooses, including the sale of such refined gold and silver on the commodity market (which marketing and sale activities, however, shall not affect the deemed sale proceeds hereunder). In this regard, Grantee shall have no right to participate in any gains and/or profits or obligation to suffer any losses accruing to Grantor as a result of forward sales, options trading, commodities futures trading or similar transactions.

b. Charges to be deducted from proceeds in determining Net Smelter Returns are the following (and only the following):

(1) all costs, charges and expenses paid or incurred by Grantor for treatment in the smelting, refining and treatment processes (including handling, storage, insurance, representation, processing, interest and provisional settlement fees, sampling, assaying and representation costs, umpire charges, penalties and other processor deductions);

(2) all costs, charges and expenses paid or incurred by Grantor for transportation of Mineral Substance concentrates and doré from the Claims to the place or places of smelting, refining and treatment and thence to the place or places of sale (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation); and

(3) sales and brokerage costs on the Mineral Substance for which the Royalty is payable.

For the avoidance of doubt, in calculating Net Smelter Returns there shall be no deduction for any costs of mining, or any costs of transporting Mineral Substances between the Claims or other tenures or to the mill or other processing site (that does not involve the smelting, refining and treatment described in Section 1.b.(1) above), or any costs of processing Mineral Substances other than said

smelting and refining costs. If any sale of Mineral Substances is to an affiliate of Grantor or is otherwise less than an arm's length transaction, the amount of proceeds for determining Net Smelter Returns shall not be less than the amount that would have been received in an arm's length transaction. Likewise, if any charge in determining Net Smelter Returns is payable to an affiliate of Grantor or is otherwise less than an arm's length transaction, the amount of the charge shall not be more than the amount that would have been charged in an arm's length transaction.

2. Royalties shall accrue quarterly (based on calendar quarters) and shall become due and payable by Grantor on the last day of the month following the end of each quarter. All Royalty payments shall be calculated on the basis of and paid in United States Dollars. All Royalty payments shall be accompanied by a written statement setting forth the manner in which such payment was calculated and shall include relevant production and sale information, settlement sheets, and such other documentation as will readily allow Grantee to understand and verify the calculation of the Royalty payment, including such other information and documentation as Grantee may reasonably request from time to time.

3. Except in the case of fraud or intentional misrepresentation, all statements for Royalties rendered to Grantee by Grantor during any quarter shall conclusively be presumed to be true and correct after two years following the end of such quarter unless within said two-year period Grantee takes written exception thereto and makes a claim on Grantor for adjustment. No adjustment favorable to Grantor shall be made unless the claim therefor is made within the same prescribed period.

4. If Grantor commences the production of Mineral Substances from the Claims, then not later than March 1 of each year Grantor shall deliver to Grantee a summary report of exploration, development and mining activities and operations conducted by Grantor on or relating to the Claims during the preceding calendar year.

5. Grantor shall allow Grantee and its representatives, at their sole risk and expense, during normal business hours and following reasonable notice to Grantor, access to the Claims for the purposes of viewing and inspecting Grantors operations (including any stage when Mineral Substances are mined, handled, stored, treated, weighed, sampled, assayed, moisture-determined or commingled), at times that do not unreasonably interfere with Grantor's operations. Grantee, on behalf of itself and its representatives, agrees to indemnify and hold harmless Grantor from and against all claims, demands and liabilities arising from or relating to such inspections, except to the extent caused by Grantor's negligence or willful misconduct.

6. All books and records used by Grantor to calculate Royalty payments shall be kept in accordance with generally accepted accounting principles, consistently applied. Grantee and its authorized agents, upon not less than three days' notice in writing to Grantor, shall have the right to audit, inspect and copy Grantor's accounts and records relating to calculation and payment of the Royalty. All audits shall be conducted by Grantee at the office of Grantor where the relevant books and records are maintained and such audits shall be conducted during normal business hours. All audits shall be at the sole cost of Grantee, unless the audit discloses a Royalty underpayment of 5% or more, in which case the cost of the audit shall be paid by Grantor.



7. Grantor shall have the right to mine amounts of Mineral Substances reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the mineral potential of the Claims without incurring any obligation to make Royalty payments; provided, however, that if Grantor sells such Mineral Substances or products produced therefrom, Grantor shall be required to pay the Royalty on all such Mineral Substances or products sold.

8. Grantor shall have the right to commingle ore removed from the Claims or products derived therefrom after treatment, with other ore or products, before or after concentration or beneficiation, so long as Grantor first collects (in accordance with generally accepted industry practices) such data as are necessary to determine Grantee's interest in the ores or products so mixed. At least 60 days before any commingling is to begin, Grantor shall deliver to Grantee a detailed written description of Grantor's proposed commingling procedures and methodologies in order that Grantee may determine whether such procedures and methodologies are consistent with accepted industry practices and the provisions of this Deed. No commingling may be done by Grantor without Grantee's written consent to such procedures and methodologies, which consent shall not be unreasonably delayed or withheld.

9. Without limiting the scope of remedies available to Grantee in respect of Royalty payments, any late Royalty payment shall accrue interest at the rate of eight percent per annum. Grantee shall at all times have a lien on all Mineral Substances mined from, and all mining-related improvements on, the Claims as security for any Royalties due and payable provided that such lien shall be automatically released with respect to any Mineral Substances for which Royalties have been paid, and provided further that Grantee's lien shall not prevent Grantor from selling Mineral Substances in the ordinary course of business.

10. For payment and communication purposes, the addresses of the Parties shall be as set forth in the first paragraph of this Deed. All notices and communications regarding this Deed shall be in writing and shall be effective upon receipt after personal delivery (including delivery by express courier service) or delivery by certified mail to such addresses. Either Party may, by notice to the other given as aforesaid, change its address for future payments and notices.

11. All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively "**Materials**") resulting from Grantor's operations and activities on the Claims shall be the sole property of Grantor, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Mineral Substances. Notwithstanding the foregoing, Grantor shall have the right to dispose of Materials from the Claims on or off of the Claims and to commingle such Materials (as provided herein) with materials from other properties. In the event Materials from the Claims are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined and paid in strict accordance with the provisions of this Deed.

12. Grantor shall not have any obligation to mine the Claims. Grantor shall have sole discretion to determine the extent of its mining, if any, of the Claims and the time or the times for beginning, continuing, terminating and resuming any mining operations.

## Exhibit 2.7(a)

AFTER RECORDING, PLEASE RETURN TO  
AND SEND TAX NOTICES TO:  
Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC  
Canada V6C 1S4

### DEED AND ASSIGNMENT (With Reservation of Royalty)

This Deed and Assignment (this “**Deed**”) is made effective as of [REDACTED], 2022 (the “**Effective Date**”), by and between PYRAMID PEAK MINING, LLC, a New Mexico limited liability company, whose address is c/o Elko Mining Group LLC, 9650 Gateway Drive, Suite 202, Reno, Nevada 89521 (“**Grantor**”), and AMERICAN COPPER NMX, INC., a New Mexico corporation, whose registered address is 500 4th Street NW, Suite 1000, Albuquerque, NM 87102 (“**Grantee**”). Grantor and Grantee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

#### RECITALS

A. Grantor, Grantee and Grantee’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

B. Grantor is the owner of the patented mining claims described in Exhibit 1 hereto (the “**Patented Claims**”), which Patented Claims are located in Hidalgo County, New Mexico.

C. Grantor is the owner of the unpatented mining claims described in Exhibit 2 hereto (the “**Unpatented Claims**”), which Unpatented Claims are located in Hidalgo County, New Mexico.

D. Grantor is the lessee of the patented and unpatented mining claims described in Exhibit 3 hereto (the “**Henry Clay Claims**”), which Henry Clay Claims are located in Hidalgo County, New Mexico, pursuant to that certain Mining Lease dated March 19, 2015 by and between Henry Clay Mines, Incorporated, as lessor, and Lordsburg Mining Company, as lessee (the “**Henry Clay Lease**”).

E. Grantor is the lessee of the patented mining claims described in Exhibit 4 hereto (the “**Reid Claims**”), which Reid Claims are located in Hidalgo County, New Mexico, pursuant to that certain Surface and Mineral Lease Agreement dated November 1, 2014 by and between Kathryn Sullivan Trust, Trustee Roberta Heesen Reid, as lessor, and The Lordsburg Mining Company, as lessee (the “**Reid Lease**”).

F. The Patented Claims and the Unpatented Claims are sometimes referred to herein

collectively as the “**Owned Claims.**” The Henry Clay Claims and the Reid Claims are sometimes referred to herein collectively as the “**Leased Claims.**” The Owned Claims and the Leased Claims are sometimes referred to herein collectively as the “**Claims.**” The Henry Clay Lease and the Reid Lease are sometimes referred to herein collectively as the “**Leases**” and individually as a “**Lease.**”

G. The Parties desire to execute this Deed in order to fulfill, in part, their obligations under the Purchase Agreement.

#### WITNESSETH

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the recitals set forth above, undertake and agree as follows:

1. Conveyance and Assignment. Grantor does hereby transfer, convey and assign to Grantee all of Grantor’s rights, title, interests and obligations in, to and under (a) the Owned Claims, and (b) the Leases, together with any and all dumps, tailings and stockpiles located on the Owned Claims, any and all improvements, fixtures, buildings, structures and facilities situated on the Owned Claims, and all mineral rights, rights-of-way, easements, access rights, permits, approvals, ancillary rights and other appurtenances with respect to the Owned Claims; RESERVING, however, unto Grantor and its successors and assigns the Royalty and related rights set forth in Sections 3 and 4 hereof.

2. Acceptance of Assignment. Grantee hereby accepts the foregoing transfer, conveyance and assignment and hereby expressly and fully assumes and agrees to perform all of Grantor’s past, present and future obligations as lessee under the Henry Clay Lease and as lessee under the Reid Lease. Grantee acknowledges and agrees that it is bound by and will perform all of the covenants, conditions and other provisions of the Henry Clay Lease and the Reid Lease.

3. Reservation of Royalty. Grantor expressly reserves, and Grantee expressly agrees to pay, a net smelter returns production royalty on any sale of minerals from the Claims, to be determined and paid in accordance with the provisions of Exhibit 5 hereto (the “**Royalty**”). The rate of the Royalty (the “**Royalty Rate**”) shall be one and one-half percent (1.5%). The Royalty (i) shall run with the Patented Claims perpetually, (ii) shall run with the Unpatented Claims (subject to the paramount title of the United States and including any amendments or modifications of the Unpatented Claims, any replacements or relocations of the Unpatented Claims or the ground therein, and any conversion of the Unpatented Claims to another form of tenure) for so long as the Unpatented Claims (or any amendments, modifications, replacements, relocations or conversions thereof) continue to exist, (iii) shall run with the relevant Leased Claims for so long as the relevant Lease remains in effect, and (iv) shall be binding upon Grantee and all successors to Grantee. If Grantee, or any successor, acquires the lessor’s interest under a Lease, the Royalty and the obligation of Grantee and its successors to pay the Royalty shall survive such acquisition regardless of whether the Lease is terminated, and the Royalty shall become a direct burden on the interest and related property that Grantee so acquired. Grantee agrees and covenants to execute and deliver a recordable instrument by which Grantee grants to Grantor the Royalty in any such acquired interest and property. On the amendment, modification, replacement, relocation or conversion to another form of tenure of any of

the Claims, Grantee agrees and covenants to execute and deliver to Grantor a recordable instrument by which Grantee subjects the amended, modified, replaced or relocated mining claims and the converted tenure, as applicable, to the Royalty and to all of the burdens, conditions, obligations and terms of this Deed.

4. Royalty Reduction Right. Grantee and its successors shall have the one-time right (the “**Royalty Reduction Right**”) to permanently reduce the Royalty Rate, by half, to three-fourths of one percent (0.75%) (the “**Reduced Royalty Rate**”). The Royalty Reduction Right may be exercised at any time before the earlier of (a) the commencement of commercial mineral production from the Claims, or (b) ten years after the Effective Date. To exercise the Royalty Reduction Right, Grantee must deliver to Grantor written notice of such exercise, and must within five days thereafter wire to an account to be designated by Grantor the sum of Three Million Seven Hundred Fifty Thousand Canadian Dollars (CAD\$3,750,000) in immediately available funds (the “**Royalty Reduction Payment**”). Upon the timely receipt of (a) such notice and (b) the Royalty Reduction Payment, the Royalty shall thenceforth become payable at the Reduced Royalty Rate, and Grantor and Grantee shall promptly prepare, execute and record in the public records an instrument providing notice to third parties of Grantee’s exercise of the Royalty Reduction Right. Except for the reduction in the Royalty Rate, all other provisions of this Deed shall remain the same if and after the Royalty Reduction Right is exercised by Grantee.

5. Underlying Agreement. This Deed is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Deed. In the event of any conflict between the terms of this Deed and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

6. Warranties. In executing and delivering this Deed, Grantor makes only those warranties expressly set forth in the Purchase Agreement and does not make, and expressly disclaims, any other warranties whatsoever (whether express, implied or applicable by law) concerning the Claims or the Leases. This conveyance is subject to the paramount title of the United States of America in and to those Claims that are unpatented.

7. Further Assurances. The Parties agree to execute and deliver such additional documents and to take such other actions as may be reasonably necessary to fully accomplish the transfer of rights and assumption of obligations meant to be effected by this Deed.

8. Transfers. In their sole discretion, Grantor and its successors may freely convey or otherwise transfer their ownership of the Royalty, in full or in part; provided, however, that no such conveyance or transfer shall be effective against Grantee until Grantee receives written notice of the conveyance or transfer in accordance with Section 10 of Exhibit 5 hereto. Grantee and its successors and assigns shall have the right to convey, assign or otherwise transfer, in whole or in part, their interest in the Claims without the need of consent or approval from Grantor, if, but only if, the transferee expressly agrees in the written transfer document to assume all (or a portion of all in the case of a partial transfer) obligations, past, present and future, of Grantee hereunder. No such transfer shall be effective against Grantor until Grantor receives written notice of the transfer (including the transferee’s address for payment and/or notice purposes) in accordance with Section 10 of Exhibit 5 hereto.

9. No Partnership. This Deed shall not be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between the Parties.

10. Authority. Each Party represents to the other that (a) it is an entity in good standing under the laws of the state of its incorporation or formation, (b) the person signing this Deed on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Deed, and (d) this Deed is valid and binding on it.

11. Governing Law. This Deed, and any causes of action arising out of or based upon this Deed, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of New Mexico, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of New Mexico or the federal district court for the District of New Mexico, as may be applicable, in respect of any disputes arising hereunder, with venue to be in Bernalillo County, New Mexico. This Deed shall be construed as if both Parties jointly drafted each of its provisions.

12. Binding Effect. This Deed shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

13. Rule Against Perpetuities. The Parties do not intend or desire for this Deed to violate the common law Rule against Perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land. If any provision of this Deed does or would violate the Rule against Perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land, then this Deed shall not be deemed void or voidable, but shall be interpreted in such a way as to maintain and carry out the Parties' objectives to the fullest extent possible by law.

14. Counterparts. This Deed may be executed in counterparts, which taken together shall constitute a single and complete instrument.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have caused this Deed to be executed by their duly authorized representatives on the dates indicated in the acknowledgements below, but effective as of the Effective Date.

Grantor:

PYRAMID PEAK MINING, LLC, a New Mexico  
limited liability company

By its Manager:

ELKO MINING GROUP LLC, a Nevada  
limited liability company

By \_\_\_\_\_  
Richard J. Wells, Manager

Grantee:

AMERICAN COPPER NMX, INC., a New Mexico  
corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

PROVINCE OF ONTARIO )  
 ) ss.  
COUNTY OF YORK )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, Richard J. Wells, the Manager of ELKO MINING GROUP LLC, a Nevada limited liability company, which is the Manager of PYRAMID PEAK MINING, LLC, a New Mexico limited liability company, who acknowledged that he executed the above instrument on behalf of said entities.

[seal]

\_\_\_\_\_  
Laura Fernandez, NOTARY PUBLIC,  
residing in Toronto, Ontario

My commission does not expire

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN COPPER NMX, INC., a New Mexico corporation, who acknowledged that he or she executed the above instrument on behalf of said entity.

[seal]

\_\_\_\_\_  
\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_

Exhibit 1

**Patented Claims**

[Redacted - Commercially Sensitive Information]



Exhibit 2

**Unpatented Claims**

[Redacted - Commercially Sensitive Information]

Exhibit 3

**Henry Clay Claims**

[Redacted - Commercially Sensitive Information]

Exhibit 4

**Reid Claims**

[Redacted - Commercially Sensitive Information]

## Exhibit 5

### **Royalty**

1. “**Net Smelter Returns**” means the proceeds actually received, or deemed to have been received in the case of refined gold and silver as described in Section 1.a below, from the sale or deemed sale of any and all ores, metals, minerals (of whatsoever kind) and mineral products (“**Mineral Substances**”) produced from the Claims, less the charges (and only the charges) described in Section 1.b below.

a. If Grantee sells refined gold or silver, Grantee will be deemed to have received proceeds from the sale thereof equal to the number of ounces of refined gold or silver outturned to Grantee’s account during the calendar quarter multiplied in the case of gold by the average daily afternoon LBMA Gold Price (formerly known as the London Bullion Brokers P.M. Gold Fixing) during such calendar quarter and in the case of silver by the average of the daily Handy & Harmon Noon Silver Quotation during the calendar quarter. The average price for a calendar quarter shall be determined by dividing the sum of all daily prices posted during the calendar quarter by the number of days that prices were posted. The posted price shall be obtained from the *Wall Street Journal*, *Reuters*, *E&MJ* or other industry-accepted source. Grantee shall have the right to market and sell to third parties refined gold and silver in any manner it chooses, including the sale of such refined gold and silver on the commodity market (which marketing and sale activities, however, shall not affect the deemed sale proceeds hereunder). In this regard, Grantor shall have no right to participate in any gains and/or profits or obligation to suffer any losses accruing to Grantee as a result of forward sales, options trading, commodities futures trading or similar transactions.

b. Charges to be deducted from proceeds in determining Net Smelter Returns are the following (and only the following):

(1) all costs, charges and expenses paid or incurred by Grantee for treatment in the smelting, refining and treatment processes (including handling, storage, insurance, representation, processing, interest and provisional settlement fees, sampling, assaying and representation costs, umpire charges, penalties and other processor deductions);

(2) all costs, charges and expenses paid or incurred by Grantee for transportation of Mineral Substance concentrates and doré from the Claims to the place or places of smelting, refining and treatment and thence to the place or places of sale (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation); and

(3) sales and brokerage costs on the Mineral Substance for which the Royalty is payable.

For the avoidance of doubt, in calculating Net Smelter Returns there shall be no deduction for any costs of mining, or any costs of transporting Mineral Substances between the Claims or other tenures or to the mill or other processing site (that does not involve the smelting, refining and treatment described in Section 1.b.(1) above), or any costs of processing Mineral Substances other than said

smelting and refining costs. If any sale of Mineral Substances is to an affiliate of Grantee or is otherwise less than an arm's length transaction, the amount of proceeds for determining Net Smelter Returns shall not be less than the amount that would have been received in an arm's length transaction. Likewise, if any charge in determining Net Smelter Returns is payable to an affiliate of Grantee or is otherwise less than an arm's length transaction, the amount of the charge shall not be more than the amount that would have been charged in an arm's length transaction.

2. Royalties shall accrue quarterly (based on calendar quarters) and shall become due and payable by Grantee on the last day of the month following the end of each quarter. All Royalty payments shall be calculated on the basis of and paid in United States Dollars. All Royalty payments shall be accompanied by a written statement setting forth the manner in which such payment was calculated and shall include relevant production and sale information, settlement sheets, and such other documentation as will readily allow Grantor to understand and verify the calculation of the Royalty payment, including such other information and documentation as Grantor may reasonably request from time to time.

3. Except in the case of fraud or intentional misrepresentation, all statements for Royalties rendered to Grantor by Grantee during any quarter shall conclusively be presumed to be true and correct after two years following the end of such quarter unless within said two-year period Grantor takes written exception thereto and makes a claim on Grantee for adjustment. No adjustment favorable to Grantee shall be made unless the claim therefor is made within the same prescribed period.

4. If Grantee commences the production of Mineral Substances from the Claims, then not later than March 1 of each year Grantee shall deliver to Grantor a summary report of exploration, development and mining activities and operations conducted by Grantee on or relating to the Claims during the preceding calendar year.

5. Grantee shall allow Grantor and its representatives, at their sole risk and expense, during normal business hours and following reasonable notice to Grantee, access to the Claims for the purposes of viewing and inspecting Grantee's operations (including any stage when Mineral Substances are mined, handled, stored, treated, weighed, sampled, assayed, moisture-determined or commingled), at times that do not unreasonably interfere with Grantee's operations. Grantor, on behalf of itself and its representatives, agrees to indemnify and hold harmless Grantee from and against all claims, demands and liabilities arising from or relating to such inspections, except to the extent caused by Grantee's negligence or willful misconduct.

6. All books and records used by Grantee to calculate Royalty payments shall be kept in accordance with generally accepted accounting principles, consistently applied. Grantor and its authorized agents, upon not less than three days' notice in writing to Grantee, shall have the right to audit, inspect and copy Grantee's accounts and records relating to calculation and payment of the Royalty. All audits shall be conducted by Grantor at the office of Grantee where the relevant books and records are maintained and such audits shall be conducted during normal business hours. All audits shall be at the sole cost of Grantor, unless the audit discloses a Royalty underpayment of 5% or more, in which case the cost of the audit shall be paid by Grantee.

7. Grantee shall have the right to mine amounts of Mineral Substances reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the mineral potential of the Claims without incurring any obligation to make Royalty payments; provided, however, that if Grantee sells such Mineral Substances or products produced therefrom, Grantee shall be required to pay the Royalty on all such Mineral Substances or products sold.

8. Grantee shall have the right to commingle ore removed from the Claims or products derived therefrom after treatment, with other ore or products, before or after concentration or beneficiation, so long as Grantee first collects (in accordance with generally accepted industry practices) such data as are necessary to determine Grantor's interest in the ores or products so mixed. At least 60 days before any commingling is to begin, Grantee shall deliver to Grantor a detailed written description of Grantee's proposed commingling procedures and methodologies in order that Grantor may determine whether such procedures and methodologies are consistent with accepted industry practices and the provisions of this Deed. No commingling may be done by Grantee without Grantor's written consent to such procedures and methodologies, which consent shall not be unreasonably delayed or withheld.

9. Without limiting the scope of remedies available to Grantor in respect of Royalty payments, any late Royalty payment shall accrue interest at the rate of eight percent per annum. Grantor shall at all times have a lien on all Mineral Substances mined from, and all mining-related improvements on, the Claims as security for any Royalties due and payable provided that such lien shall be automatically released with respect to any Mineral Substances for which Royalties have been paid, and provided further that Grantor's lien shall not prevent Grantee from selling Mineral Substances in the ordinary course of business.

10. For payment and communication purposes, the addresses of the Parties shall be as set forth in the first paragraph of this Deed. All notices and communications regarding this Deed shall be in writing and shall be effective upon receipt after personal delivery (including delivery by express courier service) or delivery by certified mail to such addresses. Either Party may, by notice to the other given as aforesaid, change its address for future payments and notices.

11. All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively "**Materials**") resulting from Grantee's operations and activities on the Claims shall be the sole property of Grantee, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Mineral Substances. Notwithstanding the foregoing, Grantee shall have the right to dispose of Materials from the Claims on or off of the Claims and to commingle such Materials (as provided herein) with materials from other properties. In the event Materials from the Claims are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined and paid in strict accordance with the provisions of this Deed.

12. Grantee shall not have any obligation to mine the Claims. Grantee shall have sole discretion to determine the extent of its mining, if any, of the Claims and the time or the times for beginning, continuing, terminating and resuming any mining operations.

## Exhibit 2.7(b)

AFTER RECORDING, PLEASE RETURN TO  
AND SEND TAX NOTICES TO:

Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC  
Canada V6C 1S4

### DEED AND ASSIGNMENT (With Reservation of Royalty)

This Deed and Assignment (this “**Deed**”) is made effective as of \_\_\_\_\_, 2022 (the “**Effective Date**”), by and between MASON RESOURCES (US) INC., a Nevada corporation, whose address is 5255 East Williams Circle, Suite W1065, Tucson, AZ 85711 (“**Grantor**”), and AMERICAN COPPER NMX, INC., a New Mexico corporation, whose registered address is 500 4th Street NW, Suite 1000, Albuquerque, NM 87102 (“**Grantee**”). Grantor and Grantee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

#### RECITALS

A. Grantor, Grantee and Grantee’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

B. Grantor is the owner of the unpatented mining claims described in Exhibit 1 hereto (the “**Claims**”), which Claims are located in Hidalgo County, New Mexico.

G. The Parties desire to execute this Deed in order to fulfill, in part, their obligations under the Purchase Agreement.

#### WITNESSETH

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the recitals set forth above, undertake and agree as follows:

1. Conveyance and Assignment. Grantor does hereby transfer, convey and assign to Grantee all of Grantor’s rights, title, interests and obligations in, to and under the Claims, together with any and all dumps, tailings and stockpiles located on the Claims, any and all improvements, fixtures, buildings, structures and facilities situated on the Claims, and all mineral rights, rights-of-way, easements, access rights, permits, approvals, ancillary rights and other appurtenances with respect to the Claims; RESERVING, however, unto Grantor and its successors and assigns the Royalty and related rights set forth in Sections 3 and 4 hereof.

2. Acceptance of Assignment. Grantee hereby accepts the foregoing transfer, conveyance and assignment and hereby expressly and fully assumes and agrees to perform all of Grantor's past, present and future obligations as lessee under the Claims.

3. Reservation of Royalty. Grantor expressly reserves, and Grantee expressly agrees to pay, a net smelter returns production royalty on any sale of minerals from the Claims, to be determined and paid in accordance with the provisions of Exhibit 2 hereto (the "**Royalty**"). The rate of the Royalty (the "**Royalty Rate**") shall be one and one-half percent (1.5%). The Royalty (i) shall run with the Claims (subject to the paramount title of the United States and including any amendments or modifications of the Claims, any replacements or relocations of the Claims or the ground therein, and any conversion of the Claims to another form of tenure) for so long as the Claims (or any amendments, modifications, replacements, relocations or conversions thereof) continue to exist. On the amendment, modification, replacement, relocation or conversion to another form of tenure of any of the Claims, Grantee agrees and covenants to execute and deliver to Grantor a recordable instrument by which Grantee subjects the amended, modified, replaced or relocated mining claims and the converted tenure, as applicable, to the Royalty and to all of the burdens, conditions, obligations and terms of this Deed.

4. Royalty Reduction Right. Grantee and its successors shall have the one-time right (the "**Royalty Reduction Right**") to permanently reduce the Royalty Rate, by half, to three-fourths of one percent (0.75%) (the "**Reduced Royalty Rate**"). The Royalty Reduction Right may be exercised at any time before the earlier of (a) the commencement of commercial mineral production from the Claims, or (b) ten years after the Effective Date. To exercise the Royalty Reduction Right, Grantee must deliver to Grantor written notice of such exercise, and must within five days thereafter wire to an account to be designated by Grantor the sum of Three Million Seven Hundred Fifty Thousand Canadian Dollars (CAD\$3,750,000) in immediately available funds (the "**Royalty Reduction Payment**"). Upon the timely receipt of (a) such notice and (b) the Royalty Reduction Payment, the Royalty shall thenceforth become payable at the Reduced Royalty Rate, and Grantor and Grantee shall promptly prepare, execute and record in the public records an instrument providing notice to third parties of Grantee's exercise of the Royalty Reduction Right. Except for the reduction in the Royalty Rate, all other provisions of this Deed shall remain the same if and after the Royalty Reduction Right is exercised by Grantee.

5. Underlying Agreement. This Deed is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Deed. In the event of any conflict between the terms of this Deed and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

6. Warranties. In executing and delivering this Deed, Grantor makes only those warranties expressly set forth in the Purchase Agreement and does not make, and expressly disclaims, any other warranties whatsoever (whether express, implied or applicable by law) concerning the Claims. This conveyance is subject to the paramount title of the United States of America in and to those Claims that are unpatented.

7. Further Assurances. The Parties agree to execute and deliver such additional documents and to take such other actions as may be reasonably necessary to fully accomplish the transfer of rights and assumption of obligations meant to be effected by this Deed.



8. Transfers. In their sole discretion, Grantor and its successors may freely convey or otherwise transfer their ownership of the Royalty, in full or in part; provided, however, that no such conveyance or transfer shall be effective against Grantee until Grantee receives written notice of the conveyance or transfer in accordance with Section 10 of Exhibit 5 hereto. Grantee and its successors and assigns shall have the right to convey, assign or otherwise transfer, in whole or in part, their interest in the Claims without the need of consent or approval from Grantor, if, but only if, the transferee expressly agrees in the written transfer document to assume all (or a portion of all in the case of a partial transfer) obligations, past, present and future, of Grantee hereunder. No such transfer shall be effective against Grantor until Grantor receives written notice of the transfer (including the transferee's address for payment and/or notice purposes) in accordance with Section 10 of Exhibit 5 hereto.

9. No Partnership. This Deed shall not be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between the Parties.

10. Authority. Each Party represents to the other that (a) it is an entity in good standing under the laws of the state of its incorporation or formation, (b) the person signing this Deed on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Deed, and (d) this Deed is valid and binding on it.

11. Governing Law. This Deed, and any causes of action arising out of or based upon this Deed, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of New Mexico, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of New Mexico or the federal district court for the District of New Mexico, as may be applicable, in respect of any disputes arising hereunder, with venue to be in Bernalillo County, New Mexico. This Deed shall be construed as if both Parties jointly drafted each of its provisions.

12. Binding Effect. This Deed shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

13. Rule Against Perpetuities. The Parties do not intend or desire for this Deed to violate the common law Rule against Perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land. If any provision of this Deed does or would violate the Rule against Perpetuities or any analogous statutory provision or any other constitutional, statutory or common law rule imposing time limits on the vesting or termination of estates in land, then this Deed shall not be deemed void or voidable, but shall be interpreted in such a way as to maintain and carry out the Parties' objectives to the fullest extent possible by law.

14. Counterparts. This Deed may be executed in counterparts, which taken together shall constitute a single and complete instrument.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have caused this Deed to be executed by their duly authorized representatives on the dates indicated in the acknowledgements below, but effective as of the Effective Date.

Grantor:

MASON RESOURCES (US) INC., a Nevada corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

Grantee:

AMERICAN COPPER NMX, INC., a New Mexico corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of MASON RESOURCES (US) INC., a Nevada corporation, who acknowledged that he executed the above instrument on behalf of said entities.

[seal]

\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN COPPER NMX, INC., a New Mexico corporation, who acknowledged that he or she executed the above instrument on behalf of said entity.

[seal]

\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_

Exhibit 1

**Claims**

[Redacted - Commercially Sensitive Information]

## Exhibit 2

### **Royalty**

1. “**Net Smelter Returns**” means the proceeds actually received, or deemed to have been received in the case of refined gold and silver as described in Section 1.a below, from the sale or deemed sale of any and all ores, metals, minerals (of whatsoever kind) and mineral products (“**Mineral Substances**”) produced from the Claims, less the charges (and only the charges) described in Section 1.b below.

a. If Grantee sells refined gold or silver, Grantee will be deemed to have received proceeds from the sale thereof equal to the number of ounces of refined gold or silver outturned to Grantee’s account during the calendar quarter multiplied in the case of gold by the average daily afternoon LBMA Gold Price (formerly known as the London Bullion Brokers P.M. Gold Fixing) during such calendar quarter and in the case of silver by the average of the daily Handy & Harmon Noon Silver Quotation during the calendar quarter. The average price for a calendar quarter shall be determined by dividing the sum of all daily prices posted during the calendar quarter by the number of days that prices were posted. The posted price shall be obtained from the *Wall Street Journal*, *Reuters*, *E&MJ* or other industry-accepted source. Grantee shall have the right to market and sell to third parties refined gold and silver in any manner it chooses, including the sale of such refined gold and silver on the commodity market (which marketing and sale activities, however, shall not affect the deemed sale proceeds hereunder). In this regard, Grantor shall have no right to participate in any gains and/or profits or obligation to suffer any losses accruing to Grantee as a result of forward sales, options trading, commodities futures trading or similar transactions.

b. Charges to be deducted from proceeds in determining Net Smelter Returns are the following (and only the following):

(1) all costs, charges and expenses paid or incurred by Grantee for treatment in the smelting, refining and treatment processes (including handling, storage, insurance, representation, processing, interest and provisional settlement fees, sampling, assaying and representation costs, umpire charges, penalties and other processor deductions);

(2) all costs, charges and expenses paid or incurred by Grantee for transportation of Mineral Substance concentrates and doré from the Claims to the place or places of smelting, refining and treatment and thence to the place or places of sale (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation); and

(3) sales and brokerage costs on the Mineral Substance for which the Royalty is payable.

For the avoidance of doubt, in calculating Net Smelter Returns there shall be no deduction for any costs of mining, or any costs of transporting Mineral Substances between the Claims or other tenures or to the mill or other processing site (that does not involve the smelting, refining and treatment described in Section 1.b.(1) above), or any costs of processing Mineral Substances other than said

smelting and refining costs. If any sale of Mineral Substances is to an affiliate of Grantee or is otherwise less than an arm's length transaction, the amount of proceeds for determining Net Smelter Returns shall not be less than the amount that would have been received in an arm's length transaction. Likewise, if any charge in determining Net Smelter Returns is payable to an affiliate of Grantee or is otherwise less than an arm's length transaction, the amount of the charge shall not be more than the amount that would have been charged in an arm's length transaction.

2. Royalties shall accrue quarterly (based on calendar quarters) and shall become due and payable by Grantee on the last day of the month following the end of each quarter. All Royalty payments shall be calculated on the basis of and paid in United States Dollars. All Royalty payments shall be accompanied by a written statement setting forth the manner in which such payment was calculated and shall include relevant production and sale information, settlement sheets, and such other documentation as will readily allow Grantor to understand and verify the calculation of the Royalty payment, including such other information and documentation as Grantor may reasonably request from time to time.

3. Except in the case of fraud or intentional misrepresentation, all statements for Royalties rendered to Grantor by Grantee during any quarter shall conclusively be presumed to be true and correct after two years following the end of such quarter unless within said two-year period Grantor takes written exception thereto and makes a claim on Grantee for adjustment. No adjustment favorable to Grantee shall be made unless the claim therefor is made within the same prescribed period.

4. If Grantee commences the production of Mineral Substances from the Claims, then not later than March 1 of each year Grantee shall deliver to Grantor a summary report of exploration, development and mining activities and operations conducted by Grantee on or relating to the Claims during the preceding calendar year.

5. Grantee shall allow Grantor and its representatives, at their sole risk and expense, during normal business hours and following reasonable notice to Grantee, access to the Claims for the purposes of viewing and inspecting Grantee's operations (including any stage when Mineral Substances are mined, handled, stored, treated, weighed, sampled, assayed, moisture-determined or commingled), at times that do not unreasonably interfere with Grantee's operations. Grantor, on behalf of itself and its representatives, agrees to indemnify and hold harmless Grantee from and against all claims, demands and liabilities arising from or relating to such inspections, except to the extent caused by Grantee's negligence or willful misconduct.

6. All books and records used by Grantee to calculate Royalty payments shall be kept in accordance with generally accepted accounting principles, consistently applied. Grantor and its authorized agents, upon not less than three days' notice in writing to Grantee, shall have the right to audit, inspect and copy Grantee's accounts and records relating to calculation and payment of the Royalty. All audits shall be conducted by Grantor at the office of Grantee where the relevant books and records are maintained and such audits shall be conducted during normal business hours. All audits shall be at the sole cost of Grantor, unless the audit discloses a Royalty underpayment of 5% or more, in which case the cost of the audit shall be paid by Grantee.

7. Grantee shall have the right to mine amounts of Mineral Substances reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the mineral potential of the Claims without incurring any obligation to make Royalty payments; provided, however, that if Grantee sells such Mineral Substances or products produced therefrom, Grantee shall be required to pay the Royalty on all such Mineral Substances or products sold.

8. Grantee shall have the right to commingle ore removed from the Claims or products derived therefrom after treatment, with other ore or products, before or after concentration or beneficiation, so long as Grantee first collects (in accordance with generally accepted industry practices) such data as are necessary to determine Grantor's interest in the ores or products so mixed. At least 60 days before any commingling is to begin, Grantee shall deliver to Grantor a detailed written description of Grantee's proposed commingling procedures and methodologies in order that Grantor may determine whether such procedures and methodologies are consistent with accepted industry practices and the provisions of this Deed. No commingling may be done by Grantee without Grantor's written consent to such procedures and methodologies, which consent shall not be unreasonably delayed or withheld.

9. Without limiting the scope of remedies available to Grantor in respect of Royalty payments, any late Royalty payment shall accrue interest at the rate of eight percent per annum. Grantor shall at all times have a lien on all Mineral Substances mined from, and all mining-related improvements on, the Claims as security for any Royalties due and payable provided that such lien shall be automatically released with respect to any Mineral Substances for which Royalties have been paid, and provided further that Grantor's lien shall not prevent Grantee from selling Mineral Substances in the ordinary course of business.

10. For payment and communication purposes, the addresses of the Parties shall be as set forth in the first paragraph of this Deed. All notices and communications regarding this Deed shall be in writing and shall be effective upon receipt after personal delivery (including delivery by express courier service) or delivery by certified mail to such addresses. Either Party may, by notice to the other given as aforesaid, change its address for future payments and notices.

11. All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively "**Materials**") resulting from Grantee's operations and activities on the Claims shall be the sole property of Grantee, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Mineral Substances. Notwithstanding the foregoing, Grantee shall have the right to dispose of Materials from the Claims on or off of the Claims and to commingle such Materials (as provided herein) with materials from other properties. In the event Materials from the Claims are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined and paid in strict accordance with the provisions of this Deed.

12. Grantee shall not have any obligation to mine the Claims. Grantee shall have sole discretion to determine the extent of its mining, if any, of the Claims and the time or the times for beginning, continuing, terminating and resuming any mining operations.

## Exhibit 2.11(a)

AFTER RECORDING, PLEASE RETURN TO:

Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC  
Canada V6C 1S4

### ASSIGNMENT OF AGREEMENTS

This Assignment of Agreements (this “**Assignment**”) is made effective as of                     , 2022 (the “**Effective Date**”), by and between PYRAMID PEAK MINING, LLC, a New Mexico limited liability company (“**Assignor**”), and AMERICAN COPPER NMX, INC., a New Mexico corporation, whose address is 2710 – 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4 (“**Assignee**”). Assignor and Assignee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**”.

### RECITALS

A. Assignor, Assignee and Assignee’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

B. Assignor is the optionee under that certain Option Agreement dated October 7, 2020 with Soloro Cobalt and Gold Corporation, as optionor (the “**Soloro Agreement**”). The Soloro Agreement concerns the unpatented mining claims described in Exhibit 1 hereto (the “**Soloro Claims**”), which Soloro Claims are located in Hidalgo County, New Mexico. A notice of the Soloro Agreement was recorded in the official records of the Hidalgo County Clerk on October 21, 2020 as instrument number 2020517.

C. Assignor is the lessor under that certain Lease Agreement dated May 19, 2021 with Summit Gold Corporation, as lessee (the “**Banner Mill Lease**”). The Banner Mill Lease concerns the patented mining claims described in Exhibit 2 hereto (the “**Banner Lease Claims**”), which Banner Lease Claims are located in Hidalgo County, New Mexico. The Banner Mill Lease was recorded in the official records of the Hidalgo County Clerk on June 2, 2021 as instrument number 2100577.

D. The Parties desire to execute this Assignment in order to fulfill, in part, their obligations under the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the recitals set forth above, agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor’s rights, title, interests and obligations in, to and under (a) the Soloro Agreement, and (b) the Banner



Mill Lease.

2. Acceptance of Assignment. Assignee hereby accepts the foregoing assignment and transfer and hereby expressly and fully assumes and agrees to perform all of Assignor's past, present and future obligations as optionee under the Soloro Agreement and as lessor under the Banner Mill Lease. Assignee acknowledges and agrees that it is bound by and will perform all of the covenants, conditions and other provisions of the Soloro Agreement and the Banner Mill Lease.

3. Underlying Agreement. This Assignment is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

4. Warranties. In executing and delivering this Assignment, Assignor makes only those warranties expressly set forth in the Purchase Agreement and does not make, and expressly disclaims, any other warranties whatsoever (whether express, implied or applicable by law) concerning the Soloro Agreement, the Soloro Claims, the Banner Mill Lease or the Banner Lease Claims.

5. Further Assurances. The Parties agree to execute and deliver such additional documents and to take such other actions as may be reasonably necessary to fully accomplish the transfer of rights and assumption of obligations meant to be effected by this Assignment.

6. Authority. Each Party represents to the other that (a) it is an entity in good standing under the laws of the state of its incorporation or formation, (b) the person signing this Assignment on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Assignment, and (d) this Assignment is valid and binding on it.

7. Governing Law. This Assignment, and any causes of action arising out of or based upon this Assignment, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of New Mexico, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of New Mexico or the federal district court for the District of New Mexico, as may be applicable, in respect of any disputes arising hereunder, with venue to be in Bernalillo County, New Mexico. This Assignment shall be construed as if both Parties jointly drafted each of its provisions.

8. Binding Effect. This Assignment shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

9. Counterparts. This Assignment may be executed in counterparts, which taken together shall constitute a single and complete instrument.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed by their duly authorized representatives on the dates indicated in the acknowledgements below, but effective as of the Effective Date.

Assignor:

PYRAMID PEAK MINING, LLC, a New Mexico  
limited liability company

By its Manager:

ELKO MINING GROUP LLC, a Nevada  
limited liability company

By \_\_\_\_\_  
Richard J. Wells, Manager

Assignee:

AMERICAN COPPER NMX, INC., a New Mexico  
corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

PROVINCE OF ONTARIO )  
 ) ss.  
COUNTY OF YORK )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, Richard J. Wells, the Manager of ELKO MINING GROUP LLC, a Nevada limited liability company, which is the Manager of PYRAMID PEAK MINING, LLC, a New Mexico limited liability company, who acknowledged that he executed the above instrument on behalf of said entities.

[seal]

\_\_\_\_\_  
Laura Fernandez, NOTARY PUBLIC,  
residing in Toronto, Ontario

My commission does not expire

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN COPPER NMX, INC., a New Mexico corporation, who acknowledged that he or she executed the above instrument on behalf of said entity.

[seal]

\_\_\_\_\_  
\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_

Exhibit 1

**Soloro Claims**

[Redacted - Commercially Sensitive Information]

Exhibit 2

**Banner Lease Claims**

[Redacted - Commercially Sensitive Information]

## Exhibit 2.11(a)

### ASSIGNMENT OF AGREEMENT

This Assignment of Agreement (this “**Assignment**”) is made effective as of [REDACTED], 2022, by and between WATERTON NEVADA SPLITTER, LLC, a Nevada limited liability company (“**Assignor**”), and AMERICAN COPPER NMX, INC., a New Mexico corporation, whose address is 2710 – 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4 (“**Assignee**”). Assignor and Assignee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**”.

#### RECITALS

A. Assignor is an affiliate of Pyramid Peak Mining, LLC, a New Mexico limited liability company (“**PPM**”).

B. Assignor is the optionee under that certain Sale and Purchase Agreement dated May 19, 2021 with Summit Gold Corporation, as optionor (the “**Summit Agreement**”). The Summit Agreement concerns a portion of the water right identified as OSE No. A-00084-B (the “**Water Right**”).

C. PPM, Assignee and Assignee’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

D. The Parties desire to execute this Assignment in order to fulfill, in part, the obligations of PPM and Assignee under the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the recitals set forth above, agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor’s rights, title, interests and obligations in, to and under the Summit Agreement.

2. Acceptance of Assignment. Assignee hereby accepts the foregoing assignment and transfer and hereby expressly and fully assumes and agrees to perform all of Assignor’s past, present and future obligations as optionee under the Summit Agreement. Assignee acknowledges and agrees that it is bound by and will perform all of the covenants, conditions and other provisions of the Summit Agreement relating to the Water Right.

3. Underlying Agreement. This Assignment is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

4. Warranties. In executing and delivering this Assignment, Assignor does not make,

and expressly disclaims, any warranties whatsoever (whether express, implied or applicable by law) concerning the Summit Agreement or the Water Right.

5. Further Assurances. The Parties agree to execute and deliver such additional documents and to take such other actions as may be reasonably necessary to fully accomplish the transfer of rights and assumption of obligations meant to be effected by this Assignment.

6. Authority. Each Party represents to the other that (a) it is an entity in good standing under the laws of the state of its incorporation or formation, (b) the person signing this Assignment on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Assignment, and (d) this Assignment is valid and binding on it.

7. Governing Law. This Assignment, and any causes of action arising out of or based upon this Assignment, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of New Mexico, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of New Mexico or the federal district court for the District of New Mexico, as may be applicable, in respect of any disputes arising hereunder, with venue to be in Bernalillo County, New Mexico. This Assignment shall be construed as if both Parties jointly drafted each of its provisions.

8. Binding Effect. This Assignment shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

9. Execution. This Assignment may be executed in counterparts, which taken together shall constitute a single and complete instrument. This Assignment may be executed and delivered by facsimile or other form of electronic transmission such as email or .pdf and such signatures shall have the same legal effect as a manual signature.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed by their duly authorized representatives effective as of the date first set forth above.

Assignor:

WATERTON NEVADA SPLITTER, LLC,  
a Nevada limited liability company

By \_\_\_\_\_  
Isser Elishis, Manager

Assignee:

AMERICAN COPPER NMX, INC., a New  
Mexico corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_



## Exhibit 2.11(a)

AFTER RECORDING, PLEASE RETURN TO:

Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC  
Canada V6C 1S4

**APN: N/A (water right only)**

**This Deed is exempt from the Real Property Transfer Declaration  
Affidavit requirement pursuant to NMSA 1978, § 7-38-12.1(D)(1)**

### WATER RIGHT DEED

This Water Right Deed (this “**Deed**”) is made effective as of [REDACTED], 2022 (the “**Effective Date**”), from PYRAMID PEAK MINING, LLC, a New Mexico limited liability company, whose address is c/o Elko Mining Group LLC, 9650 Gateway Drive, Suite 202, Reno, Nevada 89521 (“**Grantor**”), to AMERICAN COPPER NMX, INC., a New Mexico corporation, whose registered address is 500 4th Street NW, Suite 1000, Albuquerque, NM 87102 (“**Grantee**”).

#### RECITALS

A. Grantor, Grantee and Grantee’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

B. Grantor is the owner of those certain declared and finally adjudicated underground water rights to 125.91 acre-feet per annum from the Animas Underground Water Basin, with a pre-basin priority date of December 31, 1906, as reflected in the New Mexico Office of the State Engineer’s post-adjudication File No. A-00663-1, formerly designated as pre-adjudication File No. A-00663 (the “**Water Right**”). The Water Right is diverted and used in Hidalgo County, New Mexico.

C. Grantor is executing this Deed in order to fulfill, in part, its obligations under the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor, incorporating the recitals set forth above, grants, sells, bargains, conveys and assigns to Grantee all of Grantor’s right, title and interest in and to the Water Right.

This Deed is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Deed. In the event of any conflict between the terms of this Deed and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

In executing and delivering this Deed, Grantor makes only those representations and warranties expressly set forth in the Purchase Agreement and does not make, and expressly disclaims, any other representations or warranties whatsoever (whether express, implied or applicable by law) regarding the title to or the ownership, status, condition (including environmental condition), usability, yield, marketability, value or validity of the Water Right.

Grantor represents that (a) it is an entity in good standing under the laws of the State of New Mexico, (b) the person signing this Deed on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Deed, and (d) this Deed is valid and binding on it.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns forever.

*[Signature page follows]*



## Exhibit 2.11(b)

AFTER RECORDING, PLEASE RETURN TO:

Cirrus Gold Corp.  
2710 – 200 Granville Street  
Vancouver, BC  
Canada V6C 1S4

### ASSIGNMENT OF AGREEMENTS

This Assignment of Agreements (this “**Assignment**”) is made effective as of \_\_\_\_\_, 2022 (the “**Effective Date**”), by and between MASON RESOURCES (US) INC., a Nevada corporation, whose address is 5255 East Williams Circle, Suite W1065, Tucson, AZ 85711 (“**Assignor**”), and AMERICAN COPPER NMX, INC., a New Mexico corporation, whose address is 2710 – 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4 (“**Assignee**”). Assignor and Assignee are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**”.

### RECITALS

A. Assignor, Assignee and Assignee’s parent entity, Cirrus Gold Corp., a British Columbia corporation (to be renamed American Copper Development Corporation), are among the parties to that certain Asset Purchase Agreement dated May 18, 2022 (the “**Purchase Agreement**”).

B. Assignor is a party to the following agreements: (i) Surface Use Agreement dated March 28, 2018 with Rouse Cattle Company (the “**Surface Use Agreement**”); (ii) Real Estate Lease Agreement, date February 23, 2021 by and between Manual M. Bertoldo, as landlord (the “**Bertoldo Lease**”); (iii) Agreement, dated March 13, 2014 by and between Entrée Gold (US) Inc. and Lightning Dock Geothermal HI-01, LLC (the “**Lightning Dock Agreement**”); and (iv) Lordsburg Net Smelter Returns Royalty dated June 5, 2012 between Entrée Gold (US) Inc., an Arizona corporation and Empirical Discovery, LLC, a Colorado limited liability company, as noticed in the Memorandum of Royalty Agreement recorded in the Official Records of Hidalgo County, New Mexico on June 18, 2012 at Instrument # 201200388 (the “**Entrée Gold NSR**”).

C. The Parties desire to execute this Assignment in order to fulfill, in part, their obligations under the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, incorporating the recitals set forth above, agree as follows:

1. Assignment. Assignor hereby assigns and transfers to Assignee all of Assignor’s rights, title, interests and obligations in, to and under (a) the Surface Use Agreement, (b) the Bertoldo Lease, (c) the Lightning Dock Agreement, and (d) the Entrée Gold NSR.

2. Acceptance of Assignment. Assignee hereby accepts the foregoing assignment and transfer and hereby expressly and fully assumes and agrees to perform all of Assignor's past, present and future obligations as a party under the Surface Use Agreement, the Bertoldo Lease, the Lightning Dock Agreement, and the Entrée Gold NSR. Assignee acknowledges and agrees that it is bound by and will perform all of the covenants, conditions and other provisions of Assignor under the Surface Use Agreement, the Bertoldo Lease, the Lightning Dock Agreement, and the Entrée Gold NSR.

3. Underlying Agreement. This Assignment is given in accordance with and pursuant to the Purchase Agreement, the terms and conditions of which shall survive the execution and delivery of this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Purchase Agreement, the terms of the Purchase Agreement shall prevail and govern.

4. Warranties. In executing and delivering this Assignment, Assignor makes only those warranties expressly set forth in the Purchase Agreement and does not make, and expressly disclaims, any other warranties whatsoever (whether express, implied or applicable by law) concerning the Surface Use Agreement, the Bertoldo Lease, the Lightning Dock Agreement or the Entrée Gold NSR.

5. Further Assurances. The Parties agree to execute and deliver such additional documents and to take such other actions as may be reasonably necessary to fully accomplish the transfer of rights and assumption of obligations meant to be effected by this Assignment.

6. Authority. Each Party represents to the other that (a) it is an entity in good standing under the laws of the state of its incorporation or formation, (b) the person signing this Assignment on its behalf has full and proper authority to do so, (c) it has undertaken and obtained whatever internal and external formalities, approvals and actions are necessary to execute and deliver this Assignment, and (d) this Assignment is valid and binding on it.

7. Governing Law. This Assignment, and any causes of action arising out of or based upon this Assignment, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of New Mexico, without regard to choice or conflict of law principles that would result in the application of the laws of any other jurisdiction. Each Party irrevocably consents, on behalf of itself and its successors, to the exclusive jurisdiction of the courts of the State of New Mexico or the federal district court for the District of New Mexico, as may be applicable, in respect of any disputes arising hereunder, with venue to be in Bernalillo County, New Mexico. This Assignment shall be construed as if both Parties jointly drafted each of its provisions.

8. Binding Effect. This Assignment shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

9. Counterparts. This Assignment may be executed in counterparts, which taken together shall constitute a single and complete instrument.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed by their duly authorized representatives on the dates indicated in the acknowledgements below, but effective as of the Effective Date.

Assignor:

MASON RESOURCES (US) INC., a Nevada corporation

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Assignee:

AMERICAN COPPER NMX, INC., a New Mexico corporation

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of MASON RESOURCES (US) INC., a Nevada corporation, who acknowledged that he executed the above instrument on behalf of said entities.

[seal]

\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_

STATE/PROVINCE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2022, personally appeared before me, a Notary Public, \_\_\_\_\_, the \_\_\_\_\_ of AMERICAN COPPER NMX, INC., a New Mexico corporation, who acknowledged that he or she executed the above instrument on behalf of said entity.

[seal]

\_\_\_\_\_, NOTARY PUBLIC,  
residing in \_\_\_\_\_

My commission expires:

\_\_\_\_\_