

CRONIN EXPOLORATION INC.

- AND -

SILICON METALS CORP.

OPTION AGREEMENT – SILICON RIDGE PROPERTY

November 6th, 2024

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OPTION AGREEMENT – SILICON RIDGE PROPERTY

THIS AGREEMENT is dated effective November 6th, 2024 (the “**Effective Date**”)

BETWEEN:

CRONIN EXPLORATION INC., a company existing under the laws of British Columbia having its business address at Unit 309 – 2912 West Broadway, Vancouver, British Columbia V6K 0E9

(“**Cronin**” or the “**Optionor**”)

AND:

SILICON METALS CORP., a company existing under the laws of British Columbia having its business address at 1111 West Hasting Street, 15th Floor, Vancouver, British Columbia V6E 2J3

(the “**Optionee**”)

WHEREAS:

- A. The Optionor owns a 100% legal and beneficial interest in the Property (as defined herein);
- B. The Optionor wishes to grant an exclusive option to the Optionee to acquire the Property Interest (as defined herein), subject to the NSR Royalty (as defined herein), pursuant to the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1.0 DEFINITIONS

1.1 In this Agreement, except as otherwise expressly provided or as the context otherwise requires:

“**Abandonment Date**” has the meaning given to it in Section 10.1.

“**Abandonment Property**” has the meaning given to it in Section 10.1.

“**Acquiring Party**” has the meaning given to it in Section 12.2.

“**Agreement**” means this Agreement, including the Schedule hereto, as amended or supplemented from time to time.

“**AOI**” has the meaning given to it in Section 12.1.

“**AOI Interest**” has the meaning given to it in Section 12.2.

“**Business Day**” means a day that is not a Saturday, Sunday, public holiday or bank holiday in Vancouver, British Columbia.

“**Effective Date**” has the meaning given to it in the preamble hereof.

“**Encumbrance**” means any privilege, mortgage, hypothec, lien, charge, pledge, security interest, adverse claim or interest, infringement, interference, right of first refusal, preemptive right, community property interest, restriction on use, assignment, deed of trust, easement, royalty, restrictive covenant or other restriction, encumbrance or claim of any nature, whether registered or unregistered, and whether arising by agreement, statute or otherwise.

“**Environmental Laws**” means all requirements of the common law, civil code, or of environmental, health or safety statutes of any agency, board or Governmental Entity including, but not limited to, those relating to noise; pollution or protection of the air, surface water, ground water or land; solid, gaseous or liquid waste generation, handling, treatment storage, disposal or transportation; exposure to hazardous or toxic substances; or the closure, decommissioning, dismantling or abandonment of any facilities, mines or workings and the reclamation or restoration of lands.

“**Exchange**” means the Canadian Securities Exchange or any other stock exchange or quotation system that the Company may be listed or quoted on from time to time.

“**Exercise Date**” has the meaning given to it in Section 6.1.

“**Expenditures**” means and includes all paid-up costs, expenses, obligations and liabilities of whatever kind or nature spent or incurred directly or indirectly by the Optionee, including all monies expended by or on behalf of the Optionee in performing Mining Work after the Effective Date.

“**Governmental Entity**” means (i) any international, multinational, national, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the above; (iii) any securities commission or stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

“**IFRS**” means International Financial Reporting Standards developed by the International Accounting Standards Board.

“**Mining Work**” means every kind of work done on or in respect of the Property or the products therefrom by or under the direction of or on behalf of or for the benefit of the Optionee and, without limiting the generality of the foregoing, includes assessment work, geophysical, geochemical and geological surveying, studies and mapping, investigating, environmental studies, preparing environmental impact assessment reports, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, crosscutting and drifting, assaying and metallurgical testing and other tests and analyses to determine the quantity and quality of minerals and other materials, metals or substances, searching for, digging, trucking, sampling, including but not limited to surface, subsurface and drill core sampling, working and procuring minerals, ores, metals, and concentrates, surveying, mobilizing and demobilizing, including all transportation, insurance, customs brokerage and import and export taxes, fees and charges and all other governmental levies in connection therewith, acquiring, constructing and transporting facilities, fees, wages, salaries, traveling expenses and reasonable fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property and the food, lodging and other reasonable needs of such persons, and bringing any mineral claims or other interests to lease,

reporting and all other work usually considered to be prospecting, exploration, restoration, reclamation, development and mining work.

“**NSR Royalty**” means the 2% net smelter returns royalty to be paid to the Optionor in respect of the Property pursuant to the royalty terms attached as Schedule B hereto.

“**Option**” means the option to acquire the Property Interest, as provided in Section 5.1.

“**Option Payment**” has the meaning given to it in Section 5.2.

“**Option Period**” means from the Effective Date until the earlier of: (i) the termination of this Agreement in accordance with Section 11.0; or (ii) the exercise of the Option by the Optionee.

“**Option Shares**” has the meaning given to it in Section 5.2.

“**Optionee**” has the meaning given to it in the preamble hereof.

“**Optionor**” has the meaning given to it in the preamble hereof.

“**Other Party**” has the meaning given to it in Section 12.2.

“**Parties**” means the parties to this Agreement and “**Party**” means any one of them.

“**Property**” means the mineral claims located in British Columbia and described in Schedule A hereto and the Property Rights, and all other mining interests derived from such claims, and shall include any renewals thereof and any form of successor or substitute titles thereto, including any mineral leases into which such mineral claims may have been converted and any mineral claims acquired pursuant to Section 12.0, but shall not include any interests in any other mineral claims which the Optionee acquires an interest in at any time after the date of this Agreement outside of the AOI.

“**Property Interest**” means an undivided 100% right, title and interest in and to the Property, free and clear of all Encumbrances.

“**Property Rights**” means all licences, permits, easements, rights-of-way, certificates and other approvals obtained by the Optionor and necessary for the development of the Property, or for the purpose of placing the Property into production or continuing production therefrom.

1.2 The headings are for convenience only and are not intended as a guide to interpretation of this Agreement or any portion thereof.

1.3 The word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

1.4 All accounting terms not otherwise defined herein have the meanings assigned to them, and all calculations to be made hereunder are to be made, in accordance with IFRS applied on a consistent basis.

1.5 In this Agreement, except as otherwise specified, all references to currency mean the currency of Canada.

1.6 A reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

1.7 A reference to an entity includes any successor to that entity.

1.8 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

1.9 A reference to “approval”, “authorization” or “consent” means written approval, authorization or consent.

1.10 If any date on which an action is required to be taken hereunder by the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.11 The following schedule is attached to and forms part of this Agreement:

Schedule A – Description of the Property

Schedule B – Net Smelter Returns Royalty

2.0 REPRESENTATIONS AND WARRANTIES OF THE OPTIONOR

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

- (a) it is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Optionor enforceable against it in accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and
 - (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (b) Cronin is the legal and beneficial owner of an 100% interest in the Property, free and clear of all Encumbrances, and no other person, other than the Optionee has any right or interest to acquire any interest in the Property;
- (c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of, or accelerate the performance required by any agreement to which it is a party;

- (d) no consent or approval is required to permit the execution and delivery of this Agreement by it or the performance of their obligations hereunder;
- (e) the mineral claims comprising the Property are valid, have been properly located and recorded, are in compliance with all applicable laws and are currently in good standing with all applicable governmental entities in the Province of British Columbia;
- (f) the Optionor is legally entitled to hold the Property and will remain so entitled until the Property Interest has been duly transferred to the Optionee as contemplated hereby;
- (g) it has not received any notice, whether written or oral, from any governmental entity or any person with jurisdiction or applicable authority of any revocation or intention to revoke the Optionor's interest in the Property;
- (h) there is no adverse claim or challenge against or to the ownership of or title to the Property, nor to the knowledge of the Optionor, after making due inquiry, is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof, and no person (other than the Optionor pursuant to the NSR Royalty) has any royalty or other interest whatsoever in production from the Property;
- (i) there is no outstanding directive or order or similar notice issued by any regulatory agency, including agencies responsible for environmental matters, affecting the Property or the Optionor nor is there any reason to believe that such an order, directive or similar notice is pending;
- (j) all work carried out on the Property by or under the direction of the Optionor has been done in compliance with all applicable laws and regulations (including Environmental Laws) and it has no reason to believe that all prior work carried out on the Property by third parties has not been done in compliance with all applicable laws and regulations and there are no environmental conditions existing on the Property to which any material remedial action is required or any material liability has or may be imposed under applicable Environmental Laws;
- (k) to its knowledge, the Property does not lie within any protected area, rescued area, reserve, reservation, reserved area or special needs lands as designated by any governmental authority having jurisdiction, that would materially impair the development of a mining project on such land;
- (l) to its knowledge, there are no outstanding work orders or, to its knowledge, actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property;
- (m) to its knowledge, no toxic or hazardous substance or waste has been treated on or is now stored on the Property, and there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance or waste (as defined by any applicable law) from, on, in or under the Property or into the environment, except releases permitted or otherwise authorized by such law;
- (n) to its knowledge, there are no pending or ongoing actions taken by or on behalf of any native or indigenous persons pursuant to the assertion of any land claims with respect to lands included in the Property; and

- (o) it has provided the Optionee copies of all maps, reports, assay results and other relevant technical data compiled by or in its possession with respect to the Property.

2.2 For the purposes of Section 2.1, the Optionor will be deemed to have “knowledge” of a particular fact or other matter if, after due inquiry (i) it is actually aware of that fact or matter; or (ii) that fact or matter comes to its attention under circumstances in which a reasonable person would take cognizance of it.

2.3 The representations and warranties contained in Section 2.1 are provided for the exclusive benefit of the Optionee and its successors and assigns, and a breach of any one or more thereof may be waived by the Optionee or its successors and assigns in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty; and the representations and warranties contained in Section 2.1 will survive the execution hereof. The Optionor shall indemnify and save harmless the Optionee from all losses, damages, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by it and contained in this Agreement.

3.0 REPRESENTATIONS AND WARRANTIES OF THE OPTIONEE

3.1 The Optionee represents and warrants to the Optionor that:

- (a) the Optionee is a valid and subsisting corporation duly incorporated under the laws of British Columbia and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Optionee enforceable against it accordance with its terms except that:
 - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and
 - (iv) rights of indemnity and contribution hereunder may be limited under applicable law;
- (b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of, or accelerate the performance required by any agreement to which any the Optionee is a party;
- (c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction or the constating documents of the Optionee;
- (d) no consent or approval is required to permit the execution and delivery of this Agreement by the Optionee or the performance of its obligations hereunder;
- (e) the authorized capital of the Optionee consists of an unlimited number of common shares, of which 26,985,000 common shares are issued and outstanding;

- (f) in regards to the documents pertaining to the Optionee that have been provided to the Optionors, none of such documents contained a material misrepresentation at the time they were provided, and, to the Optionee's knowledge, do not, as of the date hereof, contain a material misrepresentation. There is no fact known to the Optionee which the Optionee has disclosed to the Optionors which materially adversely affects, or so far as the Optionee can reasonably foresee, will materially adversely affect, the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise) of the Optionee or the ability of the Optionee to perform its obligations under this Agreement; and
- (g) on their issuance, the Option Shares will be issued as fully paid and non-assessable common shares of the Optionee.

3.2 The representations and warranties contained in Section 3.1 are provided for the exclusive benefit of the Optionor and a breach of any one or more thereof may be waived by the Optionor, in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty; and the representations and warranties contained in Section 3.1 will survive the execution hereof. The Optionee shall indemnify and save harmless the Optionor from all losses, damages, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement.

4.0 COVENANTS OF THE OPTIONOR

4.1 Forthwith upon execution of this Agreement by the Parties, the Optionor will deliver to the Optionee copies of such technical and geological information pertaining to the Property in their possession or control as the Optionee may reasonably request.

4.2 During the duration of this Agreement and the Option, the Optionor will:

- (a) not perform any act or thing which would or might in any way adversely affect the rights of the Optionee hereunder to earn the Property Interest;
- (b) promptly make available to the Optionee and its representatives all records and files in the possession of the Optionor relating to the Property, and permit the Optionee and its representatives at its own expense to take abstracts there from and make copies thereof; and
- (c) promptly provide the Optionee with any and all notices and correspondence from government agencies in respect of the Property.

5.0 GRANT OF OPTION

5.1 The Optionor hereby grants to the Optionee the sole and exclusive right to acquire the Property Interest, subject to the NSR Royalty (the "**Option**").

5.2 The Option is exercisable by the Optionee by, within five (5) Business Days of the Effective Date:

- (a) making aggregate cash payment of \$15,000 to Cronin (the "**Option Payment**"); and
- (b) issuing to Cronin 1,800,000 common shares in the capital of the Optionee (the "**Option Shares**").

5.3 For greater certainty, the payment of the Option Payment under Section 5.2(a) and the issuance of the Option Shares under Section 5.2(b) are optional, and the Optionee will not be obligated to make any payment.

5.4 The Optionee may elect at its sole discretion to deliver all of the Option Payment and Option Shares required to exercise the Option at any time before such delivery or incurrence, as applicable, is required and upon such early delivery or incurrence the Optionee will be deemed to have exercised the Option and acquired the Property Interest.

5.5 The Optionor may direct the Optionee to register the Option Shares in the names of the persons or entities as the Optionor directs, in its sole discretion.

6.0 EXERCISE OF OPTION

6.1 Upon satisfaction of the conditions set out in Section 5.2(a) and 5.2(b), the Option will be deemed to be exercised and the Property Interest will automatically vest in the Optionee free and clear of all Encumbrances, subject to the NSR Royalty. The date on which the Optionee satisfies all of the conditions set out in Section 5.2(a) and 5.2(b) will be referred to herein as the “**Exercise Date**”.

6.2 Upon the exercise of the Option, the Optionee will grant the NSR Royalty to the Optionor on the terms set out in Schedule B. The Optionee will have the right to purchase 50% of the NSR Royalty (being 1.0%), within 30 days of Commercial Production (as such term is defined in the form of royalty agreement attached hereto as Schedule B), upon the payment of \$1,000,000 to the Optionor.

7.0 OPERATOR DURING OPTION PERIOD

7.1 The Optionor shall be the operator of the Property during the Option Period.

7.2 During the Option Period, the Optionee, including the directors and officers of the Optionee and its employees, designated consultants, agents and independent contractors, shall gain possession of the Property and subject to Section 9.1 will have the sole and exclusive right in respect of the Property to:

- (a) enter thereon;
- (b) have exclusive and quiet possession thereof;
- (c) do such prospecting, exploration, development and/or other Mining Work thereon and thereunder as the Optionee in its sole discretion may determine advisable;
- (d) bring upon and erect upon the Property buildings, plant, machinery and equipment as the Optionee may deem advisable; and
- (e) remove therefrom and dispose of reasonable quantities of ores, minerals and metals for the purpose of obtaining assays or making other tests.

8.0 TRANSFER OF TITLE AND INTEREST

8.1 The Optionor shall remain the sole recorded holder of the mineral claims comprising the Property as of the Effective Date until Exercise Date. Following the Exercise Date, the Optionor shall forthwith, and in any event within ten days thereafter, complete the transfer of the Property Interest to the Optionee.

8.2 During the Option Period, the Optionor shall not sell, transfer, encumber, mortgage, pledge, relinquish, abandon or dispose of all or any of its interest in the Property or this Agreement unless the

Optionee has provided prior written consent to such transfer, nor shall the Optionor do any act or thing which would or might in any way adversely affect the rights of the Optionee hereunder to earn the Property Interest.

8.3 During the Option Period, the Optionee shall not sell, transfer, encumber, mortgage, pledge, relinquish, abandon or dispose of all or any of its interest in the Property or this Agreement unless the Optionor has provided prior written consent to such transfer, and the transferee of such interest shall have first delivered to the Optionor its written agreement to be bound by all of the terms, conditions and covenants of this Agreement, to the extent of the interest transferred to such transferee.

8.4 Upon the exercise of the Option, the Parties will promptly execute and deliver the royalty agreement in the form set out in Schedule B in respect of the NSR Royalty. To the extent there is any delay in executing and delivering such royalty agreement the Parties acknowledge that the terms of the NSR Royalty as set out herein and in Schedule B will be binding on the Parties. If requested by the Optionee, the Optionor will execute and deliver to the Optionee such document or documents as may be required by the Optionee acknowledging that the Option has been exercised and that a 100% interest in and to the Property has been transferred to the Optionee, subject to the NSR Royalty.

9.0 OBLIGATIONS OF THE OPTIONEE

9.1 During the Option Period the Optionee will:

- (a) maintain the Property in good standing with all applicable government entities, including payment of all taxes and performing all required assessment work and making such filings and recordings on the Property as are necessary to maintain title and will perform all other actions that may be necessary to keep the Property free and clear of all liens and other charges arising from the exploration activities undertaken hereunder, except those at the time contested in good faith by the Optionee;
- (b) apply all exploration credits in respect of Mining Work performed by the Optionee in a manner that maintains, to the greatest extent possible, at least the amount of exploration credits on each mineral claim comprising the Property as at the Effective Date;
- (c) permit the directors, officers, employees and designated consultants of the Optionor, at their own risk and expense, to visit the Property at all reasonable times, provided 48 hours of advance notice of such visit is provided to the Optionee, provided that the Optionor agree to indemnify the Optionee against and to save the Optionee harmless from all costs, claims, liabilities and expenses that the directors, officers, employees and designated consultants of the Optionee may incur or suffer as a result of any injury (including injury causing death) suffered on the Property;
- (d) do all Mining Work on the Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any Governmental Authority;
- (e) indemnify and save the Optionor harmless in respect of any and all reasonably foreseeable costs, claims, liabilities and expenses arising out of the Optionee's gross negligence or wilful misconduct in respect of its activities on the Property; provided that the Optionee will incur no obligation thereunder in respect of claims arising or damages suffered after termination of the Option if upon termination of the Option any workings on or improvements to the Property made by the Optionee are left in a safe condition; and

- (f) deliver, or make available, to the Optionor the following reports:
- (i) comprehensive exploration reports on an annual basis, which reports shall include without limitation the total amount of Expenditures incurred on the Property and results obtained during the calendar year ending on December 31st immediately preceding, accompanied by copies of all raw and interpreted data, reports, figures, drawing and interpretations and other information on or with respect to the Property not already provided to Optionor;
 - (ii) quarterly reports that shall include the total amount of Expenditures incurred on the Property and results obtained during the calendar quarter (if available), including environmental reports, accompanied by copies of all data, reports and other information on or with respect to the Property not already provided to the Optionor, together with reports on community relations and social license to the extent prepared internally by Optionee for its own use; and
 - (iii) during periods of active field work, timely copies of all relevant data, reports and other information concerning such results, including those necessary to permit the Optionor to meet its continuous disclosure obligations under applicable legislation and the requirements of any securities commission, stock exchange or other regulatory body having jurisdiction over the Optionor.

Without limiting the foregoing, such data, reports and other information will be delivered to the Optionor within 15 days of request by the Optionor, but not more than once per calendar year.

10.0 ABANDONMENT

10.1 If, during the Option Period, the Optionee intends to allow to lapse, abandon or surrender any part of the Property or any future addition to the Property (the “**Abandonment Property**”), the Optionee shall give notice of such intention to the Optionor at least 60 days in advance of the applicable date of expiration or the proposed date of abandonment or surrender (one or the other, an “**Abandonment Date**”) along with details of the Abandonment Date and of any Encumbrance on the Abandonment Property. Within 15 days of receipt of such notice, the Optionor may deliver notice to the Optionee that the Optionor desire the Optionee to convey the Abandonment Property to the Optionor at no additional cost to the Optionor, and, if the Optionor desire to have the Abandonment Property conveyed to them, then the Optionee shall convey the Abandonment Property to the Optionor and the Optionee shall have no further obligations in respect of the Abandonment Property under this Agreement. The Optionor and the Optionee shall use commercially reasonable efforts to obtain all approvals and consents required by any third person or governmental entity to effect this conveyance.

10.2 If the Optionor does not request conveyance of the Abandonment Property within 15 days of receipt of the notice from the Optionee then the Optionor’s right to have such Abandonment Property conveyed will be terminated and the Optionee may abandon the Abandonment Property. The Abandonment Property shall thereafter cease to form part of the Property and shall thereafter no longer be subject to this Agreement and the Optionee shall have no further obligations in respect of the Abandonment Property under this Agreement.

11.0 TERMINATION OF OPTION

11.1 The Optionee may terminate the Option at any time prior to the exercise thereof by providing written notice to the Optionor.

11.2 The Optionor may terminate the Option if at any time during the Option Period the Optionee fails to make the Option Payment or issue the Option Shares in accordance with Section 5.2 hereof, but only if:

- (a) it first gives to the Optionee a notice of default containing particulars of the obligation which the Optionee has not performed; and
- (b) the Optionee has not, within 20 days after delivery of such notice of default, cured such default or begun proceedings to cure such default by appropriate payment or performance.

11.3 If the Option is terminated other than upon the exercise thereof pursuant to Section 6.1, the Optionee will:

- (a) leave the mineral claims that comprise the Property in good standing for a period of two years from the termination of the Option Period or pay to the Optionor cash in lieu thereof in an amount equal to two years of claim rental fees;
- (b) deliver to the Optionor an instrument of transfer in order to transfer the right, title and interest in the Property to the Optionor or the Optionor's nominee or nominees, free and clear of all liens or charges arising from the Optionee's activities on the Property, except those at the time contested in good faith by the Optionee;
- (c) comply with applicable laws and regulations regarding reclamation for activities carried out by the Optionee on the Property; and
- (d) deliver, at no cost to the Optionor and within three months of the termination of the Option Period, copies of all raw and interpreted data, reports, maps, figures, drawing, assay results and other relevant technical data and interpretations compiled by or in the possession of the Optionee with respect to the terminated tenures and not theretofore furnished to the Optionor.

11.4 Notwithstanding termination of the Option, the Optionee will have the right, within a period of one year following the end of the Option Period, to remove from the Property all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Property by or on behalf of the Optionee, and any such property not removed within such one year period will thereafter become the property of the Optionor.

12.0 AREA OF INTEREST

12.1 During the Option Period, an area of mutual interest located within the existing exterior boundaries of the Property and up to or within two kilometers of the existing exterior boundaries of the Property as at the Effective Date is hereby established, which area is hereinafter called the "AOI".

12.2 The Parties hereby covenant and agree that if either of them shall acquire (whether by staking or otherwise) any property interest or mineral rights or claims (the "AOI Interest") after the Effective Date located wholly or partly within the AOI, directly or indirectly, the Party acquiring such AOI Interest (the "Acquiring Party") shall, within 30 days, provide the other Party (the "Other Party") with written notice of such acquisition, and the total cost thereof and all details in the possession of the Acquiring Party with respect to the details of the acquisition, the nature of the property and the known mineralization. The Other

Party shall have the right, for a period of 60 days, to elect to include the AOI Interest as part of the Property. If the Other Party determines to include the AOI Interest, it will become a part of the Property and shall be subject to the terms of this Agreement. The cost of acquiring an AOI Interest that is included in the Property shall be borne by the Optionee; however, all costs of acquisition shall be deemed to be part of the Expenditures to be incurred by the Optionee to earn an interest in the Property. The acquisition of an AOI Interest will not amend the exterior boundaries of the AOI.

13.0 FORCE MAJEURE

13.1 If the Optionee is at any time either during the Option Period or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of aboriginal claims, strikes, walk-outs, labour shortages, power shortages, fuel shortages, fires, wars, acts of terrorism, acts of God, governmental regulations restricting normal operations, epidemic, pandemic, quarantine, civil commotion, natural catastrophes, changes in laws or regulations, national strikes, fire, explosion or any other reason or reasons beyond the control of the Optionee (each, an “**event of force majeure**”), the time limited for the performance by the Optionee of its obligations hereunder will be extended by a period of time equal in length to the period of each such prevention or delay, provided however that nothing herein will discharge the Optionee from its obligations under Section 9.1(a).

13.2 The Optionee will, to the extent possible, promptly give written notice to the Optionor of each event of force majeure under Section 13.1 and upon cessation of such event will furnish the Optionor with notice to that effect together with particulars of the number of days by which the obligations of the Optionee hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

14.0 CONFIDENTIAL INFORMATION AND NEWS RELEASES

14.1 Confidentiality

Except as otherwise provided in this Agreement, both Parties agree that without the prior written consent of the other Party, it will treat as confidential and prevent disclosure to any third parties of any geological, geophysical or other factual and technical information and data relating to the Property or activities related to the Property. This obligation shall be a continuing obligation of any Party throughout the term of this Agreement and for a period of one year following termination of this Agreement.

14.2 Exceptions

The approval required by Section 14.1 shall not apply to a disclosure:

- (a) to an affiliate, consultant, contractor or subcontractor that has a *bona fide* need to be informed;
- (b) reasonably required by a third party or parties in connection with negotiations for a permitted transfer of an interest under this Agreement or an interest in the Property to such third party or parties or the acquisition of an equity or other interest in a Party by such third party or parties;
- (c) to a governmental agency or to the public which any disclosing party believes in good faith is required by pertinent law or regulation or the rules or policies of any stock exchange or securities regulatory authority;

- (d) reasonably required by a party in the prosecution or defense of a lawsuit or other proceeding;
- (e) reasonably required by a financial institution or other similar entity in connection with any financing being undertaken by a Party for purposes of this Agreement;
- (f) of information which is or becomes part of the public domain other than through a breach of this Agreement;
- (g) of information already in the possession of a Party or its affiliate or independently developed prior to the date of this Agreement,;
- (h) of information lawfully received by a Party or an affiliate from a third party not under an obligation of secrecy to the other Parties; or
- (i) following termination of this Agreement, confidential information reasonably required by a third party or parties in connection with negotiating for a transfer of an interest in the Property.

As to any disclosure pursuant to Section 14.2(a), (b) or (e), only such confidential information as such third party shall have a legitimate business need to know shall be disclosed and such third party shall first agree in writing to protect the confidential information from further disclosure to the same extent as the Parties are obligated under this Section 14.0.

15.0 NOTICES

15.1 Each notice, demand or other communication required or permitted to be given under this Agreement will be in writing and will be sent by prepaid registered mail or commercial courier addressed to any Party entitled to receive the same, or delivered to such Party, at the address for such Party specified or by facsimile or electronic mail, in each case addressed as applicable as follows:

- (a) If to the Optionor at:

Cronin Exploration Inc.
Unit 309 – 2912 West Broadway
Vancouver, British Columbia
V6K 0E9

Attention: Kyler Hardy & Dave Robinson
Email: *[Redacted - personal information]*

- (b) If to the Optionee at:

SILICON METALS CORP.
1111, 15TH Floor West Hastings Street Vancouver,
British Columbia
V6E 2J3

Attention: Morgan Good
Email: *[Redacted - personal information]*

or to such other address as is specified by the particular Party by notice to the others.

15.2 The date of receipt of such notice, demand or other communication will be the date of delivery thereof if delivered or the date of sending it by facsimile, or, if given by registered mail or courier as aforesaid, will be deemed conclusively to be the third day after the same will have been so mailed except in the case of interruption of postal services for any reason whatever, in which case the date of receipt will be the date on which the notice, demand or other communication is actually received by the addressee.

15.3 Any Party may at any time and from time to time notify the other Party in writing of a change of address and the new address to which notice will be given to it thereafter until further change.

16.0 GENERAL

16.1 This Agreement constitutes the entire agreement between the Parties and supersedes and replaces any other agreement or arrangement, whether oral or written, express or implied or heretofore existing between the Parties in respect of the subject matter of this Agreement.

16.2 No consent or waiver expressed or implied by any Party in respect of any breach or default by another Party in the performance of such other of its obligations hereunder will be deemed or construed to be a consent to or a waiver of any other breach or default.

16.3 This Agreement provides for an option only and except as specifically provided otherwise, nothing herein contained shall be construed as creating a partnership, joint venture, agency or fiduciary relationship between the Parties or be construed as obligating the Optionee to do any acts or make any payments hereunder except as otherwise set forth, and any act or acts or payment as may be made hereunder shall not be construed as obligating the Optionee to do any further act or make any further payment or payments.

16.4 The Parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement or to record wherever appropriate the respective interests from time to time of the Parties in the Property.

16.5 This Agreement and any other writing delivered pursuant hereto may be executed in any number of counterparts with the same effect as if all parties to this Agreement or such other writing had signed the same document and all counterparts will be construed together and will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with applicable law, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered is deemed to have been duly and validly delivered and be valid and effective for all purposes.

16.6 This Agreement will be governed and construed according to the laws of the Province of British Columbia and the laws of Canada applicable therein, and the Parties hereby attorn to the jurisdiction of the Court of British Columbia.

16.7 Time is of the essence in the performance of any and all of the obligations of the Parties, including, without limitation, the payment of monies.

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

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

CRONIN EXPLORATION INC.

By: /s/ "Kyler Hardy"

Name: Kyler Hardy

Title: Director & CEO

SILICON METALS CORP.

By: /s/ "Morgan Good"

Name: Morgan Good

Title: Director & CEO

SCHEDULE A

Description of the Property

Claim Name	Claim #	Claim Block Size (Ha)	Staking Date	Good to Date	Registered Owner	Prospector #	Cronin Ownership Percentage
Silicon Ridge 1	1117163	1,426.81	Friday, November 1, 2024	Saturday, November 1, 2025	Cronin Exploration Inc.	290990	100.00%
Silicon Ridge 2	1117164	1,074.38	Friday, November 1, 2024	Saturday, November 1, 2025	Cronin Exploration Inc.	290990	100.00%
Silicon Ridge 3	1117165	37.03	Friday, November 1, 2024	Saturday, November 1, 2025	Cronin Exploration Inc.	290990	100.00%

SCHEDULE B

Net Smelter Return Royalty

(See attached)

ROYALTY AGREEMENT

THIS ROYALTY AGREEMENT dated as of November ___, 2024,

AMONG:

SILICON METALS CORP., a company existing under the laws of British Columbia having its business address at 1111, 15TH Floor West Hastings Street, Vancouver, British Columbia V6E 2J3

(“**Owner**”)

AND:

CRONIN EXPLORATION INC, a company existing under the laws of British Columbia having its business address at Unit 309 – 2912 West Broadway Street, Vancouver, British Columbia V6K 0E9

(the “**Royalty Holder**”)

WHEREAS Owner has agreed to grant to the Royalty Holder a net smelter return royalty on the production of metals and minerals from the Silicon Ridge Property Claims on the terms set out in this Royalty Agreement;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, it is agreed as follows:

1. DEFINITIONS

Unless the context otherwise requires, in this Royalty Agreement:

“**Abandoned Silicon Ridge Property Claims**” has the meaning given in Section 17(c);

“**Affiliate**” means any person which directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, “**control**” means, in relation to any person, possession, directly or indirectly, of the power to direct or cause direction of management and policies of that person through ownership of voting securities, contract, voting trust or otherwise;

“**Allowable Deductions**” means:

- (i) Penalties, fees, expenses, charges, and deductions, metal losses, umpire charges, assaying and sampling charges, smelting costs and treatment charges, that are incurred by Owner and its Affiliates relating to smelting or refining Products;
- (ii) expenses and charges that are incurred by Owner and its Affiliates relating to transportation of the Products from the Silicon Ridge Property Claims, a mill or

other place of ore treatment to a smelter or refinery, including costs of insurance in respect thereto; and

- (iii) all production, extraction, use, severance, ad valorem, value added tax, excise, export or import taxes, custom duties, governmental royalties and other governmental charges if any, payable by Owner or its Affiliates with respect to the existence, severance, production, removal, sale, import, export, transportation, or disposition of ore, concentrates, doré, refined gold, refined silver, or other Products produced from the Silicon Ridge Property Claims or in respect of the Royalty, but excluding taxes based on gross income and like taxes, the value of the Silicon Ridge Property Claims, the privilege of doing business and any value added or other taxes that are recoverable by Owner or its Affiliates;

Notwithstanding the foregoing and irrespective of whether Product is processed on or off the Silicon Ridge Property Claims in a facility wholly or partially owned by Owner or by an Affiliate of Owner, Allowable Deductions will not include any costs that are in excess of those which would be incurred on an arm's length basis, or which would not be Allowable Deductions if that Product was processed by an independent third party;

“Applicable Laws” means any international, federal, state, provincial, territorial, local or municipal law, regulation, ordinance, code, order or other requirement or rule of law or the rules, policies, orders or regulations of any Governmental Authority or stock exchange, including any judicial or administrative interpretation thereof, applicable to a person or any of its properties, assets, business or operations;

“Average Spot Price” for any expired Quarter means:

- (i) in respect of gold, the arithmetic mean of the London AM and PM Price Fix for each day of the expired Quarter on which the London Bullion Market Association fixes a spot price per troy ounce of gold as published in *Metal Bulletin* or any successor publication;
- (ii) in respect of silver, the arithmetic mean of the LBMA Silver Price for each day of the expired Quarter on which the London Bullion Market Association fixes a spot price per troy ounce of silver as published in *Metal Bulletin* or any successor publication;
- (iii) in respect of other precious metals, the arithmetic mean of the price of metal published in the *Metal Bulletin* or any successor publication, for each day of the expired Quarter on which the price of the precious metal is quoted;
- (iv) in respect of copper, the arithmetic mean of the LME Grade A Cash Settlement Price for copper as published in *Metal Bulletin* or any successor publication, for each Business Day of the expired Quarter; and
- (v) in respect of any other Mineral, the arithmetic mean of the price of such Mineral for each Business Day of the expired Quarter, where such price is arrived at using

global industry standards for establishing the average spot price of any other such Mineral as published in *Metal Bulletin* or any successor publication;

“Business Day” means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed or a payment is to be made;

“Books and Records” means all scientific and technical, financial, accounting, business, tax information, records and files, in any form whatsoever (including written, printed or electronic form or stored on computer discs or other data and software storage devices) related to the Royalty, including regulatory filings and returns, books of account and related original source documentation, actuarial, tax and accounting information, geological and metallurgical data, drill hole logs, cross sections and assay results, reports, files, lists, drawings, plans, logs, briefs, computer program documentation, deeds, certificates, contracts, surveys, title and legal opinions, records of payment, and asset documentation;

“Buy-back Right” has the meaning given in Section 21(a);

“Commercial Production” means the first day of the month following the first 15 consecutive days during which Products have been produced from a mine at an average rate of not less than 70% of the initial rated capacity if a plant is located on the Property or if no plant is located on the Property, the last day of the first period of 15 consecutive days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues, whether to a plant or facility constructed for that purpose or to a plant or facility already in existence, but does not include and Products from bulk sampling or milling for the purpose of testing or milling by a pilot plant;

“Confidential Information” has the meaning given in Section 29(a);

“Encumbrance” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, option, right of pre-emption, privilege or any matter capable of registration against title or any contract to create any of the foregoing;

“Event of Default” has the meaning given in Section 26;

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

“Gross Proceeds” means, in respect of an expired Quarter the aggregate of:

- (i) the gross proceeds that are actually received by Owner or its Affiliates from the sale (whether immediate or for future delivery) during the expired Quarter from the sale or other disposition of all Product extracted from the Silicon Ridge Property Claims;

- (ii) if the metals account of Owner or its Affiliates at a Mineral Processing Facility is credited with Minerals processed by the Mineral Processing Facility, the gross value of Minerals so credited to Owner or its Affiliates calculated on the basis of the aggregate quantity of such Minerals so credited during the relevant time period multiplied by the Average Spot Price; and
- (iii) if there is a Loss of Product, the insurance proceeds received by Owner or its Affiliates during the expired Quarter in respect of such Loss;

“**Hedging Transactions**” has the meaning given in Section 13;

“**Loss**” means an insured loss of or damage to Product, whether or not occurring on or off the Silicon Ridge Property Claims;

“**Losses**” means all claims, demands, proceedings, fines, losses, damages, liabilities, obligations, deficiencies, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties, judgment and amounts paid in settlement of any demand, action, suit, proceeding, assessment, judgment or settlement or compromise), including any Taxes payable in respect thereof and, in the case of the Royalty Holder, loss of profits, loss of revenue or losses attributable to the failure of Owner to perform its obligations under this Agreement, in connection with or in respect of any breach or default of this Agreement by the other Parties;

“**Mineral Processing Facility**” means, collectively, at any time and from time to time, any ore concentrator, mill, smelter, refinery or other mineral processing facility used to process ore from the Silicon Ridge Property Claims;

“**Mineral Rights**” means patented and unpatented mining claims, prospecting licences, tenements, exploration licences, mining leases, mining licences, mineral concessions and claims and other forms of mineral tenure or other rights to minerals or to work upon lands for the purpose of searching for, developing or extracting minerals under any form of mineral title recognized under applicable law whether contractual, statutory or otherwise;

“**Minerals**” means any and all economic, marketable metal bearing material, such as ore in whatever form or state, including but not limited to gold, silver, platinum, palladium, copper, molybdenum, zinc, nickel, iron, lead, cobalt, titanium, uranium, coal, hydrocarbons and any “mineral resource” as that term is defined from time to time in the *Income Tax Act* (Canada);

“**Net Smelter Returns**” means the Gross Proceeds less Allowable Deductions;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, or any successor instrument, rule or policy;

“**Notice**” or “**notice**” has the meaning given in Section 30(a);

“**Other Locations**” has the meaning given in Section 15;

“Other Owner” has the meaning given in Section 15;

“Other Rights” means any interest in real property, whether freehold, leasehold, license, right of way, easement, any other surface or other right in relation to real property, and any right, licence or permit in relation to the use or diversion of water, but excluding any Mineral Rights;

“Party” means the Royalty Holder or Owner, as the context requires;

“Parties” means the Royalty Holder and Owner;

“Penalty” or **“Penalties”** means a charge or charges made by a refinery, smelter or other third party processing facility, in addition to normal refining costs, for removing from the Product Minerals or other substances which are deleterious to the smelting and refining processes or where the cost of the removal exceeds the value of those Minerals or other substances;

“Prime Rate” means, at any particular time, the prime business rate of the Bank of Canada;

“Product” means all Minerals extracted for use or commercial sale which is produced or extracted by or on behalf of Owner or its Affiliates from the Silicon Ridge Property Claims (whether in concentrate, doré and other mineral products in whatever form, metals or minerals which are derived therefrom, whether so derived on or off the Silicon Ridge Property Claims or otherwise);

“Quarter” means a period of three calendar months ending on March 31, June 30, September 30, or December 31 and **“Quarterly”** has a corresponding meaning;

“Relinquishment Event” has the meaning given in Section 17(c);

“Reserves” means proven and probable reserves as defined and incorporated under NI 43-101;

“Resources” means measured, indicated and inferred resources as defined and incorporated under NI 43-101;

“Royalty” means the percentage of the Net Smelter Returns to which the Royalty Holder is entitled under Section 2;

“Royalty Agreement” means this document including any schedule, exhibit or appendix to it;

“Royalty Records” means the books, accounts and records maintained by or on behalf of Owner and its Affiliates, showing reasonable detail in relation to:

- (i) the quantity of Products sold in each Quarter or for which insurance proceeds have been received in the Quarter;

- (ii) the calculation of each component of the Royalty for each Quarter;
- (iii) the payment of the Royalty in each Quarter; and
- (iv) where there is any co-mingling in a Quarter of Products with materials extracted from land outside the boundaries of the Silicon Ridge Property Claims, the measures, moistures and assays of the Minerals and substances in the Products extracted and recovered from the Silicon Ridge Property Claims prior to the co-mingling;

“Royalty Statement” has the meaning given in Section 4(c);

“Sale” means a sale or other disposition of Product by or on behalf of Owner or its Affiliates;

“Silicon Ridge Property Claims” or the **“Property”** means the mineral concessions set out in Schedule A;

“Subsidiary” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a Subsidiary;

“Tax” or **“Taxes”** means all taxes, assessments and other charges, duties, and impositions, including any interest, penalties, tax instalment payments or other additions that may become payable in respect thereof, imposed by any Governmental Authority, which taxes shall include all income or profits taxes (including federal, provincial, and state income taxes), non-resident withholding taxes, sales and use taxes, branch profit taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, land transfer taxes, capital taxes, extraordinary income taxes, surface area taxes, property taxes, asset transfer taxes, and other charges and obligations of the same or of a similar nature to any of the foregoing; and

“Transfer” when used as a verb, means to sell, grant, assign, encumber, hypothecate, pledge or otherwise dispose of or commit to dispose of, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sales or spin-out transactions. When used as a noun, **“Transfer”** means a sale, grant, assignment, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sale or spin-out transaction.

2. **GRANT OF ROYALTY**

Owner hereby grants and agrees to pay to the Royalty Holder a royalty equal to 2% of the Net Smelter Returns in respect of the Silicon Ridge Property Claims, on the terms and conditions specified in this Royalty Agreement.

3. **TERM**

The Royalty shall exist in perpetuity. The Royalty shall not be terminated by reason of the suspension of operations or closure of any mine or mining operations on the Silicon Ridge Property Claims. Owner and the Royalty Holder agree that the Royalty shall run with and bind to the title of the Silicon Ridge Property Claims, as applicable.

4. **PAYMENTS**

- (a) The obligation to pay the Royalty will commence upon the date of this Agreement.
- (b) The Royalty will be due and payable Quarterly 45 days following the end of the Quarter in which the Royalty accrued.
- (c) Royalty payments will be accompanied by a statement (a “**Royalty Statement**”) showing in reasonable detail:
 - (i) the quantities and grades of Product sold or deemed sold by Owner (or its Affiliates) or for which insurance proceeds have been received in the preceding Quarter;
 - (ii) the Gross Proceeds for the preceding Quarter;
 - (iii) the applicable Allowable Deductions for the preceding Quarter;
 - (iv) other pertinent information in sufficient detail to explain the calculation of the Royalty payment;
 - (v) an estimate of anticipated production from the Silicon Ridge Property Claims for the following Quarter; and
 - (vi) a statement setting out the Reserves and Resources for the Silicon Ridge Property Claims and the assumptions used.

5. **ROYALTY PAYMENTS AND ADJUSTMENTS**

- (a) Each Royalty payment will be considered in full satisfaction of all obligations of Owner with respect to that particular payment, unless the Royalty Holder gives Owner written notice describing and setting out a specific objection to the determination of that Royalty payment within twelve months after receipt by the Royalty Holder of the respective Royalty Statement that complies with Section 4(c).

- (b) If the Royalty Holder objects to a particular Royalty Statement within the period of twelve months specified in Section 5(a) by providing a notice of objection to Owner, then the Royalty Holder shall have a period of three months after Owner's receipt of notice of such objection to have the Royalty Records (including mining and production records) relating to the calculation of the Royalty payment in question audited by a chartered accountant selected by the Royalty Holder. Upon completion of the audit, the Royalty Holder shall ensure that a copy of the report of the auditor is provided to Owner as soon as practicable.
- (c) If an audit conducted in accordance with Section 5(b) determines that there has been a deficiency in the payment made to the Royalty Holder and as long as Owner has been provided with a copy of the report of the auditor and has not disputed the auditor's findings by giving written notice to the Royalty Holder within 45 Business Days of receiving that report, such deficiency will be resolved by adjusting the next Quarterly Royalty payment due under this Royalty Agreement. If no Royalty is due to be paid in the next Quarter, then settlement will be made between the Parties by cash payment within ten Business Days of the expiration of the period of 45 Business Days referred to above. The Royalty Holder shall pay all costs of such audit unless a deficiency of \$5,000 or more of the amount due to the Royalty Holder is determined to exist. Owner shall pay the costs of such audit if a deficiency of \$5,000 or more of the amount due is determined to exist. Failure on the part of the Royalty Holder to make claim on Owner for adjustment within the period of 12 months specified in Section 5(a) will establish the correctness of the Royalty payment and preclude the making of claims for adjustment of the Royalty payment.
- (d) All Royalty Records shall be kept according to international financial reporting standards.
- (e) For the purpose of determining the Gross Proceeds:
 - (i) all receipts in a currency other than Canadian dollars shall be converted into Canadian dollars on the day of receipt; and
 - (ii) all disbursements in a currency other than Canadian dollars shall be converted into Canadian dollars at the average rate for the month of disbursement,all such conversions being determined using the Bank of Canada daily average exchange rate.
- (f) For the purpose of determining the Gross Proceeds, if any portion of the minerals, metals or concentrates extracted and derived from the ore mined and removed from the Silicon Ridge Property are sold to a purchaser owned or controlled by the Owner or treated by a smelter owned or controlled by the Owner, the actual proceeds received shall be deemed to be an amount equal to what could be obtained from a purchaser or a smelter not so owned or controlled in respect of minerals, metals or concentrates, as applicable, of like grade, quality and quantity.

6. **INTEREST**

If Owner fails to pay any sum to the Royalty Holder payable by it under or in accordance with this Royalty Agreement then Owner shall pay interest on that sum from the due date for payment until that sum is paid in full at the rate per annum which is the Prime Rate on the date on which the payment was due calculated daily plus 8%. The right to require payment of interest under this Section 6 is without prejudice to any other rights the non-defaulting Party may have against the defaulting Party under this Royalty Agreement, at law or in equity.

7. **REPRESENTATIONS AND WARRANTIES OF OWNER**

Owner represents and warrants in favour of the Royalty Holder that, as of the date of this Royalty Agreement:

- (a) Owner is a corporation duly incorporated, amalgamated or continued, as the case may be, organized, validly existing and in good standing under the laws of its current governing jurisdiction.
- (b) Owner has all necessary corporate power and authority to enter into and perform its obligations under this Royalty Agreement, to own its existing Mineral Rights, and to carry on its business as now conducted and as currently proposed to be conducted.
- (c) Owner has taken all corporate steps and proceedings necessary to approve the transactions contemplated hereby, including the execution and delivery of this Royalty Agreement.
- (d) This Royalty Agreement has been duly executed and delivered by Owner and constitutes a legal, valid and binding obligation of Owner, enforceable in accordance with its terms by the Royalty Holder against Owner, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

8. **ROYALTY HOLDER REPRESENTATIONS AND WARRANTIES**

The Royalty Holder represents and warrants in favour of Owner that, as of the date of this Royalty Agreement:

- (a) The Royalty Holder is a corporation duly incorporated, amalgamated or continued, as the case may be, organized, validly existing and in good standing under the laws of its current governing jurisdiction.
- (b) The Royalty Holder has all necessary corporate power and authority to enter into and perform its obligations under this Royalty Agreement and to carry on its business as now conducted and as currently proposed to be conducted.

- (c) The Royalty Holder has taken all corporate steps and proceedings necessary to approve the transactions contemplated hereby, including the execution and delivery of this Royalty Agreement.
- (d) This Royalty Agreement has been duly executed and delivered by the Royalty Holder and constitutes a legal, valid and binding obligation of the Royalty Holder enforceable in accordance with its terms by Owner against the Royalty Holder, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

9. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

All representations, warranties, covenants and agreements of Owner and the Royalty Holder set forth in this Royalty Agreement shall survive the completion of the transactions herein, notwithstanding any investigation made by or on behalf of Owner or the Royalty Holder, respectively, and all such representations, warranties, covenants and agreements of Owner and the Royalty Holder shall continue in perpetuity in full force and effect for the benefit of Owner and the Royalty Holder, respectively.

10. AREA OF INTEREST

Owner agrees with the Royalty Holder that if the Owner or any of its Affiliates acquire, by way of staking, any Mineral Rights within three (3) kilometre of the external boundaries of the Mineral Rights comprising the Silicon Ridge Property Claims, then Owner acknowledges and agrees that such acquired Mineral Rights will be subject to a royalty on the terms set out in this Royalty Agreement, and will promptly execute any further documentation as may be required by the Royalty Holder, acting reasonably, to evidence such royalty.

11. OPERATIONS ON THE PROPERTY

Owner will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Silicon Ridge Property Claims and may suspend operations and production on the Silicon Ridge Property Claims at any time it considers prudent or appropriate to do so. Owner will owe the Royalty Holder no duty to explore, develop or mine the Silicon Ridge Property Claims, or to do so at any rate or in any manner other than that which Owner may determine in its sole and unfettered discretion. For clarity, the Royalty Holder shall not have any contractual rights in connection with the development or operation of any of the operations of Owner, including without limitation, with regards to the Silicon Ridge Property Claims.

12. CO-MINGLING

Before any Product is co-mingled with minerals from any properties other than the Silicon Ridge Property Claims, the Product shall be measured and sampled in accordance with sound mining and metallurgical practices for moisture, metal, and other appropriate content. Representative samples of the Product shall be retained by Owner and assays

(including penalty substances) and other appropriate analyses of these samples shall be made before co-mingling to determine metal, mineral and other appropriate content and penalty substances of the Product. From this information, Owner shall determine the quantity of the Product subject to the Royalty notwithstanding that the Product has been co-mingled with metals from other properties. The Royalty Holder will not be disadvantaged as a result of the quantity determination. Following the expiration of the period for objections described above in Subsection 5(a) above, and absent timely objection, if any, made by the Royalty Holder, Owner may dispose of the materials and data required to be kept and produced by this Section.

13. HEDGING TRANSACTIONS

If Owner or its Affiliates engages in any hedging or price protection activities, including, but not limited to, forward selling, commodity futures trading, option trading, metals trading, metal loans, stockpiling, speculative arrangement on or off commodity exchanges that may involve any minerals concentrates or metals produced from the Silicon Ridge Property Claims or any combination thereof, and any other similar transactions (collectively “**Hedging Transactions**”), then all profits and losses resulting from such Hedging Transactions shall be specifically excluded from calculations of Royalty payments pursuant to this Royalty Agreement and shall be solely for the Owner’s account.

14. TAILINGS

All tailings resulting from the operations and activities of Owner or its Affiliates on the Silicon Ridge Property Claims shall be the sole and exclusive property of Owner, but shall be subject to the Royalty if such tailings are produced as a consequence of operations to process ore from the Silicon Ridge Property Claims or concentrates derived from such ore, are processed in the future and result in the production of Minerals from the Silicon Ridge Property Claims.

15. STOCKPILING

Owner shall be entitled to stockpile, store or place Product from the Silicon Ridge Property Claims in locations outside of the boundaries of the Silicon Ridge Property Claims (the “**Other Locations**”); provided, however, Owner has first obtained a written agreement from each owner (the “**Other Owner**”) of the Other Locations where such Product will be stockpiled, stored or placed, in recordable form, in favour of the Royalty Holder and executed by such Other Owner in a form reasonably satisfactory to the Royalty Holder that provides: (i) that the Royalty Holder’s rights with respect to the Product pursuant to this Royalty Agreement shall continue in full force and effect with respect to the Product stored at the Other Locations; (ii) that the Royalty Holder’s rights with respect to the Product stored at such Other Locations shall have priority over the Other Owner’s rights with respect to the Product stored at such Other Locations; and (iii) that the agreement executed by the Other Owner shall not be terminated as long as any Product is stored at the Other Locations.

16. **INSPECTIONS**

Upon not less than five Business Days' notice to Owner, the Royalty Holder, or its authorized agents or representatives, may, under the direction and control of Owner, enter upon all surface and subsurface portions of the Silicon Ridge Property Claims for the purpose of inspecting the Silicon Ridge Property Claims, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Silicon Ridge Property Claims, including without limitation, records and data that are electronically maintained. The Royalty Holder, or its authorized agents or representatives, shall enter upon the Silicon Ridge Property Claims at their own risk and expense and shall not hinder the operations and activities of Owner or other operators on or relating to the Silicon Ridge Property Claims.

17. **MAINTENANCE OF CURRENT MINERAL RIGHTS**

- (a) Owner shall use commercially reasonable efforts to do all things and make all payments necessary or appropriate to maintain the right, title and interest of Owner in the Mineral Rights that comprise the Silicon Ridge Property Claims and to maintain such Mineral Rights in good standing. Owner shall pay all Taxes and other payments when due on or with respect to the Silicon Ridge Property Claims, and shall do all things and make all payments necessary or appropriate to maintain the rights, title and interests of the Royalty Holder in the Silicon Ridge Property Claims and under this Royalty Agreement.
- (b) Notwithstanding the foregoing, Owner shall be entitled, from time to time, to abandon or surrender or allow to lapse or expire Mineral Rights that comprise the Silicon Ridge Property Claims or any portion thereof:
 - (i) if necessary to comply with applicable law, a court order or the requirement of a Governmental Authority; or
 - (ii) if Owner determines, acting reasonably, that the portion of such Silicon Ridge Property Claims is not economically viable or otherwise has insufficient value to warrant continued maintenance, but only if Owner has first complied with the provisions of Section 17(c).
- (c) If Owner shall seek to relinquish, drop, abandon or allow to lapse (the "**Relinquishment Event**") any of its interest in any part or parts of the Silicon Ridge Property Claims (the "**Abandoned Silicon Ridge Property Claims**") at any date that is more than one year from the date it acquired the Silicon Ridge Property Claims from the Royalty Holder otherwise than in accordance with Section 17(b)(i), then Owner shall provide the Royalty Holder with a minimum of 60 days prior written notice of such intended Relinquishment Event. Upon receipt of the said notice, the Royalty Holder shall have a period of ten days within which to advise Owner in writing that they shall seek to take an assignment of the Abandoned Silicon Ridge Property Claims for consideration equal to \$10. If the Royalty Holder forwards such written notice to Owner within the said ten day

period, Owner shall thereafter do all such acts and things or shall cause all such acts and things to be done, at the Royalty Holder's own sole cost and expense, to assign its interest in the Abandoned Silicon Ridge Property Claims to the Royalty Holder for the said \$10 and to have the Abandoned Silicon Ridge Property Claims recorded or registered into the name of the Royalty Holder. If the Royalty Holder does not forward the said written notice to Owner within the said fifteen day period, then Owner shall have the right to complete the Relinquishment Event with respect to the applicable Abandoned Silicon Ridge Property Claims. For certainty, the Royalty Holder agrees that no future Royalty shall be payable by Owner in respect of any Product extracted or processed (or both) from a part of the Silicon Ridge Property Claims after a Mineral Right comprising that part of the Silicon Ridge Property Claims is transferred to the Royalty Holder under this Section 17(c).

- (d) Notwithstanding anything else in this Royalty Agreement to the contrary, Owner will not abandon or surrender, or allow to lapse or expire, any of its interest in any part or parts of the Silicon Ridge Property Claims for the purpose of permitting any third party to acquire such portion of the Silicon Ridge Property Claims or to otherwise avoid payment of the Royalty, and if Owner, or any Affiliate of Owner, directly or indirectly acquires any such Abandoned Silicon Ridge Property Claims within a two year period from the Abandoned date, then the calculation of the Royalty pursuant to this Royalty Agreement will include all Product relating to such Abandoned Silicon Ridge Property Claims.

18. RECORDS, ACCESS AND REPORTING

- (a) The Owner shall:
 - (i) keep true, accurate and complete Books and Records in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board and as amended, supplemented or replaced from time to time to enable the Royalty to be calculated in accordance with this Royalty Agreement;
 - (ii) permit the Royalty Holder, after it has given reasonable Notice to the Owner, to inspect at the Owner's premises and at all reasonable times and with access to the Owner's relevant personnel, the Owner's Books and Records referred to in Subsection 18(a), and to make and take away with it copies of such Books and Records; and
 - (iii) permit the Royalty Holder to enter the Silicon Ridge Property Claims at its own cost and risk for the purpose of inspecting the area and operations in it, provided that the Royalty Holder does not unreasonably hinder the Owner's operations on the Silicon Ridge Property Claims and complies with the Owner's instructions and directions, including in relation to health and safety and site inductions; provided further that the foregoing site visits shall not occur more than once per year, unless an audit under Section 5(b) shows that the Royalty Holder has been underpaid, in which case the

Royalty Holder may conduct site visits at all reasonable times for a period of three years following such audit.

- (b) Prior to the commencement of mining within the Silicon Ridge Property Claims, at the written request of the Royalty Holder, the Owner shall provide to the Royalty Holder an annual report on or before 90 days after the last day of each fiscal year of the Owner, outlining the following:
 - (i) the work carried out by or on behalf of the Owner on the Silicon Ridge Property Claims during that year; and
 - (ii) an update of the mine operating and development plan and budget which includes updated mineral resources and mineral reserves and forecasted production, as applicable.
- (c) If the Owner establishes a new mineral resource or mineral reserve on the Silicon Ridge Property Claims, the Owner shall provide to the Royalty Holder the reports pertaining to such mineral resource or mineral reserve as soon as practicable after the Owner makes its first public disclosure with respect to the establishment thereof.
- (d) The Parties acknowledge that the Royalty Holder or Affiliates thereof may become subject to NI 43-101. The Owner hereby covenants that upon written request by the Royalty Holder or an Affiliate thereof, it shall:
 - (i) provide any and all necessary technical data on the Silicon Ridge Property Claims as reasonably requested by the Royalty Holder;
 - (ii) grant access to the Silicon Ridge Property Claims to the Royalty Holder, its Affiliates or any representative thereof for personal inspection of the Silicon Ridge Property Claims; and
 - (iii) allow any report prepared for the Owner in accordance with NI 43-101 to be used by the Royalty Holder or its Affiliates in any technical report prepared for the Royalty Holder or its Affiliates, on a condition that a “qualified person” (as such term is defined in NI 43-101) engaged by the Royalty Holder is the author of the report prepared for the Royalty Holder or its Affiliates.

19. OWNER ASSIGNMENT

Owner may Transfer, in whole or in part: (i) legal or beneficial title in and to the Silicon Ridge Property Claims; and (ii) its rights and obligations under this Agreement; so long as the following conditions are satisfied:

- (a) Owner provides the Royalty Holder with thirty (30) days prior written notice of the intent to Transfer to the Royalty Holder;

- (b) any purchaser, merged company, transferee or assignee, as a condition to completion of the Transfer, agrees in writing in favour of the Royalty Holder to be bound by the terms of this Agreement, including without limitation, this section., pursuant to an instrument in writing that is satisfactory to the Royalty Holder, which will not be unreasonably withheld;
- (c) the Royalty Holder does not suffer a material adverse effect in relation to the transactions set forth in this Agreement;

For the avoidance of doubt and for greater certainty:

- (d) if Owner wishes to Transfer its interest in this Agreement, it shall Transfer all of its right, title and interest in and to all of the Silicon Ridge Property Claims to the same Person to whom it Transfers its interest in this Agreement; and
- (e) this Section 18 shall apply if Owner wishes to grant an option to any Person to acquire an interest in and to any of the Silicon Ridge Property Claims or enter into a joint venture with respect to the Silicon Ridge Property Claims.

20. ROYALTY HOLDER ASSIGNMENT

The Royalty Holder shall have the right to Transfer its rights in respect of the Royalty or any portion thereof to any lender, and shall have the right to assign or transfer the Royalty or any portion thereof to any third party, in each case without the consent of Owner, but must provide the Owner with fifteen (15) days prior written notice of the intent to Transfer.

21. BUY-BACK RIGHT

- (a) The Royalty Holder hereby grants to Owner, on the terms and conditions contained herein, an option to purchase from the Royalty Holder, and to require the Royalty Holder to sell to Owner, half of the Royalty Holder's net smelter returns royalty interest in the Silicon Ridge Property Claims, thereby reducing the royalty percentage of the Royalty from 2% to 1% (the "**Buy-back Right**") for aggregate consideration of \$1,000,000.
- (b) The Buy-back Right shall be exercisable by Owner up to 30 days after Commercial Production is achieved, after which time the Buy-back Right will cease to exist.
- (c) The Buy-back Right shall be exercised by delivering written notice to the Royalty Holder along with the purchase price of \$1,000,000 by way of certified cheque or a bank draft payable to the Royalty Holder, or other method of payment acceptable to the Royalty Holder. Upon the Royalty Holder's receipt of notice and payment from Owner in accordance with this Section 21(c), Owner may begin calculation of the Royalty at the rate of 1%.

22. REGISTRATION

- (a) The Royalty created herein shall be a real property interest in all portions of the Silicon Ridge Property Claims to which the Royalty applies sufficient to secure the Royalty payments herein provided for.
- (b) The Royalty Holder shall be entitled to require Owner, and the Royalty Holder shall be entitled, by itself, to the extent permitted by applicable law, to issue a public deed in respect of this Royalty Agreement and file, record or register evidence of this Royalty Agreement or such deed in any land, title or other similar registry with any Governmental Authority in which title to the Silicon Ridge Property Claims is recorded. Owner agrees with the Royalty Holder to execute those documents that may be necessary to perfect such recording.

23. TAXES

All amounts paid hereunder shall be made without any deduction, withholding, charge or levy for or on account of any Taxes, all of which shall be for the account of the Party making such payment. If any such Taxes are so required to be deducted, withheld, charged or levied by the Party making such payment, then such Party shall make, in addition to such payment, such additional payment as is necessary to ensure that the net amount received by the other Party entitled to payment (free and clear and net of any such Taxes, including any Taxes required to be deducted, withheld, charged or levied on any such additional amount) equals the full amount such other Party would have received had no such deduction, withholding, charge or levy been required. To the extent a Party pays to an applicable Governmental Authority any Taxes that gives rise to a gross-up as contemplated by this Section 23, that Party shall provide to the other Party reasonable documentation of the payment of such Taxes within ten (10) days of such payment.

24. NO IMPLIED COVENANTS

The Parties agree that no implied covenants or duties relating to exploration, development, mining or the payment of production royalties or any other monies provided for herein shall affect any of their respective rights or obligations hereunder, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this Royalty Agreement.

25. RELATIONSHIP OF THE PARTICIPANTS

This Royalty Agreement is not intended to, and will be deemed not to, create any partnership among the Parties including a mining partnership or commercial partnership.

26. DEFAULT

If Owner is in breach or default of any of its representations, warranties, covenants or obligations set forth in this Agreement in any material respect and such breach or default is not remedied within a period of thirty (60) days following delivery by the Royalty Holder to Owner of written notice of such breach or default, or such longer period of time as the

Royalty Holder may determine in its sole discretion (an “**Event of Default**”), the Royalty Holder shall have the right, upon written notice to Owner, at its option and in addition to and not in substitution for any other remedies available at law or equity, demand all Losses suffered or incurred as a result of the occurrence of such Event of Default, including following termination, Losses based on the Royalty Holder’s loss of the benefits from this Agreement.

27. INDEMNITY BY OWNER

Owner agrees to indemnify and hold harmless the Royalty Holder and its directors, officers, employees, agents, and Affiliates (if any) from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, law suit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon:

- (a) any representation or warranty of Owner contained herein being untrue in any material respect;
- (b) any breach or failure by Owner to comply with any covenant or agreement made by Owner herein; or
- (c) operations conducted on or in respect of the Silicon Ridge Property Claims by or on behalf of Owner or any of its Affiliates that result from or relate to the mining, handling, transportation, smelting or refining of Minerals, including without limitation Losses, in any way arising from or connected with any non-compliance with environmental laws or any contaminants or hazardous substances on, in or under the Silicon Ridge Property Claims or the soil, sediment, water or groundwater forming part thereof, whether in the past, present or future, or any contaminants or hazardous substances on any other lands or areas having originated or migrated from the Silicon Ridge Property Claims or the soil, sediment, water or groundwater forming part thereof.

28. EXPENSES

Each Party shall be responsible for paying all fees and expenses incurred by such Party in connection with this Royalty Agreement.

29. CONFIDENTIALITY

- (a) The terms of this Royalty Agreement, any draft of this Royalty Agreement and all information (whether embodied in tangible or electronic form) obtained by the Royalty Holder in or from Royalty Records, Royalty Statements or otherwise relating to the Royalty or to the business and activities of Owner or any of its Affiliates or any other person in relation to the Silicon Ridge Property Claims, any Mineral Right held by Owner (or an Affiliate) or Product all of which will, for the purposes of this Section 29, be referred to as “**Confidential Information**”, shall be

treated by the Royalty Holder as confidential and shall not be disclosed to any person, except in the following circumstances:

- (i) the Royalty Holder may disclose the Confidential Information to its auditors, legal counsel, institutional lenders, brokers, underwriters and investment bankers, as long as such non-party users are advised of the confidential nature of the Confidential Information and undertake to maintain the confidentiality of it;
 - (ii) the Royalty Holder may disclose the Confidential Information to a bona fide purchaser (whether actual or prospective) of all or part of the Royalty Holder's rights under this Royalty Agreement or to a bona fide financier (whether actual or prospective) as long as such purchaser or financier has first entered into a written undertaking in favour of Owner to preserve the confidentiality of the Confidential Information to be disclosed in a manner at least as onerous on the purchaser or financier as this Section 29 is onerous on the Royalty Holder;
 - (iii) the Royalty Holder may disclose the Confidential Information where that disclosure is necessary to comply with its disclosure obligations and requirements under any securities law, rules or regulations or stock exchange listing agreements, policies or requirements, as long as the proposed disclosure is limited to factual matters and the Royalty Holder has availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which they may be entitled; or
 - (iv) with the prior written approval of Owner.
- (b) Any Confidential Information that becomes part of the public domain by no act or omission in breach of this Section 29 will cease to be Confidential Information for the purposes of this Section 29.
 - (c) Section 29(a) does not restrict the disclosure or use of Confidential Information for the purposes of, and to the extent required in connection with, legal action to enforce rights under, or to seek remedies in connection with, this Royalty Agreement.

30. NOTICE

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, charges prepaid, address as follows:
 - (i) in the case of the Owner:

Silicon Metals Corp

1111, 15TH Floor West Hastings Street,
Vancouver, British Columbia
V6E 2J3

Attention: Morgan Good
Email: *[Redacted - personal information]*

- (ii) in the case of the Royalty Holder:

Cronin Exploration Inc.
Unit 309-2912 West Broadway Street
Vancouver, British Columbia
V6K 0E9

Attention: Kyler Hardy or David Robinson
Email: *[Redacted - personal information]*

- (b) Any notice sent in accordance with this Section (a) is deemed to have been received:

- (i) if delivered prior to or during normal business hours on a Business Day in the place where the notice is received, on the date of delivery;
- (ii) if sent by mail, on the fifth Business Day in the place where the notice is received after mailing, or, in the case of disruption of postal service, on the fifth Business Day after cessation of that disruption; or
- (iii) if sent in any other manner, on the date of actual receipt;

except that any notice delivered in person or sent by transmission not on a Business Day or after normal business hours on a Business Day, in each case in the place where the notice is received, is deemed to have been received on the next succeeding Business Day in the place where the notice is received.

- (c) Any Party may change its address for notice by giving notice to the other Parties.

31. GENERAL

- (a) **Interpretation.** Unless the context otherwise requires, in this Royalty Agreement:
- (i) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (ii) a reference to a person, corporation, trust, partnership, joint venture, unincorporated body or other entity includes any of them;
- (iii) a reference to a section or schedule is a reference to a section or schedule, to this Royalty Agreement;

- (iv) a reference to an agreement or document (including a reference to this Royalty Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Royalty Agreement or that other agreement or document;
 - (v) a reference to a party to an agreement (including this Royalty Agreement) or document includes the party's successors and permitted substitutes (including persons taking by novation) or assigns (and, where applicable, the party's legal personal representatives);
 - (vi) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it;
 - (vii) unless otherwise indicated, a reference to *dollars* and \$ is to the currency of Canada;
 - (viii) the word "*including*" means "*including without limitation*" and "*include*" and, "*includes*" will be construed similarly;
 - (ix) headings are for convenience only and do not form part of this Royalty Agreement or affect its interpretation;
 - (x) a provision of this Royalty Agreement shall not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Royalty Agreement or the inclusion of the provision in this Royalty Agreement;
 - (xi) if an act shall be done on a specified day which is not a Business Day, it shall be done instead on the next Business Day; and
 - (xii) a reference to anything (including a right, obligation or concept) includes a part of that thing, but nothing in this section 31(a)(xii) implies that performance of part of an obligation constitutes performance of the obligation.
- (b) **Governing Law.** This Royalty Agreement and any dispute arising from or in relation to this Royalty Agreement are governed by, and interpreted and enforced in accordance with, the law of the Province of British Columbia and the laws of Canada applicable in that province, excluding the choice of law rules of that province. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia
- (c) **Time of Essence.** Time is of the essence in this Royalty Agreement.
- (d) **Severability.** If, in any jurisdiction, any provision of this Royalty Agreement or its application to any Party or circumstance is restricted, prohibited or

unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Royalty Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances. The Parties shall engage in good faith negotiations to replace any provision which is so restricted, prohibited or unenforceable with an unrestricted and enforceable provision, the economic effect of which comes as close as possible to that of the restricted, prohibited or unenforceable provision which it replaces.

- (e) **No Violation.** If this Royalty Agreement is intended to be performed in more than one jurisdiction and its performance would be a violation of the applicable law of a jurisdiction where it is intended to be performed, this Royalty Agreement is binding in those jurisdictions in which it is valid and the Parties shall use their reasonable efforts to re-negotiate and amend this Royalty Agreement so that its performance does not involve a violation of the applicable law of the jurisdiction where its performance would be a violation.
- (f) **Average Spot Price.** If an Average Spot Price specified in this Royalty Agreement ceases to exist, ceases to be published, or should no longer be internationally recognized as the basis for payment for the Mineral to which it relates then upon request by any Party, the Parties shall promptly consult together in good faith with the view to agreeing on whatever modifications to the terms of this Royalty Agreement should be considered necessary to make this Royalty Agreement again acceptable to the Parties and shall do their utmost to come to a fair and reasonable agreement based upon another internationally recognized metal price quotation for use in international trade.
- (g) **Entire Agreement.** This Royalty Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Royalty Agreement and supersede all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Royalty Agreement, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Royalty Agreement or which induced any Party to enter into this Royalty Agreement. There is no liability, either in tort or in Contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section (g).
- (h) **Further Assurances.** Each Party shall promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters in connection with this Royalty Agreement that any other Party may reasonably require, for the purposes of giving effect to this Royalty Agreement.
- (i) **Amendment.** This Royalty Agreement may be supplemented, amended, restated or replaced only by written agreement signed by each Party.

- (j) **Waiver of Rights.** Any waiver of, or consent to depart from, the requirements of any provision of this Royalty Agreement is effective only if it is in writing and signed by the Party giving it, 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 under this Royalty Agreement operates as a waiver of that right. No single or partial exercise of any such right precludes any other or further exercise of that right or the exercise of any other right.
- (k) **Successors.** This Royalty Agreement is binding on, and enures to the benefit of, the Parties and their respective successors.
- (l) **Counterparts.** This Royalty Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery of an executed counterpart of this Royalty Agreement by facsimile or transmitted electronically in legible form, including without limitation in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Royalty Agreement.
- (m) **Authorization.** Each person signing this Royalty Agreement as an authorized officer of a Party hereby represents and warrants that he or she is duly authorized to sign this Royalty Agreement for that Party and that this Royalty Agreement will, upon having been so executed, be binding on that Party in accordance with its terms.

[The remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Royalty Agreement on the date first above written.

SILICON METALS CORP.

By: /s/ "Morgan Good"
Morgan Good
Director & CEO

CRONIN EXPLORATION INC.

By: /s/ "Kyler Hardy"
Kyler Hardy
Director

SCHEDULE A

DESCRIPTION OF SILICON RIDGE PROPERTY CLAIMS

The Property is defined as the following mineral claims located in the Province of British Columbia:

Claim Name	Claim #	Claim Block Size (Ha)	Staking Date	Good to Date	Registered Owner	Prospector #	Cronin Ownership Percentage
Silicon Ridge 1	1117163	1,426.81	Friday, November 1, 2024	Saturday, November 1, 2025	Cronin Exploration Inc.	290990	100.00%
Silicon Ridge 2	1117164	1,074.38	Friday, November 1, 2024	Saturday, November 1, 2025	Cronin Exploration Inc.	290990	100.00%
Silicon Ridge 3	1117165	37.03	Friday, November 1, 2024	Saturday, November 1, 2025	Cronin Exploration Inc.	290990	100.00%