

OPTION PURCHASE AND ASSIGNMENT AGREEMENT

THIS AGREEMENT is made effective as of the 9th day of July, 2021

AMONG:

BATTERY ELEMENTS CORP., a company incorporated under the laws of British Columbia, having a registered and records office at 409-221 West Esplanade, North Vancouver, British Columbia, Canada, V7M 3J3

("Battery")

AND:

CONSOLIDATED MINERALS ESTATES LTD., a company incorporated under the laws of the United Kingdom, having an office at 51 Weyhill Rd., Andover, Hants, U.K. SP10 3AN

("Consolidated")

WHEREAS:

- A. Consolidated and Elk Exploration Ltd. have entered into an Option Agreement dated April 8, 2021, (the "**Option Agreement**"), wherein Consolidated has the sole and irrevocable option (the "**Option**") to acquire from Elk up to an undivided 100% right, title and interest in and to certain mineral mining claims in the Province of Nova Scotia, as more particularly described in Exhibit "A" hereto (collectively, the "**Property**");
- B. Consolidated wishes to assign to Battery, and Battery wishes to purchase, all of Consolidated's right, title and interest in and to the Option Agreement and the Property in accordance with the terms of this Agreement (the "**Option Purchase and Assignment**"); and
- C. The Option Purchase and Assignment is also intended to enable Battery to obtain a listing on the Canadian Securities Exchange (the "**Exchange**").

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

ARTICLE I DEFINITIONS

1.1 The following terms shall have the following meanings:

- (a) "**Agreement**" means this agreement, including the recitals and all Schedules to this agreement, as amended or supplemented from time to time, and "**hereby**", "**hereof**",

"herein", "hereunder", "herewith" and similar terms refer to this Agreement and not to any particular provision of this Agreement;

(b) "**Applicable Laws**" means applicable corporate and securities laws, regulations and rules, all policies thereunder and rules of applicable stock exchanges;

(c) "**Arbitrator**" has the meaning set out in Section 18.1;

(d) "**Battery**" has the meaning ascribed thereto in the recitals to this Agreement;

(e) "**Consolidated**" has the meaning ascribed thereto in the recitals to this Agreement;

(f) "**Closing**" has the meaning set out in Section 15;

(g) "**Closing Date**" means July 9, 2021, or such other date to which the Parties may agree;

(h) "**Closing Time**" means 10:00 a.m. (Vancouver time) on the Closing Date, or such other time to which the Parties may agree;

(i) "**Common Shares**" means the common shares in the capital of Battery;

(j) "**Elk**" has the meaning ascribed thereto in the recitals to this Agreement;

(k) "**Encumbrance**" has the meaning set forth in Section 3.1(a) hereto;

(l) "**Environmental Laws**" means any applicable law, ordinance, code, rule, or other requirement of any Governmental Authority and any judicial or administrative interpretation thereof, regulating, relating to or imposing liability or standards of conduct concerning: (i) the environment, human health or safety, or emissions, discharges, releases or threatened releases into the environment (including ambient air, surface water, underground water, noise and land), (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of solid waste, waste water, pollutants, contaminants, chemicals or any Hazardous Materials, (iii) the reclamation or remediation of disturbed land, and (iv) the protection of archaeological sites, national or natural monuments and protected areas such as natural parks;

(m) "**Exchange**" has the meaning set out in the recitals to this Agreement;

(n) "**Exploration Data**" means a digital copy and hardcopy of all Property related data, including drill logs, maps and reports generated from said data, collected by Consolidated and its contractors on the Property;

(o) "**Governmental Authority**" means any (i) multinational, federal, provincial, regional, municipal, local or other government, governmental or public department,

central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agent, commission, board, or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and includes a stock exchange or self-regulatory authority;

(p) "**Hazardous Materials**" means any hazardous, toxic, corrosive, flammable, or dangerous waste, substance or material defined as such in any of the applicable Environmental Laws;

(q) "**Loss**" and "**Losses**" mean any and all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs, and expenses, including without limitation, interest, penalties, fines and reasonable attorneys, accountants and other professional fees and expenses, but excluding damages for lost profits or lost business opportunities and excluding any indirect, consequential or punitive damages suffered by Battery or Consolidated;

(r) "**NSR**" means the 3.0% net smelter royalty in favour of Elk provided for under the Option Agreement, a copy of which NSR is described in Schedule B to the Option Agreement;

(s) "**Option Agreement**" has the meaning ascribed thereto in the recitals to this Agreement and a copy of which is attached as Exhibit "B" to this Agreement;

(t) "**Option Purchase and Assignment**" has the meaning ascribed thereto in the recitals to this Agreement;

(u) "**Parties**" means Battery and Consolidated, and "**Party**" means any one of them;

(v) "**Purchase Shares**" means the 5,000,000 Common Shares to be allotted and issued by Battery to Consolidated on the Closing Date in consideration for the Option Purchase and Assignment;

(w) "**Permitted Encumbrances**" means the NSR;

(x) "**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

(y) "**Property**" has the meaning ascribed in the recitals hereof and as more particularly set forth and described in Exhibit "A" attached hereto;

(z) "**U.S. Person**" has the meaning set out in Section 6.2(b); and

(aa) "**U.S. Securities Act**" has the meaning set out in Section 6.2(b).

1.2 The following Schedules are included and form part of this Agreement:

Exhibit "A" – Description of Property

Exhibit "B" – Option Agreement

**ARTICLE II
MUTUAL REPRESENTATIONS AND WARRANTIES**

2.1 Each of Battery and Consolidated represents and warrants that:

- (a) it is a body corporate duly formed, organized and validly subsisting and in good standing under the laws of its incorporating or governing jurisdiction;
- (b) it has full right, corporate power and authority to carry on its business, execute and deliver this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) this Agreement, when delivered in accordance with the terms hereof, will constitute a valid and binding obligation enforceable against the entity in accordance with its terms, except:
 - (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws of general application affecting enforcement of creditors' rights generally, and
 - (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies;
- (d) the consummation of this Agreement will not conflict with nor result in any breach of any agreement or other instrument whatsoever to which any Party hereto is a party or by which any Party is bound or to which any Party may be subject; and
- (e) the execution and delivery of this Agreement and any agreements or documents contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating or charter documents, nor will such result in a breach of, or accelerate the performance required by any contract or other commitment to which it is a party or by which it is bound.

2.2 The representations and warranties contained in Section 2.1 are provided for the mutual benefit of the Consolidated and Battery, and a breach of any one or more representations or warranties may be waived by Consolidated or Battery 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 Closing Date for a period of two (2) years.

2.3 Upon the terms and subject to the conditions of this Agreement, Battery will, on Closing, issue the Purchase Shares to Consolidated.

2.4 The Purchase Shares will be issued in accordance with applicable Canadian securities laws and will be subject to a statutory imposed restrictions on resale following the Closing Date.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF CONSOLIDATED

3.1 Consolidated represents and warrants to, and covenants with Battery, and acknowledges that Battery is relying on such representations, warranties and covenants in entering into this Agreement that:

(a) except for the Permitted Encumbrances, Consolidated is the sole legal and beneficial owner of the Option, and to the knowledge of Consolidated the Option is free and clear of, and from, all liens, security interests, charges and encumbrances (each, an "**Encumbrance**") and is not subject to any judgment, order or decree in any lawsuit or proceeding;

(b) the Option Agreement is in good standing as at the date hereof and no default has occurred thereunder and Consolidated has done no act whereby the Option Agreement has in any manner become impaired, and Consolidated has not assigned all or any part of its interest in any of the Option Agreement and has not granted any options, interests or other rights in and to the Option Agreement;

(c) Consolidated has good right, full power and absolute authority to assign its interest in the Option Agreement to Battery;

(d) neither the execution, delivery and performance of this Agreement, nor the consummation of the Option Purchase and Assignment, will conflict with, result in a violation of, cause a default under (with or without notice, lapse of time or both) or give rise to a right of termination, amendment, cancellation or acceleration of any obligation contained in or the loss of any material benefit under, or result in the creation of any Encumbrance upon the Option or other instrument, permit, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Option;

(e) the Property is in good standing and no proceedings have been instituted to invalidate or assert an adverse claim or challenge against or to the ownership of or title to

the Property, nor is there any basis therefor, and no other person is entitled to an agreement or option to acquire or purchase the Property or any portion thereof, and no person has any royalty or other interest whatsoever, in production from any part of the Property;

(f) to the best of Consolidated's knowledge, are no actions, suits or proceedings pending or to its knowledge, threatened, against or adversely affecting or which could adversely affect the Property before any federal, provincial, territorial, municipal or other governmental authority, court, department, commission, board bureau, agency or instrumentality, domestic or foreign, whether or not insured, and which might involve the possibility of any judgment or liability against the Property;

(g) Exhibit "A" to this Agreement accurately sets out all of the mining claims comprising the Property;

(h) to the best of Consolidated's knowledge, all of the mining claims constituting the Property have been properly surveyed and are validly held in accordance with applicable laws and regulations;

(i) to the best of Consolidated's knowledge, except for the Permitted Encumbrances, there is no adverse claim or challenge against or to Consolidated's ownership of the Option, nor, to the knowledge of Consolidated 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 or company other than Consolidated and Elk has any proprietary or possessory interest in the Property or any right whatsoever capable of becoming any of the foregoing;

(j) to the knowledge of Consolidated, there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or expenditures with respect to the Property and the conduct of operations related thereto, Consolidated has not received any notice of the same and Consolidated is not aware of any basis on which any such orders or directions could be made;

(k) Consolidated has duly filed all reports and returns required to be filed with governmental authorities and has obtained all governmental permits and other governmental consents, except as may be required after the execution of this Agreement and all of such permits and consents are in full force and effect, and no proceedings for the suspension or cancellation of any of them, and no investigation relating to any of them, is pending or to the knowledge of Consolidated, threatened, and none of them will be adversely affected by the entry into this Agreement or the consummation of the Option Purchase and Assignment;

(l) to the knowledge of Consolidated, Consolidated has complied with all applicable laws, statutes, bylaws, decrees, rulings, orders, judgments and regulations relating to the work it has conducted in respect of the Property, including environmental laws;

(m) to the knowledge of Consolidated, there is no adverse claim or challenge against or to the ownership of or title to any part of the Property and, to the knowledge of Consolidated, there is no basis for such adverse claim or challenge which may affect the Property;

(n) there are no actual or pending proceedings for, and Consolidated is unaware of any basis for, the institution of any proceedings leading to the placing of Consolidated in bankruptcy or subject to any other laws governing the affairs of insolvent parties;

(o) except as set out herein no filing or registration with, no notice to and no permit, authorization, consent, or approval of any public or governmental body or authority or other person or entity is necessary for the consummation of the Option Purchase and Assignment contemplated by this Agreement on the Closing Date; and

(p) Consolidated has made full disclosure to Battery of all relevant information that it possesses which relates to the Property which could have any effect upon Battery determining whether it shall enter into this Agreement.

3.2 The representations and warranties contained in Section 3.1 are provided for the exclusive benefit of Battery, and a breach of any one or more representations or warranties may be waived by Battery 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 Closing Date for a period of two (2) years.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BATTERY

4.1 Battery represents and warrants to, and covenants with Consolidated, and acknowledges that Consolidated is relying on such representations, warranties and covenants in entering into this Agreement that:

(a) Battery is in good standing in the province of British Columbia;

(b) the authorized capital of Battery consists of an unlimited number of Common Shares and as of the date hereof, an aggregate of 7,626,788 Common Shares are issued and outstanding and no preferred shares are issued and outstanding; and

(c) the Purchase Shares to be issued hereunder will be fully-paid and non-assessable shares in the capital of Battery, free of all restrictions on trading other than those required by applicable securities law or by the Exchange as set out in Section 6 hereof.

4.2 The representations and warranties contained in Section 4.1 are provided for the exclusive benefit of Consolidated, and a breach of any one or more representations or warranties may be waived by Consolidated 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 4.1 will survive the Closing Date for a period of two (2) years.

ARTICLE V PURCHASE AND ASSIGNMENT OF OPTION

5.1 Upon and subject to the terms and conditions of this Agreement, on the Closing Date, Consolidated and Battery will complete the Option Purchase and Assignment as follows:

- (a) Consolidated will, on the Closing Date, assign and transfer absolutely and forever to Battery all of its right, title and interest in and to the Option Agreement together with all benefits and advantages to be derived from the Option Agreement and all obligations and payments payable under the Option Agreement; and
- (b) Battery will, on the Closing Date, pay and issue to Consolidated the Purchase Shares, being 5,000,000 Common Shares.

ARTICLE VI SECURITIES LAWS

6.1 The Parties hereto acknowledge that the issuance of the Purchase Shares by Battery as contemplated herein is being made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws pursuant to Section 2.13 of National Instrument 45-106.

6.2 Consolidated hereby confirms to and covenants with Battery that:

- (a) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the Purchase Shares, and the resale of any of the Purchase Shares, as applicable; and
- (b) the Purchase Shares have not been registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**") or the securities laws of any State of the United States and that Battery does not intend to register the Purchase Shares under the U.S. Securities Act, or the securities laws of any State of the United States and has no obligation to do so. Each of Consolidated and Elk is not a "**U.S. person**" (as that term is defined in Regulation S under the U.S. Securities Act) and is not purchasing the Purchase Shares for the account or benefit of any U.S. persons; provided, however, that Consolidated or Elk may sell or otherwise dispose the Purchase Shares, as the case may be, pursuant to registration thereof under the U.S. Securities Act and any applicable State securities laws or pursuant to any available exemption from such registration requirements.

6.3 Upon the issuance of the Purchase Shares, and until such time as is no longer required under applicable securities laws, the certificates representing the Purchase Shares will bear the following legend required under National Instrument 45-102, in substantially the following form:

"Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of [insert the date that is 4 months and a day after the closing date]; and the date the Issuer became a reporting issuer in any Province or Territory."

and may also be subject to such escrow conditions as imposed by the Exchange.

ARTICLE VII COLLECTION OF PERSONAL INFORMATION

7.1 Consolidated acknowledges and consents to the fact that Battery may be required to collect its personal information which may be disclosed by Battery to:

- (a) an Exchange or securities regulatory authorities;
- (b) Battery's registrar and transfer agent;
- (c) Canadian tax authorities; and
- (d) authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

7.2 By executing this Agreement, Consolidated is deemed to be consenting to the foregoing collection, use and disclosure of such personal information and to the retention of such personal information for as long as permitted or required by law or business practice.

7.3 By executing this Agreement, Consolidated hereby consents to the foregoing collection, use and disclosure of such personal information for such purposes only. Consolidated also consents to the filing of copies or originals of any of the documents described herein as may be required to be filed with the Exchange or any securities regulatory authority in connection with the transactions contemplated hereby. An officer of Battery is available to answer questions about the collection of personal information by Battery.

ARTICLE VIII COVENANTS OF BATTERY AND CONSOLIDATED

8.1 Prior to the Closing Date, Consolidated shall not without the prior written consent of Battery, allow the Option to become subject to any Encumbrances or enter into any agreement (whether written or verbal) that may result in the creation of any such Encumbrance or otherwise restrict in any manner whatsoever the Option Purchase and Assignment as contemplated by this Agreement.

8.2 Until the Closing Date, neither Consolidated nor Battery shall, without the prior written consent of the other Party, enter into any contract in respect of its business or assets, other than in

the ordinary course of business, or as otherwise contemplated by this Agreement and each Party shall continue to carry on its business and maintain its assets in the ordinary course of business.

ARTICLE IX INVESTIGATIONS AND AVAILABILITY OF RECORDS

9.1 Battery and/or its directors, officers, auditors, counsel and other authorized representatives shall be permitted to make such commercially reasonable investigations of the Property and business of Consolidated as Battery reasonably deems necessary or desirable, provided always that such investigations shall not unduly interfere with the operations of Consolidated. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties shall continue in full force and effect for the benefit of Battery.

ARTICLE X NECESSARY CONSENTS AND SHAREHOLDER APPROVAL

10.1 Consolidated shall use its commercially reasonable efforts to obtain from its directors, shareholders and all appropriate federal, provincial, municipal or other governmental or administrative bodies such approvals or consents as are required (if any) to complete the transactions contemplated herein.

10.2 Battery shall use its commercially reasonable efforts to obtain from its directors, shareholders and all appropriate federal, provincial, municipal or other governmental or administrative bodies such approvals or consents as are required (if any) to complete the transactions contemplated herein.

ARTICLE XI PROSPECTUS

11.1 Battery will prepare a prospectus in accordance with National Instrument 41-101 "General Prospectus Requirements" (the "**Prospectus**") and Consolidated will furnish to Battery all information regarding Consolidated as may reasonably be required to be included in the Prospectus pursuant to applicable law. Each of Battery and Consolidated will:

- (a) ensure that all information provided by it or on its behalf that is contained in the Prospectus does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Prospectus and necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and
- (b) promptly notify the other Party if, at any time before Closing, it becomes aware that the Prospectus contains a misrepresentation, an untrue statement of material fact, omits to state a material fact required to be stated in those documents that is necessary to make any statement it contains not misleading in light of the circumstances in which it is made or that otherwise requires an amendment or a supplement to those documents.

**ARTICLE XII
MUTUAL CONDITIONS PRECEDENT**

12.1 The obligation of Battery and Consolidated to consummate the Option Purchase and Assignment on the Closing Date shall be subject to the prior completion of the following mutual conditions:

- (a) there will not be in force any order or decree restraining or enjoining the consummation of the Option Purchase and Assignment; and
- (b) all consents, orders and approvals required, necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the Parties hereto, acting reasonably.

**ARTICLE XIII
CONDITIONS PRECEDENT OF CONSOLIDATED**

13.1 The obligation of Consolidated to consummate the Option Purchase and Assignment on the Closing Date shall be subject to the prior completion of the following conditions:

- (a) the representation and warranties of Battery contained in this Agreement will have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such Closing Date;
- (b) Battery will have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by Battery at or prior to the Closing Date;
- (c) Battery will deliver or cause to be delivered to Consolidated the closing documents as set forth in Section 16.1 in a form satisfactory to Consolidated acting reasonably;
- (d) all proceedings to be taken in connection with the transactions contemplated in this Agreement will be satisfactory in form and substance to Consolidated, acting reasonably, and Consolidated will have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith; and
- (e) this Agreement and all other documents necessary or reasonably required to consummate the Option Purchase and Assignment, all in form and substance reasonably satisfactory to Consolidated, will have been executed and delivered to Consolidated

ARTICLE XIV
CONDITIONS PRECEDENT OF BATTERY

14.1 The obligation of Battery to consummate the Option Purchase and Assignment on the Closing Date shall be subject to the prior completion of the following conditions:

- (a) the representations and warranties of Consolidated contained in this Agreement will have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such Closing Date;
- (b) Consolidated will have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by Consolidated at or prior to the Closing Date;
- (c) Consolidated will deliver or cause to be delivered to Battery the closing documents as set forth in Section 16.1 in a form satisfactory to Battery acting reasonably;
- (d) all proceedings to be taken in connection with the transactions contemplated in this Agreement will be satisfactory in form and substance to Battery, acting reasonably, and Battery will have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation or closing of such transactions and the taking of all necessary proceedings in connection therewith;
- (e) this Agreement and all other documents necessary or reasonably required to consummate the Purchase and Assignment, all in form and substance reasonably satisfactory to Battery, will have been executed and delivered to Battery;
- (f) Battery will have completed to its reasonable satisfaction its due diligence on the Property; and
- (g) Battery will have obtained a National Instrument 43-101 compliant technical report on the Property.

ARTICLE XV
CLOSING

15.1 The completion of the Option Purchase and Assignment (the "**Closing**") will take place on the Closing Date at the offices of the lawyers for Battery or at such other location as agreed to by the Parties. Notwithstanding the location of the Closing, each Party agrees that the Closing may be completed by the exchange of undertakings between the respective legal counsel for the Parties, provided such undertakings are satisfactory to each Party's respective legal counsel.

**ARTICLE XVI
CLOSING DELIVERIES OF CONSOLIDATED**

- 16.1 At Closing, Consolidated will deliver or cause to be delivered the following:
- (a) a certified copy of the resolutions of the directors and, if required, the shareholders of Consolidated approving and authorizing the entry into this Option Purchase and Assignment Agreement and the transactions contemplated herein;
 - (b) all information in the possession or control of Consolidated with respect to the Property (including the Exploration Data), which has not been previously delivered to Battery;
 - (c) a certificate of a senior officer of Consolidated attesting that:
 - (i) the representations and warranties of Consolidated are true and correct at the Closing Date as if made at that time,
 - (ii) all agreements, covenants and conditions required by this Agreement to be complied with or performed by Consolidated on or before the Closing Date have been complied with or performed, and
 - (iii) all conditions precedent to the obligations of Consolidated contained in this Agreement have been satisfied or waived; and
 - (d) such other closing documents as may be required by Battery, acting reasonably.

**ARTICLE XVII
CLOSING DELIVERIES OF BATTERY**

- 17.1 At Closing, Battery will deliver or cause to be delivered the following:
- (a) a share certificate registered in the name of Consolidated representing the Purchase Shares;
 - (b) a certified copy of the resolutions of the directors of Battery approving and authorizing the entry into this Agreement and the transactions contemplated herein;
 - (c) a certificate of a senior officer of Battery attesting that:
 - (i) the representations and warranties of Battery are true and correct at the Closing Date as if made at that time,

- (ii) all agreements, covenants and conditions required by this Agreement to be complied with or performed by Battery on or before the Closing Date have been complied with or performed,
- (iii) all conditions precedent to the obligations of Battery contained in this Agreement have been satisfied or waived; and
- (d) such other closing documents as may be required by Consolidated, acting reasonably.

ARTICLE XVIII DISPUTE RESOLUTION

18.1 Any dispute between the Parties concerning any matter or thing arising from this Agreement shall be referred to a mutually agreeable professional (the "**Arbitrator**"). In the event that the Parties cannot mutually agree on the appointment of an Arbitrator within fifteen (15) days of written notice of a disagreement or dispute under this Agreement, the Arbitrator will be appointed by the B.C. Arbitration and Mediation Institute, as the appointing authority.

18.2 Any disagreement or dispute shall be resolved by arbitration pursuant to the *Commercial Arbitration Act* (British Columbia) R.S.B.C. 1996, c.55 and will be conducted in Vancouver, British Columbia, or as otherwise may be agreed as convenient for the parties. The cost of such arbitration shall initially be born equally by the Parties. Any arbitration shall determine, with finality, any disagreement or dispute and the Arbitrator's decision shall be binding and final on the Parties from which there shall be no appeal. An Arbitrator shall also decide matters including the cost of the arbitration, and the Arbitrator is hereby authorized and instructed to award up to one hundred percent (100%) costs on a solicitor and client or special costs basis, as warranted, to the successful Party in connection with any arbitration. In the event a Party fails or is otherwise unable to pay its share of any costs under this provision, the other Party is hereby authorized but not obligated to make that payment and deduct the same from any money claimed owed by the respondent.

ARTICLE XIX STANDSTILL

19.1 From the date of execution of this Agreement until the Closing Date or the earlier termination hereof, the Parties will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with or provide information relating to the securities, business, operations, affairs or financial condition of Battery or Consolidated to any persons, entity or group in connection with the acquisition or distribution of any securities of Battery or Consolidated, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets or part thereof, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is satisfactory to, and is approved in writing in advance by the other Party hereto (with such approval not being unreasonably withheld or delayed) or is necessary to carry on the normal course of business.

**ARTICLE XX
FORCE MAJEURE**

20.1 The obligations of the Parties hereto and the time frames established in this Agreement shall be suspended to the extent and for the period that performance is prevented by any cause beyond either Party's reasonable control, whether foreseeable or unforeseeable, including, without limitation, labour disputes, acts of God, laws, regulations, orders, proclamations or requests of any Governmental Authority, inability to obtain on reasonable terms required permits, licenses, or other authorizations, or any other matter similar to the above.

**ARTICLE XXI
PUBLIC STATEMENTS**

21.1 Except as otherwise required by law or the policies of the Exchange, the Parties shall make no public pronouncements concerning the terms of this Agreement without the express written consent of the other Party, such consent not to be unreasonably withheld. In the event that either Party wishes to make a news release or public statement with respect to the terms of this Agreement, it shall first provide the other Party with a draft copy of such release or statement for review and comment. If the other Party fails to comment on the release within two (2) business days of receipt, it shall be deemed to have waived its rights under this Section.

**ARTICLE XXII
NOTIFICATION**

22.1 Between the date of this Agreement and the Closing Date, each of the Parties will promptly notify the other Party in writing if it becomes aware of any fact or condition that causes or constitutes a material breach of any of its representations and warranties as of the date of this Agreement, if it becomes aware of the occurrence after the date of this Agreement of any fact or condition that would cause or constitute a material breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. During the same period, each Party will promptly notify the other Parties of the occurrence of any material breach of any of its covenants in this Agreement or of the occurrence of any event that may make the satisfaction of such conditions impossible or unlikely.

**ARTICLE XXIII
TERMINATION**

23.1 Except as modified by Section 26.13 hereof, this Agreement may be terminated at any time prior to the Closing Date contemplated hereby by:

- (a) mutual agreement of the Parties;
- (b) Battery, if there has been a material breach by Consolidated of any material representation, warranty, covenant or agreement set forth in this Agreement on the part of Consolidated that is not cured, to the reasonable satisfaction of Battery, within ten

business days after notice of such breach is given by Battery (except that no Battery period will be provided for a breach by Consolidated that by its nature cannot be cured);

(c) Consolidated, if there has been a material breach by Battery of any material representation, warranty, covenant or agreement set forth in this Agreement on the part of Battery that is not cured, to the reasonable satisfaction of Consolidated, within ten business days after notice of such breach is given by Consolidated (except that no Battery period will be provided for a breach by Battery that by its nature cannot be cured); and

(d) Either Party if any injunction or other order of a governmental entity of competent authority prevents the consummation of the Option Purchase and Assignment contemplated by this Agreement.

23.2 In the event of the termination of this Agreement as provided in Section 23.1, this Agreement will be of no further force or effect, provided, however, that no termination of this Agreement will relieve any Party of liability for any breaches of this Agreement that are based on a wrongful refusal or failure to perform any obligations.

ARTICLE XXIV INDEMNITY

24.1 Battery will indemnify, defend, and hold harmless Consolidated from, against, for, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by Consolidated by reason of, resulting from, based upon or arising out of:

(a) any misrepresentation, misstatement or breach of warranty of Battery contained in or made pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement; or

(b) the breach or partial breach by Battery of any covenant or agreement of Battery made in or pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement.

24.2 Consolidated will indemnify, defend, and hold harmless Battery from, against, for, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by Battery by reason of, resulting from, based upon or arising out of:

(a) any misrepresentation, misstatement or breach of warranty of Consolidated contained in or made pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement; or

(b) the breach or partial breach by Consolidated of any covenant or agreement of Consolidated made in or pursuant to this Agreement or any certificate or other instrument delivered pursuant to this Agreement.

**ARTICLE XXV
NOTICE**

25.1 Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by the delivery of the same or by mailing the same by prepaid registered or certified mail or by sending the same by facsimile or other similar form of communication, in each case addressed to the addresses of the parties as set out on the first page of this Agreement, and if sent by facsimile, as follows:

- (a) If to Battery at:
Email: hugh@shaw.ca
Attention: President

- (b) If to Consolidated at:
Email: cecclestone@hallgartenco.com
Attention: President

25.2 Any notice, direction or other instrument aforesaid will, if delivered, be deemed to have been given and received on the day it was delivered; if faxed, be deemed to have been given and received on the next business day following transmission; and if mailed, be deemed to have been given and received on the fifth day following the day of mailing, except in the event of disruption of the postal services, in which event notice will be deemed to be given and received only when actually received.

25.3 Any party may at any time give to the other, notice in writing of any change of address or fax number of the party giving such notice, and from and after the giving of such notice, the address or fax number therein specified will be deemed to be the address or fax number of such party for the purposes of giving notice hereunder.

**ARTICLE XXVI
GENERAL**

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

26.2 The Parties agree that they shall use all commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it as soon as practical and in any event before the Closing Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Option Purchase and Assignment in accordance with the terms and conditions of this Agreement. The Parties hereto agree that they and each of them will execute all documents and do all acts and things within their respective powers to carry out and implement the provisions or intent of this Agreement.

26.3 Consolidated hereby acknowledges that this Agreement was prepared by counsel for Battery and that such counsel does not represent Consolidated. By signing this Agreement, Consolidated confirm that it fully understands this Agreement and (a) has obtained independent legal advice, or (b) waives the right to obtain independent legal advice.

26.4 This Agreement may be signed in counterparts, each of which may be delivered in facsimile or other electronic means. Each executed counterpart shall be deemed to be an original and all such counterparts when read together will constitute one and the same instrument.

26.5 Neither Party may assign this Agreement and its rights thereunder without the prior written approval of the other.

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

26.7 In this Agreement, all references to sections, subsections and Schedules are to sections, subsections and Schedules of this Agreement.

26.8 All references to monies hereunder will be in Canadian funds.

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

26.10 This Agreement will be exclusively governed and interpreted in accordance with the laws of British Columbia and the laws of Canada applicable therein. All actions arising from this Agreement will be commenced and prosecuted in the courts of British Columbia, and the Parties hereby attorn to the jurisdiction thereof.

26.11 In the event of any conflict between the provisions of any document delivered on the Closing and this Agreement, the provisions of this Agreement shall prevail.

26.12 Time is of the essence.

26.13 This Agreement may only be amended in writing with the consent of each Party.

26.14 The representations and warranties, covenants and agreements of the Parties set forth herein will survive the Closing Date and, notwithstanding the completion of the transactions contemplated hereby, the waiver of any condition contained herein (unless such waiver expressly releases a Party of any such representation, warrant, covenant or agreement) or any investigation made by the Party, the same will remain in full force and effect.

26.15 If any provision of this Agreement is or will become illegal, unenforceable or invalid for any reason whatsoever, such illegal, unenforceable or invalid provisions will be severable from the remainder of this Agreement and will not affect the legality, enforceability or validity of the remaining provisions of this Agreement.

26.16 No consent or waiver, express or implied, by any Party hereto in respect of any breach or default by any of the other Parties in the performance by such other Party of its obligations under this Agreement will be deemed or construed to be consent to or waiver of any other breach or default.

[Signature Pages Follow]

IN WITNESS WHEREOF the parties hereto have signed this Agreement effective as of the date first written above.

BATTERLY ELEMENTS CORP.

Per: 
Authorized Signatory

CONSOLIDATED MINERALS ESTATES LTD.

**Executed in
Counterpart**

Per: _____
Authorized Signatory

IN WITNESS WHEREOF the parties hereto have signed this Agreement effective as of the date first written above.

BATTERY ELEMENTS CORP.

**Executed in
Counterpart**

Per: _____
Authorized Signatory

CONSOLIDATED MINERALS ESTATES LTD.



Per: Christopher Ecclestone – Director – 9th of July 2021
Authorized Signatory

Exhibit "A"

DESCRIPTION OF CLAIMS

Description of Property

Licence 08659 Map 11E/4B TRACT 70, Claims GHJKPQ TRACT 71 Claims EFLMNO Renewal/expiry date July 27/2021

Licence 50954 Map 11E/4B TRACT 71 Claims KP Renewal/expiry date April 4/2021

Licence 51851 Map 11E/4B TRACT 71 Claims GHJ TRACT 72 Claims EM Renewal/expiry date September 9/2021

Licence 53649 Map 11E/4B TRACT 71 Claims ABCDQ TRACT 72 Claims BCDFGKLNOP TRACT 73 Claims CD TRACT 74 Claims A Renewal/expiry date March 10/2022

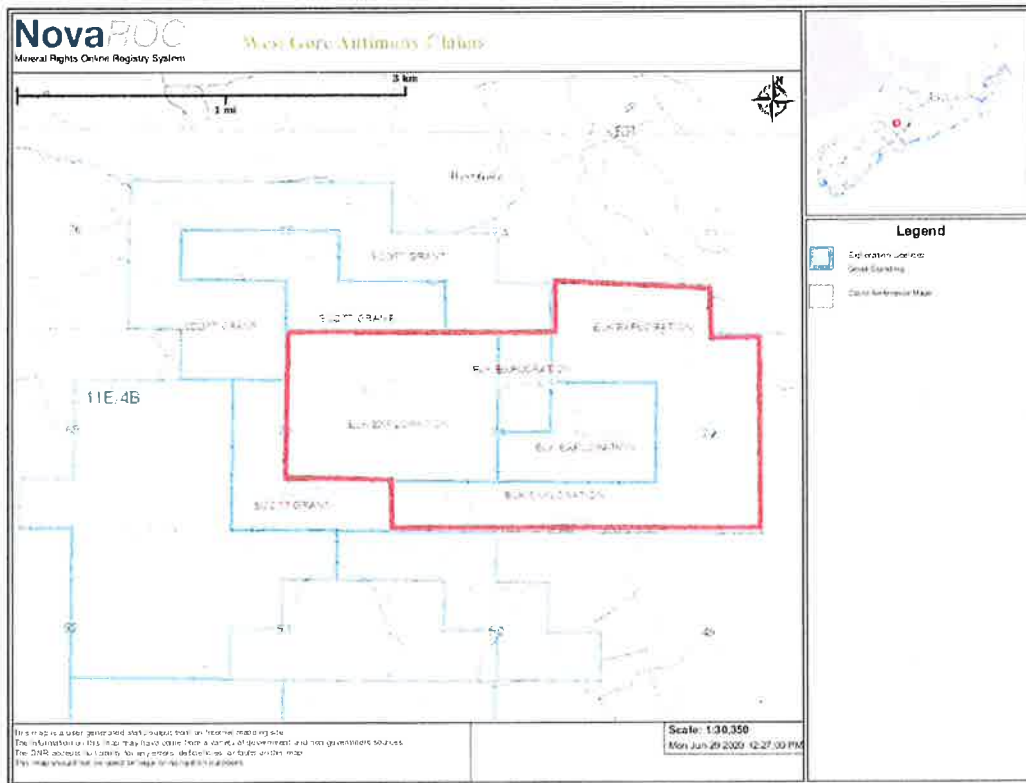


Exhibit "B"
OPTION AGREEMENT

THIS AGREEMENT ("Agreement") is dated for reference 8th April 2021

BETWEEN:

Elk Exploration Ltd., of 11 River Road, Terence Bay River, Nova Scotia, B3T 1X2

(herein referred to as the "Optionor")

OF THE FIRST PART

AND:

Consolidated Mineral Estates Ltd, 51 Weyhill Rd, Andover, Hants, United Kingdom, SP10 3AN

(herein referred to as the "Optionee")

OF THE SECOND PART

WHEREAS:

A. The Optionor is the registered and beneficial owner of the mineral claims to the West Gore Antimony property for exploration of base and precious metals on property located within the province of Nova Scotia, Canada and more particularly described in Schedule "A" attached hereto (the "Property").

B. The Optionor has agreed to grant to the Optionee an option to acquire a 100% legal and beneficial interest in the Property.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of CDN \$10.00 paid by each of the parties hereto to the other, the receipt of which is hereby acknowledged, and the premises and mutual covenants hereinafter contained, the parties hereto agree as follows:

1. GRANT OF OPTION AND CONSIDERATION

1.1 Grant.

(a) The Optionor does hereby give and grant unto the Optionee the sole and exclusive option (the "Option") which may be exercised to acquire an undivided 100% legal and beneficial interest in and to the Property (the "Interest"), free and clear of all encumbrances except for the NSR Royalty (as defined herein). This right may be exercised by completing all of the requirements set out in section 1.2 below.

(b) The Optionor grants the option to the Optionee upon receipt by the Optionor, in consideration, the amount of Five Thousand Canadian Dollars (CDN \$5,000). If the payment as detailed in 1.2 (a) is not made by a date four months after the date of the signing of this agreement then the amount paid for the grant shall be forfeit by the Optionee to the Optionor and no further agreement shall exist between the two parties.

1.2 Payment. The Payments shall be made to the Optionor as follows:

- (a) CDN \$24,000 within 10 days of the listing of Consolidated Mineral Estates Limited (or a subsidiary or a company controlled thereby) on an exchange or before the 31st of August 2021;
- (b) at the election of Elk's representative, Elk could also choose to take the amount in 1.2 (a) in the form of stock of the listed entity at the issue price;
- (c) a further CDN\$40,000 (the First Anniversary Payment) on or before 12 months of Agreement date;
- (d) a further CDN \$60,000 (the Second Anniversary Payment) on or before 24 months of Agreement date;
- (e) a further CDN \$5,000 Advance Royalty Payment (plus HST) on or before 36 months of Agreement date and all subsequent years on the Agreement date anniversaries thereafter until commencement of commercial production. Commercial production shall be defined as start of mining AND sale of product AND commencement of payment of a Royalty to Elk that exceeds CDN \$5000;

1.3 Royalty. The Optionor shall be entitled to a 3% net smelter return royalty (the "NSR Royalty") on the basis of 3% net smelter return royalty to be held by Elk Exploration Ltd. on the production from the Property, calculated and paid in accordance the terms and conditions as set out and described in Schedule "B" attached hereto.

1.4 Assignment. The Optionee shall have the right to assign the Option and its interests under this Agreement without the consent of the Optionor.

2. TRANSFER OF TITLE

2.1 Upon completion of the exercise of the Option for the Interest, the Optionee shall have acquired a 100% of the legal and beneficial right, title and interest in and to the Property free and clear of all encumbrances except for the NSR Royalty, which the Optionee shall be entitled to register against title to the Property. Until the completion of such registration, the Optionor shall be deemed to hold title thereto in trust for the benefit of the parties in accordance with the provisions of this Agreement.

3. NSR PURCHASE

3.1 The Optionee shall have the right at any time to purchase a 1.5% NSR Royalty out of the 3% NSR Royalty thereby reducing the NSR Royalty to a 1.5% net smelter return, which may be exercisable at any time, upon the Optionee giving the Optionor notice of exercise together with CDN \$500,000.

4. OPTIONOR'S REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties. The Optionor represents and warrants to the Optionee as follows now and at the time of the vesting of the Interest:

(a) The Optionor is the beneficial owner of the Property as provided for herein and the registered and beneficial owner of the Property, and that the Property, the improvements thereon and the appurtenances thereto are unencumbered and free of all claims, liens, charges and encumbrances whatsoever, except for the NSR Royalty.

(b) That the Property has been properly located and recorded and is in good standing in accordance with the laws of Nova Scotia until the dates set out in Schedule "A" hereto.

(c) That the Optionor has the exclusive right to receive 100% of the proceeds from the sale of minerals, metals, ores or other products removed from the Property, and except for taxes or royalties payable to the applicable authorities pursuant any applicable legislation, no person, firm or corporation is entitled to any royalty or other payment in the nature of rent or royalty on such materials removed from the Property or is entitled to take such materials in kind.

(d) The Optionor has complied with all laws in effect in the jurisdiction in which the Property is located with respect to the Property, including without limitation all environmental laws.

(e) That no person, firm or corporation has any option or right, or any right capable of becoming an option, to the Property.

(f) The Optionor is not aware of any actions, suits or proceedings, judicial or administrative pending or threatened by or against the Property or affecting the title to or exclusive possession and use of the Property at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign.

4.2 Environmental Condition. The Optionor represents and warrants to the Optionee, to the best of its knowledge, information and belief, that there are:

(a) no toxic or hazardous substances on the Property other than from naturally occurring mineralization;

(b) no discharges of toxic or hazardous substances on the Property other than from naturally occurring mineralization;

(c) no investigations or proceedings by any federal, provincial or local government or agency thereof that might lead to the listing of any lands comprising the Property under any law or regulation dealing with the control of toxic or hazardous materials; and

(d) no investigations or proceedings by any federal, provincial or local government or agency thereof that might lead to the listing of any lands comprising the Property under any law or regulation dealing with the cleanup or remediation of the environment or for damage to the natural resources.

(e) possible mine shafts, workings, dump piles, tailings that are related to historic workings on the property that are not the responsibility of the Optionor if disturbed by the Optionee.

4.3 Covenants. The Optionor covenants with the Optionee as follows:

(a) That at the cost and expense of the Optionee, the Optionor will provide such reasonable assistance to the Optionee as the Optionee may request in making application to effect or obtain any permit, lease, license or concession as may be reasonably required by the Optionee to explore or develop the Property and bring it into production. The Optionor is specifically not responsible for obtaining landowner permissions to access private land and is the responsibility of the Optionee.

(b) Upon exercise of the Option by the Optionee, the Optionor shall take all necessary steps to transfer 100% of the legal and beneficial interest in the Property free and clear of all encumbrances except for the NSR Royalty as described herein.

(c) That the Optionor will 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 therefrom and make copies thereof

(d) That the Optionor will promptly provide the Optionee with any and all notices and correspondence received by the Optionor from government agencies in respect of the Property.

4.4 Survival. The representations, warranties and covenants of the Optionor hereinbefore set out are conditions on which the Optionee has relied in entering into this Agreement, are to be construed as both conditions and warranties and shall, regardless of any investigation which may have been made by or on behalf of the Optionee as to the accuracy of such representations and warranties, survive the closing of the transactions contemplated hereby and the acquisition of the Interest hereunder and the Optionor shall indemnify and save the Optionee harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation or warranty contained in this Agreement.

5. OPTIONEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Representations and Warranties. The Optionee represents and warrants to the Optionor as follows:

(a) That it is a company duly incorporated under the laws of the United Kingdom

(b) That it has the right and authority to enter into this Agreement and to carry out the terms and conditions contained herein.

5.2 Covenants. The Optionee covenants with the Optionor as follows:

(a) That during the currency of this Agreement it will maintain the Property in good standing and record as assessment work against the Property all work ("Work") that is eligible to

be recorded as assessment work, except that in respect of any cash payments to the Optionor in lieu of work, the Optionor agrees to forward that portion of such payment to the applicable regulatory authorities to keep the Property in good standing. Prior to any of the mineral claims forming the Property expiring during the term of this Agreement, the Optionee hereby undertakes to have a mining lease executed with respect to such claims in favour of the Optionor, pursuant to the applicable mining laws and regulations.

(b) That it will carry out operations on the Property in a careful and miner-like manner and in accordance with recognized engineering practices and in full conformity with all applicable mining laws and regulations of Nova Scotia including environmental laws.

(c) That it will promptly pay all accounts of any nature and kind for wages, supplies, workers' compensation assessments and all other accounts and indebtedness incurred by it on the Property so that no lien can arise thereon or upon the minerals contained therein.

(d) That if the Option is terminated pursuant to section 10.1 or 10.2, it will furnish to the Optionor copies of all maps, plans, reports, assays and other technical data whatsoever pertaining to the work carried on by it upon the Property together with all samples taken from the Property as may then be in its possession or available to it and all minerals, gold and other material referred to in section 6.4 which have not been sold. In the event of the option terminating for whatever reason, the property will be returned to Optionor with minimum work credits to enable the next renewal. The Optionee is free to use the existing work credits as it sees fit while holding the Option as long as they are replenished by reported work before terminating the Option. For clarity, the Optionee will return the terminated option property Licences with a minimum of work credits to enable their next renewal.

(e) That within 30 days of the end of each calendar quarter it will provide the Optionor with a written report detailing the nature of and amount spent on Work carried out and any gold or minerals recovered for testing purposes from the Property during the calendar quarter, the evidence thereof and the results thereof.

5.3 Survival. The representations and warranties of the Optionee hereinbefore set out are conditions on which the Optionor has relied in entering into this Agreement, are to be construed as both conditions and warranties and shall, regardless of any investigation which may have been made by or on behalf of the Optionor as to the accuracy of such representations and warranties, survive the closing of the transactions contemplated hereby and the acquisition of the Interest hereunder and the Optionee shall indemnify and save the Optionor harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation or warranty contained in this Agreement.

6 OPERATOR

6.1 Optionee to be Operator. During the currency of this Agreement, the Optionee shall manage the Work and the day to day exploration activities on the Property.

6.2 Right of Entry. Forthwith upon execution of this Agreement the Optionee shall be entitled to quiet possession of the Property, and during the currency of this Agreement the Optionee shall be entitled to, without limitation, enter upon the Property to erect buildings and install machinery thereon and to explore and develop the Property in such manner as it sees fit subject to landowner approval.

6.3 Optionee's Rights. The Optionee shall have the full right, power and authority to do everything necessary or desirable in connection with the exploration and development of the Property and with the Work, including without limitation the right, power and authority to:

(a) regulate access to the Property, subject only to the right of the Optionor and its representatives as provided for in Article 8; and

(b) employ and engage such employees, agents and independent contractors as it may consider necessary or advisable to carry out the Work and its duties and obligations hereunder.

6.4 Entitlement to Material. During the currency of this Agreement, the Optionee shall be entitled to retain possession of all minerals, including without limitation gold, and other material found on or removed from the Property subject to the following limitations. Before the Optionee has earned its interest in the Property, it will be permitted to take minerals from the Property for testing purposes. Any gold and other minerals found on the Property or through testing before the Optionee has made the First Anniversary Payment shall remain the property of the Optionor. Of any gold and other minerals found on the Property or through testing or trial mining subsequent to the Optionee making the First Anniversary Payment and prior to the Optionee making the Second Anniversary Payment, the gold shall remain the property of the Optionor and any revenue from the sale or other disposition of minerals, other than gold, or other materials from the Property, such revenue shall be apportioned equally between the Optionor and the Optionee.

7. INDEMNITY

7.1 The Optionee agrees hereby to save the Optionor harmless from all claims, demands, damages and liabilities of whatsoever kind or character asserted by any person or persons on account of damage to property or injury to or death of any person occurring on or about the Property by the Optionee, unless such damage, injury or death was caused by the fault of the Optionor. The Optionee will indemnify the Optionor from any responsibility for environmental and property damages that occur during the Optionee's and/or its successors' exploration efforts. This clause will survive the termination of the agreement for a period of two years.

7.2 The Optionor agrees hereby to save the Optionee harmless from all claims, demands, damages and liabilities of whatsoever kind or character asserted by any person or persons on account of damage to property or injury to or death of any person occurring on or about the Property by the Optionor, unless such damage, injury or death was caused by the fault of the Optionee.

8. INSPECTION BY OPTIONOR

8.1 Inspection of Property. The Optionee shall permit the Optionor, or its representatives duly authorized in writing, to visit and inspect the Property at all reasonable times and intervals, and data obtained by the Optionee as a result of its operations thereon, provided always that the Optionor or its representatives shall abide by the rules and regulations laid down by the Optionee relating to matters of safety and efficiency in its operations and, notwithstanding Article 7 herein, the Optionee shall be under no liability to the Optionor or its representatives for any personal injury, including death, or any damage to property other than such as might be occasioned by or through any negligence or wilful default on the part of the Optionee, its servants or agents.

8.2 Audit of Optionee's Records. During the currency of this Agreement, the Optionor or its representatives duly authorized in writing shall, upon reasonable notice to the Optionee and at the Optionor's own expense, be entitled to audit the books, records and accounts of the Optionee which contain information relevant to the Property and the operations of the Optionee thereon.

9. FORCE MAJEURE

9.1 If at any time after execution of this Agreement the Optionee should be delayed in or prevented from performing any of the terms, covenants or conditions of this Agreement by reason of fires, floods, earthquakes, subsidence, ground collapse or landslides, interruptions or delays in power or transportation of supplies, strikes, lockouts, wars, acts of God, Government regulation or interference, including, but without restricting the generality of the foregoing, forest closures, or any other cause beyond the control of the Optionee, except lack of monies, then and in every event, any such failure on the part of the Optionee to so perform shall not be deemed to be a breach of this Agreement and the time within which the Optionee is obliged to comply with any such term, covenant or condition under this Agreement shall be extended by the total period of all such delays, provided that in order that the provisions of this paragraph may be operative, the Optionee shall give notice in writing to the Optionor forthwith and as often as it is so delayed or prevented and shall set out in such notice particulars of the cause thereof and the day upon which the same arose, and shall give like notice forthwith following the date that such cause ceased to exist.

10. TERMINATION

10.1 Termination by Optionee. The Optionee may at any time terminate or abandon the Option for any reason whatsoever by written notice to the Optionor, and if the Optionee so abandons the Option this Agreement shall be null and void for all purposes and no further obligations shall arise thereunder except for the Optionee's covenant as provided for in section 5.2(d), 7 and 10.4.

10.2 Termination for Default. If the Optionee is in default of any of its obligations hereunder or has not made a Payment within the time provided for in Article 1 (collectively, a "Default") the Optionor may immediately or at any time give written notice to the Optionee of such Default, and the Optionee shall then have a period of 30 days to remedy such Default. If the Optionee does not remedy the Default

within the 30 days aforesaid, this Agreement shall, at the Optionor's option and upon written notice to the Optionee, terminate forthwith.

10.3 Liability upon Termination. Upon termination of this Agreement the Optionee shall cease to be liable to the Optionor save for the performance of those of its covenants, including section 5.2 and 7 herein, which theretofore should have been performed or which survive termination of this Agreement.

10.4 Vacating Property upon Termination. Upon termination of this Agreement for any reason other than for exercise of the Option, the Optionee shall vacate the Property within a reasonable time after such termination. The Optionee shall remove any buildings, plant, machinery, equipment, tools, appliances, supplies and other chattels and fixtures from the Property which may have been brought upon the Property by the Optionee and shall reclaim and restore the Property in accordance with applicable environmental laws, and the Optionee shall have the right of access to the Property therefore for a period of 6 months from the date of termination.

11. CONFIDENTIALITY

11.1 Confidential Information. All information with respect to this Agreement or the Property or any matters arising therefrom ("Confidential Information") shall be treated as confidential by the parties hereto and not be disclosed to any third party without the previous written consent of the non-disclosing party, such consent not to be unreasonably withheld.

11.2 Disclosure to Advisors. Notwithstanding section 11.1, the parties shall have the right to disclose Confidential Information, in strict confidence, to their attorneys or financial and mining consultants.

11.3 Required Disclosure. This Article 11 does not apply to any disclosure which may be required by law, a stock exchange, or any other securities regulatory authorities, and the normal disclosure of activities for a public company listed on the Exchange or other recognized regulatory body, which shall be determined in the sole discretion of the Optionee.

12. GENERAL

12.1 Option Only. This Agreement is an option only and not a contract of purchase and sale, and neither the doing of anything nor the postponement of the doing of anything shall be construed as obligating the Optionee to do anything further under this Agreement. The Optionee shall have no obligation to make the Payment or complete any Work.

12.2 Time of the Essence. Time shall be of the essence of this Agreement.

12.3 Notices. Any notice or other communication required or contemplated under this Agreement to be given by one party to the other shall be delivered, emailed, telecopied or mailed by prepaid registered post to the party to receive same at the under noted address, namely:

the Optionor: ELK EXPLORATION LTD.

11 River Road, Terence Bay River,

Nova Scotia, B3T 1X2

the Optionee: CONSOLIDATED MINERAL ESTATES LIMITED,

51 Weyhill Road,

Andover, Hants, United Kingdom, SP 10 3AN

Any notice delivered, emailed or telecopied shall be deemed to have been given and received on the business day next following the date of delivery. Any notice mailed as aforesaid shall be deemed to have been given and received on the fifth business day following the date it is posted, provided that if between the time of mailing and actual receipt of the notice there shall be a mail strike, slow-down or other labour dispute which might affect delivery of the notice by mail, then the notice shall be effective only if actually delivered.

12.4 Further Assurances. Each of the parties hereto agrees to execute such further and other deeds, documents and assurances and do such further and other acts as may be necessary to carry out the true intent and meaning of this Agreement fully and effectually.

12.5 Interpretation. Wherever the singular or masculine is used throughout this Agreement, the same shall be read as the plural, feminine or body corporate as the context may require. The captions and emphasis of the defined terms have been inserted for convenience only, and do not define the scope of any provision.

12.6 Choice of Law. This Agreement shall be construed in accordance with the laws of the Province of Nova Scotia, Canada.

12.8 Severability. If any one or more of the provisions contained herein should be held to be invalid, unenforceable or illegal in any respect in any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12.9 Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto with respect to the Property, and the terms hereof shall take precedence over the terms of any previous agreements, either oral or written, between the Optionee and the Optionor. This Agreement may not be varied except by a written document signed by or on behalf of each of the parties.

12.10 Registration of Agreement. The parties hereto acknowledge the right and privilege of the Optionor or the Optionee to file, register or otherwise deposit a copy of this Agreement in the appropriate recording office for the jurisdiction in which the Property is located, or with any other governmental agencies, to give third parties notice of this Agreement, and hereby agree, each with the

other, to do or cause to be done all acts or things reasonably necessary to effect such filing, registration or deposit.

12.11 Enurement. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective successors at law and assigns.

12.12 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties to this Agreement had signed the same document and all counterparts will be construed together and will constitute one and the same instrument and any facsimile signature shall be taken as an original.

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first above written.

CONSOLIDATED MINERAL ESTATES LTD.

Per: Christopher Ecclestone, Director

A handwritten signature in black ink, appearing to read "Chris Ecclestone", with a long, sweeping flourish extending to the right.

Authorized Signatory

ELK EXPLORATION LTD.

Per: Lindsay Allen

Authorized Signatory

SCHEDULE "A"

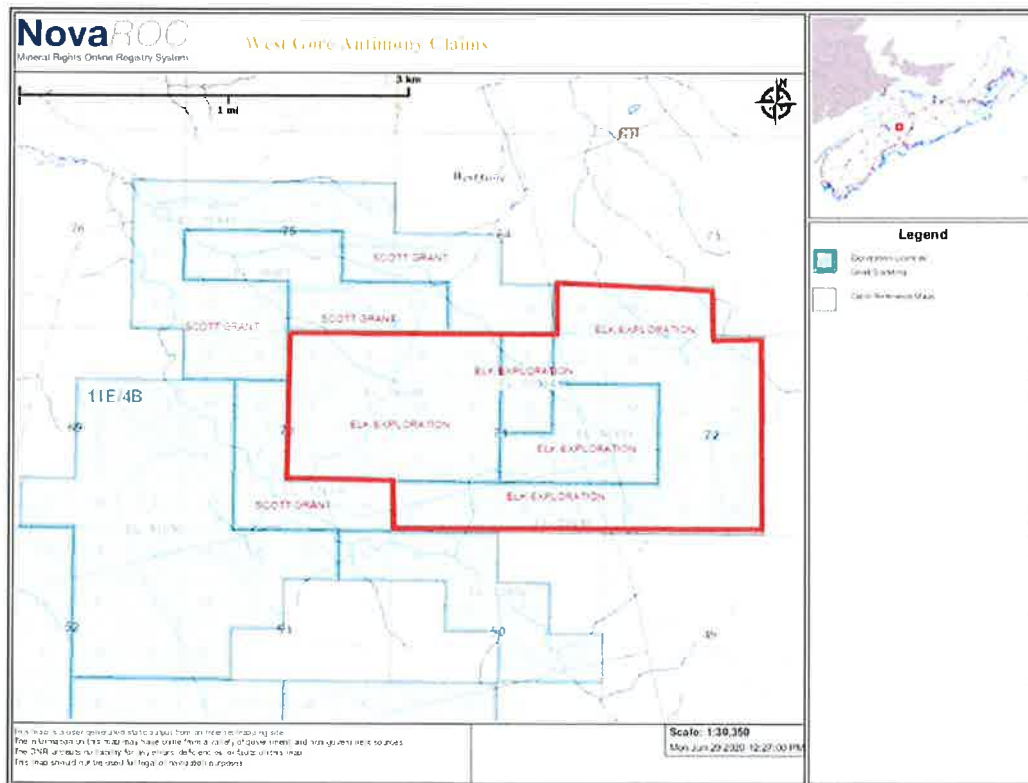
Property Description

Licence 08659 Map 11E/4B TRACT 70, Claims GHJKPQ TRACT 71 Claims EFLMNO Renewal/expiry date July 27/2021

Licence 50954 Map 11E/4B TRACT 71 Claims KP Renewal/expiry date April 4/2021

Licence 51851 Map 11E/4B TRACT 71 Claims GHJ TRACT 72 Claims EM Renewal/expiry date September 9/2021

Licence 53649 Map 11E/4B TRACT 71 Claims ABCDQ TRACT 72 Claims BCFGKLNOP TRACT 73 Claims CD TRACT 74 Claims A Renewal/expiry date March 10/2022



SCHEDULE "B"

NET SMELTER RETURNS

1. For the purposes of this Schedule "B" and of calculating the amount of royalty payable hereunder:

(a) "net smelter return" - means the amount of money actually received from the sale of the ores mined from the Property or from the sale of the concentrates or other products derived therefrom, less all taxes, costs or expenses incurred with respect to freight, trucking or handling of ores, concentrates or other products ex headframe in the case of ores and ex mill or other treatment facility in the case of concentrates or other products;

(b) "Operator" - means the party responsible for the carrying on of the operations relating to the Property;

(c) "Owner" - means the person or persons that own an interest in the Mineral Claims as at the relevant time including, without limitation, the Operator if the Operator has such an interest;

(d) "Property" - means the Mineral Claims as defined in the annexed agreement;

(e) "Recipient" - means the party or parties that are from time to time entitled to be paid the royalty hereunder;

(f) "year" - means the calendar year and a reference to a subdivision of a year means a reference to the relevant subdivision of a calendar year;

(g) those terms defined in the agreement of which this Schedule B is part shall have the same meanings as so defined (save as otherwise provided in this Schedule B).

2. All calculations and computations relating to the royalty shall be carried out in accordance with generally accepted accounting principles and good mining practice. The Harmonized Sales Tax (HST) due, at the prevailing rate, shall be payable by the Optionee.

3. Subject to the provisions hereof, the amount of royalty payable to the Recipient hereunder shall be calculated by the operator as at the end of each quarter and shall be payable to the Recipient on or before the 15th day of the next following quarter; provided, however, that the Operator shall deduct from royalty otherwise payable the amount of any advance royalty paid pursuant to the annexed agreement until such time as the aggregate amount of the advance royalty so paid has been so deducted. It is expressly agreed that no entitlement to a royalty shall arise out of any hedging or forward selling transaction carried out by the Optionee under the Agreement to which this schedule is attached.

4. With each payment of royalty, the Operator shall deliver to the Recipient a statement indicating the nature of the payment being made, if any, the manner in which it was determined and, as at the date of such calculation, the aggregate amount of advance royalty (if any) paid and not deducted hereunder. If

no royalty is payable in any quarter, the Operator shall deliver a statement accordingly. Within 90 days after the end of each year in which royalty is payable, or save for deduction of advance royalty previously paid would be payable, the Operator shall deliver to the Recipient a certificate confirming the determination of the amount of royalty paid or otherwise payable during the said year.

5. The Operator shall keep separate accounts relating to its operations hereunder and, upon the prior written request of the Recipient, duly authorized representatives of the Recipient may have access to such accounts for the purpose of confirming any information contained in a statement delivered to the Recipient pursuant to the provisions of paragraph 4 hereof; provided, always, that such access shall not interfere with the affairs of the Operator. The Recipient shall have the right to make copies of or take extracts from such accounts (but only for his own use).

6. (a) For the purpose of calculating the amount of royalty payable to the Recipient hereunder only, if any ore or product derived from ore mined from the property is retained by the Operator or Owner or sold to a company associated with the Operator or Owner, and if the sale price of such product is not negotiated on an arm's length basis, the Operator shall, for the purposes of calculating net smelter return available to pay the royalty hereunder only and notwithstanding the actual amount of such sale price, add to any moneys actually received with respect to such sale an amount which the Operator considers sufficient to make the same represent a reasonable sale price for such product as if negotiated at arm's length.

(b) The Operator shall by notice inform the Recipient of the quantum of such reasonable sale price and, if the Recipient does not object thereto within 45 days after receipt of such notice, said quantum shall be final and binding for the purposes of this paragraph 6.

(c) If the Recipient objects to such quantum by notice delivered to the Operator within the said 45 days, then the quantum of such reasonable sale price shall be decided by arbitration as follows: the Recipient shall nominate one arbitrator and shall notify the Operator of such nomination and the Operator shall, within 45 days after receiving such notice, nominate an arbitrator and the two arbitrators shall select an umpire to act jointly with them. If the said arbitrators shall be unable to agree in the selection of such umpire, the umpire shall be a person designated by the President or any Vice-President of the Canadian Institute of Mining and Metallurgy, provided that such person is not an employee of the Owner or any company affiliated with the Owner. The umpire shall fix the time and place for the purpose of hearing such evidence and representations as either or the parties hereto may present and, subject to the provisions hereof, the decision of the arbitrators and umpire, or any two of them, in writing shall be binding upon the parties hereto. The said arbitrators and umpire shall, after hearing any evidence and representations that the parties may submit, make their award, reduce the same to writing and deliver one copy thereof to each of the parties hereto. The majority of the umpire and arbitrators may determine any matters of procedure for the arbitration not specified herein. If the Operator fails within the said 45 days to nominate an arbitrator, then the arbitrator nominated by the Recipient may proceed alone to determine the dispute in such manner and at such time as he shall think fit and his decision shall, subject to the provisions hereof, be binding upon the parties hereto.

(d) The expense of the arbitration shall be paid by the Recipient if the decision reached hereunder does not increase such quantum by more than 1% of the quantum set forth in the notice hereinbefore referred to and otherwise by the Operator.