

THIS OPTION AGREEMENT made as of July 27, 2021.

BETWEEN:

GRIZZLY DISCOVERIES INC., a corporation incorporated pursuant to the laws of the Province of Alberta and having an office located at 363-9768 170th St. NW, Edmonton, AB T5T 5L4

(the “**Optionor**”)

OF THE FIRST PART

AND:

HI-VIEW RESOURCES INC., a corporation incorporated pursuant to the laws of the Province of British Columbia and having an office located at 1500-1055 West Georgia Street, Vancouver, BC V6E 4N7

(the “**Optionee**”, and together with the Optionor, the “**Parties**” and each a “**Party**”)

OF THE SECOND PART

WITNESSETH THAT:

A. **WHEREAS** the Optionor owns and holds directly 80% of the right, title and interest in and to the Property (as defined herein) and a 100% interest in and to the Nickel and Cobalt Rights (as defined herein);

B. **AND WHEREAS** the Parties now wish to enter into this Agreement concerning the Property in order to provide for the grant to the Optionee of the Option (as defined herein) and to acquire from the Optionor (i) a 60% interest in the Property, and (ii) a 60% interest in the Nickel and Cobalt Rights, all for the consideration and upon the terms and conditions set forth herein;

NOW THEREFORE in consideration of the mutual covenants herein contained, the Parties agree as follows:

**ARTICLE 1
DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

1.1 Definitions

Capitalized words and phrases used in this Agreement shall have the meaning given to such words and phrases below:

“0722 Agreement” means the option agreement dated November 16, 2009 between 0722161 B.C. Ltd and the Optionor (formerly know as Grizzly Diamonds Ltd.).

“Aboriginal Peoples” shall mean any peoples native to Canada that Claim or have a right or interest in or to the Property that is dependent upon constitutional or other lawful non-contractual rights or powers.

“Acquisition Date” shall have the meaning ascribed thereto in Section 3.1 hereof.

“Affiliate” means any corporation, company, partnership, joint venture or firm that controls, is controlled by or is under common control with a Person. For purposes of this definition, “control” shall mean (a) in the case of corporate entities, direct or indirect ownership of more than 50% of the stock or shares entitled to vote for the election of directors; and (b) in the case of non-corporate entities, direct or indirect ownership of more than 50% of the equity interest with the power to direct the management and policies of such non-corporate entities.

“Agreement” means this Option Agreement, including all schedules, and all instruments supplementing, amending or confirming this Agreement and references to “Article” or “Section” are to the specified article or section of this Agreement.

“Applicable Law” means any applicable Canadian or foreign federal, provincial, state or local statute, regulation, rule, by-law, ordinance, order, policy or consent, including the common law, as well as any other enactment, treaty, official directive or guideline issued by a Governmental Authority and the terms and conditions of any permit, licence or similar document or approval issued by a Governmental Authority, and shall also include any order, judgment, decree, injunction, ruling, award or declaration, or other decision of whatsoever nature of a court, administrative or quasi-judicial tribunal, an arbitrator or arbitration panel or a Governmental Authority of competent jurisdiction that is not subject to appeal or that has not been appealed within the requisite time thereof.

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday, on which the principal commercial banks located at Vancouver, British Columbia are open for business during normal banking hours.

“Capital Reorganization” shall have the meaning ascribed thereto in Section 3.4(a) hereof.

“Claim” means any claim, demand, action, cause of action, damage, loss, cost, liability or expense, including reasonable legal fees and all reasonable Costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“Common Share Reorganization” shall have the meaning ascribed thereto in Section 3.4(b) hereof.

“Confidential Information” shall have the meaning ascribed thereto in Section 6.1 hereof.

“Costs” means any and all damages, including exemplary and punitive damages, losses, including economic losses, costs, expenses, liabilities and obligations of whatsoever kind, direct or indirect, including fines, penalties, interest, lawyers’ fees and disbursements, and taxes thereon.

“**Crown NSR**” means that 3.0% net smelter return royalty arising and payable on some of the Property to Kinross Gold Corporation (as successor in interest to Crown Resources Corporation) pursuant to the Crown NSR Agreement up to a maximum amount payable of USD\$5,000,000.

“**Crown NSR Agreement**” means the option agreement dated May 5, 1994 between Crown Resources Corporation and Bob Miller pursuant to which the Crown NSR was created and is payable;

“**Demanding Party**” shall have the meaning ascribed thereto in Section 8.2(c) hereof.

“**Encumbrances**” means any pledge, lien, restriction, charge, security agreement, lease, conditional sale, title retention agreement, mortgage, encumbrance, assignment by way of or in effect as security, or any other security interest, and any option or adverse Claim, of any kind or character whatsoever.

“**Environmental Laws**” means all Applicable Laws relating to the protection of the environment, including air, soil, surface water, ground water, biota, wildlife or personal or real property, or to employee and public health and safety, and includes those Environmental Laws that regulate, ascribe, provide for or pertain to liabilities or obligations in relation to the existence, use, production, manufacture, processing, distribution, transport, handling, storage, removal, treatment, disposal, emission, discharge, migration, seepage, leakage, spillage or release of Substances or the construction, alteration, use or operation, demolition or decommissioning of any facilities or other real or personal property.

“**Event of Force Majeure**” shall have the meaning ascribed thereto in Section 8.3 hereof.

“**Excision Date**” shall have the meaning ascribed thereto in Section 5.4(b)(i) hereof.

“**Excision Notice**” shall have the meaning ascribed thereto in Section 5.4(b) hereof.

“**Excision Property**” shall have the meaning ascribed thereto in Section 5.4(b)(i) hereof.

“**Expenditures**” means any and all expenditures and Costs of any kind incurred by the Optionee during the Option Period in the conduct of Mining Operations in respect of the Property, including expenditures incurred on Studies and the Operator’s Fee, and such Expenditures shall be deemed to have been incurred upon the date of payment of same; provided, however, that Expenditures shall not include legal Costs to prepare this Agreement, nor implement any of the transactions contemplated herein, nor to acquire additional mineral properties, nor for any general, administrative or head office expenses of the Optionee (except that, in the case of employees assigned or partially assigned to Mining Operations, a reasonable proportion of their salary and benefits shall qualify as Expenditure that directly relates to their time spent). For greater clarity, costs to maintain the Property in good standing shall qualify as Expenditures, and such amounts shall be credited towards the Optionee’s Expenditure obligations as outlined under Article 3 of this Agreement.

“**Exploration Committee**” shall have the meaning ascribed thereto in Section 5.1(a)(v) hereof.

“**Firm Commitments**” shall have the meaning ascribed thereto in Section 3.1(d).

“Governmental Authorities” means all applicable federal, provincial or state and municipal agencies, boards, tribunals, ministries and departments, both Canadian and foreign.

“Hi-View Shares” means the common shares of the Optionee, which carry the right to vote at shareholders’ meetings, the right to receive dividends and the right to a proportionate share of assets upon dissolution.

“Indemnified Party” shall have the meaning ascribed thereto in Section 7.1 hereof.

“Indemnifying Party” shall have the meaning ascribed thereto in Section 7.1 hereof.

“Infertile Property” shall have the meaning ascribed thereto in Section 5.1 hereof.

“Joint Venture” shall have the meaning ascribed thereto in Section 4.2 hereof.

“Joint Venture Agreement” means the agreement for the further exploitation and development of the Property to be executed and delivered by the Parties pursuant to Section 4.2 following the exercise by the Optionee of the Option in accordance with the terms and conditions of this Agreement, or, until such agreement is executed and delivered, or if no such agreement is executed and delivered, the provisions of Schedule “B” hereto shall be enforceable against the parties and shall govern the operation of the Joint Venture.

“Listing Date” means the date that the Hi-View Shares are listed for trading on the Canadian Stock Exchange or another recognized stock exchange.

“Material Contract” means any contract or commitment, whether oral or written, to which the Optionor is bound or in respect of which the Optionor may have liability and that relates to the Property.

“Mineral Claims” means those as described in Schedule “A” hereto.

“Mining Operations” includes every kind of work done on or in respect of the Property or the products therefrom and, without limiting the generality of the foregoing, includes the work of assessment, geophysical, geochemical and geological surveys, studies and mapping, investigating, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, cross-cutting and drifting, searching for, digging, trucking, sampling, working and procuring minerals, ores and metals, surveying and bringing any mining claims to lease or patent, and doing all other work usually considered to be prospecting, exploration, development and/or mining work.

“Miscellaneous Interests” means the interests of the Optionor in all property, assets, rights (other than the Property) and liabilities ancillary to the Property to which the Optionor is entitled or obligated including, but not limited to, the interests of the Optionor in:

- (a) any Studies;
- (b) all contracts, agreements and documents relating to the Property and the operations conducted thereunder or any rights and obligations in relation thereto;

- (c) all subsisting rights to enter upon, use and occupy the surface of any lands forming part of the Property or of any lands to be traversed in order to gain access to any of the lands forming part of the Property;
- (d) all assignable permits, licenses and authorizations relating to the Property; and
- (e) all books, records, data and other information relating to the Property, including accounting records, plans, drawings and specifications.

“**News Release**” shall have the meaning ascribed thereto in Section 6.4 hereof.

“**NI 43-101**” shall have the meaning ascribed thereto in Section 3.1(b).

“**Nickel and Cobalt Rights**” means all permits, licenses and other documents of title, including replacement or substitute forms of documents of title, by virtue of which the holder is entitled to explore for, develop, produce, mine, recover, remove or dispose of nickel and cobalt from on or within the lands comprising the Mineral Claims.

“**Notice**” shall have the meaning ascribed thereto in Section 8.10 hereof.

“**Objection Period**” shall have the meaning ascribed thereto in Section 3.5 hereof.

“**Operator**” means the Party that is entitled to direct exploration work, including work plans and budgets to be implemented, in respect of the Property, all in accordance with Section 5.1 hereof.

“**Operator’s Fee**” means a charge equal to the aggregate of 10% of the items of Expenditure, that have been incurred and paid;

“**Option Period**” means the period of time from the date of this Agreement to the date that the Optionee exercises the Option or that the Option and this Agreement otherwise terminates, all pursuant to the terms hereof.

“**Optionee**” means Hi-View Resources Inc.

“**Optionor**” means Grizzly Discoveries Inc.

“**Option**” shall have the meaning ascribed thereto in Section 3.1 hereof.

“**Outside Date**” means December 31, 2022.

“**Permitted Encumbrances**” mean:

- (a) the Crown NSR and Crown NSR Agreement;
- (b) the 0722 Agreement;
- (c) easements, rights of way, servitude and similar rights in land including, but not limited to, rights of way and servitude for highways and other roads, railways,

sewers, drains, gas and oil pipelines, gas and water mains, electric power, telephone, telegraph or cable television conduits, poles, wires and cables which are not material;

- (d) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, grant or permit forming part of the Property, or by any statutory provision, to terminate any such lease, licence, grant or permit or to require annual or other periodic payments as a condition of the continuance of them, as well as all other reservations, limitations, provisos and conditions in any original grant from Governmental Authorities;
- (e) the right of any Governmental Authority to levy taxes on minerals or the revenue therefrom and governmental restrictions on production rates on the operation of a mine on the Property, as well as all other rights vested in any Governmental Authority to control or regulate the Property pursuant to Applicable Laws;
- (f) any liens, charges or other Encumbrances:
 - (i) for taxes, assessments or governmental charges;
 - (ii) incurred, created and granted in the ordinary course of business to a public utility or Governmental Authority in connection with operations conducted with respect to the Property, but only to the extent those liens relate to Costs for which payment is not due; and
 - (iii) any other rights or Encumbrances consented to in writing by the Optionee or granted by the Optionee.

“**Person**” means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, company, corporation or other body corporate, union, Governmental Authority and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

“**Property**” means collectively the documents of title, including replacement or substitute forms of documents of title, by virtue of which the holder is entitled to explore for, develop, produce, mine, recover, remove or dispose of minerals (excluding industrial minerals, nickel, and cobalt) from on or within the lands comprising the Mineral Claims.

“**Responding Party**” shall have the meaning ascribed thereto in Section 8.2(c) hereof.

“**Rules**” shall have the meaning ascribed thereto in Section 8.2(b) hereof.

“**Studies**” means any and all studies pertaining to the Property, including all:

- (a) geological, resource, reserve, mining and product quality studies; and
- (b) socio-economic, environmental, transportation, infrastructure, power, market and financial studies.

“**Substance**” means any contaminant, pollutant or hazardous substance that is likely to cause harm or degradation to the environment or risk to human health or safety, including any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in any Environmental Law.

“**Successors**” means successors and includes any successor continuing by reason of amalgamation or other reorganization and any Person to which assets are transferred by reason of a liquidation, dissolution or winding-up.

“**VIAC**” means the Vancouver International Arbitration Centre (formerly known as the British Columbia International Arbitration Centre).

1.2 Schedules

The following Schedules to this Agreement, as listed below, constitute an integral part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule “A”	- The Property
Schedule “B”	- Joint Venture
Schedule “C”	- Net Smelter Royalty

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Optionor’s Representations and Warranties

The Optionor, to the best of its knowledge, represents and warrants to the Optionee at the time of the execution of this Agreement that:

- (a) the Optionor has acquired and holds directly an 80% interest in the Property and a 100% interest in the Nickel and Cobalt Rights, subject to the rights the Province of British Columbia may have in the said Property and any Permitted Encumbrances,
- (b) during the term of this Agreement, the Optionor shall take all actions and do all things necessary or desirable to ensure that (i) no further liabilities are incurred on the Property other than with the express written consent of the Optionee; and (ii) the Property remains free and clear of all Encumbrances, except Permitted Encumbrances;
- (c) the description of the Property set forth herein is true and correct;
- (d) there have been no mines developed on the Property to the date hereof;

- (e) it has obtained board approval to grant the Option to the Optionee, and to transfer (i) a 60% interest in the Property, and (ii) a 60% interest in the Nickel and Cobalt Rights to the Optionee in accordance with the terms hereof, and, subject to the Crown NSR Agreement and the 0722 Agreement, the Optionor has sole and complete power and authority to deal with the Property and Nickel and Cobalt Rights in the manner contemplated in this Agreement;
- (f) except for the Permitted Encumbrances and the rights of the Optionee under this Agreement, the Optionor has not done any act or suffered or permitted any action to be done whereby any Person may acquire any interest in or to the Property or minerals to be produced from the Property;
- (g) no Person has any right under preferential, pre-emptive or first purchase rights or otherwise to acquire any interest in the Property that might be triggered by virtue of this Agreement or the transactions contemplated hereby;
- (h) there is no actual, threatened or, to the best of its knowledge, contemplated Claim or challenge relating to the Property, nor to the best of its information, knowledge and belief is there any basis therefor, and there is not presently outstanding against the Optionor any judgment, decree, injunction, rule or order of any court, Governmental Authority or arbitrator which would have a material effect upon the Property;
- (i) all taxes, assessments, rentals, levies and other payments, as well as all reports, relating to the Property and required to be made, performed and filed to and with any Governmental Authority in order to maintain the Property in good standing have been so made, performed or filed, as the case may be;
- (j) the Property is in good standing and in full compliance with the mining legislation and regulations of the Province of British Columbia;
- (k) except for the Permitted Encumbrances there are no adverse Claims or challenges against, or to the ownership of, or title to, the Property or substances thereon, therein or therefrom nor to the knowledge of Optionor, is there any basis therefor;
- (l) all necessary material information and data (including, without limitation, all geological, geophysical and assay results and maps) concerning the Property and prior exploration and development work carried out thereon by the Optionor and within the actual knowledge of the Optionor has been disclosed and provided to Optionee;
- (m) to the best of the Optionor's knowledge, conditions on and relating to the Property respecting all past and current operations thereon are in compliance in all material respects with all Applicable Laws, including all Environmental Laws;
- (n) it has not received any notice of, or communication relating to, any actual or alleged breach of any Environmental Laws, and there are no outstanding work orders or

actions required to be taken relating to environmental matters respecting the Property or any operations carried out thereon; and

- (o) it is not a party to or bound by any guarantee, indemnification, surety or similar obligation pertaining to the Property and, except for this Agreement, the Crown NSR Agreement and the 0722 Agreement, no Material Contracts have been entered between the Optionor and any other Person and are currently in force with respect to the Property.

2.2 Representations and Warranties of the Parties

Each Party represents and warrants to the other as follows:

- (a) it is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation, amalgamation or continuance, as the case may be, and has all necessary corporate power, authority and capacity to own its property and assets and to carry on its business as presently conducted;
- (b) the execution, delivery and performance of this Agreement do not, and the fulfillment and compliance with the terms and conditions hereof by it (to the extent required herein) and the consummation of the transactions contemplated hereby will not, conflict with any of, or require the consent or waiver of rights of any Person under, its constating documents or by-laws, nor to the best of its knowledge do or will any of the foregoing:
 - (i) violate any provision of or require any consent, authorization or approval under any Applicable Law;
 - (ii) conflict with, result in a breach of, constitute a default under (whether with notice or the lapse of time or both), accelerate or permit the acceleration of the performance required by, or require any consent, authorization or approval which has not been obtained under any agreement or instrument to which it is a party or by which it is bound or to which any of its property is subject; or
 - (iii) result in the creation of any Encumbrance (other than Permitted Encumbrances) upon its interest in the Property, in the case of the Optionor;
- (c) it has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement and the execution and delivery of this Agreement and the consummation of the transactions contemplated in this Agreement have been duly authorized by all necessary corporate action on its part;
- (d) this Agreement constitutes a valid and binding obligation of it, enforceable against it in accordance with the terms of this Agreement, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific

performance and injunction are in the discretion of the court from which they are sought; and

- (e) it has not incurred any liability, contingent or otherwise, for brokers' or finders' fees in respect of the transactions contemplated herein.

No investigations made by or on behalf of a Party at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by the other Party in or pursuant to this Agreement. No waiver by a Party of any condition or other provision, in whole or in part, shall constitute a waiver of any other condition or provision.

2.3 Nature and Survival

- (a) The grant of the Option and any and all information or data that may be provided to the Optionee by the Optionor, and upon exercise of the Option by Optionee, the acquisition by Optionee of the 60% interest in the Property and the 60% interest in the Nickel and Cobalt Rights, is without any representation or warranty by the Optionor of any kind except as expressly set forth in Section 2.1, and the Optionor expressly disclaims all other express or implied warranties, including, without limitation, the warranty of merchantability or fitness for any particular purpose.
- (b) Without limiting Section 2.3(a), the Optionee acknowledges and agrees:
 - (i) in making the determination to enter into this Agreement and if it elects to do so, exercise the Option, the Optionee has relied solely on the results of its own independent investigations and the representations and warranties of the Optionor expressly set out in this Article 2;
 - (ii) except as expressly stated in the representations or warranties set out in in this Article 2, neither the Optionor nor any Affiliate or representative of the Optionor nor any other person is making, has made, or will be deemed to have made, any representations or warranties of whatever nature, express or implied; and
 - (iii) any Claims the Optionee may have for breach of representation or warranty shall be based solely on the representations and warranties of the Optionor expressly set out in in this Article 2.
- (c) The representations and warranties contained in this Article 2 shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the Option is exercised or this Agreement is terminated, whichever is earlier.
- (d) If, prior to the expiry of the survival periods provided for in Section 2.3(c), no written Claim shall have been made under this Agreement against a Party for any misstatement, inaccuracy or incorrectness or breach of any representation or warranty made in this Agreement by such Party, such Party shall have no further liability under this Agreement with respect to such representation or warranty. In

providing a Claim, the Party making the Claim shall not be obligated to set out in the Claim the amount of Costs suffered by such Party, if such Costs, as at the time of making the Claim, are not reasonably ascertainable.

**ARTICLE 3
OPTION**

3.1 Grant of Option

The Optionor hereby grants to the Optionee the sole and exclusive right and option (the “**Option**”) exercisable in the manner described herein, to acquire a (i) 60% legal and beneficial interest in the Property, and (ii) a 60% legal and beneficial interest in the Nickel and Cobalt Rights, free and clear of all Encumbrances and Claims other than the Permitted Encumbrances which interest shall vest on the date (the “**Acquisition Date**”) upon which all of the following events have been completed, notice has been delivered pursuant to Section 4.1(a) and the Objection Period has either expired or any objections raised by the Optionor have been resolved in accordance with Section 3.5:

- (a) cash payments in the aggregate of \$500,000 made to the Optionor, the completion of exploration Expenditures in the aggregate of \$1,100,000 on the Property, and the issuance of an aggregate of 800,000 Hi-View Shares to the Optionor, all as follows:

DATE	HI-VIEW SHARES	CASH	EXPENDITURES
On Signing this Agreement	-	\$5,000	-
Listing Date	200,000	\$15,000	-
December 31, 2022	-	-	\$100,000
1 st Anniversary of Listing Date	120,000	\$50,000	-
2 nd Anniversary of Listing Date	120,000	\$100,000	\$200,000
3 rd Anniversary of Listing Date	120,000	\$110,000	\$200,000
4 th Anniversary of Listing Date	120,000	\$110,000	\$200,000
5 th Anniversary of Listing Date	120,000	\$110,000	\$400,000
TOTAL:	800,000 Shares	\$500,000 Cash	\$1,100,000 Expenditures

- (b) Expenditures in excess of the minimum requirements above in any given year shall count towards the minimum Expenditures above in subsequent years. The expenditures incurred by the Optionee in relation to the production of a technical

report in compliance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) on the Property shall count towards the minimum Expenditures.

- (c) Forthwith upon completion of all of the events set forth in subsections 3.1(a) above, the Optionor will take all actions and do all things necessary or desirable to effect a transfer and assignment of, and the Optionee will take all actions and do all things necessary or desirable to effect an assumption of, (i) 60% of the legal and beneficial right, title and interest in and to the Property, (ii) 60% of the legal and beneficial right, title and interest in and to the Nickel and Cobalt Rights to the Optionee in accordance with Article 4 below.
- (d) The Optionee agrees that upon execution and delivery of this Agreement by each of the Parties, the requirements of the Optionee to: (i) make cash payments of \$20,000 to the Optionor on or before the Listing Date; (ii) issue 200,000 Hi-View Shares to the Optionor on the Listing Date; and (iii) incur exploration Expenditures in a minimum amount of \$100,000 on the Property on or before December 31, 2021, shall be treated as firm commitments (collectively, the “**Firm Commitments**”).

3.2 Notice of Option

The Optionee shall have the right to register notice of this Agreement for the sole purpose of giving notice of its Option hereunder. Such notice shall be forthwith removed by the Optionee upon termination of this Agreement.

3.3 Option Only

The parties agree that this Agreement constitutes only an option to acquire an interest and nothing herein shall obligate the Optionee to incur Expenditures, make cash payments or issue Hi-View Shares over and above the Firm Commitments.

3.4 Anti-dilution and Reorganization

If and whenever at any time after the date of this Agreement and prior to the Optionee’s exercise of the Option, the Optionee takes, or any action is taken, affecting the Hi-View Shares, which in the opinion of the board of directors of the Optionee, acting reasonably and in good faith would not fairly adjust the rights of the Optionor against dilution in accordance with the intent and purposes hereof, then the Optionee will provide for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such a manner as the board of directors of the Optionee, acting reasonably and in good faith, may determine to be equitable in the circumstance. The purpose and intent of any adjustments to be made by the board of directors of the Optionee is to ensure that the rights and obligations of the Optionor are neither diminished nor enhanced as a result of any of the applicable events set forth herein. Accordingly, any adjustment made by the board of directors will be interpreted and applied in accordance with such purpose and intent.

Without derogating from the foregoing and for greater certainty:

(a) **Capital Reorganization.** If, during the term of this Agreement, there is a reclassification or redesignation of the Hi-View Shares at any time outstanding or a change or exchange of the Hi-View Shares into other shares or into other securities or any other capital reorganization (other than a Hi-View Share Reorganization), or a consolidation, amalgamation, arrangement, business combination, or merger of the Optionee with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement, business combination or merger which does not result in any reclassification or redesignation of the outstanding Hi-View Shares or a change or exchange of Hi-View Shares into other securities), or a transfer of the undertaking or assets of the Optionee as an entirety or substantially as an entirety to another corporation or other entity (any of such events being herein called a “**Capital Reorganization**”), the Optionor, where it has not yet been issued Hi-View Shares under this Agreement, will be entitled to receive, and must accept, in lieu of the number of the Hi-View Shares to which the Optionor was to receive, the kind and aggregate number of shares, other securities or other property (including money) which the Optionor would have been entitled to receive as a result of a Capital Reorganization if, on the effective date thereof, it had been the registered holder of the number of the Hi-View Shares to which the Optionor may be entitled to receive hereunder. If determined appropriate by the board of directors of the Optionee, acting reasonably and in good faith, and subject to the prior written approval of the Canadian Stock Exchange or other stock exchange on which the Hi-View Shares are then listed or quoted for trading, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 3.4(a) will thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares, other securities or other property thereafter deliverable to the Optionor. Any such adjustments will be made by and set forth in terms and conditions supplemental hereto approved by the board of directors of the Optionee.

(b) **Common Share Reorganization.** If, the Optionee:

- (i) issues Hi-View Shares or securities exchangeable for or convertible into Hi-View Shares to holders of all or substantially all of its then outstanding the Hi-View Shares by way of stock dividend or other distribution or otherwise, or
- (ii) subdivides, redivides or changes its outstanding the Hi-View Shares into a greater number of Hi-View Shares, or
- (iii) consolidates, reduces or combines its outstanding Hi-View Shares into a lesser number of Hi-View Shares,

(any of such events in these paragraphs (i), (ii) and (iii) being a “**Common Share Reorganization**”), then, upon the Optionee issuing Hi-View Shares hereunder, the number of Hi-View Shares that may be issuable pursuant hereto will, to the extent not already issued to the Optionor, be adjusted such that the Optionor will receive on the issuance of such shares that number of Hi-View Shares that the Optionor

would have received had it been shareholder on the record date or effective date, as applicable, for such Common Share Reorganization and participated in the Common Share Reorganization with the other shareholders of the Optionee.

3.5 Expenditure Statement and Audit

Within 60 days following the expiry of the time period in which the Optionee is required by this Agreement to fund Expenditure, the Optionee must provide the Optionor with an itemized statement of Expenditure incurred during that time period and a report on the Mining Operations conducted on or with respect to the Property for the applicable time period summarizing any significant technical data learned or obtained. The itemized statement of Expenditure incurred in any period will be conclusive evidence of the making of the Expenditure recorded in the statement unless within 60 days after delivery of that statement (“**Objection Period**”) the Optionor delivers a written notice to the Optionee that it has objections or requires further information. If the Optionor delivers such a notice, then the Optionee will provide any further information about the Expenditure that the Optionee reasonable requests within 15 days of receipt of such notice. The Optionor will further be entitled to request that the auditor of the Optionee to audit the Expenditure recorded in the statement of Expenditure that is the subject of the notice within 15 days of the Optionee’s receipt of all information reasonably requested by the Optionee or 15 days after the Optionee delivers the aforesaid notice, whichever is later. At the conclusion of that audit:

- (a) if the auditor determines that the Optionee had met its Expenditure obligation for the time period in question, then the costs of the audit will be borne by the Optionor; or
- (b) if the auditor determines that the Optionee did not meet its Expenditure obligation for the time period in question, then the reasonable costs of the audit will be borne by the Optionee,
- (c) and, in all events and whatever the misstatement, only the actual Expenditure so determined will constitute Expenditure for the purposes of the relevant time period.

3.6 Insufficient Expenditure

- (a) If, by the expiry of any applicable time period set out in Section 3.1(a), the Optionee fails to fund the full amount of Expenditure for that time period, then the Optionee will nevertheless be deemed to have satisfied Section 3.1(a) so long as the Optionee, within 30 days after the expiry of that time period, pays to the Optionor an amount which is equal to the difference between the actual Expenditure funded by the Optionee in that time period and the amount of Expenditure set out in Section 3.1(a) that ought to have been funded by the Optionee in that time period.
- (b) Subject to Section 3.6(a), if, for any applicable time period set out in Section 3.1(a), it is determined by an auditor under Section 3.6 that the Optionee has failed to fund the full amount of Expenditure for that time period required by this Agreement, then the Optionee will nevertheless be deemed to have satisfied the required Expenditure so long as, within 15 days after the date of the auditor’s determination,

the Optionee pays to the Optionor an amount which is equal to the difference between the actual Expenditure funded by the Optionee in that time period as determined by the auditor and the amount of Expenditure that under this Agreement ought to have been funded by the Optionee in that time period.

ARTICLE 4 VESTING OF INTEREST

4.1 Vesting of 60% Interest

Should the Optionee take all actions and do all things necessary to exercise the Option in accordance with Section 3.1 within the time periods provided for therein, then:

- (a) the Optionee shall give notice to the Optionor of such fact, together with the final statement of Expenditure required under Section 3.5;
- (b) provided that the Objection Period has either expired or any objections raised by the Optionor have been resolved in accordance with Section 3.5,
 - (i) the Parties shall forthwith execute and deliver the Joint Venture Agreement in accordance with Section 4.2 below and, until such execution and delivery, the Parties shall be deemed to have executed and delivered same; and
 - (ii) the Optionor will take all actions and do all things necessary or desirable to effect a transfer of (i) 60% of the legal and beneficial right, title and interest in and to the Property, and (ii) 60% of the legal and beneficial right, title and interest in and to the Nickel and Cobalt Rights to the Optionee such that the Optionee thereafter holds a (i) 60% legal and beneficial interest in the Property, and (ii) 60% legal and beneficial interest in the Nickel and Cobalt Rights, free and clear of all Encumbrances and Claims other than the Permitted Encumbrances.

4.2 Joint Venture Agreement

Upon the Optionee exercising its Option pursuant to Section 3.1 hereof, the Parties shall be deemed to have formed a joint venture (the “**Joint Venture**”) on the terms and conditions provided for in Schedule “B” hereto. The Parties shall negotiate in good faith and use commercially reasonable efforts to execute and deliver an agreement governing the Joint Venture incorporating the provisions of Schedule “B” hereto, provided that until such agreement is executed and delivered, or if no such agreement is executed and delivered, the provisions of Schedule “B” hereto shall be enforceable against the Parties and shall govern the operations of the Joint Venture.

ARTICLE 5
OPTION PERIOD OPERATIONS

5.1 Option Period Matters

- (a) During the Option Period:
- (i) the operator shall, so long as all the terms and conditions of this Agreement are satisfied, be the Optionee and the Optionee shall have the sole and exclusive right to carry out exploration programs on the Property, and each of the Parties shall have the right of reasonable access to the Property;
 - (ii) subject to Sections 5.1(a)(iii) and 5.1(a)(iv) the Optionor shall be responsible for maintaining the Property in good standing, including the filing of any assessment work reports;
 - (iii) the Optionee shall assist the Optionor in maintaining the Property in good standing by paying all appropriate mining duties, taxes or other applicable fees and preparing all assessment work reports, including those duties and reports referred to in the mining legislation and regulations of the Province of British Columbia (and, for greater certainty, such payments and preparation of reports shall constitute Expenditure but in no circumstances shall this subsection be construed so as to require any expenditures to be incurred on the Property by the Optionee in excess of the applicable Expenditures set forth in Article 3 hereof);
 - (iv) to the extent that Expenditure incurred on the Property exceed what is required to keep the Property in good standing for any upcoming year, the Optionor may apply Expenditure to other properties that it holds, by filing reports on grouped properties or utilizing portable assessment credits, and the Optionee shall cooperate and assist the Optionor in doing so;
 - (v) the Optionee shall, at the request of the Optionor, prepare, or cause to be prepared, such programs, budgets and studies as would enable the Optionor to monitor the exploration and development being carried out by the Optionee on the Property. The Optionor and Optionee shall establish an exploration committee consisting of a senior officer or director of each Party (the “**Exploration Committee**”). The Optionee shall put before the Exploration Committee all budgets and exploration programs it proposes to be acted upon and the Exploration Committee shall consider the same; provided, however, that the powers of the Exploration Committee shall be those of persuasion only and it cannot override and supersede or alter the decisions of the Optionee with respect to the operation of exploration programs during the Option Period;
 - (vi) the Optionee shall ensure that all work so performed is done in accordance with good mining practices and in compliance with all Applicable Laws and

shall indemnify the Optionor from and against all Claims in respect of such work, including liens arising from the non- payment of workers or suppliers;

- (vii) the Optionee shall report on all such work so performed or being performed on such regular intervals and in such detail as the Optionor may request;
 - (viii) both Parties shall have access to the Property, at, subject to Section, 5.2, their sole risk and expense, and to all records pertaining to the Property;
 - (ix) the Optionee shall have the right to review the prior expenditures of the Optionor in respect of the Property, and the Optionee, while acting as the operator, must provide the Optionor with semi-annual status reports as to progress of exploration on the Property and the associated Expenditures in relation to such exploration on the Property;
 - (x) the Optionee shall keep the Property free and clear of all Encumbrances (except Permitted Encumbrances and liens for taxes not yet due, other inchoate liens and liens contested in good faith by the Optionee) and to proceed with all diligence to contest and discharge any such Encumbrance that is filed;
 - (xi) the Optionee shall permit any personnel of the Optionor to access all records (whether in tangible or electronic form) of the Optionee pertaining to the Mining Operations and the Property to inspect and copy, at all reasonable times, any books, records, data and other information relating to the Property, including accounting records, plans, drawings and specifications; and
 - (xii) the Optionee shall promptly notify the Optionor of any material exploration results or adverse events.
- (b) The Optionee shall, during the term of this Agreement and for a period of one year after the expiry or termination of this Agreement and otherwise in accordance with International Financial Reporting Standards, maintain true and correct books, accounts and records of Expenditure;

5.2 Indemnity on Access

- (a) The Optionor indemnifies and must keep indemnified the Optionee and its personnel from and against any Claim that the Optionee or its personnel suffer, sustain or incur arising out of or in connection with any injury (including injury causing death) to any personnel of the Optionor while in or on the Property.
- (b) The Optionor's liability under section 5.2(a) will be reduced proportionately to the extent that the Claim was caused by the default or negligent act or omission of the Optionee or its personnel.

5.3 **Operator's Fee**

During the Option Period the Optionee will be entitled to charge the Operator's Fee. The Operator's Fee will qualify as Expenditure.

5.4 **Abandonment and Excision**

- (a) Neither Party may abandon or surrender any of the Mineral Claims comprising the Property without the prior written consent of the other Party.
- (b) At any time during the term of this Agreement the Optionee may, by notice to the Optionor, excise from the Property any (but not all) of the Mineral Claims that comprised the Property as at the Effective Date ("**Excision Notice**"). If the Optionee gives an Excision Notice then the Parties agree that:
 - (i) from the date of receipt by the Optionor of the Excision Notice ("**Excision Date**") the Mineral Claims specified in the Excision Notice ("**Excised Property**") will cease to form part of the Property for the purposes of this Agreement;
 - (ii) each Party will be released from further performance of its obligations under this Agreement to the extent they apply to the Excised Property;
 - (iii) from the Excision Date the Optionee will have no interest in the Excised Property; and
 - (iv) if the Optionee has conducted Mining Operations on the Excised Property, then the Optionee must comply with Applicable Laws regarding reclamation in relation to Mining Operations conducted on the Excised Property by the Optionee.

5.5 **Obligations to Inform**

During the term of this Agreement, each Party must:

- (a) promptly deliver to the other Party any notice, demand or other material communication relating to the Property that it or any of its Affiliates receive; and
- (b) obtain the prior written consent of the other Party (which consent must not be unreasonably withheld or delayed) to the sending by it or its Affiliates of any notice, demand or other material communication relating to Property to any third person including any adjacent property owner or any Governmental Authority.

ARTICLE 6 CONFIDENTIALITY AND INFORMATION

6.1 Confidentiality of Information

All information provided to or received by the Parties hereunder shall be treated as confidential (“**Confidential Information**”). The Optionee and the Optionor shall each solicit the consent of the other to the disclosure of Confidential Information in circumstances other than those set forth in Section 6.2 and such consent shall not be unreasonably withheld or delayed.

6.2 Permitted Disclosure

The consent required by Section 6.1 shall not apply to a disclosure to:

- (a) comply with any Applicable Laws, stock exchange rules or a regulatory authority having jurisdiction;
- (b) a director, officer or employee of a Party;
- (c) an Affiliate of a Party;
- (d) a consultant, contractor or subcontractor of a Party that has a bona fide need to be informed;
- (e) any third party to whom the disclosing Party may assign any of its rights under this Agreement; or
- (f) a bank or other financial institution from which the disclosing Party is seeking equity or debt financing,

provided, however, that in the case of Sections 6.2(e) and (f) the third party or parties, as the case may be, agree to maintain in confidence for a period of not less than two years any of the Confidential Information so disclosed to them.

6.3 Exception

The obligations of confidence and prohibitions against use under this Agreement shall not apply to information that the disclosing Party can show by reasonable documentary evidence or otherwise:

- (a) was already in the public domain;
- (b) was published or otherwise became part of the public domain through no fault of the disclosing party or an Affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); and
- (c) was information that the disclosing party or its Affiliates were required to disclose pursuant to the order of any Governmental Authority or judicial authority.

6.4 News Release

The Optionor and the Optionee acknowledge that each of them has an obligation to disclose, inter alia, a summary of the terms and conditions of this Agreement to its shareholders pursuant to Applicable Laws (“**News Release**”). The Parties agree to cooperate on the form of the News Release that each proposes to disseminate. Notwithstanding the foregoing, it is acknowledged that the News Release will disclose all information required pursuant to NI 43-101 and either Party may make any disclosure it reasonably determines necessary to meet the minimum standards required by the applicable stock exchange, regulator, securities commission or Applicable Law.

ARTICLE 7 INDEMNIFICATION

7.1 Mutual Indemnifications

The Optionor covenants and agrees with the Optionee, and the Optionee covenants and agrees with the Optionor (the Party so covenanting being referred to in this Section as the “**Indemnifying Party**”, and the other Party being referred to in this Section as the “**Indemnified Party**”) that the Indemnifying Party shall:

- (a) be solely liable and responsible for any and all Claims which the Indemnified Party or any of its respective directors, officers, servants, agents and employees, together with the Successors, assigns, administrators, executors, heirs and all other legal representatives of the foregoing, may suffer, sustain, pay or incur; and
- (b) indemnify and save the Indemnified Party and its respective directors, officers, servants, agents and employees, together with the Successors, assigns, administrators, executors, heirs and all other legal representatives of the foregoing, harmless from any and all Claims which may be brought against or suffered by such Persons or which they may sustain, pay or incur,

as a result of, arising out of, attributable to or connected with any breach or non-fulfillment of any representation, warranty, covenant or agreement on the part of the Indemnifying Party under this Agreement (other than a non-fulfillment of the Optionee’s option to exercise the Option pursuant to Article 3 hereof, but including the Optionee’s Firm Commitments) or any misstatement or inaccuracy of or any other incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement or in any certificate or other document furnished by the Indemnifying Party pursuant to this Agreement.

For greater certainty and without limiting the generality of the foregoing, the Parties acknowledge and agree that the Optionee shall not be responsible for any environmental or other liabilities accrued on the Property by the Optionor prior to the date of this Agreement, and the Optionor hereby agrees to indemnify and hold harmless the Optionee and all of its directors, officers, servants, agents and employees, together with the Successors, assigns, administrators, executors, heirs and all other legal representatives of the Optionee, in connection with such matters.

ARTICLE 8 GENERAL

8.1 Rules of Interpretation

In this Agreement and the Schedule:

- (a) time is of the essence in the performance of the Parties' respective obligations;
- (b) unless otherwise specified, all references to money amounts are to Canadian currency;
- (c) where a representation or warranty is made in this Agreement on the basis of the knowledge of the Optionor, such knowledge consists of the actual knowledge of the officers and senior managers of the Optionor after reviewing their files but does not include the knowledge of any other Person;
- (d) the descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content and shall not be used to interpret the provisions of this Agreement;
- (e) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits;
- (f) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day. Whenever any payment is to be made or any action under this Agreement is to be taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following; and
- (g) the use of the words, "include" or "including" shall be deemed to mean "include, without limitation", or "including, without limitation", if applicable.

8.2 Arbitration

- (a) In the event of a dispute in relation to this Agreement, including, without limitation, the existence, validity, performance, breach or termination thereof, or any matter arising therefrom, including whether any matter is subject to arbitration, the Parties agree to negotiate diligently and in good faith in an attempt to resolve such dispute. Submission to arbitration under this Section 8.2 shall be a condition precedent to bringing any action with respect to such dispute.
- (b) Failing resolution satisfactory to either Party, either Party may request that the dispute be resolved by binding arbitration in accordance with the then current domestic commercial arbitration rules of the VIAC (the "**Rules**"), conducted in

English, in Vancouver, British Columbia. The *Arbitration Act* of British Columbia, as may be amended from time to time, shall apply to such proceedings.

- (c) To demand arbitration any Party (the “**Demanding Party**”) shall give written notice to the other Party (the “**Responding Party**”), which notice shall toll the running of any applicable limitations of actions by law or under this Agreement. Such notice shall specify the nature of the allegation and issues in dispute, the amount or value involved (if applicable) and the remedy requested. Within 20 days of the receipt of the notice, the Responding Party shall answer the demand in writing, specifying the allegations and issues that are disputed.
- (d) Except as hereinafter provided, the Demanding Party and Responding Party shall attempt to select one qualified arbitrator within 10 days of the Responding Party’s answer. If the Parties are unable to so agree, then the arbitrator will be selected and appointed by the VIAC. In the case of a dispute involving the formation of the Joint Venture, or in any matter where the Joint Venture has been formed and the award sought exceeds \$5 million, the arbitration panel will consist of three arbitrators. In such case, the Demanding Party and Responding Party shall each select one qualified arbitrator within 10 days of the Responding Party’s answer. Each of the arbitrators shall be a disinterested person qualified by experience to hear and determine the issues to be arbitrated. The arbitrators so chosen shall select a third neutral arbitrator within 10 days of their selection. If the arbitrators cannot agree on a third arbitrator, the third arbitrator will be selected and appointed by the VIAC
- (e) No later than 20 Business Days after hearing the representations and evidence of the Parties, the arbitrator(s) shall make their determination (by majority, if applicable) in writing and deliver one copy to each of the Parties. The written decision of the arbitrator(s) shall be final and binding upon the Parties in respect of all matters relating to the arbitration, the procedure, the conduct of the Parties during the proceedings and the final determination of the issues in the arbitration. There shall be no appeal from the determination of the arbitrator(s) to any court. The decision rendered by the arbitrator(s) may be entered into any court for enforcement purposes.
- (f) The arbitrator(s) may determine all questions in law and jurisdiction (including questions as to whether or not a dispute is arbitrable) and all matters of procedure relating to the arbitration.
- (g) A dispute of the Parties shall not constitute an Event of Force Majeure.
- (h) The arbitrator(s) shall have the right to grant legal and equitable relief and to award Costs (including legal fees and the Costs of arbitration) and interest. The Costs of any arbitration shall be borne by the Parties in the manner specified by the arbitrator(s) in their majority determination. The arbitrator(s) may make an interim order, including injunctive relief and other provisional, protective or conservatory measures, as well as orders seeking assistance from a court in taking or compelling

evidence or preserving and producing documents regarding the subject matter of the dispute.

- (i) All papers, notices or process pertaining to arbitration hereunder may be served on a Party as provided in Section 8.10.
- (j) The Parties agree to treat as Confidential Information, in accordance with the provisions of Article 6, the following: the existence of the arbitral proceedings; written notices, pleadings and correspondence in relation to the arbitration; reports, summaries, witness statements and other documents prepared in respect of the arbitration; documents exchanged for purposes of the arbitration; the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing part of this Section 8.2(j), a Party may disclose such Confidential Information in judicial proceedings to enforce, nullify, modify or correct an award or ruling and as permitted under Article 6.

8.3 Force Majeure

- (a) No Party hereto shall be liable under this Agreement to another Party for any failure to perform any of its obligations caused or arising out of any act not within the control of the Party, not able to be overcome by the exercise of reasonable care, proper precautions and the consideration of reasonable alternatives with the intention of avoiding the effects of the force majeure by that Party, and which could not have been reasonably foreseen, and includes (subject to satisfying the requirements of the foregoing) including, without limitation, acts said to be of God, strikes, lockouts or other industrial disputes, acts of a public enemy, riots, fire, storm, flood, explosion, government restriction, failure to obtain any approvals required from regulatory authorities (including environmental protection agencies, but excluding receipts for prospectuses or other approvals concerning financings), unavailability of equipment, interference of Persons primarily concerned about environmental, or Aboriginal Peoples' rights issues and any other cause, whether of the kind enumerated above or otherwise, which is not reasonably within the control of the Party ("**Event of Force Majeure**"), but does not include economic hardship, or for lack of money, credit or markets or inability to pay any sum of money.
- (b) No right of a Party shall be affected, and no Party shall be found in default, under this Agreement by the failure of such Party to meet any term or condition of this Agreement where such failure is caused by an Event of Force Majeure and, in such event, all times specified or provided for in this Agreement shall be extended by a period commensurate with the period during which the Event of Force Majeure causes such failure.
- (c) A Party affected by an Event of Force Majeure shall take all reasonable steps within its control to remedy the failure caused by such event, provided however, that nothing contained in this Section 8.3 shall require any Party to settle any labour or

industrial dispute or to test the constitutionality of any law enacted by any Legislature or Parliament of or within Canada.

- (d) Any Party relying on the provisions of this Section 8.3 shall forthwith give notice to the other Party of the commencement of an Event of Force Majeure and of its end.

8.4 Entire Agreement

This Agreement, including the Schedules to this Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth in this Agreement and in any agreement or document delivered pursuant to this Agreement. No supplement, modification or waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

8.5 Termination

This Agreement shall be terminated upon the occurrence of any of the following events:

- (a) upon the Listing Date not occurring on or before the Outside Date;
- (b) upon the Optionee failing to make any of the cash payments, issue any Hi-View Shares or incur any exploration Expenditures within the applicable time periods therefor prescribed by Section 3.1 hereof, if the Optionor has provided written notice of such failure to the Optionee and the Optionee has failed to rectify such failure within 15 days from the date of its receipt of such notice; and
- (c) the Optionee shall also have the right to terminate this Agreement any time after fulfillment of the Firm Commitments by giving 30 days' written notice of such termination to the Optionor and upon the effective date of such termination this Agreement shall be of no further force and effect.

8.6 Effect of Termination

Subject to Sections 8.7 and 8.18, if this Agreement is terminated in accordance with its terms, then each Party will be released from further performance of its obligations under this Agreement. Notwithstanding the foregoing and without limiting Section 3.1(d), termination will not release or discharge either Party from any Claim that arose or accrued prior to the date of termination. For greater certainty, any cash payments or share issuances made to the Optionor or Expenditures incurred by the Optionee shall not be refunded or reimbursed by the Optionor, nor shall such termination of this Agreement prejudice any right or remedy of the Optionor may have against the Optionee for its covenants under this Agreement, including with respect to the Firm Commitments.

8.7 Post Termination Obligations

If prior to the exercise of the Option by the Optionee this Agreement is terminated pursuant to Section 8.5, then:

- (a) the Optionee will have no interest in the Property and the Optionee must, if the Optionee has conducted Mining Operations on the Property, leave the Property free and clear of any Encumbrance resulting from the Mining Operations conducted by the Optionee on the Property;
- (b) the Optionee will deliver to the Optionor within 30 days after the date of termination, a copy of all books, records, data and other information relating to the Property, including accounting records, plans, drawings and specifications obtained by the Optionee or its personnel under this Agreement; and
- (c) if the Optionee has conducted Mining Operations on the Property, then the Optionee must comply with Applicable Laws regarding reclamation in relation to Mining Operations conducted on the Property by the Optionee.

8.8 Applicable Law

This Agreement shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in the Province of British Columbia and shall be treated, in all respects, as a British Columbia contract.

8.9 Expenses

Except as otherwise provided, all Costs incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring them.

8.10 Notices

Any notice or writing required or permitted to be given under this Agreement or any communication otherwise made in respect of this Agreement (referred to in this Section as a “**Notice**”) shall be sufficiently given if delivered or transmitted by e-mail:

- (a) In the case of a notice to the Optionor at:

Grizzly Discoveries Inc.
363- 9768 170th St NW,
Edmonton, Alberta T5T 5L4
Attention: Brian Testo, CEO
E-Mail: [REDACTED]

With a copy to :

Grizzly Discoveries Inc.

363- 9768 170th St NW,
Edmonton, Alberta T5T 5L4

Attention: Jeremy Strautman, CFO

E-Mail: [REDACTED]

(b) in the case of a notice to the Optionee at:

Hi-View Resources Inc.
1500-1055 West Georgia Street
Vancouver, BC V6E 4N7

Attention: Steve Mathiesen, Director

E-Mail: [REDACTED]

or at such other address as the Party to whom such Notice is to be given shall have last notified the Party giving the same, in the manner provided in this Section 8.10. Any Notice delivered to the Party to whom it is addressed as provided in this Section 8.10 shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the Notice shall be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by facsimile or other form of electronic communication shall be deemed given and received on the first Business Day after its transmission.

8.11 Assignment and Successors

The following apply with respect to assignment and Successors:

- (a) this Agreement is binding upon and shall enure to the benefit of the Parties and their respective Successors and permitted assignees;
- (b) prior to the Acquisition Date, the Optionor may assign the Property and its rights hereunder to a third party without the prior written consent of the Optionee, provided that the proposed assignee has entered into an agreement with the Optionee by which the proposed assignee agrees to be bound by the provisions of this Agreement as if it was an original party to this Agreement in place of the Optionor;
- (c) prior to the Acquisition Date, the Optionee shall not assign its rights hereunder to a third party without the prior written consent of the Optionee;
- (d) nothing in this Section 8.11 applies to or restricts in any manner an amalgamation or corporate reorganization involving a Party which has the effect in law of the amalgamated or surviving corporation possessing all the property, rights and interests and being subject to all the debts, liabilities and obligations of each amalgamating or predecessor corporation.

In this Section 8.11, “**assign**” includes:

- (i) sell, transfer, licence, or otherwise dispose or part with possession of; and
- (ii) mortgage, charge, grant a lien, pledge, hypothecate, declare a trust in respect of or grant any interest in, by way of security or otherwise.

8.12 Time

Time is of the essence of this Agreement.

8.13 Relationship of Parties

The Parties agree and declare that this Agreement is not and must not be construed as constituting an association, corporation, mining partnership or any other kind of partnership and, except as expressly provided otherwise in this Agreement, nothing in this Agreement will be deemed to:

- (a) constitute a Party a partner, agent or legal representative of the other Party for any purpose whatsoever; or
- (b) create a fiduciary relationship between the Parties.

8.14 No Holding Out

No Party may, except as expressly permitted by this Agreement, directly or indirectly use or permit the use of the name of the other Party for any purpose related to the Property or this Agreement.

8.15 Consents or Approvals

Except where expressly specified otherwise in this Agreement, if the doing of any act, matter or thing under this Agreement is dependent on the consent or approval of a Party or is within the discretion of a Party, then the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the Party in its absolute discretion.

8.16 Pre-Conditions

Where in this Agreement a pre-condition is prescribed in relation to any right or benefit that a Party might become entitled to enjoy, the Party will only be entitled to the right or benefit if the pre-condition is satisfied.

8.17 Waiver

The Parties agree that:

- (a) a Party's failure or delay to exercise a power or right does not operate as a waiver of that power or right;

- (b) the exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right;
- (c) a waiver is not effective unless it is in writing; and
- (d) waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

8.18 Survival

Sections 2.3, 4.2, 5.1(a)(vi), 5.2, 8.2, 8.7, 8.8, 8.10, Article 6, Article 7, and all limitations of liability and rights accrued prior to completion, termination, or expiration of this Agreement will not merge on completion, termination, or expiration of this Agreement, but will continue in full force and effect after any termination or expiration of this Agreement as will any other provision of this Agreement which expressly or by implication from its nature is intended to survive the termination or expiration of this Agreement.

8.19 Severability

If anything in this Agreement is unenforceable, illegal or void then it is severed and the rest of this Agreement remains in force.

Where a provision of this Agreement is prohibited or unenforceable, the Parties must negotiate in good faith to replace the invalid provision by a provision which is in accordance with the applicable Law and which must be as close as possible to the Parties' original intent and appropriate consequential amendments (if any) will be made to this Agreement.

8.20 Further Assurances

Subject to the terms and conditions of this Agreement, the Optionor and the Optionee will use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under Applicable Laws to carry out all of their respective obligations under this Agreement and to consummate the transactions contemplated by this Agreement, and from time to time, without further consideration, each Party will, at its own expense, execute and deliver such documents to any other Party as such Party may reasonably request in order to consummate the transactions contemplated by this Agreement. Each of the Parties agrees to take all such actions as are within its power to control, and to use reasonable commercial efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in this Agreement which are for the benefit of any other Party.

8.21 Execution in Counterparts and by Facsimile

This Agreement may be executed by the Parties in separate counterparts and by electronic means, and each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have hereunto duly executed this Agreement as of the date first written above, with the understanding that this Agreement is subject to regulatory approval and approval by each of the Parties' respective board of directors.

GRIZZLY DISCOVERIES INC.

Per: *"Brian Testo"*

Name: Brian Testo
Title: CEO

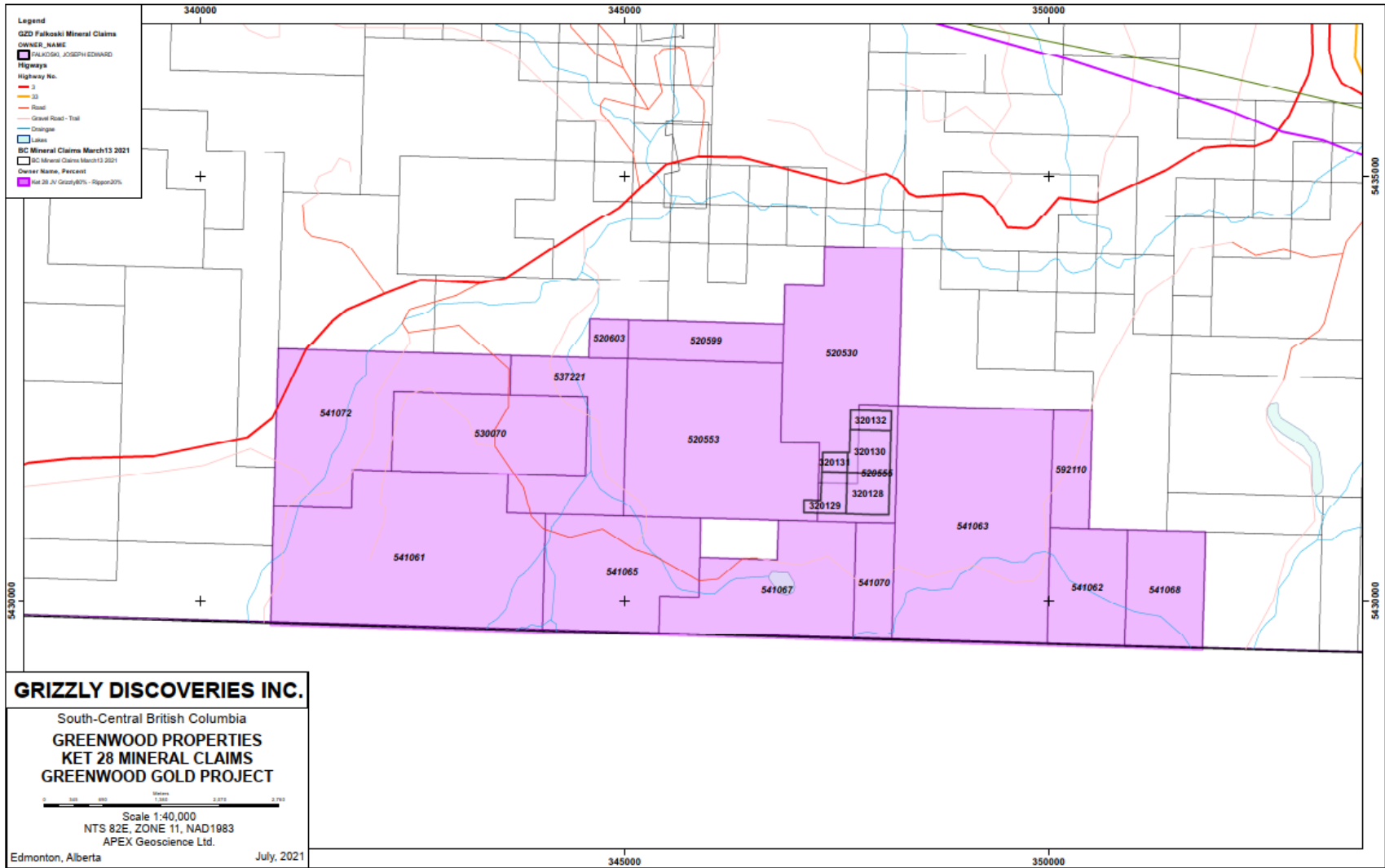
HI-VIEW RESOURCES INC.

Per: *"Steve Mathiesen"*

Name: Steve Mathiesen
Title: Director

Schedule "A" - The Property

SCHEDULE 1. GRIZZLY DISCOVERIES INC. GREENWOOD MINERAL CLAIMS - JUNE, 2021													
ALL GRIZZLY DISCOVERIES INC. GREENWOOD LANDS - 2012 POST JULY FILING RULES													
Tenure Numbr	Block name	Tenure Typ	Claim Name	Owner	Owner Name	Map Number	Issue Date	New Issue Date	Good To Date	Area (ha)	New Good To Date	New Date > Current Good To Date	Sub-Total
520530	Rock_Creek_JV	Mineral		202432 (80%)	Grizzly Discoveries Inc.	082E	2005-09-28	2018-01-31	2023-01-31	296.526	2024-01-31	Apply	\$ 4,447.89
520553	Rock_Creek_JV	Mineral		202432 (80%)	Grizzly Discoveries Inc.	082E	2005-09-28	2018-01-31	2023-01-31	381.319	2024-01-31	Apply	\$ 5,719.79
520555	Rock_Creek_JV	Mineral	RCJV 800	202432 (80%)	Grizzly Discoveries Inc.	082E	2005-09-28	2018-01-31	2023-01-31	84.742	2024-01-31	Apply	\$ 1,271.13
520599	Rock_Creek_JV	Mineral	RCJV 900	202432 (80%)	Grizzly Discoveries Inc.	082E	2005-09-29	2018-01-31	2023-01-31	84.72	2024-01-31	Apply	\$ 1,270.80
520603	Rock_Creek_JV	Mineral	RCJV 1000	202432 (80%)	Grizzly Discoveries Inc.	082E	2005-09-29	2018-01-31	2023-01-31	21.18	2024-01-31	Apply	\$ 317.70
530070	Rock_Creek_JV	Mineral	KET WEST	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-03-15	2018-01-31	2023-01-31	211.84	2024-01-31	Apply	\$ 3,177.60
537221	Rock_Creek_JV	Mineral	KET 1000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-07-14	2018-01-31	2023-01-31	169.472	2024-01-31	Apply	\$ 2,542.08
541061	Rock_Creek_JV	Mineral	RCJV-07-1000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	529.7285	2024-01-31	Apply	\$ 7,945.93
541062	Rock_Creek_JV	Mineral	RCJV-07-2000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	127.1409	2024-01-31	Apply	\$ 1,907.11
541063	Rock_Creek_JV	Mineral	RCJV-07-3000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	508.502	2024-01-31	Apply	\$ 7,627.53
541065	Rock_Creek_JV	Mineral	RCJV-07-4000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	233.0869	2024-01-31	Apply	\$ 3,496.30
541067	Rock_Creek_JV	Mineral	RCJV-07-5000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	233.0952	2024-01-31	Apply	\$ 3,496.43
541068	Rock_Creek_JV	Mineral	RCJV-07-6000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	127.1409	2024-01-31	Apply	\$ 1,907.11
541070	Rock_Creek_JV	Mineral	RCJV-07-7000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	63.5704	2024-01-31	Apply	\$ 953.56
541072	Rock_Creek_JV	Mineral	RCJV-07-8000	202432 (80%)	Grizzly Discoveries Inc.	082E	2006-09-11	2018-01-31	2023-01-31	296.5621	2024-01-31	Apply	\$ 4,448.43
592110	Rock_Creek_JV	Mineral	RC 2008 - EAST	202432 (80%)	Grizzly Discoveries Inc.	082E	2008-09-28	2018-01-31	2023-01-31	63.555	2024-01-31	Apply	\$ 953.33
										3,432.18			51,482.72



Schedule "B" - Joint Venture

1.0 Purposes of Joint Venture: The purpose of the Joint Venture shall be the development and mining of any commercially exploitable ore body on the Property. The following terms and provisions shall apply to the operation of the Joint Venture. Unless otherwise defined in this Schedule "B", terms used herein with initial capitals shall have the meanings ascribed thereto in the Option Agreement to which this Schedule "B" is appended.

2.0 Interests in Joint Venture: The percentage interest in the Joint Venture shall be:

- (i) the Optionee as to 75%; and
- (ii) the Optionor as to 25%,

and all budgets, costs and expenditures, and charges to the joint account of the Joint Venture will be made on that basis.

The Parties further agree that:

- (iii) the Optionor holds (i) 60% of the legal and beneficial right, title and interest in and to the Property, and (ii) 60% of the legal and beneficial right, title and interest in and to the Nickel and Cobalt Rights;
- (iv) the Optionee holds (i) 20% of the legal and beneficial right, title and interest in and to the Property, and (ii) 40% of the legal and beneficial right, title and interest in and to the Nickel and Cobalt Rights; and
- (v) 20% of the legal and beneficial right, title and interest in and to the Property is held by 0722161 B.C. Ltd. pursuant to the 0722 Agreement.

The underlying interests of the Parties in the Property and the right to minerals (other than the Nickel and Cobalt Rights), shall, as long as 0722161 B.C. Ltd. holds a legal and beneficial right, title and interest in and to the Property pursuant to the 0722 Agreement (which is a carried interest), be calculated on the basis that collectively, the Parties only own an 80% interest in the Property and the right to minerals (other than the Nickel and Cobalt Rights). If there is a change in the participating interests under the Joint Venture, the interest in the Property and the right to minerals (other than the Nickel and Cobalt Rights) shall be recalculated as follows: New percentage of participating interest multiplied by 0.8.

The legal and beneficial right, title and interest in and to the Nickel and Cobalt Rights shall not adjust.

3.0 Joint Venture Expenditure: Each Party shall be deemed to have contributed the following amounts to the Joint Venture:

- (i) the Optionee - \$1,100,000; and
- (ii) the Optionor - \$366,666.67.

4.0 Not a Partnership: The association of the parties in the Joint Venture shall not be, and shall not be construed to be, a mining partnership, a commercial partnership or any other partnership relationship.

5.0 JV Operator: The Optionee shall be the initial operator of the Joint Venture (the “**JV Operator**”). As long as the undivided participating interest of the Optionee in the Joint Venture is at least fifty per cent (50%) pursuant to the terms of the Joint Venture, the Optionee shall continue as JV Operator unless the JV Operator resigns or is removed for default or is subject to an insolvency event. The Party who is not the JV Operator may refer question of JV Operator default to arbitration in accordance with the Option Agreement or the formal agreement evidencing the Joint Venture if a formal agreement is executed and delivered. If at any time the interest of the party acting as JV Operator falls below fifty per cent (50%) pursuant to the terms of the Joint Venture, the party with the greatest interest shall assume operatorship. The JV Operator shall have all rights, duties and obligations which are usually and customarily given to or necessary or requisite for the operator of a mining joint venture, so as to be able to carry on its role as the operator of the Joint Venture, including the exploration and development of the Property, bringing a mine into commercial production and operating the same. The JV Operator shall be entitled to charge to the joint account of the Joint Venture the following:

- (i) as a direct charge, all the proper costs and expenditures relating to the operations thereof, including, without limiting the generality of the foregoing, salaries, wages and employee benefits, customary allowances and reasonable living expenses paid to employees directly engaged in the conduct of such operations;
- (ii) as an indirect charge, in compensation for the *pro rata* portion of the JV Operator’s home office overhead and general and administrative expenses attributable, but not directly chargeable, to the conduct of such operations, the following amounts:
 - (A) ten percent (10%) on the direct charges referred to in subparagraph (i) above during the exploration phase and three percent (3%) on the direct charges referred to in subparagraph (i) above during the construction phase, plus
 - (B) ten percent (10%) during the exploration phase and three percent (3%) during the construction phase on the cost of all outside services, including without limiting the generality of the foregoing, surveying, drilling, earth moving, contract mining and feasibility studies, up to the first \$15,000.00 on a single contract and two percent (2%) for the balance of each such contract; provided that there shall be no duplication of charges under subparagraphs (A) and (B) and provided further that costs incurred because of damages or losses and costs for the services of outside legal counsel shall not be included as indirect charges. The rates provided above may be amended from time to time by mutual agreement if they are found to be insufficient or excessive.

Should a mine be brought into commercial production and operation, the JV Operator shall be entitled to a management fee, which shall be a reasonable fee commensurate with accepted customary or usual practice in the industry for an operation of that kind and shall be subject to change from time to time depending on how onerous the duties and obligations of the operator are. In the event that the parties are unable to agree on the amount and structure of such management fee, the determination of same shall be referred to arbitration in accordance with the Option Agreement or the formal agreement evidencing the Joint Venture if a formal agreement is executed and delivered.

The joint account shall be paid by the parties in proportion to their participating interests in the Joint Venture from time to time. For greater certainty, the costs of the preparation of a feasibility study of the Property hereof are for the sole account of the Optionee and shall not be charged to the joint account, no management fee shall be payable to the JV Operator in respect thereof and they shall not be accounted for in any determination made under paragraph 9.0 hereof.

6.0 JV Operator Obligations and Prohibitions:

- (a) The JV Operator, among other usual and standard obligations, must keep the Property in good standing and free of any Encumbrances, comply with Applicable Law, maintain proper books and accounts and adequate insurance and operate according to good mining practices.
- (b) The JV Operator must conduct Joint Venture activities in accordance with approved programs and budgets.
- (c) The JV Operator must deliver the following reports to the Technical Committee:
 - (i) a monthly progress report indicating the status of any approved program being conducted on the Property and disclosing any significant technical data learned or obtained in connection with such work, along with an estimate of the expenditure incurred during that month, but progress reports will only be required quarterly during those periods in which there is no work being conducted; and
 - (ii) as soon as practical after verification by the JV Operator, a report in respect of any material exploration results or adverse events.
- (d) The JV Operator will sell mineral products on behalf of the Parties only pursuant to offtake agreements it enters into (as approved by the Technical Committee). The proceeds of the sale of minerals (other than the proceeds from the sale of nickel and cobalt) shall, after satisfying any amounts due to be paid under the 0722 Agreement, be divided amongst the Parties in proportion to their respective participating interests. The proceeds of the sale of any nickel and cobalt shall be divided by divided amongst the Parties in proportion to their respective legal and beneficial right, title and interest in and to the Nickel and Cobalt Rights.

- (e) The JV Operator must not, except with the prior approval of the Technical Committee or except in an emergency or as necessary to protect property and persons:
 - (i) knowingly enter into any contract or arrangement in connection with the Joint Venture with a Party or an Affiliate of a Party;
 - (ii) except where sufficient details are provided in an approved program and budget enter into any contract or subcontract involving a commitment to expenditure, whether capital or operating, in excess of \$100,000;
 - (iii) except where expressly contemplated in an approved program and budget, sell or otherwise dispose of any Joint Venture assets having a market value exceeding \$100,000;
 - (iv) institute, defend, compromise or settle any court or arbitral proceedings or insurance claim involving an amount in excess of \$100,000; or
 - (v) except as necessary to comply with Applicable Law or the requirements of any Governmental Authority having jurisdiction, suspend or curtail any mining operation.

7.0 Indemnification of JV Operator: The JV Operator shall not be liable to the Parties to the Joint Venture for any loss or damage not attributable to its gross negligence or wilful misconduct. The Parties to the Joint Venture shall, in proportion to their respective participating interests in the Joint Venture, indemnify and hold harmless the JV Operator against any liability to third parties resulting from any act or omission of the JV Operator or its agents, servants or employees. A Party will not be liable to indemnify the JV Operator where any Claim arises out of or as a consequence of any gross negligence or wilful misconduct of the JV Operator or its personnel.

8.0 Programs and Budgets: The JV Operator shall have the right to propose programs for exploration and, if a mine is being developed and operated, for the carrying out of all phases of such development and operations, including the construction of plant and facilities. All programs shall contain a reasonably itemized budget of the projected expenditures under such programs, including, without limiting the generality of the foregoing, exploration expenditures, development and capital costs and operating expenditures in relation to the Property. The Optionor and the Optionee shall contribute their proportionate share (based on their respective participating interests from time to time) of such expenditures at such times as requisitioned by the JV Operator. Such requisitions shall be made on the basis of invoices in respect of such expenditures, provided that in the case of known expenditure requirements such requisitions may be made reasonably in advance of requirements.

9.0 Dilution of Interest: Payment of the requisitioned amounts shall be made within 30 days after receipt of the requisition. Either Party may decline to pay its proportionate share of the expenditures requisitioned by the JV Operator. If a Party (the “**Defaulting Party**”) fails to pay its share of a requisitioned amount within such 30 days, it may not pay such share thereafter and it shall not have the right to contribute its proportionate share of the expenditures during the balance

of the particular program in which the failure occurred. The other Party (the “**Continuing Party**”) shall contribute the Defaulting Party’s share during the balance of the program in question. In each case upon such contribution being made, the Parties’ respective participating interests in the Joint Venture shall be calculated using the following formula:

$$\text{Participating interest of a Party} = \frac{A \times 100}{B}$$

Where:

- A = total of all requisitioned amounts paid by the Defaulting Party plus its deemed initial contribution set out under paragraph 3.0 of this Schedule “B”
- B = total of all requisitioned amounts paid by the Defaulting Party and the other Party plus the total deemed initial contribution by each party set out under paragraph 3.0 of this Schedule “B”

The reduction in the Defaulting Party’s participating interest shall continue until it reaches 10%. Thereupon the Joint Venture shall terminate, 100% of the participating interest shall vest in the Continuing Party and the Defaulting Party shall transfer its interest in the Property to the Continuing Party (other than the Nickel and Cobalt Rights) and be entitled to a 2.0% Net Smelter Royalty on all minerals (other than nickel and cobalt) determined in the manner set out in Schedule “C” annexed hereto. Notwithstanding the termination of the Joint Venture, the Defaulting Party shall not be relieved from any obligations and liability accruing to the Defaulting Party prior to the date of termination in respect of unfunded decommissioning and shut down costs and expenses, including all required environmental clean-up, reclamation and rehabilitation costs.

10.0 Right to Maintain Interest: If after the completion of a program during which a default occurred subsequent programs are proposed and carried out, the Defaulting Party shall have the right to maintain its reduced participating interest (if more than ten per cent (10%)) by paying its proportionate share of the subsequent programs based on such reduced interest, in accordance with the provisions of paragraph 8.0 of this Schedule “B”.

11.0 Government Assistance Excluded: If funds provided by any government grants or assistance programs are used to pay expenditures of the Joint Venture, such funds shall not be taken into account as part of the expenditures to which the parties must contribute their proportionate share under the provisions of paragraph 8.0 of this Schedule “B”.

12.0 Mortgage of Property and Security:

- (a) The Technical Committee shall have the right, on behalf of all parties having interests in the Property, to make any decision with respect to mortgaging, pledging, charging or hypothecating all of the Property to secure any loan or loans obtained for the purpose of financing the Joint Venture and to negotiate a loan or loans on such terms and with such lenders. If requested by the Technical Committee, the

Parties shall mortgage, pledge, charge or hypothecate their respective interests in the Property in order to facilitate such financing.

- (b) Each Party may charge, mortgage, assign by way of security or otherwise encumber its participating interest if and only if the chargee, mortgagee, assignee or encumbrancee (“**Chargee**”) agrees in a legally enforceable manner with the other Party (“**Non-charging Party**”) that the rights and interests of the Non-charging Party in the Property will not be subject to or prejudiced by the charge, mortgage, assignment or other encumbrance (“**Security**”) and that the Chargee and any liquidator, receiver, receiver and manager, assignee or transferee taking an interest in or relating to the Property under the Security or in the participating interest of the Party granting the Security will be bound by the terms of this Schedule “B” or the formal agreement evidencing the Joint Venture if a formal agreement is executed and delivered, and will take subject to the rights and interests in the Property of the Non-charging Party.
- (c) Except as specified in this paragraph 12.0 of this Schedule “B” no Party may give or create any Encumbrance in or over its participating interest or the Property.

13.0 Technical Committee: A Technical Committee shall be established for the purpose of formulating policy guidelines, communicating and exchanging ideas and information, and directing the JV Operator and all Joint Venture activities. The Technical Committee shall have regular meetings at regular intervals as agreed by the parties. In addition, either party may at any time call a special meeting to discuss any item considered to be sufficiently important. Each party may designate two representatives to be regular members of the Technical Committee, with alternates. The members appointed by a Party will have between them 1 vote for each whole percentage point of their appointor’s participating interest. Except as set out in paragraph 15.0 of this Schedule “B”, or the formal agreement evidencing the Joint Venture if a formal agreement is executed and delivered and requires a special resolution or a unanimous resolution, all questions before the Technical Committee will be decided by a simple majority of the votes cast.

14.0 Annual Programs and Budgets: The JV Operator shall put before the Technical Committee annual budgets and programs it proposes to be acted upon and the Technical Committee shall consider the same for approval. The proposed budget must contain quarterly expenditure projections.

15.0 Unanimous and Special Resolutions:

- (a) A unanimous resolution will be required for decisions relating to the following:
 - (i) the incurring of a debt on behalf of the Parties as obligors to any Party or an Affiliate of a Party in any amount or to any other person in an amount in excess of \$100,000 outstanding at any one time;
 - (ii) the giving jointly by the Parties of any mortgage, charge, guarantee or other form of security interest (whether direct or indirect) over the Property;

- (iii) any matter going to the fundamental operation of the Joint Venture or the relationship between the Parties;
 - (iv) any decision to permanently suspend or defer Joint Venture activities or place any mining operation on an extended care and maintenance basis or to commence or recommence operations at a mining operation;
 - (v) the making of a contract between the Parties as joint venturers and a Party or an Affiliate of a Party; and
 - (vi) any decision to abandon or surrender the Property.
- (b) A special resolution of 85% will be required for decisions relating to the following:
- (i) material revision of an approved program and budget;
 - (ii) any expenditure or commitment to expenditure (whether capital or operating) by an amount in excess of 10% of the total expenditure provided for in an approved budget;
 - (iii) the institution, defence, compromise or settlement of any court or arbitral proceedings involving the Joint Venture involving an amount in excess of \$100,000;
 - (iv) the compromise or settlement of any insurance claim involving an amount in excess of \$100,000;
 - (v) any decision to establish a mining operation, unless a bankable positive feasibility study has been completed on the Property;
 - (vi) the entry into any offtake agreement to sell mineral products produced from the Property;
 - (vii) any decision to temporarily suspend or defer Joint Venture activities or place any mining operation on a short-term care and maintenance basis;
 - (viii) if applicable, the review and approval of annual ore reserve estimates prepared by the JV Operator, as appropriate for the purpose of National Instrument 43-101;
 - (ix) a change to the accounting procedure for the time being of the Joint Venture including the appointment and removal of auditors; and
 - (x) after commercial production commences, the JV Operator's management fee.

16.0 JV Operator's Authority:

- (a) The approval of a program and budget by the Technical Committee will be authority for the JV Operator to undertake the Joint Venture activities specified in and incidental to the program and to incur on behalf of the Parties the expenditure estimated in and incidental to the budget but the JV Operator must not incur expenditure in the performance of the Joint Venture activities specified in an approved program and budget in an amount which exceeds by more than 10% the total of the Joint Venture expenditure estimated within an approved program and budget except:
 - (i) in an emergency, as considered by the JV Operator necessary to maintain and preserve the Joint Venture property or to preserve or protect life, limb, property or the environment in respect of the Joint Venture property;
 - (ii) to effect and maintain required insurances;
 - (iii) in accordance with a prior approval obtained from the Technical Committee; or
 - (iv) as necessary to comply with any law or requirement of a Governmental Authority having jurisdiction where reference to the Technical Committee is impracticable and until such reference becomes practical.

17.0 Right of Party to propose Program and Budget: If the JV Operator fails to submit an annual program and budget with budgeted Expenditure equal to or greater than \$500,000, then a Party who is not the JV Operator may implement an annual program and budget with budgeted expenditure equal to or greater than \$500,000 and become the JV Operator for the purposes of carrying out that program and budget. Thereafter, the Party with the largest participating interest will have the first right to propose an annual program and budget.

18.0 Assumption of Contracts and Miscellaneous Interests: The Optionor shall assign, and the JV Operator shall assume, the Miscellaneous Interests and the rights and liabilities under all agreements and contracts in respect of the Property, including the Crown NSR Agreement and the 0722 Agreement. The JV Operator will be responsible for fully discharging the liabilities under such Miscellaneous Interests and agreements and contracts on behalf of the Parties and shall be entitled to charge to the joint account for any costs associated therewith.

19.0 Assignment:

- (a) Each Party may at any time assign part or all of its participating interest to an Affiliate of that Party as long as the Affiliate enters into an agreement with the remaining Party on terms to its satisfaction including terms by which:
 - (i) it agrees to be bound by the terms of this Schedule "B" or the formal agreement evidencing the Joint Venture if a formal agreement is executed and delivered; and

- (ii) if an Affiliate to which a Party has assigned the whole or any part of its participating interest ceases to be an Affiliate of the assigning Party it must immediately re-transfer that participating interest to the assigning Party.

Unless otherwise agreed in writing by the Parties other than the assignor, the assignor remains liable for its obligations despite any assignment by the assignor of any or all of its participating interest to an Affiliate.

- (b) If a Party receives a bona fide offer for the purchase or acquisition of the whole or any part of its participating interest which offer the selling Party desires to accept then the selling Party must, before unconditionally accepting the offer, notify the other Party of the name of the offeror and of all of the terms and conditions of the offer and, if the consideration or any part of it is not in cash, of the cash value of the consideration or the relevant part of the consideration as determined by the selling Party and the following provisions will then apply:

- (i) within 5 Business Days after receipt of the aforesaid notice the other Party may object in writing to a determination of the cash value of the consideration as the subject matter of the offer and upon such an objection being made all of the Parties must seek to agree upon that cash value but if they cannot reach agreement within 5 Business Days after the date of objection, then that cash value will constitute a dispute to be resolved by arbitration in accordance with the Option Agreement or the formal agreement evidencing the Joint Venture if a formal agreement is executed and delivered (the cost of which determination must be borne, if the cash value determined is less than that determined by the selling Party, by the selling Party and in any other case by the Party which objects to the selling Party's determination);
- (ii) the Party other than the selling Party will have an option exercisable by notice in writing to the Selling Party within 20 Business Days of the date of the selling Party's aforesaid notice to acquire upon the same terms and conditions as are contained in the offer and for the consideration expressed in the offer or in lieu of any part of that consideration which is not a cash consideration, the cash value of it as determined or agreed in accordance with above paragraph, the participating interest of the selling Party (or the part of the participating interest which is the subject matter of the offer) as the case may be;
- (iii) subject to the provisions of all Security, if the option to acquire the participating interest of the selling Party is not duly exercised by the other Party, then the selling Party may, subject to compliance with paragraph 19.0(c) below, within 5 Business Days after the expiry of the option accept the offer without any alteration whatsoever and if it does so it must take all reasonable steps, subject always to the terms of the offer, to complete the sale and purchase thereby arising within 60 Business Days after the date of acceptance; and

- (iv) if the offer is not accepted within the time allowed in paragraph 19.0(b)(ii) above or any material alteration of the offer is proposed then the selling Party must not accept the offer after that time or as so altered without first having again complied with the foregoing provisions of this paragraph 19.0(b).
- (c) No sale or assignment in whole or in part of a participating interest to a third person (including an Affiliate) will be effective unless and until:
 - (i) the assignee agrees with the other Party (in form and terms satisfactory to that Party) to assume, perform and be bound by the duties, liabilities, terms and conditions by this Schedule “B” or the formal agreement evidencing the Joint Venture if a formal agreement is executed and delivered in relation to the participating interest being assigned; and
 - (ii) the assignee secures any and all necessary approvals of any Governmental Authority to that assignment.

20.0 Formal Agreement: The Parties shall negotiate in good faith and use commercially reasonable efforts to execute and deliver an agreement governing and containing more detailed provisions on the operation of the Joint Venture, but preserving the principles herein contained, provided that until such agreement is executed and delivered, or if no such agreement is executed and delivered, the provisions herein contained shall be enforceable against the Parties and shall govern the operations of the Joint Venture.

Schedule “C” - Net Smelter Royalty

The two per cent (2.0%) Net Smelter Royalty referred to in paragraph 9.0 of the Joint Venture Agreement prescribed under Schedule “B” (the “**Royalty**”) shall be an interest in land calculated and paid as set out hereunder. Unless otherwise defined in this Schedule “C”, terms used herein with initial capitals shall have the meanings ascribed thereto in the Option Agreement to which this Schedule “C” is appended.

The Royalty is payable upon Commencement of Commercial Production.

“**Commencement of Commercial Production**” means:

- (i) if a mill is located on the Property, the last day of a period of 30 consecutive days during which, for not less than 20 days, the mill processed ore from the Property at the rate of at least 50% of its rated capacity; or
- (ii) if a mill is not located on the Property, the last day of a period of 15 consecutive Business Days during which ore has been shipped from the Property for the purpose of earning revenues.

The Royalty shall be the amount of money equal to two per cent (2.0%) of the Net Smelter Returns. Net Smelter Returns shall mean the actual proceeds received from any mint, smelter or other purchaser from the sale of bullion, concentrates or ores produced from the Property and sold, after deducting from such proceeds the following charges paid by the Royalty obligor:

- (a) all smelter, refinery, or other charges relating to the treatment of products derived from the Property (including costs for representation);
- (b) all charges for transporting and handling products derived from the Property;
- (c) all insurance costs relating to the transportation and treatment of products derived from the Property; and
- (d) any other charges relating to the marketing of products derived from the Property.

If the Royalty obligor sells any product to an Affiliate, or pursuant to a streaming agreement or otherwise not on arm’s length terms or at fair market value, the Royalty obligor shall, for the purposes of calculating the Net Smelter Returns only, and notwithstanding the actual amount of such sale price, be deemed to have received as the proceeds from the sale of such product an amount equal to the fair market value for such product and at the time of the transaction (using indexed prices to the greatest extent possible, including prices quoted by London Bullion Market Association and other reputable commodity quotations to the extent not quoted by the London Bullion Market Association).

Where a cost otherwise deductible as set out above is incurred by the Royalty obligor in a transaction with a party with whom it is not dealing at arm’s length, the cost to be deducted must be the fair market cost under the circumstances and at the time of the transaction.

Payment of the Royalty shall be made by the Royalty obligor to the Royalty holder within 30 days after the end of each calendar quarter in which Net Smelter Returns are received or deemed received by the Royalty obligor. Royalty payments to the Royalty holder shall be accompanied by a statement showing in reasonable detail the computation and derivation of such payments. Any amount of the Royalty which is not paid within the time period referred to in the immediately preceding sentence shall bear interest at the Prime Rate plus five percent provided, however, that the determination of such interest rate shall not limit any remedies otherwise available to the Royalty Owner in respect of fraud. “**Prime Rate**” means the interest rate quoted by the Royalty holder’s bank at its head office as its “Prime Lending Rate”, as said rate may change from day to day (which quoted rate may not be the lowest rate at which such bank lends funds).

The Royalty obligor shall maintain accurate and complete records in accordance with International Financial Reporting Standards relating to the calculation of Net Smelter Returns and these records shall be audited by the Royalty obligor’s auditor at the end of each calendar year:

- (a) a copy of the audited calculation shall be delivered to the Royalty holder within 120 days following the end of the calendar year to which it relates;
- (b) any necessary adjustment in payments of the Royalty revealed by the audit shall be made by the Royalty obligor to the Royalty holder or by the Royalty holder to the Royalty obligor, as the case may be, within 150 days of the calendar year end; and
- (c) the Royalty holder shall have 60 days after receipt of the audited calculation to question its accuracy in writing, and failing such objection, the calculation shall be deemed correct.

The Royalty holder, or its duly appointed agent, shall have the right once each calendar quarter, at a mutually convenient time to be agreed upon by the parties, to inspect the books and records of the Royalty obligor relating to the calculation of the Net Smelter Returns. The Royalty obligor must retain the books and records relating to the Property for the current year and for the 3 calendar years prior to the current year.

The Royalty obligor may, at any time, sell or transfer all or a portion of the Property, subject to the following conditions. The Royalty obligor, including any party who is a successor to the Royalty obligor, shall cause any assignee of any of the Property to assume in writing the obligations to the Royalty holder with respect to the Property and the Royalty on terms acceptable to the Royalty holder and to cause an original of such writing to be delivered to the Royalty holder. Notwithstanding that such assumption in writing has been obtained and delivered to the Royalty holder, the Royalty obligor shall not be relieved of its obligations in respect of the Royalty obligor upon the assignment, foreclosure, or other transfer of the Property and the Royalty without the prior written consent of the Royalty holder, acting reasonably.

The Royalty obligor may, but will not be under any duty to, engage in price protection (hedging) or speculative transactions such as futures contracts and commodity options in its sole discretion covering all or part of production from the Property. None of the revenues, costs, profits or losses from such transactions will be taken into account in calculating Net Smelter Returns.

Commingling of mineral products from the Property with other ores, concentrates, mineral products, metals and minerals produced elsewhere is permitted as long as reasonable and customary procedures are established for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained in such mineral products and in the other ores, concentrates, mineral products, metals and minerals.

The Royalty payments hereunder shall be capped at US\$3.5 million, and upon full payment of such, the Royalty shall terminate.