

October 6th, 2021

Rockstone Group D.O.O. – Kać
[Redacted - Personal Contact
Information]

Attention: Aleksandar Ilić

This letter will serve to confirm the terms upon which we have agreed to address the anticipated default under that Option Agreement for the Kaludra license dated January 25, 2021 among Rockstone Group D.O.O. – Kać (the “**Optionor**” or “**Rockstone**”), Tera Balkanika D.O.O. Beograd – Novi Beograd (the “**Contractor**” or “**TB Belgrade**”), and Terra Balcanica Resources Corp., formerly 1250598 B.C. Ltd. (the “**Optionee**” or “**Terra Balcanica**) (the “**Option Agreement**”) which will arise from the lapse of the License (as such term is defined in the Option Agreement) after the work program contemplated and filed with the Ministry of Mining and Energy in the Republic of Serbia (the “**Ministry**”) was not completed by the Optionee and Contractor, which will result in a failure to maintain the License in contravention of Sections 3.1 and 4.9 of the Option Agreement (the “**Default**”). All terms not otherwise defined in this letter agreement will have the meaning given to such terms in the Option Agreement.

The Optionor acknowledges receipt of the \$50,000 cash payment and grant of the NSR Royalty contemplated in Section 4.2 of the Option Agreement, and that in addition to such payments, Terra Balcanica has conducted significant exploratory work in the Kaludra License Area, totalling as of the date of this letter agreement \$155,931. In acknowledgement of this work, and in regards to the Default, we confirm that Rockstone has agreed to forebear from enforcing its rights in respect of the Default, once it occurs, on the following conditions:

1. The Contractor will apply to the Ministry for a new license over the Kaludra License Area (the “**New License**”) as soon as practicable following the Default;
2. Upon the grant of a New License (the “**Grant**”), the Parties will deem the New License to be a continuation of the License for the purpose of the Option Agreement and all remaining obligations thereto, including the payments contemplated in Sections 4.4 and 4.7 of the Option Agreement as well as, for certainty, payment obligations pursuant to Section 4.2 subject to the amendments related to payment contemplated below, shall continue as though the Default had not occurred;
3. Section 4.2 of the Option Agreement is replaced with the following:

“4.2 In order to exercise the Option, the Optionee shall make the cash payments or share issuances on or before the following dates:

<u>Date</u>	<u>Cash Payment (CAD)</u>	<u>Share Issuance</u>	<u>Grant of NSR Royalty</u>
Within 30 days of the Effective Date	\$50,000	Nil	2.5%
On or before the first anniversary of the Grant Date	Nil	1,000,000	Nil
On or before second anniversary of the Grant Date	Nil	1,000,000	Nil

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For the purposes of this Part 4, “Grant Date” shall mean the date the Ministry of Mining and Energy in the Republic of Serbia grants a new license (the “New License”) over the Kaludra License Area in the name of the Contractor following the lapse of the existing License. Following the Grant Date, the term “License” will be deemed to include the New License.”

4. Section 4.3 of the Option Agreement is deleted.
5. Section 4.5.1 is added to the Option Agreement, as follows:

4.5.1 “After the Grant Date but prior to the exercise of the Option, should a notice of termination be delivered by the Optionee pursuant to Section 10.2 hereof, the Optionor will have the ability to elect, whether to reacquire the License in its name, and may do so by delivering a written notice to the Optionee and Contractor (“**Optionor Notice**”) within fifteen (15) days of receipt of the notice of termination of the intention to reacquire the License. On receipt of the Optionor Notice, the Contractor will be obligated to use commercially reasonable efforts to transfer the License into the name of the Optionor, and shall apply to the Ministry of Mining and Energy in the Republic of Serbia to transfer the License as contemplated under this Section 4.5.1 within thirty (30) days of receipt of Optionor Notice. All expenses, inclusive of administrative fees and payments to the Ministry of Mining and Energy in the Republic of Serbia, related to the transfer of the License to the Optionor following delivery of the Optionor Notice pursuant to this Section 4.5.1 shall be borne by the Optionor,”

6. Should the Grant not occur within 12 months of the date of this letter agreement, the Optionor shall no longer be required to forebear from enforcing its rights in respect of the Default and may terminate the Option Agreement pursuant to Part 10 thereof.
7. Subject to Section 5 hereof, nothing in this amending letter agreement shall be read to alter or prejudice the ability of the Contractor or Optionee to terminate the Option at any time prior to its exercise by giving notice of termination to the Optionor as contemplated pursuant to Section 10.02 of the Option Agreement.
8. The Optionor acknowledges that it has waived the need for or has obtained independent legal advice.

Accepting the above accurately details your understanding of our agreement in this regard could you please execute this letter where indicated and return same at your early convenience.

Yours truly,

TERRA BALCANICA RESOURCES CORP.

Per: (Signed) “Aleksandar Miskovic”
Authorized Signatory

TERRA BALKANIKA D.O.O. BEOGRAD – NOVI BEOGRAD

Per: (Signed) “Aleksandar Miskovic”
Authorized Signatory

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ACKNOWLEDGED AND AGREED to this ____ day of October, 2021.

ROCKSTONE GROUP D.O.O - KAC

Per: (Signed) "Aleksandar Ilic"

Authorized Signatory