

**Oliver J. Friesen**

[Redacted confidential information]

**Christopher R. Paul**

[Redacted confidential information]

**Michael A. Blady**

[Redacted confidential information]

May 17th, 2021

**Attn: Jerry Huang**

**Re: Letter Agreement between Christopher R. Paul (“Paul”), Michael A. Blady (“Blady”) and Oliver J. Friesen (“Friesen” and, collectively with Paul and Blady, the “Optionor or PBF”) and Great Republic Mining Corp. (the “Optionee or GRM”) for the Option to Purchase the Porcher Mineral Property, Skeena Mining Division, British Columbia, Canada**

When countersigned by each of the parties, the following will constitute a binding agreement (the “**Agreement**”) between Optionor and Optionee, setting out the terms of an exclusive option pursuant to which the Optionee may acquire a 100% interest in the Property (as defined in Schedule A).

## **1. Option**

Optionor hereby grants to Optionee the sole and exclusive option (the “**Option**”) to acquire a 100% interest in the Property, subject to a 2% NSR Royalty, by completing the Option Exercise Requirements in accordance with the terms and conditions set out in this Agreement.

## **2. Option Exercise Requirements**

In order to exercise the Option, Optionee will complete the requirements set out in this Section 2 (collectively, the “**Option Exercise Requirements**”).

(a) Exploration Expenditures. Optionee will spend a total of \$1,600,000 on exploration of the Property as follows:

- (i) \$100,000 within 12 months of listing on a public exchange or before December 31, 2022 whichever comes first;
- (ii) \$250,000 within 24 months of listing;
- (iii) \$500,000 within 36 months of listing; and
- (iv) \$750,000 within 48 months of listing,

(collectively, the “**Exploration Expenditures**” and each, an “**Exploration Expenditure**”).

If Optionor spends more in any year than the Exploration Expenditure for that year, Optionor may apply the excess to the Exploration Expenditure for the next year(s). If Optionor spends less in any year than the Exploration Expenditure for that year, Optionor may correct the default in accordance

with Section 7 and maintain the Agreement in good standing by making cash payment to Optionor in an amount equal to the shortfall.

(b) Share Issuances. Subject to receipt of all necessary regulatory approvals, Optionee will issue a total of 2,200,000 common shares in the capital of Optionee to Optionor as follows:

- (i) 300,000 shares on or before the date the Optionee becomes a listed issuer;
- (ii) 400,000 shares on or before the 12 month anniversary of listing; and
- (iii) 500,000 shares on or before the 24 month anniversary of listing,
- (iv) 750,000 shares on or before the 48 month anniversary of listing,

(collectively, the “**Share Issuances**” and each, a “**Share Issuance**”).

Each Share Issuance will be made 1/3 each to Paul, Blady and Friesen.

Upon the occurrence of one or more events involving the capital reorganization, reclassification, subdivision or consolidation of the common shares in the capital of the Optionee (the “**Shares**”), or the merger, amalgamation or other corporate combination of the Shares with one or more other entities, or of any other events in which new securities of any nature are delivered in exchange for the issued Shares and such issued Shares are cancelled (“**Fundamental Changes**”), then in the event of any issue of Shares to Optionor pursuant to this Agreement after such Fundamental Changes, and in lieu of issuing the Shares which, but for such Fundamental Changes and this provision, would have been issued, Optionee or its successor shall issue instead such number of new securities as would have been delivered as a result of the Fundamental Changes in exchange for those Shares which Optionor would have been entitled to receive if such issue of Shares had occurred prior to the occurrence of the Fundamental Changes.

(c) Cash Payments. Optionee will make cash payments of \$75,000 according to the following schedule:

- (i) \$6,000 within 5 days of signing this agreement;
- (ii) \$24,000 on or before the date the Optionee becomes a listed issuer; and
- (iii) \$45,000 on or before December 31, 2022,

(collectively, the “**Cash Payments**” and each, a “**Cash Payment**”).

Each Cash Payment will be made 1/3 to Paul, Blady, and Friesen.

### 3. Vesting

Upon the date Optionee exercises the Option by completing all the Option Exercise Requirements (the “**Vesting Date**”):

- (a) Optionee will be vested with 100% undivided legal and beneficial interest in the Property; and
- (b) Optionor will take such steps as necessary, in a timely manner, to effect transfer from Optionor to Optionee of 100% undivided legal and beneficial interest in the Property free and clear of all liens and encumbrances (other than the Optionor’s rights under this Agreement, including the NSR Royalty).

Optionee may accelerate the exercise of the Option by completing all the Option Exercise Requirements on an accelerated timeline. There is no partial vesting in the Property.

#### **4. NSR Royalty and Advance Minimum Royalty Payments**

- (a) Optionee hereby grants, sells, transfers, assigns and conveys to Optionor, to be effective as of the Vesting Date, a production royalty equal to 2% of the Net Smelter Return (as defined in Schedule B) on the Property (the “**NSR Royalty**”), provided that Optionee may purchase 1/2 of the NSR Royalty for total consideration of \$1,000,000 at any time prior to such time when:
- (i) the concentrator processing ores, for other than testing purposes, has operated for a period of 45 consecutive days at an average rate of not less than 70% of design capacity; or
  - (ii) if a concentrator is not erected on the Property, when ores have been produced for a period of 45 consecutive production days at a rate of not less than 70% of the mining rate specified in a study and mine plan recommending placing the Property in production.
- (b) The obligations of Optionee under 4(b) shall terminate on the date that all of the mineral claims that comprise the Property have either been transferred back to Optionor or abandoned or surrendered or allowed to lapse or expire by Optionee acting in good faith.
- (c) Optionor will retain a first charge on the Property or any lease thereon with regard to its NSR Royalty. The parties will execute a security agreement substantially in the form attached as Schedule C to this Agreement and effective as of the Effective Date (the “**Security Agreement**”), and such Security Agreement will be registered against mineral claims and leases to provide a first charge on the Property for NSR Royalty payments due to the Optionor.
- (d) Optionor will, from time to time, take all necessary actions, including execution of appropriate agreements, to pledge and subordinate the NSR Royalty to any bona fide secured borrowings from an arm’s length third party lender for construction and operation of a mine on the Property.

#### **5. Representations, Warranties and Covenants**

- (a) Optionee represents, warrants and covenants to and with Optionor that:
- (i) during the term of this Agreement and for a period of one year following the termination of this Agreement in accordance with Section 7, Optionee will keep the Mineral Claims in good standing;
  - (ii) Optionee will apply all exploration work as assessment to the maximum allowable, with any excess credited to the Optionor’s PAC account;
  - (iii) Optionee will work in a good miner-like manner at all times and will comply with all applicable laws, regulations and directives from regulatory authorities with respect to its activities on the Property; and

- (iv) Optionee will provide copies of all exploration data collected on the Property and will provide an annual report at the end of each calendar year on the results of that year's activities.
- (b) Optionor represents, warrants and covenants to and with Optionee that:
- (i) the Property is properly and accurately described in Schedule A;
  - (ii) Optionor is the legal and beneficial owner of a 100% interest in and to the Property, free and clear of any and all encumbrances (save for purported First Nations' interests), liens or charges;
  - (iii) to the best of Optionor's knowledge and belief, there are no adverse claims, challenges, suits, actions, prosecutions, investigations or proceedings of any kind filed or pending or threatened against the Property or Optionor's ownership of or rights or title to the Property or any portion thereof;
  - (iv) promptly following the Effective Date, Optionor will cause Optionee to be authorized as its agent in respect of the mineral claims that comprise the Property so as to permit Optionee to apply exploration work as assessment on the Property; and
  - (v) promptly following the Effective Date, Optionor will provide Optionee with full and complete access to Optionor's books and records regarding the Property.

## **6. Area of Interest**

- (a) If at any time during the term of this Agreement, Optionor or an affiliate of Optionor (the "**Acquiring Party**") acquires, directly or indirectly, any interest in any property which is all or partly within three kilometres of the outermost boundary of the Property (the "**AOI Property**"), then the Acquiring Party must disclose the acquisition (including all costs and information it has relating to the AOI Property) promptly to Optionee, and Optionee may, by notice to the Acquiring Party within 30 days of receipt of notice of the acquisition, elect to include the AOI Property within the Property.
- (b) If Optionee elects to include the AOI Property as part of the Property in accordance with Section 6(a), then the acquisition costs of the AOI Property will, upon verification by Optionee, be reimbursed to Optionor.

## **7. Termination:**

This Agreement will terminate and be of no further force or effect:

- (a) automatically, if Optionee fails to make any Exploration Expenditure, Share Issuance or Cash Payment by the required date and fails to remedy such failure within 30 days of receipt of written notice from Optionor of such default; or
- (b) at any other time by Optionee giving notice of such termination to Optionor.

**8. General:**

- (a) This Agreement is for an option only and, for greater certainty, the payments and actions contemplated under Section 2 above shall not be construed as obligating GRM to do any acts, issue any shares, make any expenditures on the Property, or make any payments hereunder, and any act, issuance, expenditure or payment as shall be made hereunder shall not be construed as obligating GRM to do any further act or make any further issuance, expenditure or payment.
- (b) As between Optionor and Optionee, Optionee will have exclusive control and authority over all matters relating to the Property, including all business, operations and activities thereon, and will be responsible for all fees, expenses and other amounts incurred in connection with the Property.
- (c) Neither Optionor nor Optionee may transfer its interest in this Agreement without the written consent of the other party, such consent not to be unreasonably withheld, provided the transferee agrees in writing to abide by all the terms and conditions of this Agreement.
- (d) This Agreement is subject to the approval of the Board of Directors of the Optionee and to any required regulatory approvals including the approval of the Canadian Securities Exchange, each party using its reasonable best efforts to obtain the same.
- (e) The following schedules attached to this Agreement form part of this Agreement:
  - Schedule A – The Property
  - Schedule B – Calculation of Net Smelter Returns
  - Schedule B – Security Agreement
- (f) This Agreement will be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (g) This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. However, if reasonably necessary, the parties will negotiate a formal option agreement incorporating the terms of this Agreement in a timely manner.
- (h) This Agreement may be executed in counterpart, by facsimile or emailed scanned copy, each of which so executed will be deemed to be original and together will be deemed to constitute one and the same instrument.

- *Remainder of page intentionally left blank* -

Sincerely,  
**Optionor**

"Christopher R. Paul"  
Christopher R. Paul

"Oliver J. Friesen"  
Oliver J. Friesen

"Michael A. Blady"  
Michael A. Blady

Agreed to this 17<sup>th</sup> day of May, 2021 (the "**Effective Date**")

**GREAT REPUBLIC MINING CORP**

**Optionee**

Per "Jerry Huang"

Name: Jerry Huang  
Title: Director

**SCHEDULE A – THE PROPERTY**

“**Property**” means the approximate 3560.4-hectare Porcher property located in the Skeena Mining District, British Columbia, Canada, including the mineral claims listed below as well as any mineral claims that become part of the Property pursuant to the addition of AOI Property under Section 6 (collectively, the “**Mineral Claims**”).

<b>Title Number</b>	<b>Claim Name</b>	<b>Issue Date</b>	<b>Good to Date</b>	<b>Status</b>	<b>Area (ha)</b>
1057674	PORCHER2018A	2018/JAN/15	2023/JUL/10	GOOD	152.28
1057675	PORCHER2018B	2018/JAN/15	2023/JUL/10	GOOD	133.28
1059309	PORCHER2018C	2018/MAR/15	2023/JUL/10	GOOD	666.30
1059830	PORCHER2018D	2018/APR/05	2023/JUL/10	GOOD	647.11
1059832	PORCHER2018E	2018/APR/05	2023/JUL/10	GOOD	799.72
1050353	PORCHER2018F	2018/APR/30	2023/JUL/10	GOOD	323.95
1050848	PORCHER2018G	2018/MAY/30	2023/JUL/10	GOOD	399.52
1067679	PORCHER2019A	2019/APR/03	2023/JUL/10	GOOD	171.49
1067681	PORCHER2019B	2019/APR/03	2023/JUL/10	GOOD	266.78
<b>TOTAL</b>					<b>3560.4</b>

## **SCHEDULE B – SECURITY AGREEMENT**

Dated for reference the 17th day of May, 2021.

The undersigned, GRM MINING CORP. (“**GRM**”), for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) hereby agree as follows:

### **1. GRANT OF SECURITY**

- 1.01 GRM hereby mortgages, charges and grants a security interest to Oliver Friesen, Michael A. Blady and Christopher R. Paul (“**PBF**”) in the Collateral.
- 1.2 The security interest created hereby shall attach, in the case of after acquired property, upon GRM obtaining rights in such property and, in all other cases, upon the execution hereof.
- 1.3 The security hereof is general and continuing security for payment and performance of the Obligations.

### **2. RIGHTS OF PBF**

- 2.01 Upon default being made in the performance by GRM of the Obligations or otherwise on an Event of Default hereunder, PBF may enforce and realize on the security hereof in any and all manners permitted by law, in equity, by statute, in any instrument or as may be agreed between PBF and GRM including, without limitation, all rights and powers of a secured party under the PPSA.

### **3. EVENTS OF DEFAULT**

- 3.1 The security hereof shall become enforceable upon the occurrence of any of the following events:
  - (a) GRM defaults in the payment of production royalties and/or annual advance minimum royalties under the Option Agreement;
  - (b) GRM makes a general assignment for the benefit of its creditors, files an assignment in bankruptcy or otherwise becomes bankrupt;
  - (c) A receiver, receiver and manager, receiver-manager, liquidator, trustee or any person with like powers is appointed for GRM or for all or any substantial portion of the Collateral;
  - (d) Proceedings are commenced or a resolution passed for the winding-up, dissolution or liquidation of GRM;
  - (e) Any execution, sequestration, extent or any other process of any kind shall become enforceable against all or any substantial portion of the Collateral; or
  - (f) Distress or any analogous process is levied on the Collateral.
- 3.2 PBF may waive any Event of Default but no such waiver shall extend or to be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom and no waiver or consent by PBF shall bind PBF unless it is in writing.
- 3.3 No delay or omission by PBF in exercising any right or power hereunder shall operate as a waiver thereof and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or power.

**4. MISCELLANEOUS**

- 4.1 GRM acknowledges receipt of a copy of this Security Agreement.
- 4.2 Time shall be the essence of this Security Agreement.
- 4.3 Upon full payment and performance of all of the Obligations, PBF will execute and deliver to GRM such releases and discharges or other instruments as may be reasonably required to discharge the security hereof, upon the written request of GRM.
- 4.4 Any notice to be given hereunder may be effectively given by posting the same by prepaid registered mail, directed to the party(ies) at the address(es) below or such other address(es) as such party may in writing to the other party(ies) provide in lieu thereof, or by delivery of such notice to:

In the case of PBF:

**Oliver J. Friesen**

[Redacted confidential information]

**Christopher R. Paul**

[Redacted confidential information]

**Michael A. Blady**

[Redacted confidential information]

In the case of GRM:

**GRM Mining Corp.**

705 – 543 Granville Street  
Vancouver, BC, V6C 2T5  
Attn: Ms. Elizabeth Holden  
E-mail: eholden@millerthomson.com

Any such notice shall be deemed to have been received on the second business day after mailing thereof or on the day of delivery, provided that in the case of any actual or threatened disruption of postal service, such notice shall be delivered.

**5. INTERPRETATION**

- 5.1 This Security Agreement shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada in effect therein.
- 5.2 This Security Agreement and all of its provisions shall enure to the benefit of PBF, its successors and assigns, and shall be binding upon GRM and its successors and assigns.
- 5.3 All capitalized terms used herein and not otherwise defined shall have the meanings given thereto in Appendix A.

IN WITNESS WHEREOF GRM has executed this Security Agreement the day and year set forth above.

**GREAT REPUBLIC MINING CORP.**

Per: *"Jerry Huang"*

Name: Jerry Huang

Title: Director

## APPENDIX A – DEFINITIONS

“**Charged Assets**” means GRM’s 100% interest in the Property and all minerals, metals or concentrates extracted, derived and processed therefrom.

“**Collateral**” means the Charged Assets together with all Proceeds thereof.

“**Event of Default**” means any of the events described in Section 3.01 hereof.

“**Obligations**” means to obligation of GRM to pay PBF the royalty interest provided in Section 4 [NSR Royalty and Advance Minimum Royalty Payments] of the Option Agreement.

“**PPSA**” means the *Personal Property Security Act*, S.B.C. 1989 c.36, as amended from time to time, and any legislation passed in replacement thereof or supplemental thereto.

“**Proceeds**” means:

- 1.1 All identifiable or traceable Goods, Intangibles, Chattel Paper, Documents of Title, Instruments, Money and Securities (all of which terms shall have the meanings ascribed to them in the PPSA), fixtures and crops:
  - (a) derived directly or indirectly from any dealing with the Charged Assets or any proceeds of the Charged Assets; and
  - (b) in which GRM acquires an interest;
- 1.2 A right to an insurance payment or compensation for loss of, or damage to, the Charged Assets or proceeds of the Charged Assets; and
- 1.3 A payment made in total or partial discharge or redemption of an Intangible, an Instrument, a Security or Chattel Paper.

“**Property**” has the meaning given to it in Schedule “A” of the Option Agreement to which this Security Agreement was attached.

“**Option Agreement**” means the agreement entered into between PBF and GRM made as of the XX day of May, 2021.

“**Receiver**” means a receiver-manager or a receiver and manager appointed hereunder.

The following terms shall have the meaning given thereto in PPSA: Chattel Paper, Document of Title, Goods, Inventory, Instrument, Intangible, Money and Security.