

ASSIGNMENT AND OPTION AGREEMENT

(Douay East Property)

THIS AGREEMENT is made as of February 04, 2021 (the “**Effective Date**”)

BETWEEN:

1544230 ONTARIO INC. (Perry English)
(“1544”)

AND:

GRAVEL RIDGE RESOURCES LTD. (Michael Frymire)
(“Gravel” and together with 1544, the “**Optionors**”)

AND:

DAVID TAFEL
(the “**Assignor**”)

AND:

WESTMOUNT MINERALS INC.
(the “**Optionee**”)

WHEREAS:

- A. The Assignor and the Optionors have entered into a term sheet dated November 14, 2020 (the “**Term Sheet**”), pursuant to which the Optionors have granted to the Assignor the option to acquire a 100% interest in certain mining claims in Matagami Quebec as more particularly described in Schedule “A” attached hereto (the “**Property**”);
- B. The Assignor wishes to assign to the Optionee its rights and obligations pursuant to the Term Sheet (the “**Assignment**”) and the Optionors wish to agree to such Assignment;
- C. The Optionee and the Optionors wish to supplement and restate the terms pursuant to which the Optionee may earn a 100% interest in the Property from the Optionors following the Assignment on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants and conditions set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor, the Optionors and the Optionee agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In addition to the terms defined throughout this Agreement, in this Agreement the following capitalized words and phrases shall have the following meanings:

- a. “**Claim**” means any claim, notice, demand, action, proceeding, litigation, investigation or judgment whether based in contract, tort, and statute or otherwise and shall include Environmental Claims;
- b. “**Closing Date**” means the date on which the Option is exercised by the Optionee;

- c. **"Encumbrance"** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, royalty (other than a royalty payable to a Governmental Entity), restrictive covenant or other encumbrance of any nature, and includes any agreement to grant or create any of the foregoing or allow them to exist;
- d. **"Mineral Claims"** means the mining claims comprising the Property, and the rights accompanying such cell claims under the laws of Quebec or any subdivision thereof, whether contractual, statutory or otherwise, or any interest therein;
- e. **"Option"** means the sole, exclusive and irrevocable option to acquire not less than a 100% undivided right, title and interest in and to the Property, subject to the Royalty;
- f. **"Option Exercise Notice"** means written notice to the Optionor from the Optionee that the Optionee has made the payments and Share issuances set out in subsection 2.2;
- g. **"Option Period"** means the period during which the Option remains in effect, commencing on the Effective Date and ending on the earlier of the date the Optionee exercises the Option or the date this Agreement is terminated;
- h. **"Royalty"** means the 1.5% net smelter returns royalty on the Property to be granted by the Optionee to the Optionors in accordance with the terms in Schedule B and the buy-back rights granted by the Optionors in relation thereto;
- i. **"Shares"** means common shares in the capital of the Optionee, as such common shares are presently constituted.

1.2 Schedules

The following schedules are attached to and incorporated in this Agreement by this reference:

"A" The Property

"B" Royalty

2. **ASSIGNMENT**

2.1 Assignment and Assumption of Term Sheet

The Assignor hereby assigns to the Optionee, the Term Sheet and all benefits and advantages to be derived from the Term Sheet and the rights of the Assignor to the benefits of the Term Sheet (the **"Assignment"**). The Optionee hereby accepts the Assignment and covenants with the Assignor that it will, from and after the date hereof, assume, discharge, perform and fulfill all the obligations and liabilities of the Assignor under Term Sheet.

2.2 Consent to Assignment and Termination of Term Sheet

The Optionors hereby consent to the Assignment and acknowledge the receipt of \$6,000 pursuant to the terms of the Term Sheet, which amount shall be for the benefit of the Optionee pursuant to this Agreement. The Optionor and the Optionee hereby agree that upon execution of this Agreement and the effectiveness of the Assignment, that the Term Sheet shall be terminated and shall be null and void. The Optionor and the Optionee agree that the matters subject to the Term Sheet shall now be governed by this Agreement.

3. OPTION

3.1 Grant of Option

The Optionors hereby grant the Option to the Optionee for the Option Period on the terms and conditions set forth in this Agreement.

3.2 Option Exercise

- a. The Optionee may exercise the Option by making the following cash payments to the Optionors and completing the following issuances of Shares to the Optionors on or before the relevant completion date or as otherwise indicated:

| Completion Date | Cash (\$) | Shares |
|---|------------------|----------------|
| On signing of the Term Sheet (the “ Effective Date ”) | 6,000 (paid) | Nil |
| On signing of this Agreement | 6,000 | Nil |
| On completion of the Optionee’s Initial Public Offering (“ IPO ”) and listing on the CSE | Nil | 300,000 |
| On or before the one-year anniversary of the Agreement | 16,000 | |
| On or before the one-year anniversary of the IPO | | 200,000 |
| On or before the two-year anniversary of the Agreement signing | 24,000 | Nil |
| On or before the three-year anniversary of the Agreement signing | 30,000 | Nil |
| Total | 82,000 | 500,000 |

- b. If the Optionee makes the cash payments and completes the share issuances in accordance with Section 3.2, or earlier as permitted by Section 3.3, it will send the Optionors an Option Exercise Notice within 30 days from the date of exercise of the Option, at which time it will be deemed to have exercised the Option and will have earned an undivided 100% interest in the Property, subject to the Royalty;
- c. The Parties acknowledge and agree that this Agreement is an option only and except as specifically provided otherwise, unless the Option is exercised, nothing herein contained will be construed as obligating the Optionee to do any acts or make any payments except as set forth herein. For greater certainty, other than the cash payment due on signing of this Agreement and the issuance of Shares upon completion of the IPO, the Optionee is not required to make any further payments, issue any further Shares or incur any further Expenditures and any act or acts, or payment or payments as will be made hereunder will not be construed as obligating the Optionee to do any further act or make any further payment. If this Agreement is terminated prior to the Option being exercised, then the Optionee will not be bound thereafter in debt, damages or otherwise under this Agreement save and except as provided for in Section 7.2; and all payments theretofore paid by the Optionee will be retained by the Optionors in consideration for entering into this Agreement and for the rights conferred on the Optionee thereby.

3.3 Acceleration

The cash payments and share issuances set forth in Section 3.2 may be completed within a shorter time frame at the sole discretion of the Optionee.

3.4 Termination with No Interest

This Agreement is an option to purchase a 100% interest in the Property and the Optionee shall not receive any fractional ownership or interest in and of the Property based on any partial fulfilment of the obligations set forth in Section 3.2. Subject to Section 10.7, the failure by the Optionee to make any cash payment or complete any Share issuance by the applicable completion date (subject to any agreed extensions between the Parties), will result in the termination of the Option, with no interest in the Property having been earned by the Optionee, provided that the Optionors shall provide the Optionee with written notice of such termination.

3.5 Optionee's Election to Terminate

Notwithstanding any other provision of this Section 2, the Optionee may elect at any time to terminate the Option by delivering notice to the Optionors, after which the Option will be of no further force and effect and will terminate ("**Automatic Termination**"). In the event of Automatic Termination, the Optionee will acquire no interest in the Property and will have no further obligations to the Optionors hereunder except as set forth in Section 7.2.

3.6 Transfer Documentation

Upon receipt of the Option Exercise Notice, the Optionors shall forthwith cause the Recorded Holder to transfer to the Optionee their interests in the Property and deliver to the Optionee one or more duly executed transfers in recordable form for all Mineral Claims comprising the Property in favour of the Optionee or its designated affiliate, which the Optionee or its affiliate will be entitled to register.

4. **REPRESENTATIONS AND WARRANTIES**

4.1 Mutual Representations and Warranties

Each Party represents and warrants to the other Party that:

- a. it has full right, power and authority to carry on its business and to enter into and accept the terms of this Agreement and to carry out the transactions contemplated herein;
- b. it has, or will, prior to the Closing Date, have, duly obtained all necessary governmental, corporate, shareholder and other authorizations for its execution and performance of this Agreement, and
- c. this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

4.2 Optionors' Representations and Warranties

Each Optionor, jointly and severally, represents and warrants to the Optionee that:

- a. it is beneficial owner of and possesses good and marketable title to a 100% interest in the Property, free and clear of all Encumbrances, and the Property is properly described in Schedule "A" attached hereto;

- b. Perry English (the “**Recorded Holder**”) is the recorded owner of a 100% of the Mineral Claims comprising the Property;
- c. The Recorded Holder’s interest in the Mineral Claims comprising the Property is in trust for the sole benefit of the Optionors;
- d. the Mineral Claims comprising the Property have been duly and validly recorded pursuant to all applicable laws and regulations in the Province of Quebec and are in good standing;
- e. it has made all taxes, assessment, rentals, levies, or other payments relating to the Property required to be made to any governmental entity;
- f. it is lawfully qualified to hold direct and beneficial interests in Mineral Claims in Quebec;
- g. it has the exclusive right to receive the proceeds from the sale of minerals lawfully removed from the Property, and no person (other than the other Optionors) is entitled to any royalty or other payment in the nature of a royalty on Minerals from the Property or is entitled to take minerals in kind and no person has any outstanding agreement or option to purchase or otherwise acquire the Property or any interest therein;
- h. there are no Claims before any court, arbitrator, local department, commission, administrative agency or other tribunal or governmental entity, whether current, pending or, to its knowledge, threatened, which directly or indirectly relate to or affect the Mineral Claims comprising the Property or its interests therein, including any matters pertaining to environmental Claims, or Claims of native or indigenous people, nor is it aware of any acts which would lead it to suspect that the same might be initiated or threatened;
- i. to its knowledge, there are no actual, alleged or potential adverse Claims against or to the ownership of or title to the Property, nor to the to the knowledge of the Optionor is there any basis therefore;
- j. no consent or approval of any person (including any governmental entity) is required for the execution, delivery or performance of this Agreement by the Optionor or the transfer or acquisition of any interest in the Property;
- k. it has no notice or any knowledge of any proposal to terminate or vary the terms of or rights attaching to any of the Property from any governmental entity, or of any challenge to the Optionor’s right, title or interest in the Property;
- l. to its knowledge, the Property does not lie within any protected area, rescued area, reserve, reservation, reserved area or special needs lands as designated by any governmental entity having jurisdiction, that would impair the development of a mining project on such land;
- m. during the period that it has been a beneficial owner of the Property or a portion thereof, the Property has been operated substantially in accordance with all applicable and Environmental Laws and, to its knowledge, all activities on the Property prior to such ownership were conducted in compliance with Environmental Laws and there are no environmental conditions existing in the Property to which any material remedial action is required or any material liability has or may be imposed under applicable Environmental Laws;
- n. there are no outstanding work orders or, to its knowledge, actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property; and

- o. to its knowledge there is no fact or circumstance which has not been disclosed to the Optionee which would render any of the foregoing representations and warranties untrue, incomplete or otherwise misleading.

4.3 Optionee's Representations and Warranties

The Optionee represents and warrants to the Optionors that:

- a. the Optionee will reserve or set aside sufficient common shares in its treasury to issue the Shares, and the Shares will, at the time of issuance, be issued in accordance with applicable securities laws and will be duly authorized and validly allotted and issued as fully paid and non-assessable, free of any Encumbrances; and

4.4 Survival of Representations and Warranties

The representations, warranties and covenants contained in this Agreement are conditions on which the Parties have relied in entering into this Agreement and will survive the execution hereof and the acquisition of any interest in the Property by the Optionee. Each Party will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Agreement. A Party may waive any of such representations, warranties, covenants, agreements or conditions in whole or in part at any time without prejudice of its right in respect of any other breach of the same or any other representation, warranty, covenant, agreement or condition.

5. OPTION PERIOD RIGHTS AND OBLIGATIONS

5.1 Operator

The Optionee will be the operator of all programs on the Property and shall have the exclusive right to manage and operate all programs carried out on the Property during the Option Period, provided it is otherwise in compliance with the terms of this Agreement.

5.2 Optionee's Right of Entry

Subject to applicable laws, rules and regulations, during the Option Period, the Optionors will grant the Optionee and its employees, agents and independent contractors, the sole and exclusive right to enter on the Property and to:

- a. exclusively perform Operations that it may deem appropriate, with no limitation whatsoever;
- b. have exclusive and quiet possession thereof;
- c. build, use, maintain, repair, relocate or replace roads, drilling sites, buildings, fences, power and communication lines, structures, camps, field offices and other facilities or infrastructure on the Property which may be of assistance to or appropriate for the Optionee to perform its Operations; and
- d. extract and remove from the Property non-commercial quantities of ore, for the sole purpose of testing them (including, but not limited to, bulk samples, tests and geo-chemical analysis).

5.3 Optionee's Obligations

During the Option Period, the Optionee will be responsible for all Operations conducted on the Property. Without limiting the generality of the foregoing, the Optionee shall:

- a. carry out any and all works on the Property in a manner consistent with sound exploration practices for such activities, complying with all applicable laws and regulations;
- b. perform and file with such governmental entities, all expenditures that qualify as assessment work or make payments in lieu thereof (to the extent required in order to maintain the Property in good standing) and pay such rentals, taxes, maintenance fees or other payments (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by the Optionors), and do all such other things as may be necessary to maintain the Property and related assets in good standing; and
- c. conduct its programs in accordance with acceptable environmental practices and will respectfully consult with appropriate First Nations when required.

5.4 Optionors' Obligations

During the Option Period, in addition to the covenants set forth elsewhere in this Agreement, each Optionor shall, and shall cause the Recorded Holder:

- a. not do any act or thing which would or might in any way adversely affect the rights of the Optionee hereunder to earn an undivided 100% interest in and to the Property;
- b. not relinquish or abandon all or any part of its interest in the Property;
- c. not mortgage, pledge or encumber the Property after the Effective Date without the Optionee's prior written consent, which consent shall not be unreasonably withheld; and
- d. promptly make available to the Optionee and its representatives, during normal business hours, all reports, records, data, maps, information, accounts and files in the possession of the Optionor relating to the Property, and permit the Optionee and its representatives to take abstracts therefrom and make copies thereof at their own expense.

5.5 Registered Title

During the Option Period, the Optionors, or any of their respective affiliates including the Recorded Holder, will remain the registered holder of the Mineral Claims comprising the Property as of the Effective Date. Upon the exercise of the Option by the Optionee, the Optionee or its nominee will be entitled to become the registered holder of the Property, and the Optionors, or their respective affiliates, including the Recorded Holder, as applicable, will affect any transfers necessary therefor. Each Optionor or the Optionee, to the extent that it is the recorded holder of any Mineral Claims comprising the Property, will hold title to the Property subject to this Agreement.

5.6 Abandonment of Property

The Optionee may elect to treat any of the Mineral Claims comprising the Property as no longer of interest and therefore no longer subject to the provisions of the Option, provided that prompt notice of such proposed abandonment is given to the Optionors, and such area being abandoned will have at least two years before any further assessment work is due to keep such Mineral Claim in good standing. Following such notice of abandonment under this Section 5.6, the Mineral Claims so transferred or abandoned will thereafter cease to form part of the Property and will no longer be subject to this Agreement, except with respect to any obligations or liabilities of the Parties as have accrued to the date of such transfer or abandonment and subject to performing any reclamation on the abandoned Mineral Claims or providing a bond to provide for future payment of such reclamation requirements.

6. ROYALTIES

6.1 Net Smelter Returns Royalty

Upon the exercise of the Option, the Optionee will grant the Royalty to the Optionors, which grant shall be on the terms in Schedule B.

6.2 Royalty Repurchase

The Optionee shall have the right at any time to repurchase 50% of the Royalty (0.75% net smelter returns) from the Optionors for the amount of \$400,000.

7. TERMINATION

7.1 Termination

This Agreement shall terminate on the date (the "**Termination Date**") any of the following occurs:

- a. the Option is terminated pursuant to Section 3.4;
- b. Automatic Termination occurs pursuant to Section 3.5; or
- c. the Parties mutually agree in writing to terminate this Agreement.

Upon any such termination, the Parties shall have no further obligations hereunder except as required under Sections 8 and 9, and Sections 7.2 and 10.8 shall survive any such termination.

7.2 Events on Termination

If the Option is terminated other than upon the exercise thereof, the Optionee will leave all Mineral Claims comprising the Property in good standing for a minimum of one year following termination.

8. CONFIDENTIAL INFORMATION

8.1 Confidential Information

Unless and until the transactions contemplated by this Agreement have been completed, or the Termination Date, except with the prior written consent of the other Party, acting reasonably, each Party and its employees, officers, directors, shareholders, agents, advisors and other representatives shall hold all information received from the other Party in strictest confidence, except such information and documents available to the public or as are required to be disclosed by applicable law. All such information in written form and documents will be returned to the Party originally delivering them in the event that the transactions provided for in this Agreement are not consummated.

8.2 Additional Confidentiality Agreements

In the event that the Optionee determines, acting reasonably, that it must provide confidential information in respect of the Property to interested parties proposed to become financial or strategic partners with the Optionee relative to the Property, the Optionee shall notify such third parties of the confidentiality of such information and shall impose such conditions upon such third parties regarding the confidentiality of the information as it determines necessary, acting reasonably.

8.3 Information in Public Domain

The provisions of this Section 8 do not apply to information which is or becomes part of the public domain other than through a breach of the terms hereof.

9. **NOTICES**

9.1 Method

Each notice, demand or other communication required or permitted to be given under this Agreement (each, a “**Notice**”) shall be in writing and be sent by prepaid registered mail addressed to the party entitled to receive the same, or delivered to such party at the address for such party specified on the first page of this Agreement, or by electronic mail, return receipt requested, as follows:

(a) If to the Optionors at:

Email: penglish@myrmts.net and gravelridge.resources@gmail.com

d. If to the Optionee at:

Email: davidt@cdnstock.com

9.2 Amending Addresses

Either Party may at any time and from time to time notify the other Party in accordance with this Section 9 of a change of address or electronic mail address, to which all Notices will be given to it thereafter until further notice in accordance with this Section 9.

9.3 Delivery

All Notices shall be effective and shall be deemed delivered (i) if by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery, (ii) if by electronic mail, on the next business day following confirmation of transmission of the Notice, and (iii) if solely by registered mail, on the fifth (5th) business day following the date it is posted; provided, however, that if there is a mail strike, slowdown or other labour dispute which might affect delivery of the communication by mail, then the notices, consents, demands and requests shall be effective only if actually delivered.

10. **GENERAL**

10.1 Entire Agreement

This Agreement and the schedules hereto constitute the entire agreement between the Parties and supersede and replace any preliminary or other agreement or arrangement, whether oral or written, express or implied, statutory or otherwise heretofore existing between the Parties in respect of the subject matter of this Agreement.

10.2 Amendment

This Agreement may not be amended or modified except by an instrument in writing signed by each of the Parties.

10.3 No Waiver

No consent hereunder or waiver of or with respect to any term or condition of this Agreement will be effective unless it is in writing and signed by the consenting or waiving Party. No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder will be deemed or construed to be a consent to or a waiver of any other breach or default.

10.4 Further Assurances

The Parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement and to cooperate with each other and each other's counsel and other professional advisors in the preparation, execution and delivery of any and all documents or instruments necessary to give full force and effect to the terms and provisions set out herein and any other documents required to give effect hereto.

10.5 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, the remaining provisions will nevertheless be and remain valid and subsisting and such remaining provisions will be construed as if this Agreement had been executed without the illegal, invalid or unenforceable portion.

10.6 Enurement

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

10.7 Cure Defaults

Notwithstanding anything in this Agreement to the contrary, if either Party (a "**Defaulting Party**") is in default of any requirement herein set forth, the Party affected by such default shall give written notice to the Defaulting Party specifying the default and the Defaulting Party shall not lose any rights under this Agreement, unless 30 days after the giving of notice of default by the affected Party, the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance, and if the Defaulting Party fails within such period to take reasonable steps to cure any such default, the affected Party shall be entitled to seek any remedy it may have on account of such default including, without limitation, termination of this Agreement.

10.8 Delay

The rights of neither party shall be prejudiced by events beyond a party's reasonable control, including, without limiting, environmental restrictions or approvals, the exigencies of nature, government and acts of God particularly as they may affect exploration and development of the Property but excluding the want of funds. All times herein provided for, shall be extended by the period necessary to cure any such event and the party affected shall use all reasonable means to do so promptly. Each party agrees to cooperate with the other in applying for and obtaining all required federal, provincial and other governmental approvals.

10.9 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the Parties hereby attorn to the jurisdiction of the Court of British Columbia and, except where matters are expressed herein to be subject to arbitration, the courts of such Province will have exclusive jurisdiction to hear and determine all disputes arising

hereunder. Nothing contained in this Section 10.9 is intended to affect the rights of a Party to enforce a judgement or award outside of British Columbia.

10.10 Time of the Essence

Time is of the essence in the performance of each obligation under this Agreement.

10.11 Assignment

The Optionors and the Optionee may assign its rights under this Agreement without the prior written consent of the other Party, provided that such Assignee agrees to be bound, in writing, by the terms of this Agreement.

10.12 Counterparts

This Agreement may be executed and delivered in any number of counterparts and by electronic transmission, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed as of the Effective Date.

1544230 ONTARIO INC.

Per:

"Perry English"

Name: Perry English
Title: President

GRAVEL RIDGE RESOURCES LTD.

Per:

"Pamela Misener"

Name: Pamela Misener
Title: Vice President

DAVID TAFEL

"David Tafel"

WESTMOUNT MINERALS CORP.

Per:

"David Tafel"

Name: DAVID TAFEL
Title: Director

SCHEDULE "A"

THE PROPERTY

The Property consists of the following Mineral Claims

| Type of Title | Title No | Status | Titleholder(s) (Name, Number and Percentage) |
|---------------|----------|--------|--|
| CDC | 2582702 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582703 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582704 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582705 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582706 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582707 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582708 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582709 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582710 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582711 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582712 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582713 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582714 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582715 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582716 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582717 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582718 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582719 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582720 | Active | Perry English (99236) 100 % (responsible) |
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| CDC | 2582739 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2582740 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2583220 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2583219 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2583218 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2583217 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2583216 | Active | Perry English (99236) 100 % (responsible) |
| CDC | 2583215 | Active | Perry English (99236) 100 % (responsible) |

SCHEDULE "B"

NET SMELTER RETURNS:

1. "Net Smelter Returns" ("NSR") shall mean all proceeds, received or deemed received from any mint, smelter, refinery, reduction works or other purchaser from the sale of ores, metals, concentrates or other mineral products produced or deemed to be produced from the Property after deducting from such proceeds to the extent that they are actually incurred and were not deducted by the purchaser in computing payment: sampling and assaying; treatment, smelting and refining charges; penalties; costs of transportation of ores, metals, concentrates or other mineral products from the Property to any mint, smelter refinery, reduction works or other purchaser; insurance on such ores, metals, concentrates or other mineral products.
2. The amount of NSR shall be calculated as follows:
 - (a) For gold produced from the Property, the NSR shall be calculated by determining, without duplication, the number of ounces of fine gold delivered to or to the order of the Optionee, purchased by, or out turned to the Optionee pool account or accounts by, any mint or refinery and the number of ounces of gold otherwise sold to any purchase during any calendar quarter and multiplying such number of ounces by the average of the daily London Bullion Brokers PM Gold Fixing during such quarter, less the deductions specified in paragraph 1, as applicable.
 - (b) For silver produced from the Property the NSR shall be calculated by determining, without duplication, the number of ounces of silver delivered to or to the order of the Optionee, purchased by, or out turned to the Optionee pool account or accounts by, any mint or refinery and the number of ounces of silver otherwise sold to any purchaser during any calendar quarter and multiplying such number of ounces by the average of the daily Handy & Harmon Noon Silver Quotation during such quarter, less the deductions specified in paragraph 1, as applicable.
 - (c) For minerals other than gold and silver produced from the Property the NSR shall be calculated based on the amounts actually received during any calendar quarter from the sale of ores, metals, concentrates or other mineral products, less the deductions specified in paragraph 1, as applicable.
 - (d) The amount of the NSR calculated in respect of any calendar quarter shall be paid by the Optionee to the Optionors within thirty (30) days of the end of the quarter. Payments shall be made in Canadian dollars and amounts calculated in U.S. dollars shall be converted into Canadian dollars at the exchange rate prevailing on the last business day of the calendar quarter in respect of which the NSR are payable. Payments of NSR shall be accompanied by detailed calculations and supporting documentation showing the amounts payable.
 - (e) For the purposes of subparagraph (a) and (b) above, the average price of gold or silver for any calendar quarter shall be determined by dividing the sum of all daily prices posted

during the quarter that the prices were posted. The posted price shall be obtained from The Wall Street Journal, Reuters, E & MJ or another reliable source.

3. Payments of NSR for a calendar year shall be subject to adjustment within three (3) months after the end of the calendar year based on an audit. The year end calculation of NSR shall be audited by a national firm of chartered accountants designated by the Optionee or its assignee(s) (which may be the auditor of the Optionee or its assignee(s)); and
 - (a) copies of the audited reports shall be delivered to the Optionee or its assignee(s) and the Optionors by the chartered accounting firm; and
 - (b) either party shall have three (3) months after receipt of any audited report to object thereto in writing to the other party, and failing such objection, such report shall be deemed correct; and
 - (c) in the event of a re-audit, all costs relating to such re-audit shall be paid by the Optionee or its assignee(s) unless the Optionors required the re-audit and the original audit is found to be substantially correct, in which case such costs shall be paid by the Optionors.