

## SHARE EXCHANGE AGREEMENT

**THIS SHARE EXCHANGE AGREEMENT** is made effective the 16<sup>th</sup> day of September, 2024.

### AMONG:

**BUSCANDO RESOURCES CORP.**, a company having offices at 309 – 2912 West Broadway, Vancouver, B.C., V6K 0E9

(hereinafter referred to as “**Buscando**” or the “**Purchaser**”)

- and -

**1230439 BC LTD.**, a company existing under the laws of British Columbia having its business address at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7

(hereinafter referred to as “**FoggyCo**”)

-and-

The common shareholders of FoggyCo listed in the attached Schedule “A”

(hereinafter collectively referred to as, the “**Shareholders**”, and individually as, a “**Shareholder**”)

### WHEREAS

- A. The Shareholders are the legal and beneficial owners of 2,250,000 common shares in the capital of FoggyCo, representing all the issued and outstanding common shares in the capital stock of FoggyCo (the “**FoggyCo Shares**”) as set out in Schedule “A”;
- B. The Purchaser has agreed to purchase the FoggyCo Shares in accordance with the terms and conditions set forth in this Agreement (the “**Transaction**”); and
- C. The Shareholders who have executed this Agreement have agreed to the Transaction.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and the respective covenants and agreements herein contained, the parties hereto covenant and agree as follows:

## ARTICLE I INTERPRETATION

### 1.01 Definitions

In this Agreement, unless otherwise defined, capitalized words and terms will have the following meanings:

- (a) “**Affiliate**” means any person which, directly or indirectly, controls, is controlled by, or is under common control with, a person;

- (b) “**Agreement**” means this share exchange agreement as the same may be supplemented or amended from time to time;
- (c) “**Alternative Transaction**” means any of the following (other than the transactions contemplated by this Agreement): (a) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving FoggyCo or the Purchaser, or any analogous transaction; (b) any acquisition of all or substantially all of the assets of FoggyCo or the Purchaser (or any lease, long-term supply agreement, exchange, mortgage, pledge or other arrangement having a similar economic effect); (c) any acquisition of beneficial ownership of 20% or more of FoggyCo’s or the Purchaser’s shares in a single transaction or a series of related transactions; (d) any acquisition by FoggyCo or the Purchaser of any assets or capital stock of another person (other than acquisitions of capital stock or assets of any other person that are not, individually or in the aggregate, material to FoggyCo or the Purchaser); or (e) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing on or before the Termination Date;
- (d) “**Applicable Laws**” means all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority having jurisdiction over the transactions completed hereby;
- (e) “**Books and Records**” means all technical, business and financial records, financial books and records of account, books, data, reports, files, lists, drawings, plans, logs, briefs, customer and supplier lists, deeds, certificates, contracts, surveys, title opinions or any other documentation and information in any form whatsoever (including written, printed, electronic or computer printout form) relating to a corporation and its business;
- (f) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia, Canada;
- (g) “**FoggyCo Shares**” has the meaning set forth in the recitals of this Agreement;
- (h) “**Claim**” has the meaning set forth in Section 8.04;
- (i) “**Closing**” means the completion of the Transaction in accordance with the terms and conditions of this Agreement;
- (j) “**Closing Date**” means the date of Closing, which will be on or prior to the tenth Business Day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the Transaction (other than conditions that are satisfied with respect to actions the respective parties will take at the Closing itself), or such other date as the Purchaser and FoggyCo may mutually determine;
- (k) “**Common Shares**” means common shares in the capital of the Purchaser;
- (l) “**Consideration Shares**” has the meaning set forth in Section 2.02;
- (m) “**Corporate Records**” means the corporate records of a corporation, including: (i) its notice of articles, articles, by-laws or other constating documents, any unanimous shareholders agreement and any amendments thereto; (ii) all minutes of meetings and resolutions of shareholders, directors and any committee thereof; (iii) the share certificate

books, register of shareholders, register of transfers and registers of directors and officers; and (iv) all accounting records;

- (n) **“Encumbrance”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, option, licence or licence fee, royalty, production payment, restrictive covenant or other encumbrance of any nature, or any contract to give or create any of the foregoing, any obligation in connection with the Licences, or any encumbrance that might be imposed by any Governmental Authority, but excluding the Permitted Encumbrances;
- (o) **“Environmental Laws”** has the meaning ascribed to it in Section 5.03(ee);
- (p) **“Exchange”** means the Canadian Stock Exchange.
- (q) **“Exemptions”** has the meaning set forth in Section 2.03(a);
- (r) **“Governmental Authority”** means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign; or (b) regulatory authority, including any securities commission, gaming commission or stock exchange, including the CSE;
- (s) **“Hazardous Materials”** has the meaning ascribed to it in Section 5.03(ee);
- (t) **“Optioned Licenses”** means the mineral licenses in which, pursuant to an option agreement dated August 28, 2024, FoggyCo has an exclusive license to acquire **100%** interest in, comprising a project located in the Toodoggone historic Mining region in British Columbia, as more particularly described in Schedule “A” attached hereto, subject only to the Royalty (as hereinafter defined);
- (u) **“laws”** means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and **“law”** means any one of them;
- (v) **“Material Adverse Effect”** means (i) any change, effect, fact, circumstance or event which, individually or when taken together with any other changes, effects, facts, circumstances or events, could reasonably be expected to be materially adverse to the assets, liabilities, condition (financial or otherwise), business, properties or results of operation of the Purchaser or FoggyCo, as applicable, or (ii) a material impairment of or delay in the ability of the parties (or any one of them) to perform their obligations hereunder or consummate the Transaction;
- (w) **“Material Contract”** means any contract to which a person is a party and which is material to such person, including any contract: (i) the termination of which would have a Material Adverse Effect on such person; (ii) any contract which would result in payments to or from such person or its Affiliates (if any) in excess of \$25,000, whether payable in one payment or in successive payments; (iii) any agreement or commitment relating to the borrowing of money or to capital expenditures; and (iv) any agreement or commitment not entered into in the ordinary course of business;

- (x) “**material fact**” has the meaning ascribed to such term in the *Securities Act* (British Columbia);
- (y) “**Mineral Rights**” means any permit, claim, licence, lease, concession, tenement, mineral disposition, mineral lease or other form of title or tenure, and any other right (including the right of entry to, or the right to work upon, lands), whether contractual, statutory or otherwise, which among other things, allows or permits a person to explore for, develop, mine, extract, sell or otherwise dispose of, Minerals, including the Licences;
- (z) “**Minerals**” means all ores, solutions and concentrates, and metals derived therefrom, containing precious, base or industrial minerals (including gems and uranium) which are found in, on or under the Optioned Licences and may lawfully be explored for, mined and sold under the Mineral Rights and other instruments of title under which the Optioned Licences are held;
- (aa) “**NSR**” means net smelter return;
- (bb) “**Other Rights**” means any interest in real property, whether freehold, leasehold, license, right-of-way, easement, any other surface or other right in relation to real property, and any right, licence or permit in relation to the use or diversion of water, but excluding any Mineral Rights;
- (cc) “**person**” includes an individual, sole proprietorship, partnership, limited partnership, unincorporated association or organization, unincorporated syndicate, body corporate, trust, trustee, executor, administrator, legal representative of the Crown or any agency or instrumentality thereof;
- (dd) “**Personnel**” means, in relation to a party, any of its, or its Affiliates’, directors, officers, employees, agents, consultants, invitees, subcontractors and representatives involved, either directly or indirectly, in the performance of the party’s obligations under this Agreement;
- (ee) “**Public Record**” means the information relating to the Purchaser contained in all press releases, material change reports, financial statements and related management’s discussion and analysis, information circulars and all other documents of the Purchaser which have been filed on the System for Electronic Document Analysis and Retrieval (SEDAR+);
- (ff) “**Purchaser Financial Statements**” has the meaning set forth in Section 5.01(j);
- (gg) “**Register**” means the public register;
- (hh) “**Securities Laws**” means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notice, directions and rulings issued or adopted by the applicable securities regulatory authority, as amended;
- (ii) “**Shareholders**” and “**Shareholder**” have the respective meanings set forth in the first page of this Agreement;
- (jj) “**Termination Date**” means September 30, 2024 or such later date as may be agreed to in writing between the Purchaser and FoggyCo;

- (kk) “**Time of Closing**” means 10:00 a.m. (Vancouver time) on the Closing Date, or such other time as the Purchaser and FoggyCo may mutually determine; and
- (ll) “**Transaction**” has meaning set forth in the recitals to this Agreement.

## **1.02 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

## **1.03 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or a Schedule or Exhibit refers to the specified Article or Section of, or Schedule or Exhibit to, this Agreement.

## **1.04 Number, etc.**

Unless the subject matter or context requires the contrary, words importing the singular number only will include the plural and vice versa; words importing the use of any gender will include all genders and words importing persons will include natural persons, firms, trusts, partnerships and corporations.

## **1.05 Date for Any Action**

In the event that any date on which any action is required or permitted to be taken hereunder by any person is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

## **1.06 Statutory References**

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute in force from time to time and any statute, regulation or rule that supplements or supersedes such statute, regulation or rule.

## **1.07 Accounting Principles**

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference will be deemed to be International Financial Reporting Standards.

## **1.08 Knowledge**

- (a) Any reference herein to “the knowledge of the Purchaser” (or similar expressions) will be deemed to mean the actual knowledge of David Robinson, the Chief Financial Officer of the Purchaser, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.
- (b) Any reference herein to “the knowledge of FoggyCo” (or similar expressions) will be deemed to mean the actual knowledge of Brad Kitchen, the sole director of FoggyCo, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.

- (c) Any reference herein to “the knowledge of the Shareholder” (or similar expressions) will be deemed to mean the actual knowledge of the applicable Shareholder.

### **1.09 Schedules**

The schedules to this Agreement, listed below, are an integral part of this Agreement, and must be completed and attached before the Closing Date for this Agreement to be fully-integrated and thereafter enforceable by or against either party:

<u>Schedule</u>	<u>Description</u>
Schedule “A”	FoggyCo Shareholders
Schedule “B”	Optioned Licenses
Schedule “C”	NSR Agreement

## **ARTICLE II PURCHASE AND SALE**

### **2.01 Purchase and Sale**

Subject to the terms and conditions hereof, the Shareholders covenant and agree to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from the Shareholders, the number of FoggyCo Shares which are beneficially owned by such Shareholder at the Time of Closing. As at the date of this Agreement, the number of FoggyCo Shares which are beneficially owned by each Shareholder is the number set forth opposite the name of such Shareholder as set out in Schedule “A” attached hereto.

### **2.02 Purchase Price**

In consideration for the acquisition of the FoggyCo Shares, the Purchaser shall issue from treasury to the Shareholders *pro rata* in proportion to their holdings of FoggyCo Shares at the Time of Closing, an aggregate of 2,250,000 Common Shares, free and clear of any encumbrances (the “**Consideration Shares**”). To the extent a FoggyCo Shareholder is to receive a fractional Consideration Share, that entitlement will be rounded down to the nearest whole number and no consideration shall be payable therefore. The Consideration Shares are being issued at a deemed price of \$0.10 per Consideration Share, subject to the minimum pricing requirements of the Exchange.

In addition, the Purchaser will pay all liabilities of FoggyCo.

### **2.03 Restrictions on Resale**

Each of the Shareholders acknowledges and agrees as follows:

- (a) the transfer of the FoggyCo Shares and the issuance of the Consideration Shares in exchange therefor, will be made pursuant to appropriate exemptions, including (but not limited to) the take-over bid prospectus exemption found in Section 2.16 of National Instrument 45-106 – *Prospectus Exemptions* (the “**Exemptions**”) from any applicable take-over bid and registration and prospectus (or equivalent) requirements of the Securities Laws;

- (b) as a consequence of acquiring the Consideration Shares pursuant to the Exemptions:
  - (i) the Shareholder will be restricted from using certain of the civil remedies available under the Securities Laws;
  - (ii) the Shareholder may not receive information that might otherwise be required to be provided to the Shareholder, and the Purchaser is relieved from certain obligations that would otherwise apply under Securities Laws if the Exemptions were not being relied upon by the Purchaser;
  - (iii) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Consideration Shares;
  - (iv) there is no government or other insurance covering the Consideration Shares; and
  - (v) an investment in the Consideration Shares is speculative and of high risk;
- (c) the certificates (or Direct Registration System Statements) representing the Consideration Shares will bear such legends as required by Securities Laws and the policies of the CSE and it is the responsibility of the Shareholder to find out what those restrictions are and to comply with them before selling the Consideration Shares; and
- (d) the Shareholder is knowledgeable of, or has been independently advised as to, the Applicable Laws of that jurisdiction which apply to the sale of the FoggyCo Shares and the issuance of the Consideration Shares and which may impose restrictions on the resale of such Consideration Shares in that jurisdiction and it is the responsibility of the Shareholder to find out what those resale restrictions are, and to comply with them before selling the Consideration Shares.

### **ARTICLE III CONDITIONS OF CLOSING**

#### **3.01 Mutual Conditions of Closing**

The obligations to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

- (a) there shall be no action taken under any Applicable Laws by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or FoggyCo or that could reasonably be expected to impose any condition or restriction upon the Purchaser or FoggyCo which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;
- (b) there shall be no legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) enacted, introduced or tabled which, in the opinion of the Purchaser, acting reasonably, materially adversely affects or is reasonable likely to materially adversely affect the Transaction;

- (c) all consents, assignments, waivers, permits, orders and approvals of all Governmental Authorities or other persons necessary to permit the completion of the Transaction will have been obtained;
- (d) receipt of all required regulatory, corporate and third party approvals and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
- (e) the completion of the Transaction without being classified as a “Fundamental Change” for the Purchaser, pursuant to the policies of the Exchange;
- (f) neither party shall be subject to unresolved litigation or court proceedings;
- (g) there being no prohibition at law against the completion of the Transaction; and
- (h) the Closing Date shall be on or before the Termination Date.

The foregoing conditions precedent are for the benefit of all parties and may be waived by FoggyCo (on its own behalf and on behalf of the Shareholders) and the Purchaser, in whole or in part, without prejudice to any party’s right to rely on any other condition in favour of any party.

### **3.02 Conditions of Closing in Favour of the Purchaser**

The obligations of the Purchaser to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

- (a) the Shareholders and FoggyCo will have tendered all closing deliveries set forth in Sections 4.03 and 4.04, respectively, including all documents required to transfer the FoggyCo Shares to the Purchaser;
- (b) the representations and warranties of FoggyCo set forth in this Agreement will have been true and correct as of the date hereof and will be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer or a director of FoggyCo to this effect will have been delivered to the Purchaser;
- (c) all of the terms, covenants and conditions of this Agreement to be complied with or performed by FoggyCo at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer or a director of FoggyCo to this effect will have been delivered to the Purchaser;
- (d) the representations and warranties of the Shareholders set forth in this Agreement will have been true and correct in all material respects as of the date hereof and will be true and correct in all material respects as of the Time of Closing and delivery by the Shareholders of the documents described in Section 4.04 required to be delivered by the Shareholders will constitute a reaffirmation and confirmation by the Shareholders of such representations and warranties;



- (e) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Shareholders at or before the Time of Closing will have been complied with or performed and delivery of the documents described in Section 4.04 will constitute confirmation of such compliance and performance;
- (f) the Purchaser shall be satisfied with the results of its due diligence investigations relating to FoggyCo and the Transaction, acting reasonably;
- (g) there being no inquiry or investigation (whether formal or informal) in relation to FoggyCo or its respective directors or officers commenced or threatened by any securities commission or official of the Exchange or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on FoggyCo, its business, assets or financial condition; and
- (h) there will not have been after the date of this Agreement any Material Adverse Effect with respect to FoggyCo.

The foregoing conditions precedent are for the benefit of the Purchaser and may be waived by the Purchaser, in whole or in part, without prejudice to the Purchaser's right to rely on any other condition in favour of the Purchaser.

### **3.03 Conditions of Closing in Favour of FoggyCo and the Shareholders**

The obligations of FoggyCo and the Shareholders to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

- (a) the Purchaser will have tendered all closing deliveries set forth in Section 4.02 including evidence of the issuance of the Consideration Shares;
- (b) the Consideration Shares will have been approved for issuance by the directors of the Purchaser and will be issued as fully paid and non-assessable shares in the capital of the Purchaser, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature;
- (c) the representations and warranties of the Purchaser set forth in this Agreement will have been true and correct as of the date hereof and will be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of the Purchaser to this effect will have been delivered to FoggyCo;
- (d) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of the Purchaser to this effect will have been delivered to FoggyCo; and
- (e) there will not have been after the date of this Agreement any Material Adverse Effect with respect to the Purchaser.

The foregoing conditions precedent are for the benefit of FoggyCo and the Shareholders and may be waived by FoggyCo (on its own behalf and on behalf of the Shareholders) and the Shareholders, in whole or in part, without prejudice to FoggyCo's and the Shareholders' right to rely on any other condition in favour of FoggyCo or the Shareholders.

### **3.04 Notice and Cure Provisions**

Each party will give prompt notice to the other parties hereto of the occurrence, or failure to occur, at any time from the date hereof until the Closing Date, of any event or state of facts which occurrence or failure would or would be likely to:

- (a) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate on the date hereof or at the Closing Date; or
- (b) result in the failure by such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party hereunder prior to the Closing Date.

Subject to Article VII, no party may elect not to complete the Transaction as contemplated herein as a result of the non-fulfillment of the conditions precedent contained in Sections 3.01, 3.02, or 3.03 as applicable, unless the party intending to rely thereon has delivered a written notice to the other parties hereto prior to the Time of Closing specifying, in reasonable detail, all breaches of representations and warranties or covenants or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent.

## **ARTICLE IV CLOSING AND POST CLOSING ARRANGEMENTS**

### **4.01 Time and Place of Closing**

Closing of the Transaction will take place at the Time of Closing at the offices of McMillan LLP, Suite 1500, Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

### **4.02 Closing Deliveries of the Purchaser**

At the Time of Closing, the Purchaser will deliver or cause to be delivered:

- (a) share certificates evidencing the Consideration Shares;
- (b) a certificate of one of the Purchaser's senior officers or directors, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the constating documents of the Purchaser (and all amendments thereto as in effect as on such date); and (ii) all resolutions of the board of directors of the Purchaser approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction, including the issuance of the Consideration Shares;
- (c) the officer's certificates referred to in Sections 3.03(c) and 3.03(d); and
- (d) a certificate of good standing for the Purchaser.

#### **4.03 Closing Deliveries of FoggyCo**

At the Time of Closing, FoggyCo will deliver or cause to be delivered:

- (a) a certificate of a director or senior officer of FoggyCo, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the constating documents of FoggyCo (and all amendments thereto as in effect as on such date); and (ii) all resolutions of the board of directors of FoggyCo approving the entering into of this Agreement and the completion of the Transaction; and
- (b) the certificates referred to in Sections 3.02(b) and 3.02(c);

#### **4.04 Closing Deliveries of the Shareholders**

At the Time of Closing, each Shareholder will cause to be delivered share certificates evidencing the FoggyCo Shares owned by such Shareholder, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers or other evidence authorizing transfer of the FoggyCo Shares to the Purchaser.

### **ARTICLE V REPRESENTATIONS AND WARRANTIES**

#### **5.01 Representations and Warranties of the Purchaser**

The Purchaser represents and warrants to and in favour of each of the Shareholders and FoggyCo as follows and acknowledges that such parties are relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) the Purchaser is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) the Purchaser is a “**reporting issuer**” in each of the Provinces of Canada and is not in any material default of the Securities Laws;
- (c) the Purchaser has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its business as now being conducted;
- (d) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Purchaser and each is, or will be at the Time of Closing, a legal valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (e) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the articles of the Purchaser or of any resolutions of the directors or shareholders of the Purchaser, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result

in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Material Contract of the Purchaser), licence or permit to which the Purchaser is a party or by which the Purchaser is bound or to which any material assets or property of the Purchaser are subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Purchaser;

- (f) the Common Shares are listed for trading on the Exchange and the Purchaser is not in material default of any of the listing requirements of the Exchange;
- (g) when issued in accordance with the terms hereof, the Consideration Shares will be validly issued as fully paid and non-assessable Common Shares;
- (h) all disclosure documents of the Purchaser filed under applicable Securities Laws since the date of its incorporation including, but not limited to, financial statements, prospectuses, offering memorandums, information circulars, material change reports and shareholder communications contain no untrue statement of a material fact as at the date thereof nor do they omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made;
- (i) the Purchaser holds all material licenses and permits required for the Purchaser to own or lease its property and assets and to carry on its business as conducted as of the date hereof, except where failure to hold such licenses or permits individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (j) the audited financial statements of the Purchaser as at and for the fiscal years ended December 30, 2023 and 2022 and the unaudited interim financial statements of the Purchaser as at and for the period ended June 30, 2024 (the “**Purchaser Financial Statements**”) have been prepared in accordance with International Financial Reporting Standards applied on a basis consistent with prior periods. The Purchaser Financial Statements are true, correct and complete and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Purchaser as at the respective dates thereof and results of operations of the Purchaser for the respective periods then ended. Since June 30, 2023 there has been no material alteration in the manner of keeping the books, accounts or records of the Purchaser or in its accounting policies or practices;
- (k) except as disclosed in the Purchaser Financial Statements, there are no related-party transactions or off-balance sheet structures or transactions with respect to the Purchaser;
- (l) except as disclosed in the Purchaser Financial Statements, the Purchaser is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (m) since June 30, 2024, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Purchaser;
- (n) the Purchaser has conducted and is conducting its business in compliance in all material respects with all Applicable Laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on, other

than any non-compliance that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect on the Purchaser;

- (o) the Material Contracts of the Purchaser are in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the FoggyCo Shares hereunder and the issuance of the Consideration Shares, and the other transactions contemplated hereunder) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder that could reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (p) the Purchaser has not violated or breached, in any material respect, any of the terms or conditions of any Material Contract of the Purchaser and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (q) there are no waivers, consents, notices or approvals required to be given or obtained by the Purchaser in connection with Transaction and the other transactions contemplated by this Agreement under any contract to which the Purchaser is a party that could reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (r) there is no suit, action or proceeding or, to the knowledge of the Purchaser, pending or threatened against the Purchaser that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Purchaser, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against the Purchaser causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Purchaser;
- (s) there is no bankruptcy, liquidation, winding-up or other similar proceedings pending or in progress or, to the knowledge of the Purchaser, threatened against the Purchaser before any court, regulatory or administrative agency or tribunal;
- (t) the Purchaser has good and marketable title to its properties and assets (other than property or an asset as to which the Purchaser is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (u) the Purchaser has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified the Purchaser of such Governmental Authority's intention to commence or to conduct any investigation, that could be reasonably likely to have a Material Adverse Effect on the Purchaser;
- (v) other than any deficiencies would not reasonably be likely to have a Material Adverse Effect on the Purchaser, the Corporate Records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all Applicable Laws and with the constating documents of the Purchaser, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors (and any committee thereof) and shareholders of the Purchaser; (ii) such minute books contain all written resolutions passed by the directors (and any committee thereof) and shareholders of the Purchaser; and (iii) the registers of directors and officers are complete and accurate

and all former and present directors and officers of the Purchaser were duly elected or appointed as the case may be;

- (w) all Books and Records of the Purchaser have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein; and
- (x) to the knowledge of the Purchaser, no representation or warranty of the Purchaser contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

## **5.02 Representations and Warranties of the Shareholders**

Each of the Shareholders, on its own behalf and not on behalf of any other Shareholder, hereby severally (and, for greater certainty, not jointly with any other Shareholder) represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) this Agreement has been, and each additional agreement or instrument required to be delivered by the Shareholder pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Shareholder and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms;
- (b) if the Shareholder is not an individual, the Shareholder is validly existing under the laws of its jurisdiction of organization and has the corporate or other power to enter into this Agreement and any other agreement to which it is, or is to become, a party to pursuant to the terms hereof and to perform its obligations hereunder and thereunder;
- (c) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) if the Shareholder is not an individual, result in a breach or violation of the articles or by-laws of the Shareholder (or other constating documents of the Shareholder) or of any resolutions of the directors or shareholders of the Shareholder; or (ii) violate any provision of any Applicable Laws or regulation or any judicial or administrative order, award, judgment or decree applicable to the Shareholder;
- (d) the Shareholder is the registered and beneficial owner of that number of FoggyCo Shares set forth opposite the Shareholder's name in Schedule "A", free and clear of all liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances of any nature whatsoever;
- (e) except for the Purchaser's rights hereunder, no person has any agreement or option or any right or privilege capable of becoming an agreement for the purchase of the FoggyCo Shares held or beneficially owned by the Shareholder and none of such FoggyCo Shares are subject to any voting trust, shareholders agreement, voting agreement or other agreement with respect to the disposition or enjoyment of any rights of such common shares of FoggyCo;
- (f) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Shareholder is required to be

obtained by the Shareholder in connection with the execution and delivery of this Agreement or the consummation by the Shareholder of the Transaction, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent the Shareholder from performing its obligations under this Agreement;

- (g) the Shareholder is a resident at the address set forth in Schedule “A” of this Agreement;
- (h) the Shareholder has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on FoggyCo or the Purchaser; and
- (i) to the knowledge of the Shareholder, no representation or warranty of the Shareholder contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

### **5.03 Representations and Warranties of FoggyCo**

FoggyCo represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) FoggyCo is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) FoggyCo has no subsidiaries;
- (c) FoggyCo has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder;
- (d) FoggyCo has the corporate power and capacity to own and lease its property, and to carry on its business as now being conducted;
- (e) FoggyCo is not a ‘reporting issuer’ or equivalent in any jurisdiction nor are any shares of FoggyCo listed or quoted on any stock exchange or electronic quotation system;
- (f) this Agreement has been, and each additional agreement or *instrument* to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by FoggyCo and each is, or will be at the Time of Closing, a legal, valid and binding obligation of FoggyCo, enforceable against FoggyCo in accordance with its terms;
- (g) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the notice of articles or articles of FoggyCo, or of any resolutions of the directors or shareholders of FoggyCo, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Material Contract), license or

permit to which FoggyCo is a party or by which FoggyCo is bound or to which any material assets or property of FoggyCo is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to FoggyCo;

- (h) the authorized capital of FoggyCo consists of an unlimited number of common shares, of which, as of the date of this Agreement, 2,250,000 FoggyCo Shares are issued and outstanding as fully paid and non-assessable shares;
- (i) there are no other common shares of FoggyCo or securities convertible, exercisable or exchangeable into common shares of FoggyCo issued or outstanding;
- (j) FoggyCo does not own any shares in or other securities of, or have any interest in the asset or business of, any Person;
- (k) no person (other than the Purchaser pursuant to this Agreement) has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of FoggyCo;
- (l) FoggyCo has conducted and is conducting its business in compliance in all material respects with all Applicable Laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (m) the Material Contracts of FoggyCo are in full force and effect, unaltered, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the FoggyCo Shares hereunder and the other transactions contemplated hereunder) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder;
- (n) FoggyCo has not received any notice of a default by FoggyCo or a dispute between FoggyCo and any other party in respect of any Material Contract to which FoggyCo is a party;
- (o) there are no waivers, consents, notices or approvals required to be given or obtained by FoggyCo in connection with the Transaction and the other transactions contemplated by this Agreement under any contract to which FoggyCo is a party;
- (p) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over FoggyCo is required to be obtained by FoggyCo in connection with the execution and delivery of this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay FoggyCo from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on FoggyCo;
- (q) there is no suit, action or proceeding or, to the knowledge of FoggyCo, pending or threatened against FoggyCo that, individually or in the aggregate, could reasonably be



expected to have a Material Adverse Effect on FoggyCo, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against FoggyCo causing, or which could reasonably be expected to cause, a Material Adverse Effect on FoggyCo;

- (r) no bankruptcy, insolvency or receivership proceedings have been instituted by FoggyCo, to the knowledge of FoggyCo, are pending against FoggyCo;
- (s) FoggyCo has good and marketable title to its properties and assets (other than property or an asset as to which FoggyCo is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on FoggyCo;
- (t) other than as contemplated herein, no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment for the purchase from FoggyCo of any of its assets or property;
- (u) FoggyCo has duly filed on a timely basis all tax returns required to be filed by it and has paid all taxes which are due and payable and has paid all assessments and reassessments, and all other taxes, governmental charges, penalties, interest and fines due and payable on or before the date hereof, and adequate provision has been made for taxes payable for the current period for which tax returns are not yet required to be filed. There are no actions, suits or claims asserted or assessed against FoggyCo in respect of taxes, governmental charges or assessments, nor are any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by such Governmental Authority. FoggyCo has withheld from each payment made by it to any person and remitted to the proper tax and other receiving offices within the time required all income tax and other deductions required to be withheld from such payments;
- (v) FoggyCo has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified FoggyCo of such Governmental Authority's intention to commence or to conduct any investigation, that could be reasonably likely to have a Material Adverse Effect on FoggyCo;
- (w) FoggyCo has not violated or breached, in any material respect, any of the terms or conditions of any Material Contract of FoggyCo, and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (x) other than any deficiencies would not reasonably be likely to have a Material Adverse Effect on FoggyCo, the Corporate Records of FoggyCo are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all Applicable Laws and with the constating documents of FoggyCo, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors (and any committee thereof) and shareholders of FoggyCo; (ii) such minute books contain all written resolutions passed by the directors (and any committee thereof) and shareholders of FoggyCo; (iii) the share certificate books, if any, securities register and register of transfers of FoggyCo, are complete and accurate, and all transfers of shares of FoggyCo, reflected therein have been duly completed and approved; and (iv) the registers of directors and

officers are complete and accurate and all former and present directors and officers of FoggyCo were duly elected or appointed as the case may be;

- (y) all Books and Records of FoggyCo have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (z) FoggyCo does not have any employees and FoggyCo is not a party to any employment, management or consulting agreement of any kind whatsoever;
- (aa) no current or former employee, officer or director of FoggyCo is entitled to a severance, termination or other similar payment as a result of the Transaction;
- (bb) FoggyCo has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on FoggyCo or the Purchaser;
- (cc) FoggyCo holds an exclusive option to acquire the 100% legal and beneficial ownership of the prospective licenses relating to the Optioned Licenses, which Optioned Licenses are valid effective, enforceable, in good standing and there are no grounds for its revocation and/or suspension;
- (dd) other than FoggyCo, no person has any agreement or option, or any right capable of becoming an agreement or option, for the purchase of the Optioned Licenses, or any portion thereof, and no person has any royalty or other interest whatsoever in production from any of the mineral claims comprising the Optioned Licenses;
- (ee) FoggyCo has made available to the Purchaser all material maps, assays, surveys, drill logs, samples, metallurgical, geological, geophysical, geochemical and engineering data within its control in respect of the Optioned Licenses;
- (ff) the Optioned Licenses have been duly and validly located and recorded pursuant to the laws of the jurisdiction in which the Optioned Licenses are situated and are in good standing with respect to all filings, fees, taxes, assessments, work commitments or other conditions as of the date hereof;
- (gg) FoggyCo has complied in all material respects with all terms and conditions applicable to the Optioned Licenses under applicable laws;
- (hh) FoggyCo is not in violation of any applicable law relating to pollution or public health and safety, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including laws relating to the release or threatened release of chemicals, pollutants, contaminants, waste, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**");
- (ii) FoggyCo has all permits, licenses, consents, authorization and approvals required under any applicable Environmental Laws and are in material compliance with their respective requirements;

- (jj) to the knowledge of FoggyCo, FoggyCo and its Personnel have conducted all activities on or in respect of the Optioned Licenses in compliance with all applicable statutes, regulations, by-laws, laws, orders and judgments, and all directives, rules, consents, permits, orders, guidelines, approvals and policies of any applicable Governmental Authority;
- (kk) to the knowledge of FoggyCo, there are no actual, alleged, potential or future adverse Claims against or to the ownership of, or title to, the Optioned Licenses or any challenge to its right, title or interest in the Optioned Licenses, nor, to the best of its knowledge, is there any basis for any of the foregoing;
- (ll) there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or expenditures with respect to the Optioned Licenses and the conduct of operations related thereto, FoggyCo has not received any notice of the same, and FoggyCo is not aware of any basis on which any such orders or directions could be made;
- (mm) there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumpings or other releases of any kind of any hazardous, dangerous, poisonous, noxious, toxic or radioactive substance, waste, pollutant, contaminant or similar substance in, on or under the Optioned Licenses or the environment surrounding the Optioned Licenses;
- (nn) to the knowledge of FoggyCo, none of the mineral claims or concessions comprising part of the Optioned Licenses has or is required to have any deed notices or restrictions, institutional controls, covenants that run with the land or other restrictive covenants or notices arising under any Environmental Laws;
- (oo) FoggyCo has not received any notice, formal or informal, of any proceeding, action or other claim, liability or potential liability arising under the Environmental Laws, from any person related to any of the mineral claims or concessions comprising part of the Optioned Licenses which is pending as of the date hereof;
- (pp) FoggyCo and its Personnel have conducted all activities on or with respect to the Optioned Licenses in compliance with all applicable laws, including Environmental Laws, and FoggyCo has not received notice of any breach of any such law;
- (qq) there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or expenditures with respect to the Optioned Licenses and the conduct of operations related thereto, FoggyCo has not received any notice of the same, and FoggyCo is not aware of any basis on which any such orders or directions could be made;
- (rr) to the knowledge of FoggyCo, there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumpings or other releases of any kind of any hazardous, dangerous, poisonous, noxious, toxic or radioactive substance, waste, pollutant, contaminant or similar substance in, on or under the Optioned Licenses or the environment surrounding the Optioned Licenses; and
- (ss) to the knowledge of FoggyCo, no representation or warranty of FoggyCo contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

#### **5.04 Survival of Representations and Warranties**

The representations and warranties made by the parties and contained in this Agreement or any document or certificate given pursuant hereto will survive the Closing of the Transaction until the date that is 24 months from the Closing Date. No claim for breach of any representation, warranty or covenant will be valid unless that party against whom such claim is made has been given notice thereof before the expiry of such 24 month period.

### **ARTICLE VI COVENANTS**

#### **6.01 Mutual Covenants**

Each of the parties hereby covenants and agrees as follows:

- (a) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, each of the parties will use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;
- (b) to use commercially reasonable efforts to obtain, before the Time of Closing, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Authorities, shareholders and third parties as are necessary for the consummation of the transactions contemplated herein;
- (c) to use commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction; however, no party will settle or compromise any claim brought against them in connection with the transactions contemplated by this Agreement prior to the Closing Date without the prior written consent of each of the other parties, such consent not to be unreasonably withheld or delayed;
- (d) to promptly notify each of the other parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;
- (e) to co-operate with each of the other parties hereto in good faith in order to ensure the timely completion of the Transaction; and
- (f) to use commercially reasonable efforts in connection with the performance of its obligations under this Agreement.

## **6.02 Covenants of the Purchaser**

The Purchaser covenants and agrees with the Shareholders and FoggyCo that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII it will:

- (a) in a timely and expeditious manner:
  - (i) file and/or deliver any document or documents as may be required in order for the Transaction as contemplated herein to be effective; and
  - (ii) file and/or deliver any document or documents required pursuant to Applicable Laws and/or the rules and policies of the Exchange in connection with the Transaction as contemplated herein after the Closing;
- (b) to make available and afford FoggyCo and its authorized representatives and, if requested by FoggyCo, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Purchaser. The Purchaser will afford FoggyCo and its authorized representatives every reasonable opportunity to have free and unrestricted access to the Purchaser's property, assets, undertaking, records and documents. At the request of FoggyCo, the Purchaser will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Purchaser's business and any of its property or to enable FoggyCo or its authorized representatives to obtain full access to all files and records relating to any of the assets of the Purchaser maintained by governmental or other public authorities. The obligations in this Section 6.02(b) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of FoggyCo under this Section 6.02(b) will not mitigate or otherwise affect the representations and warranties of the Purchaser hereunder;
- (c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis), furnish promptly to FoggyCo (on behalf of the Shareholders) a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Purchaser in connection with or related to the Transaction, any filings under Applicable Laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Transaction as contemplated herein, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other contracts, as applicable;

- (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either the Purchaser or FoggyCo before any Governmental Authority to the extent permitted by such authorities; and
- (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (e) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (f) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its constating documents as the same exist at the date of this Agreement;
- (g) take all necessary corporate action and proceedings to approve and authorize the issuance of the Consideration Shares to the Shareholders;
- (h) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Consideration Shares to the Shareholders on a basis exempt from the prospectus and registration requirements of the applicable Securities Laws of the provinces of Canada in which the Shareholders are resident; and
- (i) use its commercially reasonable efforts to maintain its status as a “reporting issuer” (as defined under applicable securities legislation), not in default of the Securities Laws of each of the Provinces of Canada.

### **6.03 Covenants of FoggyCo**

FoggyCo covenants and agrees with the Purchaser that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII it will:

- (a) not solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of FoggyCo, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event, FoggyCo, including any of its officers or directors, receives any form of offer or inquiry, FoggyCo shall forthwith (in any event within one Business Day following receipt) notify the Purchaser of such offer or inquiry and provide the Purchaser with such details as it may request;

- (b) to make available and afford the Purchaser and its authorized representatives and, if requested by the Purchaser, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to FoggyCo. FoggyCo will afford the Purchaser and its authorized representatives every reasonable opportunity to have free and unrestricted access to FoggyCo's property, assets, undertaking, records and documents. At the request of the Purchaser, FoggyCo will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of FoggyCo's business and any of its property or to enable the Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the assets of FoggyCo maintained by governmental or other public authorities. The obligations in this Section 6.03(b) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance FoggyCo will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Purchaser under this Section 6.03(b) will not mitigate or otherwise affect the representations and warranties of FoggyCo hereunder;
- (c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance FoggyCo will be required to disclose that information has been withheld on this basis), furnish promptly to the Purchaser a copy of each notice, report, schedule or other document or communication delivered, filed or received by FoggyCo in connection with or related to the Transaction, any filings under Applicable Laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Transaction as contemplated herein, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other contracts, as applicable;
  - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either the Purchaser or FoggyCo before any Governmental Authority to the extent permitted by such authorities; and
  - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (e) subject to Applicable Laws, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;

- (f) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Purchaser, and FoggyCo will keep the Purchaser fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;
- (g) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles or by-laws as the same exist at the date of this Agreement;
- (h) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:
  - (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
  - (ii) increase or decrease its paid-up capital or purchase or redeem any shares; or
  - (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire, any such shares, except pursuant to and as contemplated by this Agreement; and
- (i) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the FoggyCo Shares to the Purchaser.

#### **6.04 Covenants of the Shareholders**

Each of the Shareholders, on its own behalf, covenants and agrees with the other parties hereto that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII it will:

- (a) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all Applicable Laws to complete the Transaction, including using commercially reasonable efforts to:
  - (i) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction; and



- (ii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (b) subject to Applicable Laws or as otherwise authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (c) if the Shareholder is a corporation or entity, take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the FoggyCo Shares to the Purchaser; and
- (d) not encumber in any manner the FoggyCo Shares and ensure that at the Time of Closing the FoggyCo Shares are free and clear of all liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances whatsoever.

## **ARTICLE VII TERMINATION**

### **7.01 Termination**

This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of FoggyCo and the Purchaser;
- (b) by either FoggyCo or the Purchaser if the Closing will not have been consummated on or prior to the Termination Date, without liability to the terminating party on account of such termination; provided that the right to terminate this Agreement pursuant to this Section 7.01(b) will not be available to a party whose breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the failure of the Closing to occur on or before such date;
- (c) by the Purchaser, if there has been a material breach by FoggyCo or the Shareholders of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.02 which FoggyCo fails to cure within ten (10) Business Days after written notice thereof is given by the Purchaser;
- (d) by FoggyCo if there has been a material breach by the Purchaser of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.03 which the Purchaser fails to cure within ten (10) Business Days after written notice thereof is given by FoggyCo;
- (e) by the Purchaser or FoggyCo, if the other party completes an Alternative Transaction or enters into a definitive and binding agreement to effect an Alternative Transaction; and
- (f) by any party, if any permanent injunction or other order of a court or other competent authority preventing the Closing will have become final and non-appealable; provided, however, that no party will be entitled to terminate this Agreement if such party's material

breach of this Agreement or any of the documents contemplated hereby has resulted in such permanent injunction or order.

## **7.02 Effect of Termination**

Upon termination of this Agreement in accordance with the terms hereof, the parties hereto will have no further obligations under this Agreement, other than the obligations contained in Section 9.03 and Section 9.08.

## **ARTICLE VIII INDEMNIFICATION**

### **8.01 Indemnification by the Purchaser**

Subject to Section 5.04, the Purchaser will indemnify and save the Shareholders and FoggyCo harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Shareholders or FoggyCo as a result of any breach of representation, warranty or covenant on the part of the Purchaser contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including reasonable legal fees, in respect of the foregoing.

### **8.02 Indemnification by FoggyCo**

Subject to Section 5.04, FoggyCo will indemnify and save the Purchaser harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Purchaser as a result of any breach of representation, warranty or covenant on the part of FoggyCo contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including reasonable legal fees, in respect of the foregoing.

### **8.03 Indemnification by the Shareholders**

Subject to Section 5.04, each of the Shareholders, on its own behalf, and not on behalf of any other Shareholder, severally (and for greater certainty, not jointly with any other Shareholder) shall indemnify and save the Purchaser harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Purchaser as a result of any breach by such Shareholder of any representation, warranty or covenant on the part of such Shareholder contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including reasonable legal fees, in respect of the foregoing.

#### **8.04 Notice of Claim**

A party entitled to and seeking indemnification pursuant to the terms of this Agreement (the “**Indemnified Party**”) will promptly give written notice to the party or parties, as applicable, responsible for indemnifying the Indemnified Party (the “**Indemnifying Party**”) of any claim for indemnification pursuant to Sections 8.01, 8.02, or 8.03 (a “**Claim**”, which term will include more than one Claim). Such notice will specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and will also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

#### **8.05 Procedure for Indemnification**

- (a) Direct Claims. With respect to Direct Claims, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party will have 30 days to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party will make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party will immediately pay to the Indemnified Party the full agreed upon amount of the Claim.
- (b) Third Party Claims. With respect to any Third Party Claim, the Indemnifying Party will have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party will reimburse the Indemnified Party for all the Indemnified Party’s out-of-pocket expenses incurred as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party will cooperate with the Indemnifying Party, will have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and will have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party will be retained by the Indemnifying Party. If the Indemnifying Party, having elected to assume such control, thereafter fails to defend any such Third Party Claim within a reasonable time, the Indemnified Party will be entitled to assume such control and the Indemnifying Party will be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

#### **8.06 General Indemnification Rules**

The obligations of the Indemnifying Party to indemnify the Indemnified Party in respect of Claims will also be subject to the following:

- (a) without limiting the generality of Sections 8.01, 8.02, or 8.03 , any Claim for breach of any representation, warranty or covenant will be subject to Section 5.04;

- (b) the Indemnifying Party's obligation to indemnify the Indemnified Party will only apply to the extent that the Claims in respect of which the Indemnifying Party has given an indemnity, in the aggregate, exceed \$25,000;
- (c) notwithstanding anything to the contrary in this Agreement, the aggregate liability of an Indemnifying Party which is a Shareholder to any and all Indemnified Parties under this Agreement shall be limited to the amount paid by such Indemnifying Party in respect of its FoggyCo Shares pursuant to Section 2.02; for greater certainty, no Shareholder shall be liable, in the aggregate, to any and all Indemnified Parties for any amount in excess of the value of its pro rata share of the Consideration Shares;
- (d) notwithstanding anything to the contrary in this Agreement, the aggregate liability of FoggyCo or the Purchaser to any and all Indemnified Parties under this Agreement will be limited to the value of the Consideration Shares issuable under this Agreement;
- (e) if any Third Party Claim is of a nature such that the Indemnified Party is required by Applicable Laws to make a payment to any person (a "**Third Party**") with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and thereafter seek reimbursement from the Indemnifying Party for any such payment. If any Indemnifying Party pays, or reimburses an Indemnified Party in respect of any Third Party Claim before completion of settlement negotiations or related legal proceedings, and the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party, the Indemnified Party will, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party;
- (f) except in the circumstance contemplated by Section 8.05, and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party will not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent will not be unreasonably withheld);
- (g) the Indemnified Party will not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice and an opportunity to contest such Third Party Claim;
- (h) the Indemnified Party and the Indemnifying Party will cooperate fully with each other with respect to Third Party Claims and will keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available); and
- (i) the provisions of this Article VIII will constitute the sole remedy available to a party against another party with respect to any and all breaches of any agreement, covenant, representation or warranty made by such other party in this Agreement.

**ARTICLE IX  
GENERAL**

**9.01 Power of Attorney**

Each of the Shareholders hereby severally and irrevocably appoints FoggyCo as its agent and attorney to take any action that is required under the Agreement or to execute and deliver any documents on their behalf, including without limitation, for the purposes of all Closing matters (including without limitation, the receipt of certificates (or Direct Registration System Statements) representing the Consideration Shares) and deliveries of documents and do and cause to be done all such acts and things as may be necessary or desirable in connection with the closing matters for the Transaction. Without limiting the generality of the foregoing, FoggyCo may, on its own behalf and on behalf of the Shareholders, extend the Termination Date and/or the Closing Date, modify or waive any conditions as are contemplated herein, negotiate, settle and deliver the final forms of any documents that are necessary or desirable to give effect to the Transaction, extend such time periods as may be contemplated herein or terminate this Agreement, in its absolute discretion, as it deems appropriate. Each of the Shareholders hereby acknowledges and agrees that any decision or exercise of discretion made by FoggyCo under this Agreement, shall be final and binding upon the Shareholders so long as such decision or exercise was made in good faith. The Purchaser shall have no duty to enquire into the validity of any document executed or other action taken by FoggyCo on behalf of the Shareholders pursuant to this Article IX.

**9.02 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement (each, a “**notice**”) will be in writing addressed as follows:

- (a) if to the Purchaser:

Buscando Resources Corp.  
309 – 2912 Broadway,  
Vancouver, BC V6K 0E9

Attention: Kyler Hardy

- (b) if to FoggyCo Resources Corp. or the Shareholders:

FoggyCo Resources Corp.  
1500-1055 West Georgia Street  
Vancouver, BC V6E 4N7

Attention: Brad Kitchen

or such other address as may be designated by notice given by either FoggyCo or the Purchaser to the other in accordance with this Section 9.02. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee and a notice which is personally delivered or sent by email shall, if delivered or sent prior to 4:00 p.m. (local time of the recipient) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the next Business Day. Any notice delivered to FoggyCo in accordance with this Section 9.02 prior to the Time of Closing shall be deemed to have been delivered to each of the Shareholders. The previous sentence of this Section 9.02 shall not apply

to a notice given as contemplated in Section 3.04 of the occurrence, or failure to occur, of any event or state of facts which would or would likely to cause any of the representations or warranties of any Shareholder to be untrue or inaccurate or result in the failure by any Shareholder to comply with or satisfy any covenant, condition or agreement, which notice shall not be deemed to have been received by such Shareholder unless delivered to the address of such Shareholder as reflected in the books of FoggyCo (or after the Time of Closing, the books of the Purchaser). Any Shareholder may, from time to time, by notice given in accordance with this Section 9.02, designate or provide an address of such Shareholder for notices to be given after the Time of Closing.

### **9.03 Confidentiality**

Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto will keep confidential and refrain from using all information obtained by it in connection with the transactions contemplated by this Agreement relating to any other party hereto, provided however that such obligation shall not apply to any information which was in the public domain at the time of its disclosure to a party or which subsequently comes into the public domain other than as a result of a breach of such party's obligations under this Section 9.03. For greater certainty, nothing contained herein shall prevent any disclosure of information which may be required pursuant to Applicable Laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Authority.

### **9.04 Assignment**

No party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other parties hereto.

### **9.05 Binding Effect**

This Agreement will be binding upon and will enure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

### **9.06 Waiver**

No waiver of any provision of this Agreement will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver unless otherwise expressly provided.

### **9.07 Governing Law**

This Agreement will be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws applicable therein and is to be treated in all respects as a British Columbia contract.

### **9.08 Expenses**

Each party to this Agreement will pay its own costs and expenses in connection with this Agreement and the Transaction.

### **9.09 No Personal Liability**

- (a) No director, officer, employee or agent of the Purchaser (in such capacity) will have any personal liability whatsoever to FoggyCo or the Shareholders under this Agreement or any other document delivered in connection with the Transaction on behalf of the Purchaser.

- (b) No director, officer, employee or agent of FoggyCo (in such capacity) will have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the Transaction on behalf of FoggyCo.

**9.10 Time of Essence**

Time is of the essence of this Agreement and of each of its provisions.

**9.11 Public Announcements**

FoggyCo and the Purchaser will co-operate with the other in releasing information concerning this Agreement and the transactions contemplated herein, and will furnish to and discuss with the other drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed transactions contemplated by this Agreement will be made by any party hereto without the prior consent of FoggyCo and the Purchaser, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein will prevent any party hereto at any time from furnishing any information to any Governmental Authority or to the public if so required by Applicable Laws.

**9.12 Further Assurances**

Each party will, upon request but without further consideration, from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to and perform the provisions and intent of this Agreement and to complete the transactions contemplated herein.

**9.13 Entire Agreement**

This Agreement and the documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained in this Agreement and any document delivered pursuant to this Agreement.

**9.14 Amendments**

Except as expressly provided herein, no amendment of any provision of this Agreement will be binding on any party unless consented to in writing by such party.

**9.15 Language**

The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating hereto be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente ainsi que tous les documents et contrats s'y rattachant directment ou indirectment soient rédigés en anglais.

**9.16 Counterparts**

This Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by facsimile or any other electronically communicated method, each of which when executed and delivered will be deemed an original and all of which counterparts together will be deemed to constitute one and the same instrument.

**9.17 Independent Legal Advice**

EACH SHAREHOLDER ACKNOWLEDGES, CONFIRMS AND AGREES THAT HE, SHE OR IT HAS HAD THE OPPORTUNITY TO SEEK AND WAS NOT PREVENTED OR DISCOURAGED BY ANY PARTY HERETO FROM SEEKING INDEPENDENT LEGAL ADVICE PRIOR TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THAT, IN THE EVENT THAT ANY SHAREHOLDER DID NOT AVAIL HIMSELF/HERSELF/ITSELF WITH THAT OPPORTUNITY PRIOR TO SIGNING THIS AGREEMENT, SUCH SHAREHOLDER DID SO VOLUNTARILY WITHOUT ANY UNDUE PRESSURE AND AGREES THAT SUCH SHAREHOLDER'S FAILURE TO OBTAIN INDEPENDENT LEGAL ADVICE SHALL NOT BE USED BY HIM/HER/IT AS A DEFENCE TO THE ENFORCEMENT OF HIS/HER/ITS OBLIGATIONS UNDER THIS AGREEMENT.

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**FoggyCo Shareholders**

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**Brad Kitchen**

*"Bradley Kitchen"*

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Signature of Shareholder

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**Amandeep Kaur Rai**

*"Amandeep Kaur Rai"*

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Signature of Shareholder

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**Cronin Exploration Corp.**

*"Signed"*

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Signature of Shareholder

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**David Robinson**

*"David Robinson"*

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Signature of Shareholder

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**Eagle Claw Investments PTY LTD ATF Hookey  
Investment Trust**

*"Signed"*

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Signature of Shareholder

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**SCHEDULE "A"**

**FoggyCo Shareholders**

<b>NAME AND ADDRESS OF SHAREHOLDER</b>	<b>NUMBER OF FOGGYCO SHARES</b>
<b>Amandeep Kaur Rai</b> [Address Redacted]	1,000,000
<b>Cronin Exploration Ltd.</b> [Address Redacted]	187,500
<b>David Robinson</b> [Address Redacted]	31,250
<b>Eagle Claw Investments PTY LTD ATF Hookey Investment Trust</b> [Address Redacted]	31,250
<b>P. Bradley Kitchen</b> [Address Redacted]	1,000,000

**SCHEDULE "B"**

**DESCRIPTION OF FOGGY MOUNTAIN CLAIMS**

<b>Claim Name</b>	<b>Claim Number</b>	<b>Jurisdiction</b>	<b>Claim Type</b>	<b>Size (Ha)</b>
Foggy Mountain 3	1093936	British Columbia	Mineral	1,531.17
Foggy Mountain 1	1093934	British Columbia	Mineral	1,673.52
Foggy Mountain 2	1093935	British Columbia	Mineral	1,005.32

**SCHEDULE “C”**

**NET SMELTER RETURNS ROYALTY AGREEMENT**

## ROYALTY AGREEMENT

THIS ROYALTY AGREEMENT dated as of \_\_\_\_\_, 202\_\_,

**AMONG:**

**1230439 BC Ltd.**, a company existing under the laws of British Columbia having its business address at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7

(“**Owner**”)

**AND:**

**CRONIN EXPLORATION INC**, a company existing under the laws of British Columbia having its business address at Unit 309 – 2912 West Broadway Street, Vancouver, British Columbia V6K 0E9

(the “**Royalty Holder**”)

**WHEREAS** Owner has agreed to grant to the Royalty Holder a net smelter return royalty on the production of metals and minerals from the Foggy Mountain Project Claims on the terms set out in this Royalty Agreement;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, it is agreed as follows:

**1. DEFINITIONS**

Unless the context otherwise requires, in this Royalty Agreement:

“**Abandoned Foggy Mountain Project Claims**” has the meaning given in Section 17(c);

“**Affiliate**” means any person which directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, “**control**” means, in relation to any person, possession, directly or indirectly, of the power to direct or cause direction of management and policies of that person through ownership of voting securities, contract, voting trust or otherwise;

“**Allowable Deductions**” means:

- (i) Penalties, fees, expenses, charges, and deductions, metal losses, umpire charges, assaying and sampling charges, smelting costs and treatment charges, that are incurred by Owner and its Affiliates relating to smelting or refining Products;
- (ii) expenses and charges that are incurred by Owner and its Affiliates relating to transportation of the Products from the Foggy Mountain Project Claims, a mill or

other place of ore treatment to a smelter or refinery, including costs of insurance in respect thereto; and

- (iii) all production, extraction, use, severance, ad valorem, value added tax, excise, export or import taxes, custom duties, governmental royalties and other governmental charges if any, payable by Owner or its Affiliates with respect to the existence, severance, production, removal, sale, import, export, transportation, or disposition of ore, concentrates, doré, refined gold, refined silver, or other Products produced from the Foggy Mountain Project Claims or in respect of the Royalty, but excluding taxes based on gross income and like taxes, the value of the Foggy Mountain Project Claims, the privilege of doing business and any value added or other taxes that are recoverable by Owner or its Affiliates;

Notwithstanding the foregoing and irrespective of whether Product is processed on or off the Foggy Mountain Project Claims in a facility wholly or partially owned by Owner or by an Affiliate of Owner, Allowable Deductions will not include any costs that are in excess of those which would be incurred on an arm's length basis, or which would not be Allowable Deductions if that Product was processed by an independent third party;

**“Applicable Laws”** means any international, federal, state, provincial, territorial, local or municipal law, regulation, ordinance, code, order or other requirement or rule of law or the rules, policies, orders or regulations of any Governmental Authority or stock exchange, including any judicial or administrative interpretation thereof, applicable to a person or any of its properties, assets, business or operations;

**“Average Spot Price”** for any expired Quarter means:

- (i) in respect of gold, the arithmetic mean of the London AM and PM Price Fix for each day of the expired Quarter on which the London Bullion Market Association fixes a spot price per troy ounce of gold as published in *Metal Bulletin* or any successor publication;
- (ii) in respect of silver, the arithmetic mean of the LBMA Silver Price for each day of the expired Quarter on which the London Bullion Market Association fixes a spot price per troy ounce of silver as published in *Metal Bulletin* or any successor publication;
- (iii) in respect of other precious metals, the arithmetic mean of the price of metal published in the *Metal Bulletin* or any successor publication, for each day of the expired Quarter on which the price of the precious metal is quoted;
- (iv) in respect of copper, the arithmetic mean of the LME Grade A Cash Settlement Price for copper as published in *Metal Bulletin* or any successor publication, for each Business Day of the expired Quarter; and
- (v) in respect of any other Mineral, the arithmetic mean of the price of such Mineral for each Business Day of the expired Quarter, where such price is arrived at using

global industry standards for establishing the average spot price of any other such Mineral as published in *Metal Bulletin* or any successor publication;

**“Business Day”** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in the place where an act is to be performed or a payment is to be made;

**“Books and Records”** means all scientific and technical, financial, accounting, business, tax information, records and files, in any form whatsoever (including written, printed or electronic form or stored on computer discs or other data and software storage devices) related to the Royalty, including regulatory filings and returns, books of account and related original source documentation, actuarial, tax and accounting information, geological and metallurgical data, drill hole logs, cross sections and assay results, reports, files, lists, drawings, plans, logs, briefs, computer program documentation, deeds, certificates, contracts, surveys, title and legal opinions, records of payment, and asset documentation;

**“Buy-back Right”** has the meaning given in Section 21(a);

**“Commercial Production”** means the first day of the month following the first 15 consecutive days during which Products have been produced from a mine at an average rate of not less than 70% of the initial rated capacity if a plant is located on the Property or if no plant is located on the Property, the last day of the first period of 15 consecutive days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues, whether to a plant or facility constructed for that purpose or to a plant or facility already in existence, but does not include and Products from bulk sampling or milling for the purpose of testing or milling by a pilot plant;

**“Confidential Information”** has the meaning given in Section 29(a);

**“Encumbrance”** means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, right of occupation, option, right of pre-emption, privilege or any matter capable of registration against title or any contract to create any of the foregoing;

**“Event of Default”** has the meaning given in Section 26;

**“Governmental Authority”** means any foreign, domestic, national, federal, provincial, territorial, state, regional, municipal or local government or authority, quasi government authority, fiscal or judicial body, government or self-regulatory organization, commission, board, tribunal, organization, or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing;

**“Gross Proceeds”** means, in respect of an expired Quarter the aggregate of:

- (i) the gross proceeds that are actually received by Owner or its Affiliates from the sale (whether immediate or for future delivery) during the expired Quarter from the sale or other disposition of all Product extracted from the Foggy Mountain Project Claims;



- (ii) if the metals account of Owner or its Affiliates at a Mineral Processing Facility is credited with Minerals processed by the Mineral Processing Facility, the gross value of Minerals so credited to Owner or its Affiliates calculated on the basis of the aggregate quantity of such Minerals so credited during the relevant time period multiplied by the Average Spot Price; and
- (iii) if there is a Loss of Product, the insurance proceeds received by Owner or its Affiliates during the expired Quarter in respect of such Loss;

“**Hedging Transactions**” has the meaning given in Section 13;

“**Loss**” means an insured loss of or damage to Product, whether or not occurring on or off the Foggy Mountain Project Claims;

“**Losses**” means all claims, demands, proceedings, fines, losses, damages, liabilities, obligations, deficiencies, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties, judgment and amounts paid in settlement of any demand, action, suit, proceeding, assessment, judgment or settlement or compromise), including any Taxes payable in respect thereof and, in the case of the Royalty Holder, loss of profits, loss of revenue or losses attributable to the failure of Owner to perform its obligations under this Agreement, in connection with or in respect of any breach or default of this Agreement by the other Parties;

“**Mineral Processing Facility**” means, collectively, at any time and from time to time, any ore concentrator, mill, smelter, refinery or other mineral processing facility used to process ore from the Foggy Mountain Project Claims;

“**Mineral Rights**” means patented and unpatented mining claims, prospecting licences, tenements, exploration licences, mining leases, mining licences, mineral concessions and claims and other forms of mineral tenure or other rights to minerals or to work upon lands for the purpose of searching for, developing or extracting minerals under any form of mineral title recognized under applicable law whether contractual, statutory or otherwise;

“**Minerals**” means any and all economic, marketable metal bearing material, such as ore in whatever form or state, including but not limited to gold, silver, platinum, palladium, copper, molybdenum, zinc, nickel, iron, lead, cobalt, titanium, uranium, coal, hydrocarbons and any “mineral resource” as that term is defined from time to time in the *Income Tax Act* (Canada);

“**Net Smelter Returns**” means the Gross Proceeds less Allowable Deductions;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, or any successor instrument, rule or policy;

“**Notice**” or “**notice**” has the meaning given in Section 30(a);

“**Other Locations**” has the meaning given in Section 15;

**“Other Owner”** has the meaning given in Section 15;

**“Other Rights”** means any interest in real property, whether freehold, leasehold, license, right of way, easement, any other surface or other right in relation to real property, and any right, licence or permit in relation to the use or diversion of water, but excluding any Mineral Rights;

**“Party”** means the Royalty Holder or Owner, as the context requires;

**“Parties”** means the Royalty Holder and Owner;

**“Penalty”** or **“Penalties”** means a charge or charges made by a refinery, smelter or other third party processing facility, in addition to normal refining costs, for removing from the Product Minerals or other substances which are deleterious to the smelting and refining processes or where the cost of the removal exceeds the value of those Minerals or other substances;

**“Prime Rate”** means, at any particular time, the prime business rate of the Bank of Canada;

**“Product”** means all Minerals extracted for use or commercial sale which is produced or extracted by or on behalf of Owner or its Affiliates from the Foggy Mountain Project Claims (whether in concentrate, doré and other mineral products in whatever form, metals or minerals which are derived therefrom, whether so derived on or off the Foggy Mountain Project Claims or otherwise);

**“Quarter”** means a period of three calendar months ending on March 31, June 30, September 30, or December 31 and **“Quarterly”** has a corresponding meaning;

**“Relinquishment Event”** has the meaning given in Section 17(c);

**“Reserves”** means proven and probable reserves as defined and incorporated under NI 43-101;

**“Resources”** means measured, indicated and inferred resources as defined and incorporated under NI 43-101;

**“Royalty”** means the percentage of the Net Smelter Returns to which the Royalty Holder is entitled under Section 2;

**“Royalty Agreement”** means this document including any schedule, exhibit or appendix to it;

**“Royalty Records”** means the books, accounts and records maintained by or on behalf of Owner and its Affiliates, showing reasonable detail in relation to:

- (i) the quantity of Products sold in each Quarter or for which insurance proceeds have been received in the Quarter;

- (ii) the calculation of each component of the Royalty for each Quarter;
- (iii) the payment of the Royalty in each Quarter; and
- (iv) where there is any co-mingling in a Quarter of Products with materials extracted from land outside the boundaries of the Foggy Mountain Project Claims, the measures, moistures and assays of the Minerals and substances in the Products extracted and recovered from the Foggy Mountain Project Claims prior to the co-mingling;

“**Royalty Statement**” has the meaning given in Section 4(c);

“**sale**” means a sale or other disposition of Product by or on behalf of Owner or its Affiliates;

“**Subsidiary**” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a Subsidiary;

“**Tax**” or “**Taxes**” means all taxes, assessments and other charges, duties, and impositions, including any interest, penalties, tax instalment payments or other additions that may become payable in respect thereof, imposed by any Governmental Authority, which taxes shall include all income or profits taxes (including federal, provincial, and state income taxes), non-resident withholding taxes, sales and use taxes, branch profit taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, land transfer taxes, capital taxes, extraordinary income taxes, surface area taxes, property taxes, asset transfer taxes, and other charges and obligations of the same or of a similar nature to any of the foregoing;

“**Transfer**” when used as a verb, means to sell, grant, assign, encumber, hypothecate, pledge or otherwise dispose of or commit to dispose of, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sales or spin-out transactions. When used as a noun, “**Transfer**” means a sale, grant, assignment, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sale or spin-out transaction;

“**Foggy Mountain Project Claims**” means the mineral concessions set out in Schedule A.

## 2. GRANT OF ROYALTY

Owner hereby grants and agrees to pay to the Royalty Holder a royalty equal to 2

of the Net Smelter Returns in respect of the Foggy Mountain Project Claims, on the terms and conditions specified in this Royalty Agreement.

**3. TERM**

The Royalty shall exist in perpetuity. The Royalty shall not be terminated by reason of the suspension of operations or closure of any mine or mining operations on the Foggy Mountain Project Claims. Owner and the Royalty Holder agree that the Royalty shall run with and bind to the title of the Foggy Mountain Project Claims, as applicable.

**4. PAYMENTS**

- (a) The obligation to pay the Royalty will commence upon the date of this Agreement.
- (b) The Royalty will be due and payable Quarterly 45 days following the end of the Quarter in which the Royalty accrued.
- (c) Royalty payments will be accompanied by a statement (a “**Royalty Statement**”) showing in reasonable detail:
  - (i) the quantities and grades of Product sold or deemed sold by Owner (or its Affiliates) or for which insurance proceeds have been received in the preceding Quarter;
  - (ii) the Gross Proceeds for the preceding Quarter;
  - (iii) the applicable Allowable Deductions for the preceding Quarter;
  - (iv) other pertinent information in sufficient detail to explain the calculation of the Royalty payment;
  - (v) an estimate of anticipated production from the Foggy Mountain Project Claims for the following Quarter; and
  - (vi) a statement setting out the Reserves and Resources for the Foggy Mountain Project Claims and the assumptions used.

**5. ROYALTY PAYMENTS AND ADJUSTMENTS**

- (a) Each Royalty payment will be considered in full satisfaction of all obligations of Owner with respect to that particular payment, unless the Royalty Holder gives Owner written notice describing and setting out a specific objection to the determination of that Royalty payment within twelve months after receipt by the Royalty Holder of the respective Royalty Statement that complies with Section 4(c).
- (b) If the Royalty Holder objects to a particular Royalty Statement within the period of twelve months specified in Section 5(a) by providing a notice of objection to

Owner, then the Royalty Holder shall have a period of three months after Owner's receipt of notice of such objection to have the Royalty Records (including mining and production records) relating to the calculation of the Royalty payment in question audited by a chartered accountant selected by the Royalty Holder. Upon completion of the audit, the Royalty Holder shall ensure that a copy of the report of the auditor is provided to Owner as soon as practicable.

- (c) If an audit conducted in accordance with Section 5(b) determines that there has been a deficiency in the payment made to the Royalty Holder and as long as Owner has been provided with a copy of the report of the auditor and has not disputed the auditor's findings by giving written notice to the Royalty Holder within 45 Business Days of receiving that report, such deficiency will be resolved by adjusting the next Quarterly Royalty payment due under this Royalty Agreement. If no Royalty is due to be paid in the next Quarter, then settlement will be made between the Parties by cash payment within ten Business Days of the expiration of the period of 45 Business Days referred to above. The Royalty Holder shall pay all costs of such audit unless a deficiency of \$5,000 or more of the amount due to the Royalty Holder is determined to exist. Owner shall pay the costs of such audit if a deficiency of \$5,000 or more of the amount due is determined to exist. Failure on the part of the Royalty Holder to make claim on Owner for adjustment within the period of 12 months specified in Section 5(a) will establish the correctness of the Royalty payment and preclude the making of claims for adjustment of the Royalty payment.
- (d) All Royalty Records shall be kept according to international financial reporting standards.
- (e) For the purpose of determining the Gross Proceeds:
  - (i) all receipts in a currency other than Canadian dollars shall be converted into Canadian dollars on the day of receipt; and
  - (ii) all disbursements in a currency other than Canadian dollars shall be converted into Canadian dollars at the average rate for the month of disbursement,all such conversions being determined using the Bank of Canada daily average exchange rate.
- (f) For the purpose of determining the Gross Proceeds, if any portion of the minerals, metals or concentrates extracted and derived from the ore mined and removed from the Foggy Mountain Project are sold to a purchaser owned or controlled by the Owner or treated by a smelter owned or controlled by the Owner, the actual proceeds received shall be deemed to be an amount equal to what could be obtained from a purchaser or a smelter not so owned or controlled in respect of minerals, metals or concentrates, as applicable, of like grade, quality and quantity.

6. **INTEREST**

If Owner fails to pay any sum to the Royalty Holder payable by it under or in accordance with this Royalty Agreement then Owner shall pay interest on that sum from the due date for payment until that sum is paid in full at the rate per annum which is the Prime Rate on the date on which the payment was due calculated daily plus 8%. The right to require payment of interest under this Section 6 is without prejudice to any other rights the non-defaulting Party may have against the defaulting Party under this Royalty Agreement, at law or in equity.

7. **REPRESENTATIONS AND WARRANTIES OF OWNER**

Owner represents and warrants in favour of the Royalty Holder that, as of the date of this Royalty Agreement:

- (a) Owner is a corporation duly incorporated, amalgamated or continued, as the case may be, organized, validly existing and in good standing under the laws of its current governing jurisdiction.
- (b) Owner has all necessary corporate power and authority to enter into and perform its obligations under this Royalty Agreement, to own its existing Mineral Rights, and to carry on its business as now conducted and as currently proposed to be conducted.
- (c) Owner has taken all corporate steps and proceedings necessary to approve the transactions contemplated hereby, including the execution and delivery of this Royalty Agreement.
- (d) This Royalty Agreement has been duly executed and delivered by Owner and constitutes a legal, valid and binding obligation of Owner, enforceable in accordance with its terms by the Royalty Holder against Owner, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

8. **ROYALTY HOLDER REPRESENTATIONS AND WARRANTIES**

The Royalty Holder represents and warrants in favour of Owner that, as of the date of this Royalty Agreement:

- (a) The Royalty Holder is a corporation duly incorporated, amalgamated or continued, as the case may be, organized, validly existing and in good standing under the laws of its current governing jurisdiction.
- (b) The Royalty Holder has all necessary corporate power and authority to enter into and perform its obligations under this Royalty Agreement and to carry on its business as now conducted and as currently proposed to be conducted.

- (c) The Royalty Holder has taken all corporate steps and proceedings necessary to approve the transactions contemplated hereby, including the execution and delivery of this Royalty Agreement.
- (d) This Royalty Agreement has been duly executed and delivered by the Royalty Holder and constitutes a legal, valid and binding obligation of the Royalty Holder enforceable in accordance with its terms by Owner against the Royalty Holder, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies.

**9. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS**

All representations, warranties, covenants and agreements of Owner and the Royalty Holder set forth in this Royalty Agreement shall survive the completion of the transactions herein, notwithstanding any investigation made by or on behalf of Owner or the Royalty Holder, respectively, and all such representations, warranties, covenants and agreements of Owner and the Royalty Holder shall continue in perpetuity in full force and effect for the benefit of Owner and the Royalty Holder, respectively.

**10. AREA OF INTEREST**

Owner agrees with the Royalty Holder that if Owner or any of its Affiliates acquire any Mineral Rights within three (3) kilometre of the external boundaries of the Mineral Rights comprising the Foggy Mountain Project Claims, then Owner acknowledges and agrees that such acquired Mineral Rights will be subject to a royalty on the terms set out in this Royalty Agreement, and will promptly execute any further documentation as may be required by the Royalty Holder, acting reasonably, to evidence such royalty.

**11. OPERATIONS ON THE PROPERTY**

Owner will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Foggy Mountain Project Claims and may suspend operations and production on the Foggy Mountain Project Claims at any time it considers prudent or appropriate to do so. Owner will owe the Royalty Holder no duty to explore, develop or mine the Foggy Mountain Project Claims, or to do so at any rate or in any manner other than that which Owner may determine in its sole and unfettered discretion. For clarity, the Royalty Holder shall not have any contractual rights in connection with the development or operation of any of the operations of Owner, including without limitation, with regards to the Foggy Mountain Project Claims.

**12. CO-MINGLING**

Before any Product is co-mingled with minerals from any properties other than the Foggy Mountain Project Claims, the Product shall be measured and sampled in accordance with sound mining and metallurgical practices for moisture, metal, and other appropriate content. Representative samples of the Product shall be retained by Owner and assays (including penalty substances) and other appropriate analyses of these samples shall be

made before co-mingling to determine metal, mineral and other appropriate content and penalty substances of the Product. From this information, Owner shall determine the quantity of the Product subject to the Royalty notwithstanding that the Product has been co-mingled with metals from other properties. The Royalty Holder will not be disadvantaged as a result of the quantity determination. Following the expiration of the period for objections described above in Subsection 5(a) above, and absent timely objection, if any, made by the Royalty Holder, Owner may dispose of the materials and data required to be kept and produced by this Section.

**13. HEDGING TRANSACTIONS**

If Owner or its Affiliates engages in any hedging or price protection activities, including, but not limited to, forward selling, commodity futures trading, option trading, metals trading, metal loans, stockpiling, speculative arrangement on or off commodity exchanges that may involve any minerals concentrates or metals produced from the Foggy Mountain Project Claims or any combination thereof, and any other similar transactions (collectively “**Hedging Transactions**”), then all profits and losses resulting from such Hedging Transactions shall be specifically excluded from calculations of Royalty payments pursuant to this Royalty Agreement and shall be solely for the Owner’s account.

**14. TAILINGS**

All tailings resulting from the operations and activities of Owner or its Affiliates on the Foggy Mountain Project Claims shall be the sole and exclusive property of Owner, but shall be subject to the Royalty if such tailings are produced as a consequence of operations to process ore from the Foggy Mountain Project Claims or concentrates derived from such ore, are processed in the future and result in the production of Minerals from the Foggy Mountain Project Claims.

**15. STOCKPILING**

Owner shall be entitled to stockpile, store or place Product from the Foggy Mountain Project Claims in locations outside of the boundaries of the Foggy Mountain Project Claims (the “**Other Locations**”); provided, however, Owner has first obtained a written agreement from each owner (the “**Other Owner**”) of the Other Locations where such Product will be stockpiled, stored or placed, in recordable form, in favour of the Royalty Holder and executed by such Other Owner in a form reasonably satisfactory to the Royalty Holder that provides: (i) that the Royalty Holder’s rights with respect to the Product pursuant to this Royalty Agreement shall continue in full force and effect with respect to the Product stored at the Other Locations; (ii) that the Royalty Holder’s rights with respect to the Product stored at such Other Locations shall have priority over the Other Owner’s rights with respect to the Product stored at such Other Locations; and (iii) that the agreement executed by the Other Owner shall not be terminated as long as any Product is stored at the Other Locations.



16. **INSPECTIONS**

Upon not less than five Business Days' notice to Owner, the Royalty Holder, or its authorized agents or representatives, may, under the direction and control of Owner, enter upon all surface and subsurface portions of the Foggy Mountain Project Claims for the purpose of inspecting the Foggy Mountain Project Claims, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Foggy Mountain Project Claims, including without limitation, records and data that are electronically maintained. The Royalty Holder, or its authorized agents or representatives, shall enter upon the Foggy Mountain Project Claims at their own risk and expense and shall not hinder the operations and activities of Owner or other operators on or relating to the Foggy Mountain Project Claims.

17. **MAINTENANCE OF CURRENT MINERAL RIGHTS**

- (a) Owner shall use commercially reasonable efforts to do all things and make all payments necessary or appropriate to maintain the right, title and interest of Owner in the Mineral Rights that comprise the Foggy Mountain Project Claims and to maintain such Mineral Rights in good standing. Owner shall pay all Taxes and other payments when due on or with respect to the Foggy Mountain Project Claims, and shall do all things and make all payments necessary or appropriate to maintain the rights, title and interests of the Royalty Holder in the Foggy Mountain Project Claims and under this Royalty Agreement.
- (b) Notwithstanding the foregoing, Owner shall be entitled, from time to time, to abandon or surrender or allow to lapse or expire Mineral Rights that comprise the Foggy Mountain Project Claims or any portion thereof:
  - (i) if necessary to comply with applicable law, a court order or the requirement of a Governmental Authority; or
  - (ii) if Owner determines, acting reasonably, that the portion of such Foggy Mountain Project Claims is not economically viable or otherwise has insufficient value to warrant continued maintenance, but only if Owner has first complied with the provisions of Section 17(c).
- (c) If Owner shall seek to relinquish, drop, abandon or allow to lapse (the "**Relinquishment Event**") any of its interest in any part or parts of the Foggy Mountain Project Claims (the "**Abandoned Foggy Mountain Project Claims**") at any date that is more than three years from the date it acquired the Foggy Mountain Project Claims from the Royalty Holder otherwise than in accordance with Section 17(b)(i), then Owner shall provide the Royalty Holder with a minimum of 30 days prior written notice of such intended Relinquishment Event. Upon receipt of the said notice, the Royalty Holder shall have a period of ten days within which to advise Owner in writing that they shall seek to take an assignment of the Abandoned Foggy Mountain Project Claims for consideration equal to \$10. If the

Royalty Holder forwards such written notice to Owner within the said ten day period, Owner shall thereafter do all such acts and things or shall cause all such acts and things to be done, at the Royalty Holder's own sole cost and expense, to assign its interest in the Abandoned Foggy Mountain Project Claims to the Royalty Holder for the said \$10 and to have the Abandoned Foggy Mountain Project Claims recorded or registered into the name of the Royalty Holder. If the Royalty Holder does not forward the said written notice to Owner within the said ten day period, then Owner shall have the right to complete the Relinquishment Event with respect to the applicable Abandoned Foggy Mountain Project Claims. For certainty, the Royalty Holder agrees that no future Royalty shall be payable by Owner in respect of any Product extracted or processed (or both) from a part of the Foggy Mountain Project Claims after a Mineral Right comprising that part of the Foggy Mountain Project Claims is transferred to the Royalty Holder under this Section 17(c).

- (d) Notwithstanding anything else in this Royalty Agreement to the contrary, Owner will not abandon or surrender, or allow to lapse or expire, any of its interest in any part or parts of the Foggy Mountain Project Claims for the purpose of permitting any third party to acquire such portion of the Foggy Mountain Project Claims or to otherwise avoid payment of the Royalty, and if Owner, or any Affiliate of Owner, directly or indirectly acquires any such Abandoned Foggy Mountain Project Claims, then the calculation of the Royalty pursuant to this Royalty Agreement will include all Product relating to such Abandoned Foggy Mountain Project Claims.

## 18. **RECORDS, ACCESS AND REPORTING**

- (a) The Owner shall:
  - (i) keep true, accurate and complete Books and Records in accordance with International Financial Reporting Standards as adopted by the International Accounting Standards Board and as amended, supplemented or replaced from time to time to enable the Royalty to be calculated in accordance with this Royalty Agreement;
  - (ii) permit the Royalty Holder, after it has given reasonable Notice to the Owner, to inspect at the Owner's premises and at all reasonable times and with access to the Owner's relevant personnel, the Owner's Books and Records referred to in Subsection 18(a), and to make and take away with it copies of such Books and Records; and
  - (iii) permit the Royalty Holder to enter the Foggy Mountain Project Claims at its own cost and risk for the purpose of inspecting the area and operations in it, provided that the Royalty Holder does not unreasonably hinder the Owner's operations on the Foggy Mountain Project Claims and complies with the Owner's instructions and directions, including in relation to health and safety and site inductions; provided further that the foregoing site visits shall not occur more than once per year, unless an audit under Section 5(b) shows that the Royalty Holder has been underpaid, in which case the

Royalty Holder may conduct site visits at all reasonable times for a period of three years following such audit.

- (b) Prior to the commencement of mining within the Foggy Mountain Project Claims, the Owner shall provide to the Royalty Holder an annual report on or before 60 days after the last day of each fiscal year of the Owner, outlining the following:
  - (i) the work carried out by or on behalf of the Owner on the Foggy Mountain Project Claims during that year; and
  - (ii) an update of the mine operating and development plan and budget which includes updated mineral resources and mineral reserves and forecasted production, as applicable.
- (c) If the Owner establishes a new mineral resource or mineral reserve on the Foggy Mountain Project Claims, the Owner shall provide to the Royalty Holder the reports pertaining to such mineral resource or mineral reserve as soon as practicable after the Owner makes its first public disclosure with respect to the establishment thereof.
- (d) The Parties acknowledge that the Royalty Holder or Affiliates thereof may become subject to NI 43-101. The Owner hereby covenants that upon written request by the Royalty Holder or an Affiliate thereof, it shall:
  - (i) provide any and all necessary technical data on the Foggy Mountain Project Claims as reasonably requested by the Royalty Holder;
  - (ii) grant access to the Foggy Mountain Project Claims to the Royalty Holder, its Affiliates or any representative thereof for personal inspection of the Foggy Mountain Project Claims; and
  - (iii) allow any report prepared for the Owner in accordance with NI 43-101 to be used by the Royalty Holder or its Affiliates in any technical report prepared for the Royalty Holder or its Affiliates, on a condition that a “qualified person” (as such term is defined in NI 43-101) engaged by the Royalty Holder is the author of the report prepared for the Royalty Holder or its Affiliates.

## **19. OWNER ASSIGNMENT**

Owner may Transfer, in whole or in part: (i) legal or beneficial title in and to the Foggy Mountain Project Claims; and (ii) its rights and obligations under this Agreement; so long as the following conditions are satisfied:

- (a) Owner provides the Royalty Holder with thirty (30) days prior written notice of the intent to Transfer to the Royalty Holder;

- (b) any purchaser, merged company, transferee or assignee, as a condition to completion of the Transfer, agrees in writing in favour of the Royalty Holder to be bound by the terms of this Agreement, including without limitation, this section, pursuant to an instrument in writing that is satisfactory to the Royalty Holder, in its sole discretion;
- (c) the Royalty Holder does not suffer a material adverse effect in relation to the transactions set forth in this Agreement;

For the avoidance of doubt and for greater certainty:

- (d) if Owner wishes to Transfer its interest in this Agreement, it shall Transfer all of its right, title and interest in and to all of the Foggy Mountain Project Claims to the same Person to whom it Transfers its interest in this Agreement; and
- (e) this Section 18 shall apply if Owner wishes to grant an option to any Person to acquire an interest in and to any of the Foggy Mountain Project Claims or enter into a joint venture with respect to the Foggy Mountain Project Claims.

## **20. ROYALTY HOLDER ASSIGNMENT**

The Royalty Holder shall have the right to Transfer its rights in respect of the Royalty or any portion thereof to any lender, and shall have the right to assign or transfer the Royalty or any portion thereof to any third party, in each case without the consent of Owner.

## **21. BUY-BACK RIGHT**

- (a) The Royalty Holder hereby grants to Owner, on the terms and conditions contained herein, an option to purchase from the Royalty Holder, and to require the Royalty Holder to sell to Owner, half of the Royalty Holder's net smelter returns royalty interest in the Foggy Mountain Project Claims, thereby reducing the royalty percentage of the Royalty from 2% to 1% (the "**Buy-back Right**") for aggregate consideration of \$1,500,000.
- (b) The Buy-back Right shall be exercisable by Owner up to 30 days after Commercial Production is achieved, after which time the Buy-back Right will cease to exist.
- (c) The Buy-back Right shall be exercised by delivering written notice to the Royalty Holder along with the purchase price of \$1,500,000 by way of certified cheque or a bank draft payable to the Royalty Holder, or other method of payment acceptable to the Royalty Holder. Upon the Royalty Holder's receipt of notice and payment from Owner in accordance with this Section 21(c), Owner may begin calculation of the Royalty at the rate of 1%.

**22. REGISTRATION**

- (a) The Royalty created herein shall be a real property interest in all portions of the Foggy Mountain Project Claims to which the Royalty applies sufficient to secure the Royalty payments herein provided for.
- (b) The Royalty Holder shall be entitled to require Owner, and the Royalty Holder shall be entitled, by itself, to the extent permitted by applicable law, to issue a public deed in respect of this Royalty Agreement and file, record or register evidence of this Royalty Agreement or such deed in any land, title or other similar registry with any Governmental Authority in which title to the Foggy Mountain Project Claims is recorded. Owner agrees with the Royalty Holder to execute those documents that may be necessary to perfect such recording.

**23. TAXES**

All amounts paid hereunder shall be made without any deduction, withholding, charge or levy for or on account of any Taxes, all of which shall be for the account of the Party making such payment. If any such Taxes are so required to be deducted, withheld, charged or levied by the Party making such payment, then such Party shall make, in addition to such payment, such additional payment as is necessary to ensure that the net amount received by the other Party entitled to payment (free and clear and net of any such Taxes, including any Taxes required to be deducted, withheld, charged or levied on any such additional amount) equals the full amount such other Party would have received had no such deduction, withholding, charge or levy been required. To the extent a Party pays to an applicable Governmental Authority any Taxes that gives rise to a gross-up as contemplated by this Section 23, that Party shall provide to the other Party reasonable documentation of the payment of such Taxes within ten (10) days of such payment.

**24. NO IMPLIED COVENANTS**

The Parties agree that no implied covenants or duties relating to exploration, development, mining or the payment of production royalties or any other monies provided for herein shall affect any of their respective rights or obligations hereunder, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this Royalty Agreement.

**25. RELATIONSHIP OF THE PARTICIPANTS**

This Royalty Agreement is not intended to, and will be deemed not to, create any partnership among the Parties including a mining partnership or commercial partnership.

**26. DEFAULT**

If Owner is in breach or default of any of its representations, warranties, covenants or obligations set forth in this Agreement in any material respect and such breach or default is not remedied within a period of thirty (30) days following delivery by the Royalty Holder to Owner of written notice of such breach or default, or such longer period of time as the

Royalty Holder may determine in its sole discretion (an “**Event of Default**”), the Royalty Holder shall have the right, upon written notice to Owner, at its option and in addition to and not in substitution for any other remedies available at law or equity, demand all Losses suffered or incurred as a result of the occurrence of such Event of Default, including following termination, Losses based on the Royalty Holder’s loss of the benefits from this Agreement.

**27. INDEMNITY BY OWNER**

Owner agrees to indemnify and hold harmless the Royalty Holder and its directors, officers, employees, agents, and Affiliates (if any) from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, law suit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon:

- (a) any representation or warranty of Owner contained herein being untrue in any material respect;
- (b) any breach or failure by Owner to comply with any covenant or agreement made by Owner herein; or
- (c) operations conducted on or in respect of the Foggy Mountain Project Claims by or on behalf of Owner or any of its Affiliates that result from or relate to the mining, handling, transportation, smelting or refining of Minerals, including without limitation Losses, in any way arising from or connected with any non-compliance with environmental laws or any contaminants or hazardous substances on, in or under the Foggy Mountain Project Claims or the soil, sediment, water or groundwater forming part thereof, whether in the past, present or future, or any contaminants or hazardous substances on any other lands or areas having originated or migrated from the Foggy Mountain Project Claims or the soil, sediment, water or groundwater forming part thereof.

**28. EXPENSES**

Each Party shall be responsible for paying all fees and expenses incurred by such Party in connection with this Royalty Agreement.

**29. CONFIDENTIALITY**

- (a) The terms of this Royalty Agreement, any draft of this Royalty Agreement and all information (whether embodied in tangible or electronic form) obtained by the Royalty Holder in or from Royalty Records, Royalty Statements or otherwise relating to the Royalty or to the business and activities of Owner or any of its Affiliates or any other person in relation to the Foggy Mountain Project Claims, any Mineral Right held by Owner (or an Affiliate) or Product all of which will, for the purposes of this Section 29, be referred to as “**Confidential Information**”, shall

be treated by the Royalty Holder as confidential and shall not be disclosed to any person, except in the following circumstances:

- (i) the Royalty Holder may disclose the Confidential Information to its auditors, legal counsel, institutional lenders, brokers, underwriters and investment bankers, as long as such non-party users are advised of the confidential nature of the Confidential Information and undertake to maintain the confidentiality of it;
  - (ii) the Royalty Holder may disclose the Confidential Information to a bona fide purchaser (whether actual or prospective) of all or part of the Royalty Holder's rights under this Royalty Agreement or to a bona fide financier (whether actual or prospective) as long as such purchaser or financier has first entered into a written undertaking in favour of Owner to preserve the confidentiality of the Confidential Information to be disclosed in a manner at least as onerous on the purchaser or financier as this Section 29 is onerous on the Royalty Holder;
  - (iii) the Royalty Holder may disclose the Confidential Information where that disclosure is necessary to comply with its disclosure obligations and requirements under any securities law, rules or regulations or stock exchange listing agreements, policies or requirements, as long as the proposed disclosure is limited to factual matters and the Royalty Holder has availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which they may be entitled; or
  - (iv) with the prior written approval of Owner.
- (b) Any Confidential Information that becomes part of the public domain by no act or omission in breach of this Section 29 will cease to be Confidential Information for the purposes of this Section 29.
  - (c) Section 29(a) does not restrict the disclosure or use of Confidential Information for the purposes of, and to the extent required in connection with, legal action to enforce rights under, or to seek remedies in connection with, this Royalty Agreement.

### **30. NOTICE**

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, charges prepaid, address as follows:
  - (i) in the case of the Owner:  
1230439 BC Ltd.,

1500 – 1055 West Georgia Street,  
Vancouver, British Columbia  
V6E 4N7

Attention: Brad Kitchen  
Email: pbkitchen@gmail.com

- (ii) in the case of the Royalty Holder:

Cronin Exploration Inc.  
Unit 309-2912 West Broadway Street  
Vancouver, British Columbia  
V6K 0E9

Attention: Kyler Hardy or David Robinson  
Email: [khardy@cronincapital.ca](mailto:khardy@cronincapital.ca) or [drobenson@cronincapital.ca](mailto:drobenson@cronincapital.ca)

- (b) Any notice sent in accordance with this Section (a) is deemed to have been received:

- (i) if delivered prior to or during normal business hours on a Business Day in the place where the notice is received, on the date of delivery;
- (ii) if sent by mail, on the fifth Business Day in the place where the notice is received after mailing, or, in the case of disruption of postal service, on the fifth Business Day after cessation of that disruption; or
- (iii) if sent in any other manner, on the date of actual receipt;

except that any notice delivered in person or sent by transmission not on a Business Day or after normal business hours on a Business Day, in each case in the place where the notice is received, is deemed to have been received on the next succeeding Business Day in the place where the notice is received.

- (c) Any Party may change its address for notice by giving notice to the other Parties.

### 31. GENERAL

- (a) **Interpretation.** Unless the context otherwise requires, in this Royalty Agreement:
- (i) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (ii) a reference to a person, corporation, trust, partnership, joint venture, unincorporated body or other entity includes any of them;
- (iii) a reference to a section or schedule is a reference to a section or schedule, to this Royalty Agreement;



- (iv) a reference to an agreement or document (including a reference to this Royalty Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Royalty Agreement or that other agreement or document;
  - (v) a reference to a party to an agreement (including this Royalty Agreement) or document includes the party's successors and permitted substitutes (including persons taking by novation) or assigns (and, where applicable, the party's legal personal representatives);
  - (vi) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it;
  - (vii) unless otherwise indicated, a reference to *dollars* and \$ is to the currency of Canada;
  - (viii) the word "*including*" means "*including without limitation*" and "*include*" and, "*includes*" will be construed similarly;
  - (ix) headings are for convenience only and do not form part of this Royalty Agreement or affect its interpretation;
  - (x) a provision of this Royalty Agreement shall not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Royalty Agreement or the inclusion of the provision in this Royalty Agreement;
  - (xi) if an act shall be done on a specified day which is not a Business Day, it shall be done instead on the next Business Day; and
  - (xii) a reference to anything (including a right, obligation or concept) includes a part of that thing, but nothing in this section 31(a)(xii) implies that performance of part of an obligation constitutes performance of the obligation.
- (b) **Governing Law.** This Royalty Agreement and any dispute arising from or in relation to this Royalty Agreement are governed by, and interpreted and enforced in accordance with, the law of the Province of British Columbia and the laws of Canada applicable in that province, excluding the choice of law rules of that province. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia
- (c) **Time of Essence.** Time is of the essence in this Royalty Agreement.
- (d) **Severability.** If, in any jurisdiction, any provision of this Royalty Agreement or its application to any Party or circumstance is restricted, prohibited or

unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Royalty Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances. The Parties shall engage in good faith negotiations to replace any provision which is so restricted, prohibited or unenforceable with an unrestricted and enforceable provision, the economic effect of which comes as close as possible to that of the restricted, prohibited or unenforceable provision which it replaces.

- (e) **No Violation.** If this Royalty Agreement is intended to be performed in more than one jurisdiction and its performance would be a violation of the applicable law of a jurisdiction where it is intended to be performed, this Royalty Agreement is binding in those jurisdictions in which it is valid and the Parties shall use their reasonable efforts to re-negotiate and amend this Royalty Agreement so that its performance does not involve a violation of the applicable law of the jurisdiction where its performance would be a violation.
- (f) **Average Spot Price.** If an Average Spot Price specified in this Royalty Agreement ceases to exist, ceases to be published, or should no longer be internationally recognized as the basis for payment for the Mineral to which it relates then upon request by any Party, the Parties shall promptly consult together in good faith with the view to agreeing on whatever modifications to the terms of this Royalty Agreement should be considered necessary to make this Royalty Agreement again acceptable to the Parties and shall do their utmost to come to a fair and reasonable agreement based upon another internationally recognized metal price quotation for use in international trade.
- (g) **Entire Agreement.** This Royalty Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Royalty Agreement and supersede all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Royalty Agreement, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Royalty Agreement or which induced any Party to enter into this Royalty Agreement. There is no liability, either in tort or in Contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section (g).
- (h) **Further Assurances.** Each Party shall promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters in connection with this Royalty Agreement that any other Party may reasonably require, for the purposes of giving effect to this Royalty Agreement.
- (i) **Amendment.** This Royalty Agreement may be supplemented, amended, restated or replaced only by written agreement signed by each Party.

- (j) **Waiver of Rights.** Any waiver of, or consent to depart from, the requirements of any provision of this Royalty Agreement is effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Royalty Agreement operates as a waiver of that right. No single or partial exercise of any such right precludes any other or further exercise of that right or the exercise of any other right.
- (k) **Successors.** This Royalty Agreement is binding on, and enures to the benefit of, the Parties and their respective successors.
- (l) **Counterparts.** This Royalty Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery of an executed counterpart of this Royalty Agreement by facsimile or transmitted electronically in legible form, including without limitation in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Royalty Agreement.
- (m) **Authorization.** Each person signing this Royalty Agreement as an authorized officer of a Party hereby represents and warrants that he or she is duly authorized to sign this Royalty Agreement for that Party and that this Royalty Agreement will, upon having been so executed, be binding on that Party in accordance with its terms.

*[The remainder of this page intentionally left blank. Signature page follows.]*

**IN WITNESS WHEREOF**, the Parties have executed this Royalty Agreement on the date first above written.

**1230439 BC LTD.,**

By: \_\_\_\_\_  
Name:  
Title:

**CRONIN EXPLORATION INC.**

By: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE A

### DESCRIPTION OF FOGGY MOUNTAIN CLAIMS

The Property is defined as the following mineral claims located in the ToadogGone area of British Columbia:

#### Description of the Property

Claim Name	Claim Number	Jurisdiction	Claim Type	Size (Ha)
Foggy Mountain 3	1093936	British Columbia	Mineral	1,531.17
Foggy Mountain 1	1093934	British Columbia	Mineral	1,673.52
Foggy Mountain 2	1093935	British Columbia	Mineral	1,005.32