

OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement") is made effective the 26th day of July, 2021.

BETWEEN:

CONTIGO RESOURCES LTD. a company incorporated under the laws of British Columbia having an address for business at 675-355 Burrard Street, Vancouver, BC V6C 2G8 (Email: [REDACTED])

(the "Optionor")

AND:

OFF-PISTE OPPORTUNITIES II INC., a company incorporated under the laws of Ontario having an address for business at Bay Adelaide Centre, East Tower, 22 Adelaide St. W, Toronto, ON, Canada M5H 4E3 (Email: [REDACTED])

(the "Optionee")

WHEREAS:

- A. The Optionor is the sole recorded and beneficial owner of certain mineral properties located as further described in Schedule "A" hereto (such mineral properties are referred to herein as the "Property"); and
- B. In accordance with the terms of this Agreement, the Optionor has agreed to grant the Optionee an exclusive option to acquire a 100% undivided right, title, ownership and beneficial interest in and to the Property, free and clear of any Encumbrance (as defined herein) (the "Option");

THIS AGREEMENT WITNESSES that, in consideration of the mutual agreements set forth in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Optionor and the Optionee (each, a "Party" and, together, the "Parties") hereby agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

The following terms will have the following meanings in this Agreement, unless the context otherwise expressly requires:

"Affiliate" means any Person which, directly or indirectly, controls, is controlled by, or is under common control with, a Person;

"Assets" means:

- (a) the right, title and interest of the Optionor in and to the Property,
- (b) any maps, drill core, samples, assays, geological and other technical reports, studies, designs, plans and financial or other records or intellectual property (whether in tangible or electronic form) related to the Property in the possession or under the control of the Optionor as at the Closing Date or thereafter acquired by any Party or its Affiliates with respect to the Property, and
- (c) any exploration tools, plant, supplies and equipment acquired after the Closing Date for or in connection with the Property by a Party or its Affiliates, if the costs of any such acquisition are included in Expenditures made under this Agreement;

"Business Day" means any day other than a Saturday, Sunday or a public or statutory holiday in the Province of British Columbia;

"Cash Payment" means any one or more of the cash payments specified in Section 2.2(a);

"Claim" means any claim, action, damage, loss (including loss arising from a withheld or abated payment under this Agreement), liability, cost, charge, expense, payment or demand of any nature, whether present or future, fixed or unascertained, actual or contingent, and whether at law, in equity, under statute, contract or otherwise;

"Closing" means the closing of the grant of the Option;

"Closing Date" means the date of grant of the Option or such other date as may be mutually agreed to by the Parties after receipt of all necessary regulatory approvals;

"Commercial Production" means the operation of the Property or any portion thereof as a producing mine and the production of mineral products therefrom (excluding bulk sampling, pilot plant or test operations);

"Earned Interest" means an undivided 100% right, title, ownership and beneficial interest in and to the Property;

"Encumbrance" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, option, licence or licence fee, royalty, production payment, restrictive covenant or other encumbrance of any nature, or any agreement to give or create any of the foregoing;

“Environmental Laws” means all requirements of the common law, civil code or of environmental, health or safety statutes of any Governmental Authority, including, but not limited to, those relating to: (a) noise, (b) pollution or protection of the air, surface water, ground water or land, (c) pollution or protection of the air, surface water, ground water or land, (d) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation, (e) exposure to hazardous or toxic substances, or (f) the closure, decommissioning, dismantling, or abandonment of any facilities, mines or workings and the reclamation or restoration of lands;

“Equipment” has the meaning given in Section 13.4(e);

“Expenditures” means all costs and expenses, however denominated, incurred by the Optionee or its Affiliates on or in connection with the exploration and development of the Property, including:

- (a) all direct and indirect exploration or development costs, including drilling, geophysics, airborne geophysics, assaying, personnel, travel, accommodation, shipping of materials and the commissioning of technical or other reports in respect of the Property, provided that any costs related to personnel, travel and accommodation will be directly related to attendance at, or the preparation of technical data with respect to, the Property,
- (b) all expenditures required to maintain the Property in good standing in accordance with the laws of British Columbia,
- (c) all expenditures made on the Property relating to reclamation, rehabilitation and protection of the environment, including payment of any applicable bond or surety,
- (d) all expenditures that qualify as a “Canadian development expense” or “Canadian exploration expense” (each as defined in the *Income Tax Act* (Canada)), excluding any claim acquisition costs paid to the Optionor;
- (e) a charge for overhead, management and administrative costs which cannot be specifically allocated, equal to 10% of all other costs and expenses;

“Exploration Data” means any map, survey, 3D representation, drill core, sample, assay, drill log, metallurgical, geological, geophysical, geochemical, engineering or other technical data or report, and any study, design, plan and financial or other record (whether in tangible or electronic form) related to the Property or the Operations in the possession, or under the control of, a Party or any Affiliate thereof;

“Force Majeure” means, other than as a consequence of the negligence or default of a Party, an event or cause which is beyond the control of the Party claiming force majeure, not able to be overcome by the exercise of reasonable care, proper precautions and the consideration of reasonable alternatives with the intention of avoiding the effects of the force majeure by that Party, and which could not have been reasonably foreseen, including (subject to satisfying the requirements of the foregoing):

- (a) an act of God,
- (b) earthquakes, cyclones, fires, floods, blizzards or whiteouts,
- (c) explosions, acts of war, acts of public enemies or terrorist acts,
- (d) shortages of labour or strikes, interference of trade unions, lockout, secondary boycott, or other labour difficulties (without regard to whether such difficulties can be resolved by acceding to the demands of the union),
- (e) non-availability of materials or transportation, and
- (f) injunctions, laws, rules, regulations, orders or policies of any Governmental Authority that cause Operations to materially cease or that would effectively prohibit Operations from being conducted on the Property, or the discharge by the Parties of their respective obligations hereunder,

but does not include economic hardship, lack of money or credit, the state of financial markets or the inability to pay any sum of money;

“Governmental Authority” means any federal, provincial, territorial, 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 having jurisdiction or authority over the Parties or the subject matter of this Agreement;

“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;

“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 Property and may lawfully be explored for, mined and sold under the Mineral Rights and other instruments of title under which the Property is held;

“NI 43-101” means National Instrument 43-101 - *Standards of Disclosure for Mineral Properties*;

“Objection Period” has the meaning given in Section 3.1;

“Operations” means every kind of work done, or activity performed by or on behalf of the Optionee on or in respect of the Property, including investigating, prospecting, exploring, analysing, property maintenance, sampling, assaying, preparation of reports, estimates and studies (including feasibility studies), filing assessment work, surveying,

rehabilitation, reclamation and environmental protection, and any management and administration necessary to conduct the foregoing work or activities;

“**Option**” has the meaning given to it in Recital B to this Agreement;

“**Option Expiry Date**” means August 31, 2022 or such other date as may be mutually agreed to by the Parties;

“**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;

“**Payment Period**” means any period in which any Cash Payment, Share Issuance or Expenditure is required to be made by the Optionee to the Optionor, as set out in the table in Section 2.2(a);

“**Person**” is to be construed broadly and includes any natural person, corporation, joint venture, partnership, limited liability partnership, limited partnership, limited liability limited partnership, limited liability company, trust, estate, business trust, association, Governmental Authority or other entity;

“**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;

“**Property**” means the Mineral Rights and Other Rights, if any, described in **Error! Reference source not found.**, together with any present or future renewal, extension, modification, substitution, amalgamation or variation of any of those Mineral Rights or Other Rights that derive directly from those Mineral Rights or Other Rights (whether granting or conferring the same, similar or any greater rights and whether extending over the same or a greater or lesser domain);

“**Royalty**” means the 2.0% net smelter return royalty to be granted by the Optionee to the Optionor on the exercise of the Option, as described in Article 5;

“**Share Issuance**” means any issuance and delivery of Shares to the Optionor as set out in the table in Sections 2.2(a);

“**Shares**” means common shares in the capital of the Optionee; and

“**Statement of Expenditures**” has the meaning given to it in Section 3.1.

1.2 Interpretation

Unless the context otherwise expressly requires, in this Agreement:

- (a) the singular includes the plural and vice versa;

- (b) a gender includes all genders;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) references to "\$" are to the currency of Canada;
- (e) the word "including" means "including without limitation", and "include" and "includes" will be construed similarly;
- (f) headings and the table of contents are for convenience only and do not form part of this Agreement or affect its interpretation;
- (g) a provision of this Agreement will not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement;
- (h) if an act is prescribed to be done on a specified day which is not a Business Day, it will be done instead on the next Business Day;
- (i) where the phrase "to the best of the knowledge of" or similar expressions are used, it is a requirement that the Person in respect of whom the phrase is used will have made the enquiries that are reasonably necessary to enable that Person to make the statement or disclosure; and
- (j) the schedules attached hereto form part of this Agreement.

ARTICLE 2 OPTION

2.1 Grant of Option

Upon and subject to the terms of this Agreement, the Optionor will grant the Optionee the sole and exclusive right and option to acquire a 100% Earned Interest in the Property, free and clear of any Encumbrance.

2.2 Good Standing and Exercise of Option

- (a) To maintain the Option in good standing, the Optionee, subject to Article 3, will incur the Expenditures, and make the Cash Payments and the Share Issuances, as set out in the table below:

Payment Period	Minimum Expenditures	Cash Payment	Share Issuance
Within 30 days of the Closing Date	-	\$25,000	such number of Shares such that the Optionor owns 6% of the issued and outstanding Shares prior to the Optionee conducting a financing
Within 12 months of the Closing Date	\$150,000	-	-

- (b) Upon the Optionee delivering to the Optionor a notice confirming satisfaction of the consideration set out in Section 2.2(a) (an “**Option Exercise Notice**”), the Option will be deemed to be exercised, a 100% Earned Interest will automatically vest in the Optionee, and the Optionor will promptly register the Earned Interest in the name of the Optionee (or its nominee) in accordance with Sections 2.5 and 9.1.

2.3 Accelerated Exercise

The Optionee may, at its sole option, accelerate the exercise of the Option at any time prior to the Option Expiry Date by completing the applicable Option exercise requirements set out in Section 2.2(a).

2.4 Adjustment of Share Issuances

In the event of any capital reorganization or any reclassification of the capital of the Optionee, including any share subdivision or consolidation, or in the case of the consolidation, merger, amalgamation or other business combination of the Optionee with or into any other company (in each case, a “**Reorganization**”), the number of Shares to be issued to the Optionor in connection with any Share Issuance will be adjusted such that the Optionor will receive the same proportionate number of Shares (or securities of any entity resulting from such Reorganization) as they would be entitled to receive had the Optionor been a shareholder of the Optionee at the time of such Reorganization.

2.5 Transfer of Property

Within 30 days after the date on which the Optionee delivers the Option Exercise Notice to the Optionor, the Optionor will transfer to the Optionee or its designated Affiliate (as the case may be), the Property and all other Assets, data and other information in the possession or control of the Optionor with respect to the Property which have not been previously delivered to the Optionee, and, until such transfer, the Optionor:

- (a) will be deemed to be holding legal ownership of the Property in trust for the Optionee or its designated Affiliate (as the case may be); and

- (b) will not deal with the Property contrary to the provisions of this Agreement.

ARTICLE 3
EXPENDITURES

3.1 Statement of Expenditures and Audit

- (a) Within 90 days following the expiry of a Payment Period in which the Optionee is required by this Agreement to incur Expenditures, the Optionee will provide the Optionor with an itemized statement of Expenditures (the "**Statement of Expenditures**") incurred during that Payment Period.
- (b) The Statement of Expenditures will be conclusive evidence of the making of the Expenditures recorded in the Statement of Expenditures unless, within 30 days after receipt of such Statement of Expenditures (the "**Objection Period**"), the Optionor delivers a written and detailed objection to the Statement of Expenditures to the Optionee.
- (c) If the Optionor delivers such an objection to the Optionee, then the Optionor will be entitled to request that an independent auditor selected by the Optionor (that will, at minimum, be a medium sized accounting firm with experience in the mining industry) audit the Expenditures recorded in the Statement of Expenditures.
- (d) At the conclusion of that audit, the costs of the audit will be paid by the Optionor, unless the auditor determines that the Expenditures set out in the Statement of Expenditures were overstated by more than 10%, in which case the Optionee will pay all costs of the audit. In the event of any overstatement, regardless of amount, the Optionee will forthwith pay the amount of any overstatement to the Optionor, which payment will then be considered Expenditures.
- (e) In all events and whatever the misstatement, only the actual Expenditures so determined (or cash payments made in satisfaction thereof) will constitute Expenditures for the purposes of the relevant Payment Period. For greater certainty, the costs of any such audit, if paid by the Optionee, will not constitute Expenditures under this Agreement. Despite anything in this Agreement to the contrary, the auditor's determination of Expenditures will be final and determinative of the amounts stated in the Statement of Expenditures in question, and will not be or constitute a dispute subject to Article 14.

3.2 Insufficient Expenditures

If, by the end of any Payment Period, or such date to which the end of the Payment Period has been deferred as a result of a Force Majeure as provided for in Article 11, the Optionee fails to incur the full amount of Expenditures for such Payment Period, or it is determined by an auditor under Section 3.1 that the Optionee has failed to incur the full

amount of Expenditures for such Payment Period, the Optionee will nevertheless be deemed to have satisfied the required Expenditures requirement, if:

- (a) the Optionee, within 45 days after the date on which it delivers to the Optionor the Statement of Expenditures under Section 3.1, pays to the Optionor a cash payment in an amount which is equal to the difference between the actual Expenditures incurred by the Optionee and the amount of Expenditures that ought to have been incurred by the Optionee in such Payment Period; or
- (b) in the case where it is determined by an auditor under Section 3.1 that the Optionee has failed to incur the full amount of Expenditures, the Optionee, within 45 days after the date of the auditor's determination, pays to the Optionor a cash payment in an amount which is equal to the difference between the actual Expenditures incurred by the Optionee as determined by the auditor and the amount of Expenditures that ought to have been incurred by the Optionee in such Payment Period.

ARTICLE 4 SECURITIES LAWS

4.1 Securities Laws

- (a) The Optionor acknowledges that the issuance of the Shares by the Optionee to the Optionor as contemplated herein will be made pursuant to an exemption from the prospectus requirements of applicable securities laws, and the Optionor confirms to and covenants with the Optionee that:
 - (i) it will comply with all requirements of applicable securities laws in connection with the issuance to it of the Shares and the resale of any of the Shares;
 - (ii) the Shares have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any state of the United States and the Optionee does not intend to register the Shares under the 1933 Act, or the securities laws of any state of the United States and has no obligation to do so; and
 - (iii) it is not a U.S. Person (as defined in Regulation S promulgated under the 1933 Act) and is not acquiring the Shares for the account or benefit of any U.S. Person.
- (b) Until such time as is no longer required under applicable securities laws, the certificates representing the Shares will bear the following legend:

"Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) *[insert the distribution*

date], and (ii) the date the issuer became a reporting issuer in any province or territory.”

ARTICLE 5
ROYALTY

5.1 Royalty

- (a) The Optionee hereby grants a 2.0% net smelter return royalty (the “**Royalty**”) to the Optionor with respect to production of all Minerals from the Property, with the Royalty to be payable by the Optionee following commencement of Commercial Production. The Royalty shall include the following terms (except as otherwise mutually agreed by the Parties):
- (i) payment of the Royalty shall commence within 30 days after receipt of any proceeds of Commercial Production by the Optionee or its permitted assign(s);
 - (ii) the Optionor shall have the right, at all reasonable times, to inspect such books and financial records of the Optionee as are relevant to the determination of the Royalty and, at its own expense, to make copies thereof;
 - (iii) payment of the Royalty shall apply only to Commercial Production conducted on, in or under the Property; and
 - (iv) the Royalty shall be governed by the terms and conditions and calculated in accordance with the formula set out in Schedule “B” hereto.
- (b) The Royalty will be reduced from 2.0% to 1.0% at any time prior to commencement of Commercial Production on payment by the Optionee or its permitted assign(s) to the Optionor of \$1,500,000.
- (c) Upon the vesting of the Earned Interest, the Optionee will be deemed to have granted the Royalty to the Optionor. The Royalty shall comprise an interest in real property that shall run with and form part of the Property and shall bind the successors and assigns of the Optionee. The Royalty shall attach to any amendments, relocations or conversions of any mining claims or leases comprising the Property, or to any renewals or extensions of leases, and to any mineral rights acquired by the Optionee and any Affiliates in lands embraced within the Property within one year after the loss or relinquishment of any mining claim or lease comprising the Property.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Conditions Precedent

This Agreement and the obligations of the Parties under it are subject to the satisfaction or waiver of each of the following conditions:

- (a) the approval of the board of directors of the Optionor;
- (b) the approval of the board of directors of the Optionee; and
- (c) the Parties obtaining all necessary third party consents to the dealings with the Property contemplated by this Agreement, including any consent or approval that is required under applicable laws or by virtue of a condition or covenant of any Mineral Rights or Other Rights forming part of the Property.

The conditions precedent are for the benefit of each Party and cannot be waived or extended unless agreed in writing by each Party.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 Mutual Representations and Warranties

Each Party represents and warrants to the other Party that, except as provided in this Agreement:

- (a) it is duly formed in its place of organization;
- (b) it is in good standing with respect to the filing of annual reports under the legislation under which it is incorporated or existing;
- (c) it has full legal capacity and power to carry on its business, to enter into this Agreement and to perform its obligations under this Agreement;
- (d) it has taken all corporate action necessary to authorize its entry into this Agreement and to perform its obligations under this Agreement;
- (e) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy, subject to laws generally affecting creditors' rights and to principles of equity;
- (f) the execution, delivery and performance of this Agreement by it does not and will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under its constating documents, any material term or provision of any undertaking, agreement, deed or security arrangement, or any writ, order, injunction, judgment, law, rule or

regulation to which it is a party or is subject, or by which it or any of its property is bound;

- (g) no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or, to the best of its knowledge, threatened against it which, if adversely decided, could, in the reasonable opinion of the Party's management, have a material adverse effect on the Party's business, assets or financial condition such as to materially impair its ability to perform its obligations under this Agreement;
- (h) no liquidator, trustee in bankruptcy, receiver, receiver manager or other external administrator is currently appointed in relation to it or any of its property; and
- (i) to the best of its knowledge, there are no facts, matters or circumstances which give any Person the right to appoint or to apply to appoint (as the case may be) a liquidator, trustee in bankruptcy, receiver, receiver manager or other external administrator to it or any of its property.

7.2 Optionee's Representations and Warranties

The Optionee represents and warrants to the Optionor that:

- (a) the Shares that may be issued and delivered as directed by the Optionor under this Agreement will be, at the time of their issuance and delivery, validly allotted and issued as fully paid and non-assessable common shares in the capital of the Optionee, and the issuance thereof will not be subject to any pre-emptive or other similar right; and
- (b) it is not aware of any material fact or circumstance which has not been disclosed to the Optionor which should be disclosed in order to prevent the representations and warranties in this section from being misleading or which are material to grant the Option to the Optionee.

7.3 Optionor's Representations and Warranties

The Optionor makes the following representations and warranties to the Optionee:

- (a) it is the sole registered and beneficial owner of a 100% undivided interest in the Property;
- (b) all of the Mineral Rights comprising the Property have been validly and properly located, staked, tagged and recorded in accordance with the laws of the jurisdiction in which the Property is located and there are no disputes threatened, or now existing, of which it is aware as to title to, or the staking or recording of, those Mineral Rights;
- (c) the Property and the Optionor's interest in the Property are free and clear of any Encumbrance;

- (d) it and its Personnel have conducted all activities on or in respect of the Property in compliance with, and to the best of its knowledge, all conditions on the Property are 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;
- (e) there are no adverse Claims against, or to the ownership of, or title to, the Property or any challenge to its right, title or interest in the Property, nor, to the best of its knowledge, is there any basis for any potential or future claims;
- (f) the Mineral Rights and Other Rights comprising the Property are fully and accurately described in Schedule "A" hereto, and there are no other Mineral Rights or Other Rights that would properly be considered part of the Property;
- (g) to the best of its knowledge, there have been no past violations of any Environmental Laws or other laws affecting or pertaining to any of the Property, nor any past creation of damage or threatened damage to the air, soil, surface waters, ground water, flora, fauna or other natural resources on or about the Property;
- (h) to the best of its knowledge, no hazardous materials or other materials used in or generated by the use of the Property have been or are currently placed, used, stored, treated, manufactured, disposed of, released, discharged, spilled or emitted on or from the Property in material violation of any Environmental Laws;
- (i) there is no agreement or consent order to which the Optionor is a party relating to any environmental matter relating to the Property and, to the best of the Optionor's knowledge, no such agreement is necessary for continued compliance with Environmental Laws;
- (j) it has not received any inquiry or notice of a pending investigation from any Governmental Authority or notice of any administrative or judicial proceeding concerning the violation of any laws, including Environmental Laws, relating to the Property;
- (k) it has not received any notice of expropriation of all or any of the Property nor does the Optionor have knowledge of any expropriation proceeding pending or threatened against or affecting the Property, nor of any discussions or negotiations which could lead to any such expropriation; and
- (l) it is not aware of any material fact or circumstance which has not been disclosed to the Optionee which should be disclosed in order to prevent the representations and warranties in this section from being misleading or which may be material to the Optionee's decision to enter into this Agreement and acquire an interest in the Property.

7.4 Survival of Representations and Warranties

The representations and warranties set out in this Article 7 will be treated as re-made and be binding upon each Party as at the Closing Date and each Party will immediately notify the other Party if any of its representations and warranties set out in this Article 7 are not true and correct in any material respect at any time prior to the Closing. The representations and warranties set out in this Article 7 will survive the Closing for a period of six months.

7.5 Indemnity

- (a) Each Party agrees to indemnify the other Party from and against any Claim which the other Party suffers, sustains or incurs arising out of or in connection with the:
 - (i) material breach of any representation or warranty given or made by a Party under this Agreement; or
 - (ii) material breach of, or failure by, a Party or its Personnel to perform any covenant or obligation of that Party under this Agreement.
- (b) It is not necessary for a Party to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.

ARTICLE 8 OPTIONEE RIGHTS AND OBLIGATIONS

8.1 Operator

The Optionee will be the operator responsible for carrying out the Operations until the termination of this Agreement.

8.2 Third Party Operator

Except for an Affiliate of the Optionee, no other Person may be retained to carry out the Optionee's duties as operator under Section 8.4 unless such Person agrees in writing to be bound by all of the same duties and obligations imposed on the Optionee as operator under this Agreement and, in particular, under this Article 8.

8.3 Rights of Operator

During the term of this Agreement, the Optionee, as operator, will have:

- (a) full physical possession of the Assets and all powers and authorities necessary or desirable to enable it to carry out or procure the carrying out of all Operations; and
- (b) without limiting Section 8.3(a), the sole and exclusive right to:

- (i) enter in, under or upon the Property and to conduct the Operations and related activities on the Property;
- (ii) exclusive and quiet possession of the Property;
- (iii) build access roads, drill pads and temporary structures upon the surface of the Property for use by the Optionee and its Personnel;
- (iv) carry out surface and underground exploration on the Property for Minerals, including, without limitation, conducting geological, geochemical and geophysical surveys and drilling programs, and collecting bulk samples for metallurgical test work;
- (v) use any Other Rights, if any, and make application for any such Other Rights as may be required in the circumstances;
- (vi) apply for and hold all permits, licenses and other approvals deemed necessary or appropriate by the Optionee in connection with the conduct of exploration activities;
- (vii) bring upon and erect upon the Property such buildings, plant, machinery and equipment as it may deem advisable;
- (viii) remove from the Property and dispose of, reasonable quantities of Minerals for the purpose of obtaining assays or making other tests; and
- (ix) do such prospecting, exploration, development or other mining work on and under the Property as it may deem necessary or desirable.

8.4 Operator's Obligations

During the term of this Agreement, the Optionee, as operator, will:

- (a) conduct all Operations in a manner consistent with good exploration, engineering and mining practice and in compliance in all material respects with any applicable laws, rules, orders and regulations, including the carrying and maintaining of liability insurance on employees, all laws and regulations regarding reclamation, protection of the environment or human health, and applicable Environmental Laws with respect to the Property;
- (b) maintain the Property in good standing as required by applicable laws, including by payment of taxes or other charges, the doing and filing of all necessary work, as assessment work or otherwise, and the doing of all other acts and things, and making of all other payments, as may be necessary in that regard;
- (c) acquire all federal, provincial, and local permits required for the Operations;

- (d) be responsible for reclamation of those areas disturbed by the Optionee's activities and will post any operating and reclamation bonds required by regulatory agencies for work on the Property;
- (e) keep the Property free and clear of all Encumbrances (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by the Optionee) and to proceed with all diligence to contest and discharge any such Encumbrance that is filed;
- (f) appoint, as of the Closing Date, a manager, ensure that there is a Person acting in the capacity of manager at all times, and notify the inspector and the Optionor in writing of the name of the manager, prior to commencing any operations at the Property in accordance with Section 21 of the *Mines Act* (British Columbia);
- (g) on 14 days' prior notice by the Optionor and at the Optionor's sole risk and expense, permit any Personnel of the Optionor access to the Property at all reasonable times for the purpose of inspecting the work being done by the Optionee, provided that such inspection does not unduly interfere with any work being carried out by or on behalf of the Optionee, and further provided that the Optionor's Personnel shall comply with all applicable safety regulations and policies during such inspection, and the Optionor shall indemnify and save harmless the Optionee from any Claim arising in connection with such inspection that is the direct result of action of Personnel of the Optionor;
- (h) on 14 days' prior notice by the Optionor, permit the Optionor access to all data, reports or results generated with respect to the exploration and development of the Property; and
- (i) deliver to the Optionor, on a semi-annual basis, reports with respect to the exploration and development of the Property, and all factual maps, reports, assay results and other factual data and documentation relating to the Operations. The Optionor will be entitled to audit any Expenditures incurred by the Optionee as set out in the annual reports at the Optionor's sole expense.

8.5 Reclamation

The Optionee will be responsible for reclamation of all disturbances caused by any of the Operations, and to the extent possible, the Optionee will conduct reclamation concurrently with any such disturbance. Notwithstanding any termination of this Agreement, the Optionee agrees to undertake reclamation and closure monitoring of the Property to the extent required by all applicable laws and permits.

8.6 Participation in Consultation

The Parties agree that, during the term of this Agreement, the Optionor will be entitled, at all times, to participate in any and all scheduled discussions and consultation with any First Nations with respect to any matters pertaining to the Property, including the

permitting thereof, and the Optionee will provide the Optionor with details of any unscheduled discussions as may occur with any First Nation.

8.7 Indemnity of the Optionor

The Optionee will indemnify the Optionor and its Personnel from and against any Claim made or brought by any Person against the Optionor or their Personnel (a "Non-Party Claim") which arises as a consequence of:

- (a) any act or omission of the Optionee or its Personnel in the performance of the Operations; or
- (b) the breach of, or failure to comply with, any applicable law by the Optionee or its Personnel in the performance or purported performance of the Operations.

Notwithstanding the foregoing, the Optionee will not be required to indemnify the Optionor with respect to any Claims arising from environmental matters related to the Property which predate the Closing Date or which otherwise arise as a result of the Optionor's actions.

8.8 Obligation to Inform

During the term of this Agreement, each Party will, and will cause its Affiliates to:

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

ARTICLE 9 TITLE

9.1 Registered Title

The Optionor (or its nominee/trustee) will remain the registered and beneficial holder of all of the Mineral Rights and Other Rights comprising the Property until the exercise of the Option, at which time the Property will be registered in the name of the Optionee in accordance with Section 2.5.

9.2 No Encumbrance

Except as provided in this Agreement, after the Closing Date, the Optionor will not deal or attempt to deal with its right, title and interest in or to the Assets or its rights under

this Agreement, and will not cause or allow any Encumbrance to be given or granted in, in respect of, or over its right, title and interest in or to the Assets.

9.3 No Abandonment

Neither Party will abandon or surrender any of the Mineral Rights or the Other Rights comprising the Property without the prior written consent of the other Party.

ARTICLE 10 ASSIGNMENT

10.1 Limitations on Assignments

- (a) Subject to Sections 10.2 and 10.3, a Party (the “**Assigning Party**”) will not assign its rights under this Agreement without the prior written consent of the other Party (the “**Non-Assigning Party**”), such consent not to be unreasonably withheld.
- (b) No assignment will be effective unless and until the proposed assignee enters into an agreement with the Non-Assigning Party by which the proposed assignee agrees to be bound by the provisions of this Agreement as if it was an original party to this Agreement in the place of the Assigning Party.
- (c) In this Article 10, “**assign**” includes to:
 - (i) sell, transfer, licence, franchise or otherwise dispose or part with possession of; and
 - (ii) mortgage, charge, grant a lien, pledge, hypothecate, declare a trust in respect of, or grant any interest in, by way of security or otherwise.

10.2 Assignment to Affiliates

A Party may assign this Agreement to an Affiliate of that Party. An assignment to an Affiliate will be subject to the Affiliate and the Assigning Party entering into an agreement with the Non-Assigning Party, in form and substance satisfactory to the Non-Assigning Party, acting reasonably, by which:

- (a) concurrently with the assignment of this Agreement by the Assigning Party to the Affiliate, the legal and beneficial interest of the Assigning Party in the Assets is assigned to the Affiliate;
- (b) the Affiliate agrees to assume the obligations of the Assigning Party under this Agreement and be bound by this Agreement;
- (c) the Assigning Party agrees that it will remain jointly and severally liable with the Affiliate for all obligations and liabilities of the Assigning Party under this Agreement;

- (d) the Assigning Party and its Affiliate agree that the Non-Assigning Party may, at its sole option, have recourse against either or both the Assigning Party and the Affiliate for any and all obligations or liabilities of the Assigning Party under this Agreement; and
- (e) the Affiliate agrees with the Non-Assigning Party, in writing, to re-assign its right, title and interest it holds in the Assets and this Agreement to the Assigning Party (as long as the Assigning Party at the time of such re-assignment remains under the same control as at the Closing Date and, if not, then to another Person which is so controlled) before ceasing to be an Affiliate of the Assigning Party.

10.3 Exceptions

Nothing in this Article 10 applies to or restricts in any manner an amalgamation or corporate reorganization involving a Party which has the effect in law of the amalgamated or surviving corporation possessing all the property, rights and interests, and being subject to all the debts, liabilities and obligations, of each amalgamating or predecessor corporation.

ARTICLE 11 FORCE MAJEURE

11.1 Notice of Force Majeure

Subject to Section 11.4, a Party will not be liable for any delay or failure to perform any of its obligations under this Agreement (other than an obligation of indemnification or to pay money) if, as soon as reasonably possible after the beginning of the Force Majeure affecting the ability of the Party to perform any of its obligations under this Agreement, it gives notice to the other Party in accordance with Section 11.2 and otherwise complies with the provisions of this Article 11.

11.2 Force Majeure Notice

A notice given under Section 11.1 will:

- (a) specify the obligations the Party cannot perform;
- (b) fully describe the Force Majeure;
- (c) estimate the time during which the Force Majeure is expected to continue; and
- (d) specify the measures proposed to be adopted to remedy or abate the Force Majeure.

11.3 Obligation to Remedy and Mitigate

The Party that is prevented from carrying out its obligations under this Agreement as a result of Force Majeure will:

- (a) remedy the Force Majeure to the extent reasonably possible and resume performance of its obligations as soon as reasonably practicable; and
- (b) take all action reasonably practicable to mitigate any liability suffered by the other Party as a result of its failure to carry out its obligations under this Agreement.

Despite the foregoing, nothing in this Section 11.3 will require the Party that is prevented from performing its obligations under this Agreement as a result of Force Majeure to resolve or compromise any labour dispute or to question or to test the validity of any law, rule, regulation or order of any Governmental Authority or to perform its obligations under this Agreement if a Force Majeure renders performance impossible.

11.4 Effect of Force Majeure on Time and Payment

- (a) In the event of a Force Majeure, any time period provided for in this Agreement will be extended by a period equivalent to the period of delay or such longer period as is reasonable in the circumstances.
- (b) If at any time before the exercise of the Option by the Optionee a Force Majeure arises, then, from the date that the Force Majeure arises until the Force Majeure is remedied or abates, the Optionee will, subject to Sections 11.4(c) and 11.4(d), not be obliged to incur any Expenditures. Notwithstanding the foregoing, during the period of a Force Majeure, the Optionee will make such Expenditures as is necessary to pay any maintenance, rental, holding fee, or other payment required to maintain the Property in good standing.
- (c) If at any time before the exercise of the Option by the Optionee, a Force Majeure arises, and if the Force Majeure is remedied or abates at any time before the expiration of one year from the date on which the Force Majeure first arose, then, in order to keep the Option in good standing, subject to Section 11.4(a), the Optionee will incur the Expenditures that, but for the Force Majeure, the Optionee would have been required to incur under this Agreement.
- (d) If at any time before the exercise of the Option by the Optionee, a Force Majeure arises, and if the Force Majeure does not remedy or abate at any time by the expiration of one year from the date on which the Force Majeure first arose, then the Optionee will, within 60 Business Days after the expiration of one year from the date on which the Force Majeure first arose, by notice in writing to the Optionor, elect to either:
 - (i) terminate this Agreement; or
 - (ii) not terminate this Agreement, in which case the Optionee will incur the Expenditures that, but for the Force Majeure, the Optionee would have been required to incur under this Agreement.

- (e) If the Optionee elects not to terminate this Agreement under Section 11.4(d)(ii), then the Optionee will not be required to incur any Expenditures that, but for the Force Majeure, the Optionee would have been required to incur under this Agreement until such time as the Force Majeure is remedied or abates. If the Force Majeure is subsequently remedied or abates then, subject to Section 11.4(a), the Optionee will incur the Expenditures that, but for the Force Majeure, the Optionee would have been required to incur under this Agreement during the period of Force Majeure. Notwithstanding the foregoing, during the period of a Force Majeure, the Optionee will make such Expenditures as are necessary to pay any maintenance, rental, holding fee, or other payment required to maintain the Property in good standing.

ARTICLE 12
CONFIDENTIAL INFORMATION

12.1 Confidentiality

Each of the Parties agrees that this Agreement, all information (whether in tangible or electronic form) exchanged between the Parties or their Affiliates under this Agreement, and all information concerning or relating to the Property or the Operations of which it becomes aware, whether or not marked as confidential (the “**Confidential Information**”), is confidential, will be kept confidential, and will not be disclosed to any Person at any time or in any manner except: (a) with the prior written consent of the other Party; (b) to the extent that the Confidential Information was publicly available at the Closing Date or becomes publicly available subsequent to the Closing Date without breach of this Agreement; (c) as may be necessary in seeking approval of any Governmental Authority: (i) to maintain the Property or acquire additional Mineral Rights or Other Rights, or (ii) to perform the Operations; (d) by a Party to legal, financial and other professional advisers, auditors and other consultants, officers and employees of: (i) that Party, or (ii) that Party’s Affiliates, in any case requiring the information for the purposes of this Agreement (or any transactions contemplated by this Agreement), or for the purpose of advising that Party in relation to this Agreement; (e) to the extent required by law or by a lawful requirement of any Governmental Authority or stock exchange having jurisdiction over the Party or an Affiliate thereof; (f) if necessary or commercially desirable to be disclosed in any offer document, prospectus or information memorandum for an issue or disposal of any securities of a Party or an Affiliate thereof; (g) if required in connection with legal proceedings relating to this Agreement or for the purpose of advising a Party in relation to legal proceedings; (h) to any *bona fide* enquirer contemplating the direct or indirect purchase of an interest of a Party under this Agreement or a business combination with or financing by a Party or to an Affiliate thereof as long as the enquirer or the Affiliate has first entered into an agreement in favour of the Parties to preserve confidentiality of information disclosed in a manner at least as onerous on the enquirer or Affiliate as this Section 12.1 is onerous on the Parties; (i) to a banker or other financial institution considering the provision of financial accommodation to a Party or an Affiliate thereof, or to a trustee, representative or agent of that banker or financial institution; or (j) to a stock exchange (including any regulator or securities commission having jurisdiction over a stock exchange) or similar public

market for trading shares upon which securities of a Party or an Affiliate thereof are quoted after the reasonable prior consultation, if practicable, with the other Party taking place as to the nature and form of the disclosure (which does not imply that the consent or approval, of the other Party will or need be obtained). Despite the foregoing, any compelled disclosure will be only to the minimum standards required by the applicable stock exchange, regulator, securities commission or law.

12.2 Disclosure to Personnel

If a Party discloses Confidential Information to its Personnel, then that Party will ensure that any such Personnel:

- (a) are informed of the confidential nature of the Confidential Information disclosed and the Party's obligations under this Article 12; and
- (b) comply with the terms of this Article 12 as if they were bound by it.

12.3 News Releases

The text of any proposed news release or other public statement ("**Public Disclosure**") which a Party intends to make with respect to the Property or this Agreement will be made available to the other Party at least two Business Days prior to publication of the proposed Public Disclosure. The other Party will have one Business Day to review and comment on the proposed Public Disclosure. Any comments of the other Party concerning the proposed Public Disclosure will be considered in good faith by the Party who intends to make the Public Disclosure and the Public Disclosure will, as is reasonable, be amended accordingly. Despite the foregoing, if Public Disclosure in a media release will be made in a period shorter than two Business Days to comply with legal requirements, then the disclosing Party will give the other Party as much time as reasonably possible to review and comment on the proposed Public Disclosure.

12.4 Effect of Disclosure

Any consent of a Party given to another Party to disclose Confidential Information or to make a Public Disclosure will not be considered an approval or certification of the consenting Party:

- (a) as to the accuracy of any information contained in that Confidential Information or Public Disclosure; or
- (b) that the Confidential Information or Public Disclosure complies with applicable law or the rules, policies, by-laws and disclosure standards of any Governmental Authority, stock exchange, regulator or securities commission.

ARTICLE 13
TERMINATION AND REMEDIES

13.1 Optionee's Election to Terminate Without Cause

The Optionee may elect to terminate this Agreement by delivering 30 days' notice to that effect to the Optionor, provided that the Optionor will be entitled to retain any Cash Payments and Shares received by the Optionor in accordance with Section 2.2(a) prior to such notice of termination.

13.2 Events of Default

A Party may terminate this Agreement by notice in writing to the other Party if:

- (a) the other Party (the "**Defaulting Party**") commits a material breach of any provision of this Agreement, and:
 - (i) the breach is incapable of remedy, or
 - (ii) the breach is capable of remedy and:
 - A. the Party has given notice to the Defaulting Party specifying the breach and requesting that it be remedied, and
 - B. the Defaulting Party has failed to take reasonable steps to commence rectifying that breach (or overcome its effects) within 30 days of receiving that notice; or
- (b) any one of the following occurs in relation to the other Party (the "**Insolvent Party**"):
 - (i) the Insolvent Party becomes, or informs the other Party, creditors of the Insolvent Party generally or any particular creditor of the Insolvent Party that it is, insolvent or unable to pay its debts as and when they fall due,
 - (ii) a liquidator, provisional liquidator, receiver, assignee, custodian, trustee, sequester or an analogous Person is appointed to, or in respect of, the Insolvent Party or any of its property,
 - (iii) the Insolvent Party enters into, or calls a meeting of its shareholders or creditors with a view to entering into, a composition, compromise or arrangement with, or an assignment for the benefit of, any of its shareholders or creditors, or a court orders that a meeting be convened in respect of a proposed composition, compromise or arrangement between the Insolvent Party and its creditors or any class of its creditors, other than for the purpose of reconstruction or amalgamation,

- (iv) the Insolvent Party has any *bona fide* execution, writ of execution, *mareva* or standstill injunction or similar order, attachment or other process made, levied or issued against it or in relation to any of its assets,
- (v) any *bona fide* application is made or other process commenced (not being an application or process withdrawn, discontinued or dismissed within 30 days of being filed) seeking an order for the appointment of a provisional liquidator, a liquidator, a receiver or a receiver manager to the Insolvent Party,
- (vi) the Insolvent Party is declared bankrupt or has filed for some form of protection from its creditors under applicable laws relating to or governing bankruptcy,
- (vii) there is a resolution of creditors or members, or an order of a court, to place in liquidation or bankruptcy or wind up the Insolvent Party, or
- (viii) an event happens analogous to an event specified in Sections 13.2(b)(i) to 13.2(b)(vii) to which the law of another jurisdiction applies and the event has an effect in that jurisdiction similar to the effect which the event would have had if the law of Canada applied.

13.3 Personnel and Affiliates

For the purposes of this Agreement a breach of any provision of this Agreement by the Personnel or any Affiliate of a Party or any Affiliate thereof will be deemed to be a breach by that Party.

13.4 Post-Termination Obligations

If, prior to the exercise of the Option by the Optionee, this Agreement is terminated for any reason, then:

- (a) the Optionee will be responsible for ensuring that at least one year of assessment work have been filed and applied with respect to the Property;
- (b) the Optionee will have no interest in the Property and the Optionee will leave the Property free and clear of any Encumbrance resulting from the Operations conducted by it on the Property;
- (c) the Optionee will deliver to the Optionor, within 60 days after the date of termination, copies of all Exploration Data obtained by the Optionee or its Personnel;
- (d) the Optionee will comply in all material respects with applicable laws and regulations regarding reclamation in relation to Operations conducted by it on the Property;

- (e) any plant, building, machinery, tools, equipment, camp facilities and supplies (other than the Assets) owned, leased or otherwise held by the Optionee or its Personnel (collectively, the “**Equipment**”) and brought and placed on or in the Property in connection with the Operations will remain the Optionee’s exclusive property and may be removed by the Optionee at any time within a period of 120 days following the termination of this Agreement, but, if the Optionee has not removed all the Equipment within that 120 day period, then the Equipment not so removed thereafter will become the absolute property of the Optionor or, at the Optionor’s option, may be removed by the Optionor in a commercially reasonable manner at the Optionee’s expense. All the Equipment, until it becomes the Optionor’s property or is removed from the Property, will be the sole responsibility of the Optionee, and the Optionor will have no liability with regard to it;
- (f) the Optionor will have the option of requiring the Optionee to remove all drill core and racks and boxes containing drill core from the Property at the Optionee’s expense; and
- (g) the Optionee will vacate the Property within a reasonable time after termination, but the Optionee will have a right of access to the Property for a period of 120 days thereafter for the sole purpose of performing the obligations contained in this Section 13.4, and shall have the right to access the Property to the extent necessary to discharge its obligations pursuant to Section 8.5, provided that the Optionee shall indemnify and save harmless the Optionor from any Claim arising in connection with such activities resulting from action of the Optionee or any Personnel thereof during their access to the Property.

13.5 Consequences of Termination

- (a) Subject to Sections 13.4 and 16.13, if this Agreement is terminated, then each Party will be released from further performance of its obligations under this Agreement.
- (b) Termination of this Agreement will not derogate from, affect or prejudice any rights or remedies of a Party whether arising under this Agreement or at law that have accrued prior to the date of, or arise as a consequence of, the termination.

ARTICLE 14 DISPUTES

14.1 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Parties agree that the courts of British Columbia will have sole jurisdiction to entertain any action or other legal proceeding based on any provision of this Agreement and the Parties agree to attorn to the exclusive jurisdiction of such courts.

14.2 Dispute Resolution

All disputes arising under or in connection with this Agreement which cannot be resolved by agreement between the Parties will be resolved in accordance with applicable laws. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Agreement, the successful or substantially prevailing Party will be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

ARTICLE 15 NOTICE

15.1 Notices

Notice. Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered or electronically mailed to such Party at the address for such Party specified above. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered or, if given by electronic mail, shall be deemed conclusively to be the next business day. Either Party may at any time and from time to time notify the other Party in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

ARTICLE 16 GENERAL

16.1 Relationship of Parties

The Parties agree and declare that this Agreement is not, and will not be construed as constituting, an association, corporation, mining partnership or any other kind of partnership and, except as expressly provided otherwise in this Agreement, nothing in this Agreement will be deemed to constitute a Party a partner, agent or legal representative of any other Party for any purpose whatsoever or create a fiduciary relationship between the Parties.

16.2 No Holding Out

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

16.3 Other Activities and Interests

(a) The rights and obligations of the Parties under this Agreement are strictly limited to the Property. Each Party may enter into, conduct and benefit from any business venture of any kind whatsoever, whether or not competitive with the

activities undertaken under this Agreement, without disclosing those activities to the other Party or inviting or allowing the other Party to participate in that business venture.

- (b) Except to the extent expressly provided otherwise in this Agreement, and, without limiting Section 16.3(a), nothing in this Agreement will prevent, or may be construed to prevent, a Party from: (i) acquiring any Mineral Right or interest in any Mineral Right outside of the Property; (ii) acquiring any Mineral Right or interest in any Mineral Right within the Property that has been abandoned or surrendered in accordance with this Agreement; or (iii) using, for any reason not related to the Property, any geological, geophysical, geochemical, metallurgical or operational concept, model or principle of any kind, and each Party will be free to so acquire and use, with no obligation whatsoever to the other Party.

16.4 Recording of this Agreement

This Agreement, or a memorandum of this Agreement, will, upon the written request of a Party, be recorded in the office of any Governmental Authority identified in the written request of the requesting Party, in order to give notice to other Persons of that Party's interests that arise under this Agreement. Each Party agrees with the requesting Party to execute those documents that may be necessary to perfect such recording.

16.5 Entire Agreement

This Agreement, including any schedules hereto, contains the entire understanding of the Parties, and supersedes all prior agreements and understandings between the Parties, with respect to the subject matter hereof.

16.6 Amendment and Variation

This Agreement may not be amended, modified, varied or supplemented except in writing signed by each of the Parties.

16.7 Consents or Approvals

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

16.8 Waiver

The failure of either Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof will not constitute a waiver of any provision of this Agreement or limit such Party's right thereafter to enforce any provision or exercise any right.

16.9 Costs and Outlays

Each Party will pay its own costs and expenses connected with the preparation, negotiation and execution of this Agreement, including all legal, accounting and brokers or finders fees and disbursements relating to this Agreement.

16.10 Manner of Payment

Any payment to be made to a Party may be made by electronic funds transfer to that Party's bank as designated by that Party by notice from time to time. That bank will be deemed the agent of the designating Party for the purposes of receiving, collecting and receipting such payment.

16.11 Further Assurances

Each Party will promptly, at its own cost, do all things (including executing and, if necessary, delivering all documents) reasonably necessary or desirable to give full effect to this Agreement and the transactions contemplated by it.

16.12 Special Remedies

Each Party acknowledges and agrees that:

- (a) any breach by it of Article 10 (Assignment) or Article 12 (Confidential Information) would constitute an injury and cause damage to the other Party which is impossible to measure monetarily;
- (b) monetary damages alone would not be a sufficient remedy for a breach of Article 10 or Article 12;
- (c) in addition to any other remedy which may be available in law or equity, a Party is entitled to interim, interlocutory and permanent injunctions or any of them to prevent breach of Article 10 or Article 12 and to compel specific performance of either or both of such Articles; and
- (d) any Party intending to breach, or which breaches, Article 10 or Article 12 hereby waives any defence it may have at law, in equity or under statute to such injunctive or equitable relief.

16.13 Survival

Sections 7.5, 8.5, 8.7, 12.1, 12.2, 12.2(b), 13.4, 13.5, 14.1, 14.2, 16.1, 16.2, 16.8, 16.9, 16.11, 16.12, 16.13, 16.15 and 16.16, and all limitations of liability and rights accrued prior to completion, termination or expiration of this Agreement, will not merge on completion, termination or expiration of this Agreement, but will continue in full force and effect after any termination or expiration of this Agreement, as will any other provision of this Agreement which expressly, or by implication from its nature, is intended to survive the termination or expiration of this Agreement.

16.14 Conflicts of Interest and Corrupt Practices

Each Party will comply with all applicable anti-corruption laws of all jurisdictions, including all relevant laws of Canada and the United States (each, an "**Anti-Corruption Law**"). Each Party will not give or offer to give, receive, or agree to accept, any payment, gift or other advantage which violates an Anti-Corruption Law.

16.15 Severability

If anything in this Agreement is unenforceable, illegal or void, then it is severed and the rest of this Agreement remains in full force and effect. Where a provision of this Agreement is prohibited or unenforceable, the Parties will negotiate in good faith to replace the invalid provision by a provision which is in accordance with applicable laws and which will be as close as possible to the Parties' original intent, and appropriate consequential amendments (if any) will be made to this Agreement.

16.16 Successors and Assigns

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

16.17 Counterparts and Electronic Delivery

This Agreement may be executed by the Parties in any number of counterparts, and it will not be necessary that the signatures of both Parties be contained on any one counterpart. Executed copies of this Agreement may be delivered by the Parties by email or other form of electronic transmission capable of producing a printed copy. Each counterpart so executed and delivered will be deemed to be an original, will constitute one and the same instrument, and, notwithstanding the date of execution, will be deemed to be executed as of the date first set forth above.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

CONTIGO RESOURCES LTD.

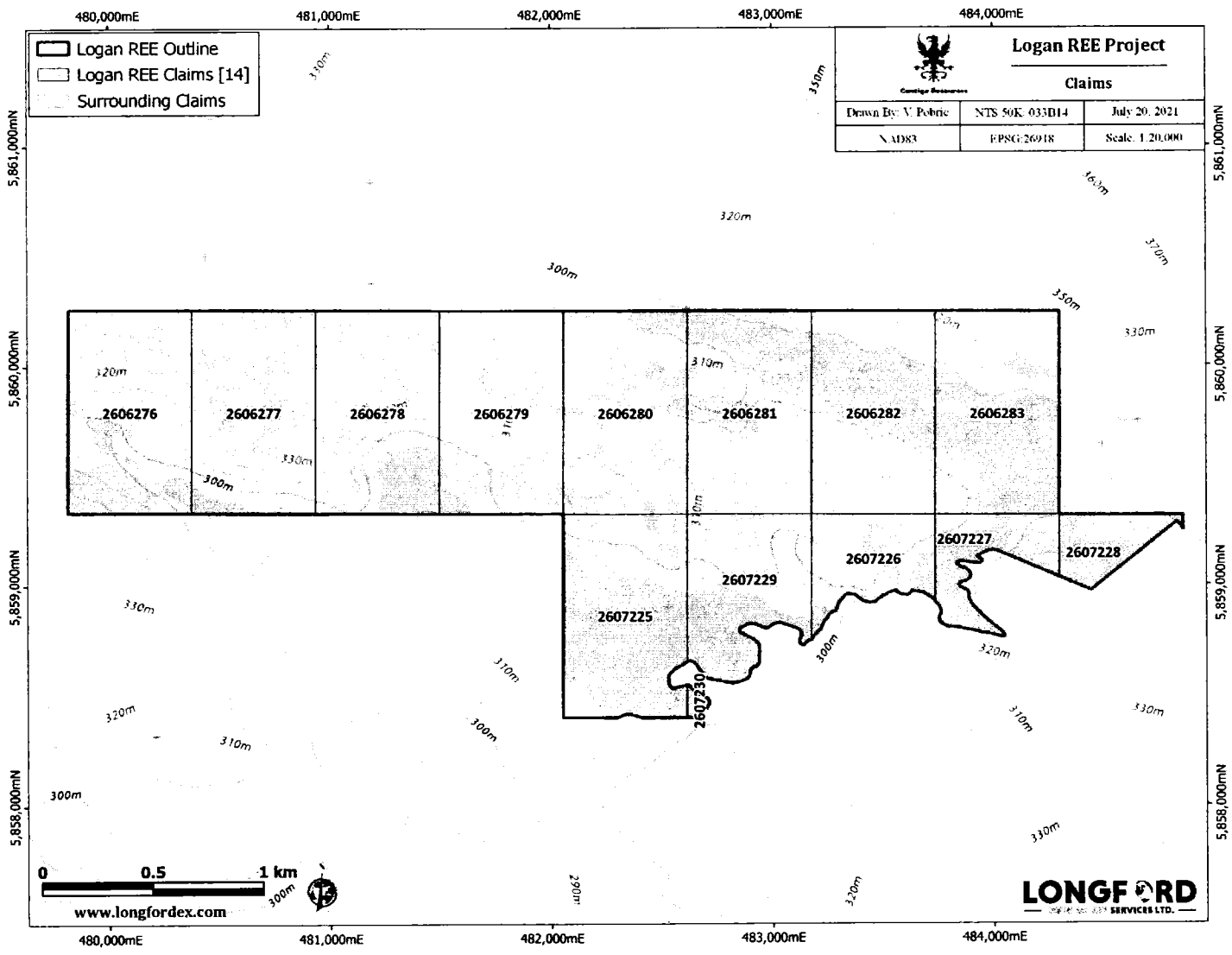
Per: "James Rogers"
Authorized Signatory

OFF-PISTE OPPORTUNITIES II INC.

Per: "Authorized Signatory"
Authorized Signatory

SCHEDULE "A"
PROPERTIES

Count	Claim ID	Holder	Reg. Date	Expiry Date	Area (ha)	Annual Work Req's	Req'd Fees	Exp. Reserve
1	2606276	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
2	2606277	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
3	2606278	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
4	2606279	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
5	2606280	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
6	2606281	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
7	2606282	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
8	2606283	Contigo Resources Ltd. (98302) 100%	2021-04-19	2023-04-18	51.98	\$135.00	\$156.00	\$0.00
9	2607225	Contigo Resources Ltd. (98302) 100%	2021-05-07	2023-05-06	51.19	\$135.00	\$156.00	\$0.00
10	2607226	Contigo Resources Ltd. (98302) 100%	2021-05-07	2023-05-06	22.48	\$48.00	\$34.25	\$0.00
11	2607227	Contigo Resources Ltd. (98302) 100%	2021-05-07	2023-05-06	17.26	\$48.00	\$34.25	\$0.00
12	2607228	Contigo Resources Ltd. (98302) 100%	2021-05-07	2023-05-06	12.05	\$48.00	\$34.25	\$0.00
13	2607229	Contigo Resources Ltd. (98302) 100%	2021-05-07	2023-05-06	35.84	\$120.00	\$124.00	\$0.00
14	2607230	Contigo Resources Ltd. (98302) 100%	2021-05-07	2023-05-06	0.94	\$48.00	\$34.25	\$0.00
TOTALS					555.6	\$1,527	\$1,665	\$0.00



SCHEDULE "B"
NET SMELTER RETURN ROYALTY

1. Definitions

1.1 Terms defined in the Option Agreement to which this Schedule "B" (this "**Schedule**") is attached and used in this Schedule shall have the meanings ascribed to them in the Option Agreement.

2. Net Smelter Return Royalty

2.1 The Royalty payable to the Optionor pursuant to Section 4 of the Mineral Property Purchase Agreement to which this Schedule is attached will be equal to 2.0% of the net smelter return (the "**Net Smelter Return**").

2.2 The Net Smelter Return shall be the net amount of money received from the sale of ore, or ore concentrates or other products, from the Properties to a smelter or other ore buyer after deduction of smelter and/or refining charges, ore treatment charges, penalties and any and all charges made by the Optionee of ore or concentrates, less any and all transportation costs which may be incurred in connection with the transportation of ore or concentrates, less all umpire charges which the Optionee may be required to pay.

3. Payment of the Royalty

3.1 Payment of the Royalty to the Optionor shall be made quarterly within 60 days after the end of each calendar quarter. Within 90 days after the end of each calendar year in which the Royalty is payable to the Optionor, the records relating to the calculation of the Royalty for such year shall be audited and any resulting adjustments in the Royalty payable to the Optionor shall be made forthwith.

3.2 If the Optionor is not satisfied with the results of the audit carried out pursuant to Section 3.1, the Optionor will have the right, exercisable for a period of 30 days after the completion of the audit and the delivery of any adjustment payment made under Section 3.1, to request an additional audit of the records relating to the calculation of the Royalty for the year in question. If an audit is requested pursuant to this section, such audit shall be conducted by an auditor mutually agreed upon between the Parties. If it is determined pursuant to an audit conducted under this section that the Optionor is entitled to be paid an additional amount over and above the Royalty payment (together with any adjustments) actually paid for the year in question, the Optionee shall pay the Optionor such additional amount as is determined to be payable pursuant to the audit conducted under this section. If the discrepancy between the amount of the Royalty payment (together with adjustments) made under Section 3.1 and the amount determined to have been payable pursuant to an audit completed under this section (assuming such amount is larger than the amount actually paid) is equal to or greater than 5%, then the Optionee shall bear the costs of the audit carried out under this section. If such discrepancy is less than 5% or it is determined as a result of the audit

carried out under this section that the Optionor is entitled to be paid less than the Optionor was paid under Section 3.1, then the Optionor shall bear the costs of the audit carried out under this section.

4. Record Keeping and Audits

- 4.1 The Optionee shall at all times maintain or cause to be maintained adequate records which shall be made available to the Optionor in order that the Optionor may verify the correctness of any entries in the Royalty account. The Optionor shall have the right to audit the records that relate to the Royalty and its determination for a period of 60 days after the date of receipt of each Royalty payment. If a Royalty payment actually made to the Optionor (the "**Actual Payment**") is lower than the Royalty payment which such audit determines should have been made to the Optionor (the "**Correct Payment**"), and the difference between the Actual Payment and the Correct Payment is an amount which is greater than 5% of the amount of the Correct Payment, then the Optionee shall be required to bear the costs of the audit carried out under this section.