

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the 12th day of January, 2024 (the “**Execution Date**”)

A M O N G:

JKS RESOURCES INC., a corporation incorporated and organized under the Laws of the Province of British Columbia

(the “**Purchaser**”)

- and -

18526 YUKON INC., a corporation incorporated and organized under the Laws of the Yukon Territory

(the “**Vendor**”)

- and -

LAPIE MINING INC., a corporation incorporated and organized under the Laws of the Yukon Territory

(the “**Target**”)

WHEREAS:

- A. The Vendor and the Purchaser signed a non-binding letter of intent dated December 6, 2023, as amended on December 20, 2023 (the “**Letter of Intent**”) pursuant to which, among other things, the Vendor agreed to sell and the Purchaser agreed to purchase, all of the Vendor’s right, title and interest in and to certain Claims located in the Yukon, as more particularly described herein, which right, title and interest will be transferred from the Vendor to the Target (the “**Target Transfer**”) on or before Closing pursuant to a transfer agreement (the “**Target Transfer Agreement**”) that provides for consideration consisting of 1,001,000 Class A common shares of the Target (the “**Transfer Consideration**”);
- B. The transaction between the Vendor and the Purchaser will be structured as the sale from the Vendor to the Purchaser of all of the issued shares of the Target, all on and subject to the terms and conditions herein contained;
- C. The Vendor and the Purchaser are desirous of entering into this Agreement, which is the “**Definitive Agreement**” referred to in the Letter of Intent;
- D. The Target executes and delivers this Agreement to acknowledge that it is aware of the provisions hereof; and
- E. Capitalized terms when used in these Recitals have the meanings ascribed thereto in Section 1.1;

NOW THEREFORE, in consideration of the mutual covenants made in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties and subject to the conditions hereinafter set forth, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto and the Schedules, unless the context otherwise requires, the following capitalized words and phrases shall have the following meanings, and grammatical variations thereof shall have corresponding meanings:

“**Affiliate**” means, with respect to any Person, any other Person which directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person, where the term “**control**” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agreement**” means this purchase and sale agreement, including its Schedules, as the same may be amended or supplemented from time to time.

“**AOI Property**” means any interest or right including any mineral rights or other rights (direct or indirect) in any property which is all or partly within the Area of Interest.

“**Applicable Securities Laws**” means any and all securities Laws including, statutes, rules, regulations, by Laws, policies, guidelines, orders, decisions, rulings and awards, applicable in the jurisdictions in which the Consideration Shares will be offered, sold and issued) or be contained in a prospectus or registration statement prepared in accordance with Applicable Securities Laws.

“**Area of Interest**” means the land included within two kilometres of the outside perimeter of each of the Claims, as will be shown in the property claims maps to be provided at Closing and attached as Schedule “A” to the Royalty Agreement.

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**AZ Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the AZ Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Barite Mountain Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Barite Mountain Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Birch Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Birch Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Books and Records**” means all of the books, records and data of every kind or nature that are owned by and in the possession or control of the Person.

“**Broker Warrants**” means 100,000 common share purchase warrants of the Purchaser exercisable at a price of \$0.10 per common share of the Purchaser and expiring on November 30, 2024.

“**Business Day**” means any day, other than a Saturday or a Sunday, on which banks are generally open for commercial business in Vancouver, British Columbia and Whitehorse, Yukon.

“**Carter Gulch Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Carter Gulch Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Cash Consideration**” has the meaning ascribed thereto in Section 2.2(i).

“**Claims**” means, collectively, the AZ Claims, the Barite Mountain Claims, the Birch Claims, the Carter Gulch Claims, the Clea Claims, the Eva Claims, the Expo Claims, the Faro North Claims, the Fox Claims, the Gem Claims, the Ketzka Claims, the Nut Claims, the Pete Claims, the Risby Claims, the Talbot Claims and the Venus Claims and Crown Grants.

“**Clea Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Clea Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Closing**” means the completion of the Transaction in accordance with Article 6.

“**Closing Date**” means March 26, 2024 or such other earlier or later date upon with the Parties shall agree, in writing.

“**Closing Documents**” means all documents to be executed and delivered by the applicable Party or Parties at Closing.

“**Common Shares**” means common shares in the capital of the Purchaser.

“**Consideration Shares**” has the meaning ascribed thereto in Section 2.2(ii).

“**Contracts**” means contracts, agreements, arrangements, licence agreements, lease and other legally binding instruments.

“**Convertible Securities**” means any agreement, option, warrant, right or other security or conversion privilege issued or granted by the Person or any of its Affiliates that is exercisable or convertible into, or exchangeable for, or otherwise carries the right of the holder to purchase or otherwise acquire common shares, including pursuant to one or more multiple exercises, conversions and/or exchanges (collectively, the “**Convertible Securities**”) or to require the Person to purchase, redeem or otherwise acquire any of its issued and outstanding common shares.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Approval**” has the meaning ascribed thereto in Section 4.2(f).

“**Encumbrance**” means any mortgage, pledge, charge, hypothec, lien (statutory or otherwise), security interest or other encumbrance of any kind or nature whatsoever, including conditional sales or other title retention agreement or prior claims of any kind, including leases, options, easements, rights of way, restrictions, executions, royalties or other encumbrances affecting title, whether or not registered or recorded.

“Environmental Laws” means all applicable Laws relating to the protection of the environment, natural resources, human health and safety, Hazardous Substances, the assessment of environmental and social impacts or the rehabilitation, reclamation and closure of the Claims.

“Escrow Agreement” has the meaning ascribed thereto in Section 4.1(h).

“Eva Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Eva Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% Interest”.

“Execution Date” has the meaning ascribed thereto on page one of this Agreement.

“Expo Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Expo Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% Interest”.

“Faro North Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Faro North Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% Interest”.

“Financial Statements” means the audited financial statements of the Purchaser for the year ended August 31, 2023.

“Financings” means: (i) a non-brokered private placement of 12,500,000 subscription receipts of the Purchaser at a price of \$0.30 per subscription receipt for total proceeds of \$3,750,000, each such subscription receipt to be automatically exercised into one common share of the Purchaser upon completion of the Transaction; and (ii) a best efforts brokered private placement of 17,500,000 subscription receipts at a price of \$0.50 per subscription receipt for total proceeds of \$8,750,000, each such subscription receipt to be automatically exercised into one common share of the Purchaser and one-half of one common share purchase warrant, exercisable for a period of three years at a price of \$0.75.

“First Party” has the meaning ascribed thereto in Section 5.1(a)(ii).

“Fox Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Fox Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% Interest”.

“Fraud” means, with respect to the Vendor and the Purchaser, an actual and intentional fraud with respect to the making of the representations and warranties pursuant to Section 3.1 or Section 3.2 (as applicable) or with respect to the satisfaction or performance of any covenants or obligations under this Agreement, provided that such actual and intentional fraud of the Vendor or the Purchaser, as the case may be, shall only be deemed to exist if any officer (or individual with a similar role) of the Vendor or the Purchaser, as applicable, had actual knowledge (as opposed to imputed or constructive knowledge) that the representations and warranties made by such Party pursuant to, in the case of the Vendor, Section 3.1, or in the case of the Purchaser, Section 3.2, were actually breached when made, or that has actual knowledge that there was a breach in the satisfaction or performance of any covenant or obligation under this Agreement by such Party, in each case, with the express intention that the Vendor or the Purchaser, as applicable, rely thereon to its detriment.

“Gem Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Gem Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% Interest”.

“Governmental Authority” means any government, whether federal, provincial, state, territorial, local, regional, municipal or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function, including any applicable stock exchange and any other bodies which act in a manner similar to the entities described above.

“Hazardous Substances” means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, tailings, waste rock, radioactive materials, flammable substances, explosives, petroleum and petroleum products, polychlorinated biphenyls, chlorinated solvents and asbestos.

“Indemnified Party” has the meaning ascribed thereto in Section 8.5.

“Indemnifying Party” has the meaning ascribed thereto in Section 8.5.

“Interim Period” means the period between the Execution Date and either the date of termination of this Agreement or the Closing Date.

“Ketza Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Ketza Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% Interest”.

“Law” means any international or other treaty, any domestic or foreign constitution, any multinational, federal, provincial territorial, state, country, municipal or other local statute, law (including common law), regulation, ordinance, code or rule or any order, directive, decree, judgment, ruling, direction, request, guideline or policy having the force of Law or Authorization of a Governmental Authority, in any case in effect from time to time and applicable to any specified Person, property, transaction or event, or any such Person’s property and assets or business and affairs.

“Letter of Intent” has the meaning ascribed thereto in Recital A.

“Liabilities” means all debts, liabilities and obligations of any nature or kind whatsoever, whether due or to become due, accrued or unaccrued, absolute, contingent, unliquidated or liquidated.

“Losses” means any and all actions, causes of action, losses, costs, claims, damages, penalties, fines, assessments, charges, expenses or other liabilities whatsoever, whether contractual, tortious, statutory or otherwise that are brought against or that are otherwise suffered, sustained, paid or incurred by a Party, including the reasonable fees and disbursements of legal counsel and other professional advisers incurred by such Party in defending against such liabilities.

“Material Adverse Effect” means an effect that is material and adverse to the business, affairs, capital, operations, properties, assets, liabilities (contingent or otherwise) or condition (financial or otherwise) of the Person.

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* published by the Canadian Securities Administrators, as amended from time to time, or any successor instrument, rule or policy.

“Nut Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Nut Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% Interest”.

“**Order**” means any writ, judgment, injunction, decree, decision, ruling, determination, award or similar order of any Governmental Authority (whether preliminary or final).

“**Outside Date**” means (i) April 21, 2024; or (ii) such later date as the Vendor and the Purchaser may agree to in writing.

“**Parties**” means the parties to this Agreement, and a “**Party**” means a party to this Agreement.

“**Permit**” means a permit, consent, authorisation, registration, filing, lodgement, notarisation, certificate, endorsement, permission, licence, approval, authority or exemption by or with a Governmental Authority (including under the Yukon Act) or other person or body having jurisdiction or authority in any way over the Claims.

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a joint stock company, a limited liability company, a limited or general partnership, a joint venture, a trust, an association, an unincorporated organization, a Governmental Authority, an executor or administrator or other legal or personal representative, or any other type of organization or entity, whether or not a juridical entity.

“**Pete Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Pete Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Public Record**” means information which has been publicly filed at www.sedarplus.ca by the Purchaser pursuant to a requirement under Applicable Securities Laws.

“**Purchase Price**” has the meaning ascribed thereto in Section 2.2.

“**Purchaser AOI Covenant**” has the meaning ascribed thereto in Section 7.3(c).

“**Purchaser AOI Notice**” has the meaning ascribed thereto in Section 7.3(c).

“**Purchaser AOI Notice Acceptance**” has the meaning ascribed thereto in Section 7.3(c).

“**Purchaser AOI Period**” has the meaning ascribed thereto in Section 7.3(b).

“**Purchaser Warrants**” means 4,650,000 common share purchase warrants of the Purchaser exercisable at a price of \$0.10 per common share of the Purchaser and expiring on June 10, 2025.

“**Rainbow Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Rainbow Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Regulators**” means (i) any governmental or public entity department, court, commission, board, bureau, agency or instrumentality, (ii) any quasi-governmental, self-regulatory or private body exercising any regulatory authority, and (iii) any stock exchange).

“**Representatives**” means, with respect to any Party, its Affiliates and its and its Affiliates’ directors, officers, agents and employees.

“**Risby Claims**” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Risby Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading “**% Interest**”.

“**Royalty**” has the meaning ascribed thereto in the definition of Royalty Agreement.

“Royalty Agreement” means a royalty agreement between the Vendor, as royalty recipient, and the Target, as royalty payor, providing for a 2.5% net smelter returns royalty (the **“Royalty”**) on all products mined and produced from each of the Claims, in substantially the form of Schedule “B”, which Royalty Agreement will be executed and delivered during the Interim Period.

“Solvent” means: (a) the fair saleable value of the assets of such Person is in excess of the total amount of the current value of its liabilities (including for purposes of this definition all liabilities (including loss reserves), whether or not reflected on a balance sheet prepared in accordance with International Financial Reporting Standards and whether direct or indirect, fixed or contingent, secured or unsecured, disputed or undisputed); (b) such Person is able to pay its debts or obligations in the ordinary course as they mature; (c) such Person has capital sufficient to carry on its business; and (d) such Person is not otherwise insolvent as defined by any applicable Law; and **“Insolvent”** shall have a correlative meaning.

“Subject AOI Property” has the meaning ascribed thereto in Section 7.3.

“Talbot Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Talbot Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading **“% Interest”**.

“Target Shares” means all of the issued shares of Target owned by the Vendor which: (i) as at the Execution Date, aggregate 1,000 Class A common shares; and (ii) as at the Closing Date, will aggregate 401,000 Class A common shares.

“Target Transfer” has the meaning ascribed thereto in Recital A.

“Target Transfer Agreement” has the meaning ascribed thereto in Recital A.

“Tax Act” means the *Income Tax Act* (Canada).

“Taxes” means all foreign and domestic federal, provincial, state, municipal and other governmental taxes, levies, imposts, deductions, charges, claims, and assessments and withholdings, and all liabilities with respect thereto (including, without limitation, interest and penalties).

“Technical Information” means all scientific and technical information and materials relating to the Claims in the possession or control of the Vendor or the Target or their Affiliates, whether in writing, graphic, machine readable, electronic or physical form, including: (i) all geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical and other similar information, including maps, charts and surveys; (ii) all scoping, pre-feasibility, feasibility, engineering and other technical studies, exploration plans, development plans, mine plans or similar studies or analyses; (iii) all drill core, samples, assays and other physical material resulting from the foregoing activities; (iv) all plans, blueprints, process flow sheets, equipment and parts lists, instructions, manuals and equipment records and procedures; and (v) all exploration, development, operations, production and other technical records, data and reports.

“Third Party” means any Person other than the Purchaser, the Vendor, the Target or any Affiliates of any of the Purchaser, the Vendor or the Target.

“Tosh Claims” means those claims which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Tosh Claims in Schedule “A”, with a notation as to 100% in such Schedule under the heading **“% Interest”**.

“**Transaction**” means the entering into of this Agreement, the purchase and sale of the Target Shares and the other transactions contemplated by this Agreement.

“**Transfer Consideration**” has the meaning ascribed thereto in Recital A.

“**Vendor AOI Covenant**” has the meaning ascribed thereto in Section 7.3(a).

“**Vendor AOI Notice**” has the meaning ascribed thereto in Section 7.3(a).

“**Vendor AOI Notice Acceptance**” has the meaning ascribed thereto in Section 7.3(a).

“**Vendor AOI Period**” has the meaning ascribed thereto in Section 7.3(a).

“**Venus Claims and Crown Grants**” means those claims and Crown grants which are now 100% owned by the Vendor and which on Closing will be 100% owned by the Target and which are listed as the Venus Claims and the Venus Crown Grants in Schedule “A”, with a notation as to 100% in such Schedule under the heading “% **Interest**”.

“**Yukon Act**” means the *Quartz Mining Act* (Yukon).

1.2 Schedules

The following Schedules are attached to, form part of and are incorporated herein by reference as though contained in the body of this Agreement:

Schedule “A” Property Claims Descriptions

Schedule “B” Royalty Agreement

The Schedules attached to this Agreement form an integral part of this Agreement for all purposes of it. The Schedules and all information contained in them is confidential information and shall be kept confidential in accordance with the terms of Section 9.1.

The Schedules may not be amended, supplemented or otherwise modified except by written agreement signed by the Parties.

1.3 Rules of Construction

In this Agreement, unless otherwise specifically provided or unless the context otherwise requires:

- (a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified section of or schedule to this Agreement;
- (c) the division of this Agreement into articles, sections, subsections and paragraphs and the provision of headings are for convenience of reference only and shall not affect the meaning, interpretation or construction of this Agreement;
- (d) a reference to a Party in this Agreement includes the Party and its successors and permitted assigns;

- (e) references to any agreement and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement;
- (f) references to statutes or regulations are to be construed as including all statutory or regulatory provisions consolidating, amending, supplementing, interpreting or replacing the statute or regulation referred to;
- (g) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends;
- (h) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day;
- (i) the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”;
- (j) any reference to time refers to the time in Vancouver, British Columbia;
- (k) any reference to “dollars” or “\$” refers to lawful currency of Canada; and
- (l) in this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders or the neuter, and words importing the neuter include all genders.

1.4 Time

Time shall be of the essence in this Agreement.

1.5 Knowledge

In this Agreement, the stated knowledge of a Party consists of the actual knowledge of the current officers (or equivalent) of such Party and all information which ought to have been known by them after conducting reasonable inquiry into the matter in question.

1.6 Construction

This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not apply to the construction or interpretation of this Agreement.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale of the Target Shares

Subject to the terms and conditions of this Agreement, the Vendor shall sell, assign, convey and transfer to the Purchaser, and the Purchaser shall purchase and acquire from the Vendor, at and as of the Closing, all of the Vendor’s rights and obligations, title and interest in and to the Target Shares.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser to the Vendor for the Target Shares (the “**Purchase Price**”) shall be the aggregate of the following, allocated pursuant to the following:

- (i) \$2,000,000 in cash (the “**Cash Consideration**”), payable by wire transfer of immediately available funds to the Vendor, or as directed by the Vendor, at the Closing, in respect of 210,737 of the Target Shares; and
- (ii) 25,000,000 Common Shares, issued on Closing from treasury (the “**Consideration Shares**”), being issued at a deemed price per Common Share equal to \$0.30, in respect of 790,263 of the Target Shares. The Vendor acknowledges that the Consideration Shares are subject to a statutory four month hold period under applicable securities Laws and any escrow requirements imposed by the CSE, and any certificate or written notice delivered to the Vendor (or such other Person to whom the Consideration Shares are issued at the direction of the Vendor) in respect of its ownership of the Consideration Shares shall bear the applicable legend(s) provided for under the Applicable securities Laws.

2.3 Tax Matters

The Parties hereto covenant and agree that, notwithstanding the Purchase Price, for income and corporate tax purposes, the Vendor’s proceeds of disposition with respect to the Target Shares and the amount for which the Purchaser shall be deemed to have acquired 1,001,000 of the Target Shares shall be such amount as the Vendor directs, provided that such amount is not less than the lesser of the cost amount to the Vendor of the Target Shares and the fair market value of such Target Shares as at the Closing Date and not greater than the fair market value of such Target Shares as at the Closing Date. The Parties agree jointly to make, execute and file with the appropriate taxation authorities such elections considered beneficial under the Tax Act and any applicable provincial legislation in the prescribed form and within the prescribed time and manner to give effect to the provisions of this Section.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants to the Purchaser as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with the consummation of the Transaction:

- (a) **Standing:** Each of the Vendor and the Target is a corporation duly organized, validly subsisting and in good standing under the Laws of its jurisdiction of incorporation, continuation or amalgamation, and has all requisite power and authority to execute and deliver, and perform its obligations under, this Agreement and all Closing Documents.
- (b) **Authority:** The Vendor has taken all necessary corporate action to duly authorize the execution and delivery of, and the performance of its obligations under, this Agreement and all Closing Documents.
- (c) **Enforceability:** This Agreement has been duly executed and delivered by the Vendor and, when signed on Closing, all Closing Documents will be duly executed and delivered by the Vendor and constitutes and will constitute a legal, valid and binding obligation of the

Vendor, enforceable against the Vendor in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforcement is considered in proceedings in equity or at Law).

- (d) **No Conflicts:** The execution and delivery by the Vendor of, and the performance of its obligations under, this Agreement and the Closing Documents, and the consummation of the Transaction, do not and will not: (i) violate the terms of its notice of articles, articles or other constating documents of the Vendor or the Target; (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights (with or without the giving of notice or lapse of time or both) under any contract, instrument or other document to which the Vendor or the Target is a party, subject or otherwise bound (including with respect to the Target Shares and its other property and assets).
- (e) **Approvals:** Neither the Vendor nor the Target is required to give any notice to, make any filing with or obtain any Authorization of any Person in connection with the execution and delivery of this Agreement or (save and except for the requisite approval from Governmental Authorities in connection with the transfer of the Claims to the Target), the consummation of the Transaction.
- (f) **Finders Fees:** Neither the Vendor nor the Target nor any of their Affiliates has employed any broker or finder or incurred any liability for any brokerage fee, commission, finders' fee or any other similar payment in connection with the Transaction that could give rise to any claim against the Purchaser therefor.
- (g) **Solvency:** Each of the Vendor and the Target is Solvent and will not be rendered Insolvent by the execution and delivery of this Agreement, the Closing Documents or the consummation of the Transaction.
- (h) **Target Shares:** The issued and outstanding share capital of the Target consists of an unlimited number of common shares without nominal or par value divided into Class A, Class B, Class C, Class D and Class E. As at the Execution Date, there are 1,000 Class A common shares of the Target issued and outstanding, all of which are legally and beneficially owned by the Vendor, with good and marketable title thereto, free and clear of any Encumbrance or Third Party claim. Pursuant to the Target Transfer Agreement, an additional 1,000,000 Class A common shares of the Target will be issued, such that, as at the Closing Date, there will be 1,001,000 Class A common shares of the Target issued and outstanding. On Closing, the Vendor will be the registered, legal and beneficial owner of 100% of the Target Shares, will have good and marketable title to the Target Shares and the Target Shares will be free and clear of any Encumbrance or Third Party claim. The Target Shares have been validly issued and fully paid and no moneys are owing in respect of them. None of the Target Shares have been issued in violation of any preferential, preemptive or other Third Party rights and the Target has not declared any dividend or other distribution and is not under any obligation to redeem or repurchase any shares or other securities issued by it. There is no shareholder agreement, voting trust, proxy or other agreement or understanding relating to the voting of the Target Shares. Save and except as contemplated by the Target Transfer, there are no agreements, arrangements or understandings in effect under which the Target is obliged at any time to issue any shares or other securities of the Target. No Person has any agreement, right (including any pre-

emptive right) or option, present or future, contingent, absolute or capable of becoming an agreement, or which will with the passage of time or the occurrence of any event become an agreement, right (including a pre-emptive right) or option to acquire any shares of the Target.

- (i) **Title to Claims:** The Claims are properly and accurately described in Schedule “A”, and:
 - (i) the Vendor now is and on Closing, the Target will be, the legal and beneficial owner of the Claims with valid title thereto, free and clear of all Encumbrances, save and except for obligations under the Yukon Act and for obligations under the Royalty Agreement;
 - (ii) the Target has not granted any options to purchase or rights of first offer or refusal or other similar rights with respect to the Claims; and
 - (iii) to the knowledge of the Vendor, no tenure or crown grant has been granted that overlaps the Claims, other than the Venus Crown Grants, for which the surface tenure has been granted and overlaps the Venus Crown Grants in their entirety.
- (j) **Protected Area:** The Claims do not lie within any protected area, rescued area, reserve, reservation, reserved area, national or provincial park, buffer zone or special needs lands as designated by any Governmental Authority having jurisdiction, that would impair the exploration for minerals or the development of a mining project on the Claims, other than the Venus Crown Grants, which are set within an allowed development area, which allowed development area is surrounded by settlement lands of the Carcross Tagish First Nation.
- (k) **Contracts:** On Closing, save and except for the Target Transfer Agreement and the Royalty Agreement, the Target will not be a party to or be bound by any Contract.
- (l) **Liabilities:** On Closing, save and except for standard Liabilities under the Yukon Act and those that are provided for in the Royalty Agreement, the Target will have no outstanding Liabilities.
- (m) **Maintenance of Claims:** The Claims are in good standing with respect to: (i) the obligation to file proof of assessment works carried out on the Claims as required under applicable Laws according to the granting dates of each of the Claims; and (ii) any other obligation to maintain legal effect of the Claims under applicable Laws including the payment of all fees, rentals, royalties, rates, taxes, bonds and other payments. Neither the Vendor nor the Target nor any of their Affiliates has received any communication or order from any Governmental Authority requesting payment or compliance with any outstanding obligation described in this Section.
- (n) **Expropriation:** No part of the Claims have been taken or expropriated by any Governmental Authority nor has any notice been given to the Vendor or to the knowledge of the Vendor, proceeding commenced by a Governmental Authority in respect thereof nor, to the knowledge of the Vendor, is there any intent or proposal to give any such notice or commence any such proceeding.
- (o) **No Other Assets:** As at the Execution Date, the Target does not own any assets and on Closing, given the prior occurrence of the Target Transfer, the Target will only own rights in and to the Claims (which will be subject to the Royalty as set forth in the Royalty

Agreement), the Technical Information and its Books and Records. The Target does not own any shares or other securities or interests in any person and has no obligation to acquire any assets from, or any interest in, any Person. On Closing the Technical Information will be owned by the Target, free and clear of any and all Encumbrances. The Target does not hold any Permits.

- (p) **Compliance with Law:** The Vendor has conducted all exploration operations in respect of the Claims in compliance in all material respects with all applicable Laws and in accordance with good industry practice consistent with that observed or reasonably expected to be observed by skilled and experienced professionals in the mining industry engaged in the same type of undertaking in the Yukon under the same or similar circumstances and all material workers' compensation and health and safety regulations have been complied with in all material respects.
- (q) **Environmental Compliance:** Without limiting the generality of Section 3.1(p):
- (i) the Vendor has conducted all exploration operations in respect of the Claims in compliance in all material respects with all applicable Environmental Laws;
 - (ii) the Vendor has not used or permitted to be used, except in material compliance with all Laws, any of the Claims to release, dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance;
 - (iii) to the knowledge of the Vendor, there is no presence of any Hazardous Substance on, in or under any of the Claims other than as permitted by Laws;
 - (iv) to the knowledge of the Vendor, the Claims are not subject to any pending or threatened:
 - (A) claim, notice, complaint, allegation, investigation, application, order or directive that relates to environmental, natural resources, Hazardous Substances, human health or occupational safety matters and which would reasonably be expected to require or result in any material work, repairs, rehabilitation, reclamation, remediation, construction, obligations, liabilities or expenditures, other than in each case, ordinary course closure and rehabilitation requirements (and, to the knowledge of the Vendor, there is no basis for such a claim, notice, complaint, allegation, investigation, application, order, requirement or directive); or
 - (B) material allegation, demand, direction, notice or prosecution with respect to any environmental matter, including any Laws respecting the use, storage, treatment, transportation, rehabilitation, reclamation, remediation or disposition of any Hazardous Substance (including without limitation sediment from erosion, wastewater and surface water run-off) from the Claims, and the Vendor has not settled any allegation of non-compliance with Environmental Laws prior to prosecution.
- (r) **Corrupt Practices:** Without limiting the generality of Section 3.1(p), the Vendor and the Target and their Representatives are in compliance with, and have not been charged under, the *Corruption of Foreign Public Officials Act* (Canada) or any other Law applicable to the

Vendor or the Target from time to time concerning or relating to bribery or corruption. Neither the Vendor nor the Target or their Representatives: (i) has used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; or (ii) made, or authorized the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds.

- (s) **Labour Matters:** Neither the Vendor nor the Target has ever hired any employees in connection with exploration operations conducted by the Vendor at the Claims and in such regard, the Vendor has only hired consultants. There are no proceedings, actions, suits or claims relating to employment or labour Laws pending or, to the knowledge of the Vendor, threatened against the Vendor as they pertain to the exploration operations of the Vendor in respect of the Claims or affecting exploration operations at or on the Claims. All accounts for work and services performed and materials placed or furnished upon or in respect of the Claims, have been fully paid and satisfied when due.
- (t) **Litigation:** There are no actions, suits, investigations, claims or proceedings pending or, to the knowledge of the Vendor, threatened against the Vendor or the Target.
- (u) **Property Information:** The Vendor has made available to the Purchaser all material information in its possession or under its control relating to the Claims.
- (v) **Corporate Records:** The corporate records of the Target, as required to be maintained by it pursuant to applicable Law, are accurate, complete and up to date in all material respects, and are maintained at the records office of the Target. The minute books of the Target contain true, correct and complete copies of the minutes of every meeting of its board of directors and of its shareholders and every written resolution of its directors and shareholders during the periods covered by such minute books. All corporate proceedings and actions reflected in the corporate records of the Target (including the minute books) have been, in all material respects, conducted or taken in compliance with applicable Law and with the charter documents of the Target. All transactions of the Target have been properly and accurately recorded in the appropriate Books and Records of the Target and such Books and Records are correct and complete in all material respects and have been maintained and retained in accordance with applicable Law, including Tax and corporate laws and regulations, accounting requirements in the jurisdictions where the Target operates.
- (w) **Taxes and Financial Statements:** The Target has not yet had to file a Tax return nor has it created or produced any financial statements. The Target retains all tax accounting and corporate records required by Law to support any tax or accounting position, filing or claim with respect to Taxes.

3.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to the Vendor as follows, and acknowledges that the Vendor is relying on such representations and warranties in connection with the consummation of the Transaction:

- (a) **Standing:** The Purchaser is a corporation duly organized, validly subsisting and in good standing under the Laws of its jurisdiction of incorporation, continuation or amalgamation,

and has all requisite power and authority to execute and deliver, and perform its obligations under, this Agreement and all Closing Documents.

- (b) **Authority:** The Purchaser has taken all necessary corporate action to duly authorize the execution and delivery, and the performance of its obligations under, this Agreement and all Closing Documents, including the issuance by the Purchaser of the Consideration Shares.
- (c) **Enforceability:** This Agreement has been duly executed and delivered by the Purchaser and when signed on Closing, all Closing Documents will be duly executed and delivered by the Purchaser, and constitutes and will constitute, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforcement is considered in proceedings in equity or at law).
- (d) **No Conflicts:** The execution and delivery by the Purchaser of, and the performance of its obligations under, this Agreement and the Closing Documents, and the consummation of the Transaction, do not and will not: (i) violate the terms of its notice of articles, articles or other constating documents; (ii) conflict with, result in a breach of, or constitute a default or an event creating rights of acceleration, termination, modification or cancellation or a loss of rights (with or without the giving of notice or lapse of time or both) under any contract, instrument or other document to which it is a party, subject or otherwise bound (including with respect to its property and assets) except in each case as would not have a material adverse effect on its ability to perform its obligations under this Agreement; or (iii) violate in any material respect any Law to which it is subject or otherwise bound (including with respect to its property and assets).
- (e) **Approvals:** The Purchaser is not required to give any notice to, make any filing with or obtain any Authorization of any Person in connection with the execution and delivery of this Agreement or the Closing Documents or the consummation of the Transaction, except applicable filings with, and the acceptance of, the CSE in respect of the Transaction.
- (f) **Finders Fees:** Neither the Purchaser, nor any of its Affiliates, has employed any broker or finder or incurred any liability for any brokerage fee, commission, finders' fee or any other similar payment in connection with the Transaction that could give rise to any claim against the Vendor therefor.
- (g) **Solvency:** The Purchaser is Solvent and will not be rendered Insolvent by the execution and delivery of this Agreement, the Closing Documents or the consummation of the Transaction. No proceedings are pending for, and it is unaware of any basis for, the institution of any proceedings leading to the placing of it in bankruptcy or subject to any other Laws governing the affairs of insolvent parties.
- (h) **Authorized and Issued Capital:** The authorized capital of the Purchaser consists of an unlimited number of Common Shares, of which 22,170,000 Common Shares are currently issued and outstanding. All of the issued and outstanding Common Shares are fully paid and non-assessable and have been duly and validly authorized and issued, in compliance with applicable Laws and not in violation of or subject to any pre-emptive or similar right that entitles any person to acquire from the Purchaser any Common Shares or other security

of the Purchaser or any convertible securities. The Purchaser is not a party or subject to any agreement or understanding and, to the knowledge of the Purchaser, there is no agreement between any shareholders or officers or directors of the Purchaser that affects or relates to the voting or giving of written consents with respect to any of the Common Shares. No other securities of the Purchaser are issued and outstanding other than the Common Shares referred to in this section. Except for the Broker Warrants and the Purchaser Warrants, the Purchaser currently has no Convertible Securities.

- (i) **Consideration Shares:** Upon the issuance thereof in accordance with the terms of this Agreement, the Consideration Shares will be issued as fully-paid and non-assessable Common Shares, free and clear of all Encumbrances. On Closing, the Purchaser will have complied with all Applicable Securities Laws in connection with the offer, sale and issuance of the Consideration Shares.
- (j) **Corrupt Practices:** The Purchaser is in compliance with, and has not been charged under, the *Corruption of Foreign Public Officials Act* (Canada) or any other Law applicable to the Purchaser from time to time concerning or relating to bribery or corruption. The Purchaser has not: (i) used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity, or (ii) made, or authorized the making of, any direct or indirect unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any domestic or foreign government official or employee from corporate funds.
- (k) **Litigation:** There are no actions, suits, investigations, claims or proceedings pending or, to the knowledge of the Purchaser, threatened against the Purchaser. There are no judgments which remain unsatisfied against the Purchaser or consent decrees or injunctions to which the Purchaser is subject. There are no investigations, actions, suits or proceedings at law or in equity or by or before any governmental entity now pending or, to the knowledge of the Purchaser, threatened against or affecting the Purchaser (or its properties or assets) and, to the knowledge of the Purchaser, there is no ground on which any such action, suit or proceeding might be commenced.
- (l) **Common Shares:** The Common Shares are listed and posted for trading on the CSE and no order ceasing or suspending trading in any securities of the Purchaser or prohibiting the sale or issuance of the Consideration Shares or the trading of any of the Purchaser's issued securities has been issued and no (formal or informal) proceedings for such purpose is threatened or, to the knowledge of the Purchaser, is pending. The Purchaser has not taken any action which would reasonably be expected to result in the delisting or suspension of the Common Shares on or from the CSE.
- (m) **No Material Change:** The Purchaser has made all necessary filings and disclosure in accordance with Applicable Securities Laws and no material change relating to the Purchaser has occurred and with respect to which the requisite material change report has not been filed with the Regulators.
- (n) **Public Record:** The Public Record does not contain any misrepresentations, as such term is defined in Applicable Securities Laws. Except as disclosed in the Public Record, since August 31, 2023, no change has occurred in any of the assets, business, financial condition or results of operations of the Purchaser on a consolidated basis which, individually or in the aggregate, has had, will have or could reasonably be expected to have a material adverse

effect on the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects of the Purchaser or on the price or value of the Common Shares.

- (o) **Reporting Issuer:** The Purchaser is a “reporting issuer” in the provinces of British Columbia, Alberta and Ontario. The Purchaser is not included in a list of defaulting reporting issuers maintained by the securities regulators in the provinces in which it is a reporting issuer. The Purchaser has not taken any action to cease to be a reporting issuer in any jurisdiction in which it is a reporting issuer and has not received any notification from a securities regulator seeking to revoke the Purchaser’s reporting issuer status.
- (p) **No Liabilities:** The Purchaser does not have any liabilities, direct or indirect, contingent or otherwise, not disclosed in the Public Record which materially adversely affects or would reasonably be expected to have a material adverse effect upon the condition (financial or otherwise), capital, property, assets, operations or business of the Purchaser on a consolidated basis. Without limiting the generality of the foregoing, the Purchaser does not have any material obligation or liability except as disclosed in the Public Record or those arising in the ordinary course of business.
- (q) **Financial Matters:** The Financial Statements comply as to form in all material respects with Securities Laws. The Financial Statements have been prepared in accordance with International Financial Reporting Standards and present fairly, in all material respects, the financial condition of the Purchaser as at the dates thereof and for the periods then ended. The Purchaser does not intend to correct or restate, nor, to the knowledge of the Purchaser, is there any basis for any correction or restatement of, any aspect of the Financial Statements.
- (r) **Absence of Change:** Except as disclosed in the Public Disclosure Documents, since August 31, 2023, no Material Adverse Effect has occurred and there is no change, fact or state of facts which could reasonably be expected to have a Material Adverse Effect.

3.3 Survival of Representations and Warranties

The representations and warranties set forth in Sections 3.1 and 3.2 are effective as of the date of this Agreement and: (i) save and except for the representation and warranty contained in Section 3.1(i)(i), shall survive for a period of 24 months from the Closing Date; and (ii) as regards the representation and warranty contained in Section 3.1(i)(i), shall survive for a period of 48 months from the Closing Date.

3.4 Certain Acknowledgements

Each of the Parties acknowledges and agrees that the Purchase Price was negotiated in good faith and at arm’s length by the Vendor and the Purchaser, each having had the opportunity to seek, and having received, appropriate accounting, technical and financial advice from its professional advisers.

ARTICLE 4 CONDITIONS

4.1 Conditions for the Benefit of the Purchaser

The completion of the purchase and sale of the Target Shares by the Purchaser is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) The representations and warranties of the Vendor set forth in this Agreement that are qualified by materiality were true and correct as of the date of this Agreement and are true and correct as of the Closing Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date) and all other representations and warranties of the Vendor set forth in this Agreement shall be true and correct in all material respects as of the Closing Date as if made on and as of such date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date); and the Vendor shall have delivered a certificate confirming same to the Purchaser, executed by a senior officer of the Vendor (without personal liability), addressed to the Purchaser and dated the Closing Date.
- (b) The Vendor shall have fulfilled or complied in all respects with each of the covenants and obligations of the Vendor contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and the Vendor shall have delivered a certificate confirming same to the Purchaser, executed by a senior officer of the Vendor (without personal liability), addressed to the Purchaser and dated the Closing Date.
- (c) The Vendor shall have transferred the Claims to the Target, free and clear of any and all Encumbrances for consideration equal only to the Transfer Consideration. The Claims will be subject to the Royalty set forth in the Royalty Agreement.
- (d) The Vendor shall have delivered or caused to be delivered to the Purchaser each of the documents set forth in Section 6.3, in form and substance satisfactory to the Purchaser, acting reasonably.
- (e) The Financings shall have been completed such that on Closing, following completion of the Transaction, including payment of the Cash Consideration and expenses related to the Transaction, the Purchaser will have a minimum of \$10.0 million.
- (f) The Purchaser shall have received the approval of the CSE to the completion of the Transaction as a fundamental change pursuant to their rules, including without limitation the appointment of one nominee of the Vendor to the Purchaser's board of directors and the issuance of the Consideration Shares. It is understood and agreed that integral to the procurement of such approval is the co-operation of the Vendor with the preparation and finalization of the technical report under NI 43-101 and the financial statements as contemplated by Section 7.1.
- (g) The Purchaser shall have received the approval of its shareholders to the completion of the Transaction, as required by the rules of the CSE.
- (h) On Closing, the Vendor shall have executed and delivered the form of escrow agreement as may be required by the CSE and National Policy 46-201 so long as such form is the same as the form which must be signed by other insiders of the Purchaser (the "**Escrow Agreement**").

4.2 Conditions for the Benefit of the Vendor

The completion of the purchase and sale of the Target Shares by the Vendor is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:

- (a) The representations and warranties of the Purchaser set forth in this Agreement that are qualified by materiality were true and correct as of the date of this Agreement and are true and correct as of the Closing Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date) and all other representations and warranties of the Purchaser set forth in this Agreement shall be true and correct in all material respects as of the Closing Date as if made on and as of such date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date); and the Purchaser shall have delivered a certificate confirming same to the Vendor, executed by a senior officer of the Purchaser (without personal liability), addressed to the Vendor and dated the Closing Date.
- (b) The Purchaser shall have fulfilled or complied in all respects with each of the covenants and obligations of the Purchaser contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and the Purchaser shall have delivered a certificate confirming same to the Vendor, executed by a senior officer of the Purchaser (without personal liability), addressed to the Vendor and dated the Closing Date.
- (c) The Purchaser shall have delivered or caused to be delivered to the Vendor each of the documents set forth in Section 6.2, in form and substance satisfactory to the Vendor, acting reasonably.
- (d) The Purchaser shall have received the approval of the CSE (the “**CSE Approval**”) to the completion of the Transaction as a fundamental change pursuant to their rules, including without limitation the appointment of the Vendor’s nominee to its board of directors and the issuance of the Consideration Shares.
- (e) The Financings shall have been completed such that on Closing, following completion of the Transaction, including payment of the Cash Consideration and expenses related to the Transaction, the Purchaser will have a minimum of \$10.0 million.
- (f) The Purchaser shall have received the approval of its shareholders to the completion of the Transaction, as required by the rules of the CSE.

ARTICLE 5 TERMINATION

5.1 Termination Events

- (a) This Agreement may be terminated prior to the Closing:
 - (i) by mutual written consent of the Vendor and the Purchaser;
 - (ii) by either the Vendor or the Purchaser (the “**First Party**” for the purposes of this Section 5.1(a)(ii)), by written notice to the other, if the Closing has not occurred on or before the Outside Date unless the Closing has not occurred by the Outside Date because there has been a breach of this Agreement by the First Party that was the primary cause of, or primarily resulted in, the failure of the Closing to occur on or prior to the Outside Date;

- (iii) by either the Vendor or the Purchaser, by written notice to the other, if any Order having the effect of permanently restraining, enjoining or prohibiting any part of the Transaction shall have become final and non-appealable;
- (iv) by the Purchaser, by written notice to the Vendor, if the Vendor has breached any of its representations, warranties or covenants contained in this Agreement, and which breach: (i) would result in the failure of the conditions set forth in Section 4.1 to be satisfied; and (ii) (A) cannot be cured by the Vendor prior to the Outside Date or (B) if capable of being cured by the Vendor prior to the Outside Date, shall not have been cured by the Vendor within the earlier of (x) 60 days following receipt of notice by the Vendor from the Purchaser of such breach and (y) any shorter period of time that remains between the date such notice is received and the Outside Date; provided, however, that the Purchaser is not then in breach of any of its representations, warranties or covenants contained in this Agreement, which breach would result in the failure of the conditions set forth in Section 4.2 to be satisfied; or
- (v) by the Vendor, by written notice to the Purchaser, if the Purchaser breached any of its representations, warranties or covenants contained in this Agreement, and which breach: (i) would result in the failure of the conditions set forth in Section 4.2 to be satisfied; and (ii) (A) cannot be cured by the Purchaser prior to the Outside Date or (B) if capable of being cured by the Purchaser prior to the Outside Date, shall not have been cured by the Purchaser within the earlier of (x) 60 days following receipt of notice by the Purchaser from the Vendor of such breach and (y) any shorter period of time that remains between the date such notice is received and the Outside Date; provided, however, that the Vendor is not then in breach of any of its representations, warranties or covenants contained in this Agreement, which breach would result in the failure of the conditions set forth in Section 4.1 to be satisfied.

5.2 Effect of Termination

Except as provided in Section 5.3, prior to the Closing each of the Vendor's or the Purchaser's, as the case may be, sole remedy in the event that the other has breached any of its representations, warranties or covenants contained in this Agreement shall be to terminate this Agreement pursuant to and as permitted by Section 5.1. If this Agreement is terminated pursuant to Section 5.1, all rights, obligations and remedies of the Parties under this Agreement shall terminate and cease to have any force or effect without any further action of the Parties, except as provided in Section 5.3.

5.3 Liability after Termination

- (a) Notwithstanding Section 5.2:
 - (i) no termination of this Agreement shall relieve the Vendor or the Purchaser from any Liability arising from any willful or intentional breach of any of their representations, warranties or covenants contained in this Agreement by the Vendor or the Purchaser, respectively, or Fraud on the part of the Vendor or the Purchaser, respectively; and
 - (ii) the provisions of Article 1, Article 5, and Article 9 shall survive the termination of this Agreement and continue in full force and effect.

ARTICLE 6 CLOSING

6.1 Date, Time and Place of Closing

The Closing shall take place at the offices of Cassels Brock & Blackwell LLP, 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia at 10:00 am (Vancouver time) on the Closing Date or such other time and place, including virtually/electronically, as may be agreed upon in writing between the Vendor and the Purchaser.

6.2 Purchaser's Closing Deliveries

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor:

- (a) the share certificate (or DRS advice) representing the Consideration Shares;
- (b) cash representing the Cash Consideration;
- (c) certified copies of (i) the articles of the Purchaser; (ii) the resolutions of the board of directors of the Purchaser approving the entering into of this Agreement, the Closing Documents and the transactions contemplated hereby and thereby, including the issuance of the Consideration Shares; and (iii) the resolutions of the shareholders of the Purchaser approving the entering into of this Agreement, the Closing Documents and the transactions contemplated hereby and thereby, including the issuance of the Consideration Shares;
- (d) a certificate of status or equivalent with respect to the Purchaser;
- (e) a legal opinion with respect to the due issuance of the Consideration Shares and compliance with securities laws, in form satisfactory to the Vendor and its counsel;
- (f) a certificate of incumbency of the Purchaser;
- (g) a resolution of the new directors of the Target, appointing officers nominated by the newly elected directors of the Target;
- (h) if required by the CSE, the Escrow Agreement, duly executed by the Purchaser;
- (i) proof of receipt of the CSE Approval;
- (j) releases in favour of the resigning directors and officers of the Target;
- (k) proof to the satisfaction of the Vendor, acting reasonably, of the election of a nominee of the Vendor as a director of the Purchaser;
- (l) proof acceptable to the Vendor, acting reasonably, that the Consideration Shares represent no less than 32% of the issued Common Shares on an undiluted basis; and
- (m) all deeds, conveyances, bills of sale, assurances, transfers, assignments and consents, and any other documents necessary or reasonably required to effectively transfer the Target Shares to the Purchaser, free and clear of all Encumbrances and the Transaction as contemplated in this Agreement.

6.3 Vendor's Closing Deliveries

At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser:

- (a) a share certificate representing the Target Shares duly endorsed in blank for transfer together with a share certificate registered in the name of the Purchaser;
- (b) certified copies of (i) the constating documents of the Vendor; and (ii) the resolutions of the board of directors of the Vendor approving the entering into of this Agreement and the Closing Documents and the transactions contemplated hereby and thereby and, to the extent applicable, the Escrow Agreement;
- (c) certified copies of (i) the constating documents of the Target; and (ii) the resolutions of the board of directors or shareholder, as applicable, of the Target approving the transfer of the Target Shares;
- (d) a certificate of status or equivalent with respect to the Vendor;
- (e) a certificate of status or equivalent with respect to the Target;
- (f) a certificate of incumbency of the Vendor;
- (g) a certificate of incumbency of the Target;
- (h) a direction to the Purchaser regarding the payment of the Cash Consideration;
- (i) a direction to the Purchaser regarding the registration and delivery instructions for the Consideration Shares;
- (j) duly executed resignations of each of the directors and officers of the Target;
- (k) releases in favour of the Target duly executed by each of the resigning directors and officers of the Target;
- (l) a resolution of the Vendor as the sole shareholder of the Target, electing the directors appointed by the Purchaser;
- (m) a certified copy of the Transfer Agreement and proof acceptable to the Purchaser, acting reasonably, that the Target is the legal and beneficial owner of a 100% interest in the Claims, free and clear of any and all Encumbrances;
- (n) if required by the CSE, the Escrow Agreement, duly executed by the Vendor;
- (o) maps setting out the Claims, to be attached as Schedule "A" to the Royalty Agreement; and
- (p) all deeds, conveyances, bills of sale, assurances, transfers, assignments and consents, and any other documents necessary or reasonably required to effectively transfer the Target Shares to the Purchaser, free and clear of all Encumbrances and the Transaction as contemplated in this Agreement.

6.4 Concurrent Delivery

It shall be a condition of the Closing that all matters of payment and the execution and delivery of documents by any Party to the other Party pursuant to the terms of this Agreement shall be concurrent requirements and no element of the Closing will be complete at the Closing until everything required as a condition precedent to the Closing has been paid, executed and delivered, as the case may be.

ARTICLE 7 COVENANTS

7.1 CSE Approval

As a pre-Closing covenant, the Vendor, at the sole cost and expense of the Purchaser, shall provide the Purchaser with such reasonable assistance as is required from time to time so as to enable the Purchaser to obtain a NI 43-101 compliant technical report on the Risby Claims for delivery to the CSE as well as any required financial statements of the Target, both with a view to procuring the CSE Approval. Moreover, the Vendor will provide reasonable assistance to the Purchaser with respect to the listing statement and shareholder consent that must additionally be prepared in order for the Purchaser to procure the CSE Approval. The Purchaser agrees to keep the Vendor reasonably apprised of its efforts, conversations, communications and filings with the CSE. This covenant shall expire on termination of this Agreement without consummation of the Transaction or on consummation of the Transaction.

7.2 Interim Period and Permits

The Vendor and the Purchaser covenant and agree that during the Interim Period they shall act in good faith and in a commercially reasonable manner.

7.3 Area of Interest

(a) The Vendor covenants and agrees (the “**Vendor AOI Covenant**”) that, during the Interim Period and for a period of three years from and after the Closing Date (the “**Vendor AOI Period**”), if the Vendor shall acquire by any means whatsoever (including without limitation, acquisition from a Third Party or staking) an interest in any AOI Property, then the Vendor shall provide prompt written notice (the “**Vendor AOI Notice**”) of such acquisition of an interest in the AOI Property to the Purchaser, which Vendor AOI Notice shall include reasonable details in the possession or under the control of the Vendor as to the AOI Property (the “**Subject AOI Property**”). The Purchaser shall have a period of 10 Business Days after receipt of the Vendor AOI Notice to advise the Vendor in writing (the “**Vendor AOI Notice Acceptance**”) that it shall seek that the Target acquire, on a quitclaim basis only, from the Vendor, for no consideration other than: (i) the acquisition costs incurred or to be incurred by the Vendor with respect to the Subject AOI Property; and (ii) the addition of the Subject AOI Property to the Royalty Agreement; then the Vendor shall promptly quitclaim the Subject AOI Property to the Target and add the applicable Subject AOI Property to the Royalty Agreement, in form and substance satisfactory to the Vendor, acting reasonably.

If the Purchaser does not deliver to the Vendor a Vendor AOI Notice Acceptance within the said 10 Business Days then it shall be deemed to have forever refused to act upon the Vendor AOI Notice and the Vendor shall be entitled to retain the Subject AOI Property for its own sole use absolutely. This covenant shall survive Closing and shall not merge on Closing and shall survive until termination of the Vendor AOI Period. The Vendor AOI Covenant is personal to the Purchaser and the Target only and does not follow any of the Claims.

(b) The Purchaser covenants and agrees (the “**Purchaser AOI Covenant**”) that, during the Interim Period and for a period of three years from and after the Closing Date (the “**Purchaser AOI Period**”), if

the Purchaser shall acquire by any means whatsoever (including without limitation, acquisition from a Third Party or staking) an interest in any AOI Property, then the Purchaser shall provide prompt written notice (the “**Purchaser AOI Notice**”) of such acquisition of an interest in the AOI Property to the Vendor, which Purchaser AOI Notice shall include reasonable details in the possession or under the control of the Purchaser as to the Subject AOI Property. The Vendor shall have a period of 10 Business Days after receipt of the Purchaser AOI Notice to advise the Purchaser in writing (the “**Purchaser AOI Notice Acceptance**”) that it shall seek that the Target acquire, on a quitclaim basis only, from the Purchaser, for no consideration other than: (i) the acquisition costs incurred or to be incurred by the Purchaser with respect to the Subject AOI Property; and (ii) the addition of the Subject AOI Property to the Royalty Agreement; then the Purchaser shall promptly quitclaim the Subject AOI Property to the Target and add the applicable Subject AOI Property to the Royalty Agreement, in form and substance satisfactory to the Purchaser, acting reasonably.

If the Vendor does not deliver to the Purchaser a Purchaser AOI Notice Acceptance within the said 10 Business Days then it shall be deemed to have forever refused to act upon the Purchaser AOI Notice and the Purchaser shall be entitled to retain the Subject AOI Property for its own sole use absolutely. This covenant shall survive Closing and shall not merge on Closing and shall survive until termination of the Purchaser AOI Period. The Purchaser AOI Covenant is personal to the Vendor only and does not follow any of the Claims.

7.4 Access to Information

Promptly following the Closing, the Vendor shall deliver the Books and Records and the Technical Information to the Purchaser or its Representatives as directed by the Purchaser. The Purchaser shall, and shall cause its Affiliates to, retain and preserve the Books and Records and the Technical Information for such period as may be required by any applicable Laws or any Governmental Authority. The Purchaser shall provide the Vendor and its accountants, legal advisers and other Representatives during normal business hours with reasonable access to such Books and Records and Technical Information, and shall allow the Vendor to take copies of any such Books and Records and Technical Information (or, where an original copy is required by a Governmental Authority, the Vendor may provide a copy to the Purchaser in exchange for an original thereof), in each case, at the expense of the Vendor and on a timely basis as may be reasonably required by the Vendor in connection with any obligations of the Vendor under applicable Laws or to a Governmental Authority. The Vendor shall be permitted to disclose all or a portion of the Books and Records and the Technical Information: (i) to a Governmental Authority if required by applicable Law, court or the rules or requirements of any Governmental Authority; or (ii) in connection with litigation or arbitration involving the Vendor where such disclosure is required by the applicable tribunal or is, on the advice of counsel for such party, necessary or advisable for the prosecution of proceeding. Without limiting the generality of the foregoing, the provisions of Section 9.1 shall apply to the use of the Books and Records and the Technical Information by the Vendor following the Closing. This covenant shall survive Closing and shall not merge on Closing and shall survive for the period stated in this Section.

7.5 Further Assurances

The Vendor and the Purchaser shall, from time to time, without further consideration, do such further acts and deliver all such further deeds, conveyances, bills of sale, assurances, transfers, assignments and consents, and any other documents necessary or reasonably required to effectively transfer the Target Shares to the Purchaser, free and clear of all Encumbrances, and to otherwise fully perform and carry out the terms of this Agreement and the Closing Documents. and any other documents necessary or reasonably required to effectively transfer such assets to the Purchaser. This covenant shall survive Closing and shall not merge on Closing and shall survive.

ARTICLE 8 INDEMNITIES

8.1 Indemnification by the Vendor

The Vendor shall indemnify and save the Purchaser and its directors, employees and officers and its Affiliates, and their respective directors, employees and officers harmless from and against all Losses which they may suffer, sustain, pay or incur arising out of, resulting from, attributable to or connected with:

- (a) any inaccuracy of any representation or warranty of the Vendor contained in this Agreement or in any Closing Document; or
- (b) any breach by a Vendor of any of its covenants or obligations contained in this Agreement or in any Closing Document.

The maximum aggregate liability of the Vendor under Section 8.1 above shall not exceed \$1,000,000, other than in respect of Fraud.

8.2 Indemnification by the Purchaser

The Purchaser shall indemnify and save the Vendor and its directors, employees and officers and their Affiliates, and their respective directors, employees and officers harmless from and against all Losses which they may suffer, sustain, pay or incur arising out of, resulting from, attributable to or connected with:

- (a) any inaccuracy of any representation or warranty of the Purchaser contained in this Agreement or in any Closing Document; or
- (b) any breach by the Purchaser of any of its covenants or obligations contained in this Agreement or in any Closing Document.

The maximum aggregate liability of the Purchaser under Section 8.2 above shall not exceed \$1,000,000, other than in respect of Fraud.

8.3 Limitation

Neither the Vendor nor the Purchaser shall have any obligation to make any payment for Losses for indemnification or otherwise with respect to any matters described in Section 8.1 or Section 8.2, respectively (other than matters relating to Fundamental Representations), until the actual total respective amount of all Losses with respect to such matters exceeds \$250,000, provided that once the foregoing threshold is exceeded a Party seeking indemnification pursuant to Section 8.1 or Section 8.2 shall then be entitled to seek indemnification for all Losses (i.e., back to dollar one).

8.4 No Consequential Damages

Notwithstanding anything to the contrary contained in this Agreement, neither the Vendor nor the Purchaser shall be liable to the other Party or its Affiliates, directors, employees and officers for any damages which are indirect, consequential, special, punitive, exemplary or for lost profits whether such liability arises in contract, indemnity, tort or otherwise and whether or not either Party has notice thereof.

8.5 Third Party Claims

In the case of claims made by a Third Party with respect to which indemnification is sought under this Article 8, including claims made by a Governmental Authority, the Party seeking indemnification (the

“**Indemnified Party**”) shall give prompt written notice, and in any event within seven days, to the other Party from whom it is seeking indemnification (the “**Indemnifying Party**”) of any such claims made upon it or one of its related indemnified Persons. If the Indemnified Party fails to give such notice, such failure shall not preclude the Indemnified Party from obtaining such indemnification but its right to indemnification may be reduced to the extent that such delay prejudiced the defence of the claim or increased the amount of liability or cost of defence. The Indemnifying Party shall have the right, by written notice to the Indemnified Party given not later than 30 days after receipt of the notice of a claim, to assume the control of the defence, compromise or settlement of the claim, provided that such assumption shall, by its terms, be without cost to the Indemnified Party and provided the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party and other indemnified Persons in accordance with the terms contained in this Article 8 in respect of that claim.

Upon the assumption of control of any claim by the Indemnifying Party as set out in the preceding sentence, the Indemnifying Party shall diligently proceed with the defence, compromise or settlement of the claim at its sole expense including, if necessary, employment of counsel and consultants, engineers and contractors reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall cooperate fully, but at the expense of the Indemnifying Party with respect to any reasonable out-of-pocket expenses incurred, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party’s control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are reasonably necessary to enable the Indemnifying Party to conduct such defence.

The Indemnifying Party shall not, without an Indemnified Party’s prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any claim in respect of which indemnification has been sought hereunder, without the prior written consent of such Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, unless such settlement, compromise, consent or termination includes an unconditional release of such Indemnified Party from any liabilities arising out of such claim without any admission of negligence, misconduct, liability or responsibility by such Indemnified Party. The Indemnified Party shall also have the right to participate in the defence of any claim at its own expense.

If the Indemnifying Party does not assume control of a claim as permitted in this Article 8, the Indemnified Party shall be entitled to make such settlement of the claim as in its reasonable determination appears advisable; provided, however, that no admission of liability or settlement may be made by the Indemnified Party without, in each case, the prior written consent of the Indemnifying Party, such consent not to be unreasonably withheld. The final determination of any claim pursuant to this Article 8 (after the expiry of all rights of appeal), including all related costs and expenses, shall be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be of such claim against the Indemnifying Party.

8.6 Insurance Recoveries

Any amounts payable or paid by an Indemnifying Party to an Indemnified Party shall be reduced or reimbursed to the Indemnifying Party, as the case may be, on a dollar-for-dollar basis to the extent that claims for such Losses are actually recovered by the Indemnified Party under insurance policies carried by the Indemnified Party. For greater certainty:

- (a) an Indemnified Party shall not be required to seek recovery under any such insurance policies before making a claim for indemnification hereunder;
- (b) an Indemnified Party shall make all reasonable efforts to seek recovery for any Losses under any applicable insurance policies in a timely manner; and

- (c) nothing herein shall relieve an Indemnifying Party from the obligation set out in Section 8.5 above.

ARTICLE 9 GENERAL

9.1 Confidentiality

- (a) Each Party agrees that it shall maintain as confidential and not disclose, without the prior written consent of the other Parties, the existence and terms of this Agreement and any other agreements and instruments delivered in connection with the Transaction (except where such information is or becomes publicly available or known by the public other than by a breach of this Agreement), provided that a Party may disclose such information:
 - (i) if required by Law or requested by any Governmental Authority (and then in accordance with Section 9.1(b) and/or 9.1(c), if applicable);
 - (ii) in connection with the implementation of the Transaction as contemplated by this Agreement;
 - (iii) to its Representatives who need to have knowledge of the information;
 - (iv) to its or its Affiliates' auditors, legal counsel, lenders, brokers, underwriters, investment bankers, financiers and other professional advisers for whom such information would be relevant, provided that such Persons are advised of the confidential nature of the information, undertake to maintain the confidentiality of it (or are otherwise bound to keep the information confidential) and are strictly limited in their use of the information to those purposes necessary for such Persons to perform the services for which they were, or are proposed to be, retained by the disclosing Party or its Affiliate, as the case may be;
 - (v) to Persons with whom it or an Affiliate is considering or intends to enter into a transaction for whom the information would be relevant (including such Persons' representatives and advisers), provided that such Persons are advised of the confidential nature of the information, undertake to maintain the confidentiality of it and are strictly limited in their use of the information to those purposes necessary for such Persons to consider or effect the applicable transaction; or
 - (vi) made in connection with litigation or arbitration involving a Party where such disclosure is required by the applicable tribunal or is, on the advice of counsel for such Party, necessary or advisable for the prosecution of the case.

Each disclosing Party shall be liable to the other Parties for any improper use or disclosure of such terms or information by its Representatives or any of those Persons listed in Sections 9.1(a)(iv) and 9.1(a)(v).

- (b) The Parties shall consult with each other before either of them or their respective Affiliates issues any press release or otherwise makes any public disclosure regarding this Agreement or the Transaction and shall not, and shall cause their respective Affiliates to not, issue any such press release or make any such public disclosure before receiving the consent of the other of them, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, the Parties or their respective Affiliates may, without prior consultation with the other Party, issue a press release or make public disclosure regarding this Agreement

or the Transaction if the disclosure proposed to be so made, as it relates to this Agreement or the Transaction is substantially the same as disclosure previously consented to by the Parties pursuant to this Section 9.1(b). Nothing in this Section 9.1(b) prohibits a Party from issuing a press release or making other disclosure required by Law if the Party or its Affiliate making the disclosure has first consulted with the other Party in accordance with this Section 9.1(b).

- (c) The Parties acknowledge that each of them may be required to publicly file a copy of this Agreement with applicable securities authorities, subject to any redactions as may be permitted by Law. The Parties shall cooperate with each other in determining which provisions should be redacted prior to making such filings, with a view to making such redactions to the fullest extent permitted by Law and to making the exact same redactions; provided, however, that the foregoing shall not require any Party to make any redactions not permitted by Law.

9.2 Notices

The addresses for service and the email addresses of the Parties shall be as follows:

If to the Vendor (or the Target prior to Closing):

Box 11250
Whitehorse, YT Y1A 6N4

Attention: Ron Berdahl
Email: [Redacted personal information]

If to the Purchaser (or the Target after Closing):

Suite 1000 – 1055 West Hastings Street
Vancouver, BC V6E 2E9

Attention: Gunther Roehlig
Email: [Redacted personal information]

All notices, communications and statements required, permitted or contemplated in this Agreement shall be in writing, and shall be delivered and received: (a) if delivered by hand, certified or registered mail or overnight courier, such notices so served shall be deemed to be received by the other Party: (i) on the date of delivery if delivered within the normal working hours of a Business Day where the recipient is located; or (ii) if delivered outside the normal working hours of a Business Day where the recipient is located, at the commencement of the next ensuing Business Day following delivery thereof; or (b) if delivered by email transmission, such notices so served shall be deemed to have been received by the other Party on the date of confirmation of the same by reply email. A Party may from time to time change its address for service or its email address or both by giving written notice of such change to the other Party.

9.3 Governing Law

- (a) This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with and under the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein.

- (b) Whenever any term or condition, whether express or implied, of any Schedule or any other agreement or instrument delivered pursuant to this Agreement conflicts with or is inconsistent with any term or condition of the body of this Agreement, this Agreement shall prevail.

9.4 Entire Agreement, etc.

- (a) This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof (including the Letter of Intent) and expresses the entire agreement of the Parties with respect to the subject matter hereof.
- (b) No amendment, change or other modification to this Agreement will be valid or binding unless set forth in writing and duly executed by each of the Parties.
- (c) No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or future exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provisions of this Agreement, including this Section, shall be effective other than by an instrument in writing, executed by a duly authorized representative of the Party making such waiver. Where a provision of this Agreement provides that an action must be taken, or a right or remedy must be exercised within or by a specified time, nothing in this Section shall be construed or operate so as to extend, waive or render inoperative such time constraint.
- (d) Subject to the limitations expressly set forth in this Agreement, the covenants, representations, warranties and indemnities contained in this Agreement shall not merge in any assignments, conveyances, transfers or other documents executed and delivered at or after the Closing Date pursuant to this Agreement, notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.
- (e) If any of the provisions of this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions herein shall not in any way be affected or impaired thereby.

9.5 Enurement, Beneficiaries and Assignment

- (a) This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns. Except for the indemnified Persons referred to in Article 9, this Agreement is not for the benefit of, nor may any provision in this Agreement be enforced by, any other Person. With respect to any indemnified Person who is not a Party, each Party shall obtain and hold the rights and benefits of Article 9 in trust for and on behalf of its related indemnified Persons.
- (b) This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may not be unreasonably withheld.

9.6 Expenses

Each of the Parties shall be responsible for the expenses incurred by them in connection with the negotiation of this Agreement and completion of the Transaction.

9.7 Counterpart Execution

This Agreement may be executed in as many counterparts as are necessary, but all of which when taken together shall constitute one and the same instrument. Delivery of any executed counterpart of a signature page to this Agreement by facsimile or other electronic format shall be effective as delivery of a manually executed counterpart to this Agreement. A valid and binding contract shall arise if and when this Agreement has been executed and delivered by the Parties in the manner provided herein.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

JKS RESOURCES INC.

By: (Signed) "Gunther Roehlig"
Name: Gunther Roehlig
Title: Director

18526 YUKON INC.

By: (Signed) "Ron Berdahl"
Name: Ron Berdahl
Title: President

LAPIE MINING INC.

By: (Signed) "Ron Berdahl"
Name: Ron Berdahl
Title: President

SCHEDULE "A"

PROPERTY CLAIMS DESCRIPTIONS

Property: AZ

Claim Name	Grant Number	% Interest	Expiry Date	District
AZ 1-2	YF90001 – YF90002	100	30/10/24	Whitehorse
AZ 3	YB26307	100	08/06/27	Whitehorse
AZ 4-215	YF90004 – YF90215	100	30/10/24	Whitehorse

Property: Barite Mountain

Claim Name	Grant Number	% Interest	Expiry Date	District
BAR 1-10	YE51781 – YE51790	100	19/03/25	Whitehorse

Property: Birch (Pluto)

Claim Name	Grant Number	% Interest	Expiry Date	District
P 1-2	YE51179 – YE51180	100	17/06/24	Whitehorse
P 3-40	YE49903 – YE49940	100	17/06/24	Whitehorse
P 41-64	YE49941 – YE49964	100	07/06/24	Whitehorse
P 65-100	YE49965 – YE50000	100	17/06/24	Whitehorse
P 101-110	YC94672 – YC94681	100	17/06/24	Whitehorse

Property: Carter Gulch

Claim Name	Grant Number	% Interest	Expiry Date	District
KIYOKO AU 1	YC26088	100	21/10/24	Whitehorse
KIYOKO AU 2	YC26089	100	21/10/24	Whitehorse

Property: Clea

Claim Name	Grant Number	% Interest	Expiry Date	District
CLEA 1-4	YC98853 – YC98856	100	11/09/25	Watson Lake

Property: Eva

Claim Name	Grant Number	% Interest	Expiry Date	District
EVA 1	YC19235	100	20/03/25	Whitehorse
EV 5	YD81979	100	22/09/28	Whitehorse

Property: Expo

Claim Name	Grant Number	% Interest	Expiry Date	District
HOME 2	YB47361	100	15/04/27	Watson Lake
POP 18	YB47385	100	15/04/26	Watson Lake
POP 5-8	YB47650 – YB47653	100	15/04/26	Watson Lake
POP 19-26	YB47654 – YB47661	100	15/04/26	Watson Lake
FLY 9	YB47662	100	15/04/31	Watson Lake
FLY 10	YB47663	100	15/04/31	Watson Lake
FLY 11	YB47664	100	15/04/27	Watson Lake
FLY 12	YB47665	100	15/04/33	Watson Lake
FLY 13	YB47666	100	15/04/27	Watson Lake
FLY 14	YB47667	100	15/04/27	Watson Lake
EXPO 9	YB51960	100	15/05/26	Watson Lake
EXPO 29	YB51980	100	15/05/33	Watson Lake
EXPO 30	YB51981	100	15/05/27	Watson Lake
EXPO 32	YB51983	100	15/05/27	Watson Lake
EXPO 47	YB51998	100	15/05/27	Watson Lake
EXPO 48	YB51999	100	15/05/27	Watson Lake
EXPO 49	YB52000	100	15/05/27	Watson Lake
EXPO 50	YB52001	100	15/05/27	Watson Lake
EXPO 51	YB52002	100	15/05/27	Watson Lake
EXPO 52	YB52003	100	15/05/27	Watson Lake
EXPO 65	YB52016	100	15/05/27	Watson Lake
EXPO 66	YB52017	100	15/05/27	Watson Lake
EXPO 67	YB52018	100	15/05/27	Watson Lake
EXPO 68	YB52019	100	15/05/27	Watson Lake
EXPO 69	YB52020	100	15/05/27	Watson Lake
EXPO 77	YB52028	100	15/05/30	Watson Lake
EXPO 78	YB52029	100	15/05/30	Watson Lake
EXPO 81	YB52032	100	15/05/33	Watson Lake
EXPO 169	YB52118	100	15/05/27	Watson Lake
EXPO 170	YB52119	100	15/05/27	Watson Lake
EXPO 171	YB52120	100	15/05/27	Watson Lake
EXPO 172	YB52121	100	15/05/27	Watson Lake
EXPO 173	YB52122	100	15/05/33	Watson Lake
EXPO 174	YB52123	100	15/05/27	Watson Lake
EXPO 175	YB52124	100	15/05/33	Watson Lake
EXPO 176	YB52125	100	15/05/27	Watson Lake
EXPO 177	YB52126	100	15/05/30	Watson Lake
EXPO 178	YB52127	100	15/05/33	Watson Lake
EXPO 179	YB52128	100	15/05/30	Watson Lake
EXPO 180	YB52129	100	15/05/28	Watson Lake
EXPO 189	YB52138	100	15/05/26	Watson Lake
EXPO 190	YB52139	100	15/05/26	Watson Lake
EXPO 191	YB52140	100	15/05/27	Watson Lake
EXPO 192	YB52141	100	15/05/27	Watson Lake
EXPO 193	YB52142	100	15/05/27	Watson Lake
EXPO 194	YB52143	100	15/05/27	Watson Lake

Claim Name	Grant Number	% Interest	Expiry Date	District
EXPO 195	YB52144	100	15/05/27	Watson Lake
EXPO 196	YB52145	100	15/05/27	Watson Lake
EXPO 197	YB52146	100	15/05/27	Watson Lake
EXPO 198	YB52147	100	15/05/27	Watson Lake
EXPO 199	YB52148	100	15/05/27	Watson Lake
EXPO 200	YB52149	100	15/05/27	Watson Lake
EXPO 202	YB52151	100	15/05/27	Watson Lake
EXPO 219	YB52168	100	15/05/26	Watson Lake
EXPO 221	YB52170	100	15/05/26	Watson Lake
EXPO 223	YB52172	100	15/05/26	Watson Lake
EXPO 224	YB52173	100	15/05/26	Watson Lake
EXPO 225	YB52174	100	15/05/26	Watson Lake
EXPO 226	YB52175	100	15/05/26	Watson Lake
EXPO 227	YB52176	100	15/05/26	Watson Lake
EXPO 228	YB52177	100	15/05/26	Watson Lake
EXPO 229	YB52178	100	15/05/26	Watson Lake
EXPO 230	YB52179	100	15/05/26	Watson Lake
EXPO 231	YB52180	100	15/05/26	Watson Lake
EXPO 232	YB52181	100	15/05/26	Watson Lake
EXPO 239	YB52188	100	15/05/26	Watson Lake
EXPO 240	YB52189	100	15/05/26	Watson Lake
EXPO 241	YB52190	100	15/05/26	Watson Lake
EXPO 242	YB52191	100	15/05/26	Watson Lake
EXPO 243	YB52192	100	15/05/26	Watson Lake
EXPO 244	YB52193	100	15/05/26	Watson Lake
EXPO 245	YB52194	100	15/05/26	Watson Lake
EXPO 246	YB52195	100	15/05/26	Watson Lake
EXPO 247	YB52196	100	15/05/26	Watson Lake
EXPO 248	YB52197	100	15/05/26	Watson Lake
EXPO 249	YB52198	100	15/05/26	Watson Lake
EXPO 256	YB52205	100	15/05/26	Watson Lake
EXPO 257	YB52206	100	15/05/26	Watson Lake
EXPO 258	YB52207	100	15/05/26	Watson Lake
EXPO 259	YB52208	100	15/05/26	Watson Lake
EXPO 260	YB52209	100	15/05/26	Watson Lake
EXPO 261	YB52210	100	15/05/26	Watson Lake
EXPO 262	YB52211	100	15/05/26	Watson Lake
EXPO 263	YB52212	100	15/05/26	Watson Lake
EXPO 264	YB52213	100	15/05/26	Watson Lake
EXPO 265	YB52214	100	15/05/26	Watson Lake
EXPO 266	YB52215	100	15/05/26	Watson Lake
EXPO 267	YB52216	100	15/05/26	Watson Lake
EXPO 268	YB52217	100	15/05/26	Watson Lake
EXPO 269	YB52218	100	15/05/26	Watson Lake
EXPO 270	YB52219	100	15/05/26	Watson Lake
EXPO 271	YB52220	100	15/05/26	Watson Lake
LYNX 1-18	YC97545 – YC97562	100	20/08/26	Watson Lake
ORE 1-8	YC97563 – YC97570	100	20/08/26	Watson Lake

Claim Name	Grant Number	% Interest	Expiry Date	District
LYNX 19-54	YD31019 – YD31054	100	31/08/26	Watson Lake
BEAR 1-76	YD31055 – YD31130	100	31/08/28	Watson Lake
ORE 9	YE49656	100	10/08/26	Watson Lake
ORE 10	YE49657	100	10/08/26	Watson Lake
ORE 11	YE49658	100	10/08/28	Watson Lake
ORE 12	YE49659	100	10/08/28	Watson Lake
ORE 13	YE49660	100	10/08/28	Watson Lake
ORE 14	YE49661	100	10/08/28	Watson Lake
EL 1-8	YE49662 – YE49669	100	10/08/28	Watson Lake

Property: Faro North

Claim Name	Grant Number	% Interest	Expiry Date	District
BP 1	YC65867	100	28/09/25	Whitehorse
BP 2	YC65868	100	28/09/25	Whitehorse
BP 3	YC65869	100	28/09/25	Whitehorse
BP 5	YC65871	100	28/09/25	Whitehorse
BP 6	YC65872	100	28/09/25	Whitehorse
JIB 1-123	YD108380 – YD108502	100	20/01/25	Whitehorse
JIB 124-131	YD125295 – YD125302	100	20/01/25	Whitehorse
JIB 132	YD05451	100	20/01/25	Whitehorse
LIB 1-60	YD125235 – YD125294	100	20/01/25	Whitehorse

Property: Fox

Claim Name	Grant Number	% Interest	Expiry Date	District
FOX 1-80	YE51701 – YE51780	100	19/03/25	Whitehorse

Property: Gem

Claim Name	Grant Number	% Interest	Expiry Date	District
GEM 2	YB92356	100	28/06/25	Watson Lake

Property: Ketz

Claim Name	Grant Number	% Interest	Expiry Date	District
STAR 1-8	YB59270 – YB59277	100	03/04/27	Watson Lake
RIVER 1-29	YC24888 – YC24916	100	09/03/26	Watson Lake

Property: Nut

Claim Name	Grant Number	% Interest	Expiry Date	District
Nut 1-5	YD69303 – YD69307	100	19/10/24	Mayo
Nut 6	YD69308	100	19/10/25	Mayo
Nut 7-8	YD69309 – YD69310	100	19/10/24	Mayo
Nut 9-16	YD69311 – YD69318	100	19/10/24	Mayo

Property: Pete

Claim Name	Grant Number	% Interest	Expiry Date	District
PETE 1	YB92702	100	20/06/28	Watson Lake

Property: Risby

Claim Name	Grant Number	% Interest	Expiry Date	District
RISBY 1	YB46673	100	05/03/25	Whitehorse
RISBY 2	YB46674	100	05/03/25	Whitehorse
RISBY 3	YB46675	100	05/03/25	Whitehorse
RISBY 4	YB46676	100	05/03/25	Whitehorse
GOLD 1	YB66240	100	05/03/27	Whitehorse
GOLD 2	YB66241	100	05/03/27	Whitehorse
WO3 1	YC19236	100	05/03/25	Whitehorse
WO3 2	YC19237	100	05/03/25	Whitehorse
WO3 3	YC19238	100	05/03/25	Whitehorse
WO3 4	YC19239	100	05/03/25	Whitehorse
X 1	YC47467	100	05/03/25	Whitehorse
X 2	YC47468	100	05/03/25	Whitehorse
X 3	YC47469	100	05/03/25	Whitehorse
X 4	YC47470	100	05/03/25	Whitehorse
X 5	YC47471	100	05/03/25	Whitehorse
X 6	YC47472	100	05/03/25	Whitehorse
X 7	YC47473	100	05/03/25	Whitehorse
X 8	YC47474	100	05/03/25	Whitehorse
X 9	YC47475	100	05/03/25	Whitehorse
X 10	YC47476	100	05/03/25	Whitehorse
X 11	YC47477	100	05/03/25	Whitehorse
X 12	YC47478	100	05/03/25	Whitehorse
X 13	YC47479	100	05/03/25	Whitehorse
X 14	YC47480	100	05/03/25	Whitehorse
X 15	YC47481	100	05/03/25	Whitehorse
X 16	YC47482	100	05/03/25	Whitehorse
X 17	YC47483	100	05/03/25	Whitehorse
X 18	YC47484	100	05/03/25	Whitehorse
X 19	YC47485	100	05/03/25	Whitehorse
X 20	YC47486	100	05/03/25	Whitehorse
X 21	YC47487	100	05/03/25	Whitehorse
X 22	YC47488	100	05/03/25	Whitehorse
X 23	YC47489	100	05/03/25	Whitehorse
X 24	YC47490	100	05/03/25	Whitehorse
X 25	YC47491	100	05/03/25	Whitehorse
X 26	YC47492	100	05/03/25	Whitehorse
X 27	YC47493	100	05/03/25	Whitehorse
X 28	YC47494	100	05/03/25	Whitehorse
X 29	YC83101	100	05/03/25	Whitehorse
X 30	YC83102	100	05/03/25	Whitehorse
X 31	YC83103	100	05/03/25	Whitehorse

Claim Name	Grant Number	% Interest	Expiry Date	District
X 32	YC83104	100	05/03/25	Whitehorse
X 33	YC83105	100	05/03/25	Whitehorse

Property: Talbot (Cloud)

Claim Name	Grant Number	% Interest	Expiry Date	District
C 1-22	YE49736 – YE49757	100	07/06/24	Whitehorse

Property: Venus Claims

Claim Name	Grant Number	% Interest	Expiry Date	District
O'NEIL 3	YC14560	100	21/04/24	Whitehorse
O'NEIL 4	YC14561	100	21/04/24	Whitehorse

Property: Venus Crown Grants – South Klondike Highway

Lot 20 Group/Quad 754, YT, Plan No. FB10980 (Venus claim, subsurface only)
 Lot 21 Group/Quad 754, YT, Plan No. FB10980 (Venus #2 claim, subsurface only)
 Lot 23 Group/Quad 754, YT, Plan No. FB9325 (Ruby Silver claim, subsurface only)
 Lot 26 Group/Quad 754, YT, Plan No. FB10980 (Vault claim, subsurface only)
 Lot 78 Group/Quad 754, YT, Plan No. 9929 (Maybelle claim, subsurface only)
 Lot 142 Group/Quad 754, YT, Plan No. 23509 (Beach claim, subsurface only)
 Lot 143 Group/Quad 754, YT, Plan No. 23509 (Nipper #2 claim, subsurface only)
 Lot 145 Group/Quad 754, YT, Plan No. 23509 (Humper #2 claim, subsurface only)

SCHEDULE “B”

ROYALTY AGREEMENT

THIS AGREEMENT made as of *, 2024

BETWEEN:

18526 YUKON INC., a Yukon corporation with an address of P.O. Box 11250,
Whitehorse, YT Y1A 6N4

(the “**Payee**”)

AND:

LAPIE MINING INC., a Yukon corporation with an address of Suite 1000 – 1055 West Hastings
Street, Vancouver, BC V6E 2E9

(the “**Payor**”)

WHEREAS:

- A. The Payee has agreed to transfer its interest in certain mineral claims to the Payor, as more particularly described in Schedule “A” attached hereto (any such mineral claim is referred to herein as a “**Property**” and one or more of such properties collectively as the “**Properties**”), pursuant to an Asset Sale Agreement dated January *, 2024 (the “**Transfer Agreement**”).
- B. The Payor, through the Transfer Agreement, owns or will own all of the interest in the Properties, as set forth in Schedule “A”.
- C. In connection with the acquisition of the Properties, the Payor has agreed to pay to the Payee a royalty equal to 2.5% of Net Smelter Returns (as defined below) from each of the NSR Properties, as hereinafter defined, on and subject to the terms and conditions of this Agreement.
- D. The Payee entered into an agreement (the “**Purchase and Sale Agreement**”) with JKS Resources Inc. (“**JKS**”), pursuant to which the Payee has agreed to sell all of the shares of the Payor to JKS, which agreement contains area of interest clauses that will have an interplay with the provisions of this Agreement.

NOW THEREFORE in consideration of payment of ONE THOUSAND (\$1,000) DOLLARS and the premises and mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions. In this Agreement:

- (a) **“Additional Properties”** means any additional mineral claims acquired by the Payor and not listed in Schedule “A” as at the Execution Date, acquired within three years of the closing of the transaction contemplated in the Purchase and Sale Agreement and made a part of this Agreement, it being understood and agreed that as and when any such additional mineral claims are added to Schedule “A”, the Payee and the Payor shall agree, acting reasonably, as to which of the Original Claims Groupings any such Additional Property shall form a part hereof based on proximity and the same shall be indicated in the new updated Schedule “A”;
- (b) **“Business Day”** means any day except Saturday, Sunday or any day on which banks are generally not open for business in Whitehorse, Yukon;
- (c) **“Buy Back Notice”** has the meaning ascribed thereto Section 2.12(b);
- (d) **“Buy Back Price”** means the sum of \$1,000,000, to be paid for the Buy Back Right for each of the Original Claims Groupings, for an aggregate of \$16,000,000;
- (e) **“Buy Back Right”** has the meaning ascribed thereto in Section 2.12(a);
- (f) **“Buy Back Subject Claims”** has the meaning ascribed thereto in Section 2.12(a);
- (g) **“Date of Commencement of Commercial Production”** means the date upon the first to occur of (a) the pouring of a doré bar at a mill processing Ore from an NSR Property, or (b) the out-turn of refined metals by a refinery to the Payor’s pool account in respect of a Product;
- (h) **“Exchange Rate”** has the meaning ascribed thereto in Section 2.12(c);
- (i) **“LMBA”** has the meaning ascribed thereto in Section 2.12(c);
- (j) **“Materials”** has the meaning ascribed thereto in Section 3.3;
- (k) **“Net Smelter Returns”** with respect to the NSR Properties means the gross proceeds actually received by the Payor in any year from the sale of Product from mining operations on the NSR Properties, less each of the following:
 - (i) smelting costs, treatment charges and penalties, including, but not limited to, metal losses, penalties for impurities and charges for refining, selling and handling by the smelter, refinery or other purchaser; provided that in the case of leaching operations or other solution mining techniques, where the metal being treated is precipitated or otherwise directly derived from such leach solution, all processing and recovery costs incurred beyond the point at which the metal being treated is in solution shall be considered as treatment charges;
 - (ii) direct costs of handling, transporting and insuring Product, whether situated on or off the NSR Properties, to a smelter, refinery or other place of treatment; and

- (iii) ad valorem taxes and taxes based upon production, but not income taxes (unless any of the same are recoupable by the Payor);
- (l) **“NSR Properties”** means, collectively, the Properties and the Additional Properties, and **“NSR Property”** means any one of such properties, as applicable and as the context requires; It is understood and agreed that as at the Execution Date, there are 16 separate groupings of NSR Properties (the **“Original Claims Groupings”**), which are identified in Schedule “A” and they are as follows: AZ Claims; Barite Mountain Claims; Birch Claims; Carter Gulch Claims; Clea Claims; Eva Claims; Expo Claims; Faro North Claims; Fox Claims; Gem Claims; Keza Claims; Nut Claims; Pete Claims; Risby Claims; Talbot Claims; and Venus Claims and Crown Grants;
- (m) **“Original Claims Groupings”** has the meaning set forth in the definition of NSR Properties;
- (n) **“Ore”** means any material containing a mineral or minerals of commercial economic value mined from the NSR Properties;
- (o) **“Payee”** has the meaning ascribed to it in the opening paragraph of this Agreement;
- (p) **“Payor”** has the meaning ascribed to it in the opening paragraph of this Agreement;
- (q) **“Product”** means any and all metals, minerals and products or by-products thereof, of whatever kind and nature in, under or upon the surface or subsurface of the NSR Properties (including, without limitation, ore, metals, precious metals, base metals, uranium, industrial minerals, concentrates, gems, diamonds, commercially valuable rock, aggregate, clays and other minerals which are mined, excavated or extracted solely from the NSR Properties), and includes Ore mined from an NSR Property and any concentrates or other materials or products derived therefrom;
- (r) **“Property”** and **“Properties”** have the respective meanings ascribed to them in Recital A to this Agreement and includes any rights renewing, deriving, replacing or complementing any of the foregoing;
- (s) **“Purchase and Sale Agreement”** has the meaning ascribed to it in Recital D to this Agreement;
- (t) **“Transfer Agreement”** has the meaning ascribed to it in Recital A to this Agreement;
- (u) **“Royalty”** means a royalty at the Royalty Rate from production from each NSR Property as described in this Agreement; and
- (v) **“Royalty Rate”** means 2.5% of Net Smelter Returns, which, for any group of NSR Properties, may be reduced to 2.0% if the Payee exercises the Buy Back Right and pays the Buy Back Price for any such group of NSR Properties.

1.2 **Interpretation.** For purposes of this Agreement, except as otherwise expressly provided:

- (a) **“this Agreement”** or **“this Royalty Agreement”** means this agreement, including the schedule hereto, as it may from time to time be supplemented or amended;

- (b) all references in this Agreement to a designated Article, section, subsection, paragraph or other subdivision or to a schedule is to the designated Article, section, subsection, paragraph or other subdivision of, or schedule to, this Agreement, unless otherwise specifically stated;
- (c) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, section, clause, subclause or other subdivision or schedule;
- (d) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and where applicable a body corporate;
- (e) the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language, such as “without limitation” or “but not limited to” or other words of similar import are used with reference thereto);
- (f) except as otherwise provided, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or such regulations;
- (g) the headings to the sections and clauses of this Agreement are inserted for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (h) any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity; and
- (i) unless otherwise indicated, all dollar amounts in this Agreement and payments to be made in this Agreement are expressed in Canadian currency.

ARTICLE 2 - NET SMELTER RETURN ROYALTY

2.1 **Grant of Royalty.** The Payor hereby grants, assigns, transfers and conveys to the Payee, and its successors and assigns forever, a Royalty in the NSR Properties and all Products which may be found in, under or upon the NSR Properties.

2.2 **Notice.** The Payor shall give written notice to the Payee of the date on which Ore is first mined at an NSR Property and the Date of Commencement of Commercial Production. Pilot plant operations and the mining or milling of Ore in connection therewith shall not be considered commercial production.

2.3 **Net Smelter Returns Royalty.** Subject to Section 2.6 and Section 2.15, the amount of Royalty payable to the Payee, namely 2.5% of Net Smelter Returns from each NSR Property, shall be calculated by the Payor upon receipt of payment for Product from any refinery, smelter or other place of treatment at or relating to an NSR Property, and the Royalty in respect of such Product shall be paid to the Payee quarterly within 30 days after the end of each calendar quarter. Any adjustments in the payment of Royalties hereunder arising out of an audit referred to in Section 2.8 hereof shall be made and paid at that time.

2.4 **Adjustment for Sales to Affiliates.** For the purposes of calculating the amount of any Royalty payable to the Payee, if, after the Date of Commencement of Commercial Production from the mining operation on the particular NSR Property, the Payor sells any Product to one of its subsidiaries or affiliates,

and if the sale price of such Product is not negotiated on an arm's length basis, the Payor shall for the purposes of calculating Net Smelter Returns only and notwithstanding the actual amount of such sale price, add to the proceeds from the sale of such Product an amount which would be sufficient to make such sale price represent a reasonable net sale price for such Product as if negotiated at arm's length and after taking into account all pertinent circumstances (including, without limitation, then current market conditions relating to Ore, concentrates or other materials or products similar to such Product). The Payor shall by written notice inform the Payee of the quantum of such reasonable net sale price and if the Payee does not object thereto within 60 days after receipt of such notice, such quantum shall be final and binding for the purposes of this paragraph.

2.5 **Yearly Statement.** Within 120 days after the end of each fiscal year of the Payor occurring after the Date of Commencement of Commercial Production of the first NSR Property to achieve commercial production, the Payor shall deliver to the Payee a statement indicating in reasonable detail, as of the last day of the immediately preceding fiscal year, the calculation of Net Smelter Returns for each NSR Property and the aggregate Royalty payable to the Payee for such fiscal year.

2.6 **Ore for Bulk Sampling and Testing Not Subject to Royalty.** The Payor may remove reasonable quantities of Ore and rock from each NSR Property for the purpose of bulk sampling and for testing, and there shall be no Royalty payable to the Payee with respect thereto unless significant profits are derived therefrom.

2.7 **Production Records.** The Payor agrees to maintain for each mining operation on each NSR Property up to date and complete records relating to the production and sale of Product including accounts, records, statements and returns relating to treatment and smelting arrangements of the Product, and the Payee or its agents shall have the right at all reasonable times to inspect such records, statements and returns, and make copies thereof at its own expense, for the purpose of verifying the amount of Royalty payments to be made by the Payor to the Payee pursuant hereto. The Payee shall have the right at his own expense to have such accounts audited by independent auditors once each year.

2.8 **Audited Statement.** For every fiscal year of the Payor from and after the Date of Commencement of Commercial Production of the first NSR Property to achieve commercial production, the Payor shall have an audited statement prepared by its auditors for each such fiscal year with respect to the Royalty payable to the Payee hereunder, by the last day of the sixth month in the following fiscal year of the Payor, and the Payor shall forthwith deliver a copy of such statement to the Payee.

2.9 **Payments Final if not Disputed.** All Royalty payments shall be considered final and in full satisfaction of all obligations of the Payor making same in respect thereof if such payments or the calculation in respect thereof are not disputed by the Payee within 90 days after receipt by the Payee of the audited statement referred to in Section 2.8 hereof.

2.10 **Real Property Interest in the NSR Properties.** The Payor hereby acknowledges and agrees that the Royalty is a direct real property interest in the NSR Properties and the Products (while contained in the NSR Property), and in the Payor's estate, right, title and interest therein granted by the Payor, in favour of the Payee, provided that such interest shall be satisfied in respect of any particular Product by the payment to the Payee of the Royalty in respect thereof. The Royalty shall continue in perpetuity, it being the intent of the Parties that the Royalty will constitute a covenant running with the NSR Properties and the Products (while contained in the NSR Properties) and all successions thereof, and will be binding upon and enure to the benefit of the Parties and their respective successors and assigns. If any right, power of interest of either party pertaining to the Royalty would violate the rule against perpetuities, then such right, power or interest will terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of His Majesty, King Charles III of England, living on the date of this Agreement.

2.11 **Royalty Application.** The Royalty shall apply to 100% of the interests of the Payor in the NSR Properties, underlying agreements pertaining thereto and production derived solely therefrom.

2.12 **Royalty Purchase.**

- (a) At any time and from time to time, the Payor shall have the right and option (the “**Buy Back Right**”) to purchase from the Payee (in whole but not in part) as to each and every of the NSR Properties (on an Original Claims Groupings by Original Claims Groupings basis) one-fifth (1/5) of the Royalty, thereby reducing the Royalty Rate to 2.0% of the Net Smelter Returns from the applicable NSR Property, in consideration of the Buy Back Price which must be made for each of the Original Claims Groupings. For example purposes, if the Buy Back Right is exercised for all of the Original Claims Groupings, the Buy Back Price would be \$16,000,000. At the option of the Payor, the Buy Back Price shall be paid in kind (i.e. gold) or in cash, calculated as provided in this Section 2.12.
- (b) In order to exercise the Buy Back Right for one or more NSR Properties (on an Original Claims Groupings by Original Claims Groupings basis), the Payor shall send a written notice (the “**Buy Back Notice**”) to the Payee setting forth the applicable NSR Properties that are subject to the Buy Back Notice (the “**Buy Back Subject Claims**”) and the date upon which the payment of the Buy Back Price is to be made for each of the Buy Back Subject Claims that are the subject matter of the Buy Back Notice. The payment date set shall be no earlier than five Business Days after the date of the Buy Back Notice and no later than 10 Business Days after the date of the Buy Back Notice and payment shall be made in full on the payment date, without set off or deduction. If the Payor elects payment in kind (i.e. gold), the gold, or applicable gold credits, shall be delivered to a metals account of the Payee, as advised by the Payee to the Payor in writing promptly after receipt of the Buy Back Notice.
- (c) If the Payor elects that the Buy Back Price for the Buy Back Subject Claims be satisfied in gold, then: (i) the value of the gold shall be equal to the average of the London p.m. fix quoted by the London Bullion Market Association (“**LBMA**”) (currently in partnership with ICE Benchmark Administration) for refined gold over the five Business Days prior to the date of the Buy Back Notice and the three Business Days after the date of the Buy Back Notice; and (ii) the value of the gold as so calculated shall be converted from US dollars into Canadian dollars based on the Exchange Rate as at the close of business on the Business Day prior to the payment date. For the purposes hereof, the “**Exchange Rate**” means the daily spot rate announced by the Bank of Canada for exchanging U.S. currency into Canadian currency; provided that if such rate is not available, then such rate shall be determined as of the immediately preceding date on which such rate is available. In the event that the Bank of Canada does not announce an exchange rate for such currencies, the Payee shall be entitled to make a good faith determination of the applicable exchange rate.
- (d) For clarity, once the Buy Back Price has been paid for any of the Buy Back Subject Claims, then the Royalty Rate applicable thereto shall be reduced to 2%. Unless and until the Buy Back Price has been paid for any of the other NSR Properties (on an Original Claims Groupings by Original Claims Groupings basis), then the Royalty Rate therefor shall remain at 2.5%.
- (e) For clarity, exercise by the Payor of the Buy Back Right in respect of some but not all of the NSR Properties shall not extinguish the Buy Back Rights of the Payor with respect to any other of the NSR Properties.

- (f) Contemporaneous with the payment by the Payor of the Buy Back Price, the Parties shall execute and deliver an amendment to this Agreement to reflect the reduction of the Royalty Rate with respect to the applicable Buy Back Subject Claims. At the request of the Payee, in lieu of an amendment, the Payor and the Payee may execute and deliver a standalone royalty agreement with respect to the Buy Back Subject Claims, reflecting the reduced Royalty Rate and on the same terms and conditions as set forth in this Agreement *mutatis mutandis* (save and except that there shall be no Buy Back Rights set forth in any such stand alone royalty agreement).

2.13 **Dispute Resolution.** If any dispute arises with respect to this Agreement, then the parties shall use their best efforts to settle the dispute and to this end they shall consult and negotiate with each other, in good faith and understanding of their mutual interests, to find a just and equitable solution satisfactory to the parties. If the parties are unable within a period of fifteen (15) days following first notice of the dispute by one party to the other, to attain resolution of the dispute then upon written notice by one party to the other, the dispute shall be settled by arbitration in Whitehorse, Yukon before a single arbitrator, in accordance with the provisions of the *Arbitration Act* (Yukon), which decision shall include the question of costs and shall be final and binding on the parties, and absent manifest error, not be subject to appeal.

2.14 **Objections to Royalty Calculation.** All Net Smelter Returns Royalty payments will be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless, subject to Section 2.9, the Payee gives the Payor written notice describing and setting forth a specific objection to the determination thereof within 120 days after receipt by the Payee of the yearly Royalty statement. In the event of misstatement of the amount of Products sold, or the amount of the allowable deductions, the Royalty payments will not be considered final and in full satisfaction of the obligations of the Payor to pay the Royalty. If the Payee objects to a particular yearly statement as herein provided, the Payee will, for a period of 90 days after the delivery by the Payee to the Payor of a notice of such objection, have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Royalty in question audited by an independent chartered or certified public accountant knowledgeable in the mining industry selected by the Payee and who enters into a confidentiality undertaking with the Payee. If such audit determines that there has been a deficiency or an excess in the payment made to the Payee, any deficiency will be settled by cash payment to the Payee within 10 days of its determination and any excess will be resolved by adjusting the next Royalty payment due hereunder and if there shall be no next Royalty payment, it shall be settled in cash. The Payee will pay all costs of such audit unless a deficiency of five percent or more of the amount due to the Payee is determined to exist. The Payor will pay the costs of such audit if a deficiency of five percent or more of the amount due is determined to exist.

2.15 **Insurance Proceeds for Loss.** If the Payor or any of its Affiliates receives insurance proceeds for loss of Products from the NSR Properties or in connection with business interruption relating to operations pertaining to the NSR Properties, the Payor shall pay to the Payee the relevant percentage of any such insurance proceeds, which are received by the Payor or any of its Affiliates for such loss of production. The Payor shall pay such amount in cash within ten days of the Payor receiving such insurance proceeds in cash by wire transfer to an account to be designated by the Payee and notified to the Payor in writing at least three Business Days prior to the payment date. The gross proceeds received by the Payor on account of (a) the lost or damaged Products, or (b) loss relating to business interruption, shall be conclusively determined by the final, uncontested insurance settlement documents.

2.16 **Registration and Filing of Royalty Agreement.** The Payee may at any time, and from time to time, file, register or otherwise deposit a copy of this Agreement with the applicable mining recorder and

any other appropriate government agencies for the purpose of providing third parties with notice of this Agreement and the rights of the Payee hereunder.

2.17 **Default and Interest.** In the event that any credit/payment required to be made to the Payee hereunder is not made when due, then all uncredited/unpaid amounts shall bear interest at the rate equal to Prime Rate plus 5.0%, compounded monthly on the last day of each month until such credit/payment and accrued interest is paid in full. For the purposes hereof, the term “**Prime Rate**” means the per annum rate quoted or announced from time to time by the principal office of the National Bank of Canada in Montreal as its reference rate of interest for Canadian dollar loans made in Canada. The rate of interest payable on such late credits/payments will change simultaneously with changes in the Prime Rate from time to time.

2.18 **Abandonment.** In the event that the Payor intends to allow an NSR Property to lapse, or does not wish to renew the rights to an NSR Property, or proposes to abandon an NSR Property, the Payor shall provide the Payee 30 days’ notice of the same, and the Payee shall have the right to obtain such NSR Property from the Payor for consideration of \$1.00 for any mineral claim of an NSR Property to be lapsed, not renewed or abandoned.

ARTICLE 3 - OPERATIONS AND INDEMNIFICATION

3.1 **Commingling of Ores.** The Payor shall have the right to commingle Ores from one or more NSR Properties with ores produced from other properties provided that prior to such commingling, the Payor shall adopt and employ reasonable practices and procedures for weighing, determination of moisture content, sampling and assaying, as well as utilize reasonably accurate recovery factors in order to determine the amounts of Products derived from, or attributable to Ore mined and produced from the NSR Properties. The Payor shall maintain accurate records of the results of such sampling, weighing and analysis as pertaining to Ore mined and produced from the NSR Properties.

3.2 **Stockpiling.** The Payor shall be entitled to temporarily stockpile, store or place ores or mined rock containing Products produced from the NSR Properties in any locations owned, leased or otherwise controlled by the Payor or its Affiliates or any processor of such Products on or off the NSR Properties, provided the same are appropriately secured from loss, theft, tampering and contamination.

3.3 **Tailings.** All tailings, residues, waste rock, spoiled leach materials, bulk samples, and other materials (collectively the “**Materials**”) resulting from the Payor’s operations and activities on the NSR Properties shall be the sole property of the Payor, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Products. Notwithstanding the foregoing, the Payor shall have the right to dispose of Materials from the NSR Properties on or off of the NSR Properties and to commingle the same (as provided herein) with materials from other properties. In the event Materials from the NSR Properties is processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined on a pro rata basis as determined by using the best engineering and technical practices then available.

3.4 **Insurance.** Upon commencement of commercial production, the Payor will obtain and maintain insurance against (a) loss of Products prior to their sale and (b) business interruption, in such amounts and with such coverage as is customary in the industry (including, without limitation, fidelity insurance to protect against theft and business interruption coverage) with the Payee as a named insured. Upon written request therefor, the Payor shall provide satisfactory proof of such insurance coverage to the Payee, acting reasonably.

3.5 **Indemnification by Payor.**

- (a) The Payor shall be responsible for all costs, fines, damages, judgments, penalties or responsibilities (environmental and otherwise) in connection with the NSR Properties, its ownership and use of the NSR Properties and for any and all work performed in and on the NSR Properties.
- (b) The Payor will indemnify and save harmless the Payee from any loss (excluding loss of profit and consequential damages), cost or liability (including any reasonable legal fees) arising from a claim against the Payee in respect of: (a) any failure by the Payor to timely and fully perform all reclamation, restoration, waste disposal or other closure obligations required by law or regulation, the terms and conditions of applicable licenses or by governmental authorities or otherwise to prevent liability in respect of all activities on the NSR Properties; (b) any failure or omission by the Payor which results in a violation of or liability under any present or future applicable federal, provincial, territorial or local environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licenses and other regulatory requirements, in respect of all activities on the NSR Properties; and (c) any claims by third parties against the Payee in respect of the NSR Properties damage or injury or death to persons arising out of the activities on or with respect to the NSR Properties, provided that the foregoing shall not apply to any loss, costs or liabilities to the extent they arise primarily from the gross negligence or wilful misconduct of the Payee. In the event the Payee elects to and does acquire any portion of the NSR Properties upon abandonment by the Payor, the Payor shall be released from the foregoing liabilities and indemnifications with respect to activities on or with respect to activities on or with respect to such portion of the NSR Properties.

ARTICLE 4 - GENERAL

4.1 **Assignment of NSR Properties.** The Payor may not sell, assign, transfer, convey, lease, license, charge, pledge, hypothecate, mortgage or otherwise dispose of the NSR Properties, or any interest in the NSR Properties in any manner whatsoever, and may not assign, transfer or otherwise convey this Agreement or any interest therein, without in each case complying with the following:

- (a) it shall be a condition of such sale, assignment, transfer, conveyance, lease, license or other disposition that the transferee or other counterparty to such transaction first execute and deliver to the Payee (with the Payee to be a party thereto) an instrument in writing, in a form and content satisfactory to the Payee, acting reasonably, pursuant to which such transferee or other counterparty agrees to be bound by the terms hereof with respect to the applicable NSR Properties and by all of the liabilities and obligations of the transferor hereunder with respect to the applicable NSR Properties in the same manner and to the same extent as though the transferee was an original party hereto in the first instance, without in any way derogating from clause (b) below;
- (b) any such sale, assignment, transfer, conveyance, lease, license, charge, pledge, hypothecation or other disposition shall not relieve or discharge the Payor from any of its liabilities or obligations hereunder existing on the date of such sale, assignment, transfer, conveyance, lease or other disposition, and the Payee may continue to look to the Payor for the performance thereof, it being understood that for any obligations or liabilities arising from the date of the execution of the agreements provided for in Section (a) and thereafter, the Payor will have no further obligations or liabilities for the payment of the Royalty; and

- (c) any such sale, assignment, transfer, conveyance, lease, license, charge, pledge, hypothecation or other disposition which does not comply with the terms of this Agreement shall be null and void and of no force or effect.

At the request of the Payee, the Payor shall require that the transferee execute and deliver a stand alone royalty agreement with respect to the applicable NSR Properties, and on the same terms and conditions as set forth in this Agreement *mutatis mutandis*.

4.2 **Legal Costs.** Each party shall bear its respective legal and other transaction costs arising in connection with this Agreement.

4.3 **Public Announcements.** The parties will mutually review and comment on and work collaboratively on any public statement which they propose to make in respect of the transactions contemplated herein, provided that no party shall be prevented from making any disclosure which is required to be made by applicable law or by any regulation of a stock exchange or similar organization to which it is bound.

4.4 **Binding.** This Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

4.5 **Further Assurances.** Each party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or desirable to give effect to the terms and intent of this Agreement.

4.6 **Amendment.** No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by all parties.

4.7 **Notice.** Any notice or other communication required or permitted to be given under this Agreement must be in writing and shall be effectively given if delivered personally or by overnight courier or if sent by facsimile or e-mail transmission as follows:

To the Payee at: P.O. Box 11250
 Whitehorse, YT Y1A 6N4
 Email: [Redacted personal information]

To the Payor at: Suite 1000 – 1055 West Hastings Street
 Vancouver, BC V6E 2E9
 Email: *

or to such other address as each party may from time to time specify by notice. Any notice will be deemed to have been given and received if:

- (a) personally delivered, then on the day of personal service to the recipient party, provided that if such date is a day other than a Business Day, such notice will be deemed to have been given and received on the first Business Day following the date of personal service; and
- (a) sent by facsimile or e-mail transmission and successfully transmitted prior to 4:00 p.m. on a Business Day (recipient party time) then on that Business Day, and if transmitted after 4:00 p.m. on that day, then on the first Business Day following the date of transmission.

4.8 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same agreement, and may be delivered by facsimile or e-mail transmission.

4.9 **Severability.** If any term of this Agreement is or becomes illegal, invalid or unenforceable, that term shall not affect the legality, validity or enforceability of the remaining terms of this Agreement.

4.10 **Schedules.** The schedules referenced herein and attached to this Agreement are incorporated into and form part of this Agreement.

4.11 **Time.** Time is of the essence of this Agreement.

4.12 **Governing Law.** This Agreement shall be governed by and shall be construed and interpreted in accordance with the laws of the Yukon and the federal laws of Canada applicable therein.

4.13 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein and, save and except for the Transfer Agreement, supersedes all prior arrangements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

The parties hereto intending to be legally bound have executed this Agreement as of the date set forth at the head of this Agreement.

18526 Yukon Inc.

By: Ron Berdahl

Lapie Mining Inc., in its capacity as Payor

By: *

SCHEDULE "A"
PROPERTY CLAIMS DESCRIPTIONS AND MAPS

[TO BE INSERTED]