

**THIS OPTION AGREEMENT** is made as of the 25<sup>th</sup> day of April, 2022 (the “**Effective Date**”).

BETWEEN:

**0902744 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia, and having an address at 10084 Hislop Road, Telkwa, BC, V0J 2X1 (the “**Optionor**”)

AND:

**TROY MINERALS INC.**, a corporation incorporated under the laws of the Province of British Columbia, and having its registered address at Suite 1200 – 750 West Pender Street, Vancouver, BC, V6C 2T8 (the “**Optionee**”)

**WHEREAS:**

- A. The Optionor is the holder of a 100% recorded interest and 75% beneficial interest (collectively the “**Property Interest**”) in and to those mineral claims described in Schedule “A” attached hereto (the “**Property**”).
- B. The Optionor has agreed to grant an exclusive right and option to the Optionee to acquire the Property Interest (the “**Option**”), subject to the terms and conditions of this option agreement (the “**Option Agreement**”), subject to a 2% NSR royalty as defined on Schedule “B” attached hereto in favor of the Optionor (the “**Optionor Royalty**”).
- C. The remaining 25% beneficial interest in the Property (the “**Residual Interest**”) is held by Seel Enterprises Ltd. (“**Seel**”) and is subject to an option agreement dated April 11, 2011 between Seel and 0902744 BC Ltd. (the “**Seel Option Agreement**”).
- D. The Optionee wishes to acquire the Option subject to the terms and conditions of this Option Agreement.

NOW THEREFORE THIS OPTION AGREEMENT WITNESSES THAT the parties hereto agree as follows:

## **1. INTERPRETATION**

### **1.01 Definitions**

For the purposes of this Option Agreement, and in addition to terms defined in the above preamble and recitals and elsewhere herein:

“**Effective Date**” means the effective date of this Option Agreement as set out on the cover page of this Option Agreement;

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

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

“NSR” means net smelter returns;

“Party” means either the Optionor or the Optionee and “Parties” mean both the Optionor and the Optionee;

## **1.02 Schedules**

The following are the schedules attached to and incorporated into this Option Agreement by reference and deemed to be part hereof:

Schedule A – Property  
Schedule B – Net Smelter Returns Royalty

## **1.03 Governing Law**

This Option Agreement shall in all respects be governed by and be construed in accordance with the laws in force in the Province of British Columbia and the applicable federal laws of Canada, and subject to the exclusive jurisdiction of the courts of the Province of British Columbia. In addition, this Option Agreement shall be subject to all applicable laws, rules and regulations of public bodies having jurisdiction over the development or operation of the Property.

## **1.04 Severability**

If any one or more of the provisions contained in this Option Agreement should be invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby under the laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

## **1.05 Parties in Interest**

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

## **1.06 Included Words**

Wherever the singular or the masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require, and vice versa.

## **1.07 Headings**

The headings to the Sections and paragraphs of this Option Agreement are inserted for convenience only and shall not affect the construction hereof.

## **1.08 References**

Unless otherwise stated a reference herein to a numbered or lettered Section or paragraph refers to the section or paragraph bearing that number or letter in this Option Agreement. A reference to “this Option Agreement” or herein, hereof, hereunder or other like words means this Option Agreement, including the Schedules hereto, together with any amendments thereto.

## **1.09 Currency**

All references to currency in this Option Agreement are to the lawful money of Canada unless otherwise stated.

## **2. GRANT OF OPTION AND OPTION TERMS**

### **2.01 Grant of Option**

Upon and subject to the terms and conditions of this Option Agreement, the Optionor hereby grants the Option to the Optionee. To exercise the Option and acquire the right to a 75% undivided interest in the Property subject only to the Optionor Royalty, the Optionee must complete the following:

- (a) incur a minimum of \$150,000 in Exploration Expenditures by December 31, 2022 (the “**First Due Date**”), the incurring of such initial Exploration Expenditures by the Optionee being a mandatory expenditure irrespective of whether the Optionee determines to proceed with the Option;
- (b) pay the Optionor \$50,000 either in cash or by the issuance of common shares of the Optionee (“**Shares**”) at the sole option of the Optionee, and incur an additional minimum of \$300,000 in Exploration Expenditures by the date that is one (1) year from the First Due Date;
- (c) pay the Optionor an additional \$50,000 either in cash or by the issuance of Shares at the sole option of the Optionee, and incur an additional minimum of \$550,000 in Exploration Expenditures by the date that is two (2) years from the First Due Date;
- (d) pay the Optionor an additional \$100,000 either in cash or by the issuance of Shares at the sole option of the Optionee, and incur an additional minimum of \$1,000,000 in Exploration Expenditures by the date that is three (3) years from the First Due Date;
- (e) pay the Optionor an additional \$100,000 either in cash or by the issuance of Shares at the sole option of the Optionee, and incur an additional minimum of \$1,000,000 in Exploration Expenditures by the date that is four (4) years from the First Due Date; and
- (f) pay the Optionor an additional \$200,000 either in cash or by the issuance of Shares at the sole option of the Optionee, and incur an additional minimum of \$2,000,000 in Exploration Expenditures by the date that is five (5) years from the First Due Date.

Any Exploration Expenditures incurred by the Optionee in excess of any minimum required to be incurred within a period to keep the Option in good standing, will be credited and applied to the Exploration Expenditures for subsequent periods on a cumulative basis.

Any issuance of Shares will be subject to the Company being listed on a stock exchange at the time of such issuance, and the price per Share will be equal to the 5 day average closing price prior to the applicable due date if the Optionee is listed on a stock exchange (subject to any minimum pricing required pursuant to stock exchange rules in which case such minimum price will apply). The Optionor agrees and acknowledges that any common shares of the Optionee issued to the Optionor will be subject to resale restrictions as required under applicable securities law and other applicable securities legislation. For greater certainty, if the Company is not listed on a stock exchange by the dates set out in 2.01(b) through (f) above, any payments required therein will be in cash and the Optionor will be under no obligation to accept Shares of any Company.

If at the time the Shares are subject to a Cease Trade Order at the time any payment becomes due pursuant to Sections 2.01, and the Optionee wishes to proceed with the Option, then such payment will be payable in cash.

## **2.02 Statement of Exploration Expenditures**

The Optionee will within 60 days of the end of each calendar year while the Option remains in effect and unexercised provide to the Optionor a written statement of Exploration Expenditures incurred in respect of any annual period, which shall be conclusive evidence of the making of such Exploration Expenditures, unless the Optionor objects in writing within 30 days of receipt thereof, in which event the Parties will work together to resolve the objection, failing which the Optionee may engage an independent auditing firm to provide an audited statement of Exploration Expenditures, which shall be conclusive evidence of the making of such Exploration Expenditure. The Optionee will also provide all exploration data to the Optionor in respect of exploration activities on the Property by the Optionee for each calendar year, which shall be provided concurrently with the statement of Exploration Expenditures.

## **2.03 Deficiency in Exploration Expenditures**

In the event the Optionee does not incur the minimum Exploration Expenditures required to be incurred in any annual period to keep the Option in good standing, the Optionee may in place thereof pay the difference between the amount of Exploration Expenditures incurred and such minimum amount in cash to the Optionor, which shall be paid within 30 days of the applicable annual period, and upon such payment the Optionee shall be deemed to have satisfied the required Exploration Expenditure requirement.

## **2.04 Property Title & Permits**

The Optionee covenants to and for the benefit of the Optionor that it will take all such action as is required to maintain title to the Property in good standing at all times while this Option Agreement and the Option are in effect, including filing of all claim assessment reports in respect of the qualifying Exploration Expenditures incurred in any annual period by the Optionee. The Optionor covenants to and for the benefit of the Optionee to keep the title to the Property free and clear from all claims and encumbrances pending the exercise of the Option by the Optionee or termination of this Option Agreement.

In connection with the any and all Exploration Activities or other alterations, work or installations made by or for the Optionee, the Optionee shall comply with all of the provisions of the *Builders Lien Act, R.S.B.C. 1997, c. 45* and amendments thereto (the "Builder's Lien Act"), and other statutes from time to time applicable thereto (including any provision requiring or enabling the retention of portions of any sums payable by way of holdbacks), and shall permit the Optionor to take all steps to enable the Optionor to

obtain the benefit of the provisions of the Builders Lien Act, and, except as to any lawful holdback, shall promptly pay all accounts relating thereto.

The Optionee shall not create any encumbrance mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 and amendments thereto, or other encumbrance in respect of installations or trade fixtures, or permit any such encumbrance, mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act*, or other encumbrance to attach to the Property.

If and when any builders' or other lien for work, labour, services, or materials supplied to or for the Tenant or for the cost of which the Optionee may be in any way liable or claims therefor shall arise or be filed or any such mortgage, conditional sale agreement, general security agreement under the *Personal Property Security Act* or other encumbrance shall attach, the Optionee shall, within 60 days after receipt of notice thereof, procure the discharge thereof, including any certificate of action registered in respect of any lien, by payment or giving security or in such other manner as may be required or permitted by law, and failing which the Optionor may in addition to all other remedies, including termination of the Option, make any payments required to procure the discharge of any such liens or encumbrances, and shall be entitled to be reimbursed by the Optionee, and its right to reimbursement shall not be affected or impaired if the Optionee shall then or subsequently establish or claim that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement, setoff, or defence.

The Optionor will within 30 days of the date of this Agreement, apply to transfer the permit number MX-13-310 to the Optionee. Upon completion of transfer, Optionee will post a new reclamation bond, and request and assist with the release of the current reclamation bond in respect of the Property to the Optionor. The Optionee shall grant to the Optionor a stock power of attorney for the transfer of the permit number MX-13-310 back to the Optionor, should the Option terminate prior to its exercise, duly executed by the Optionee, and upon completion of such transfer back to the Optionor, the Optionor will post a new reclamation bond, and request and assist with the release of the reclamation bond posted by the Optionee back to the Optionee.

## **2.05 Exercise of Option**

Upon completion of the final cash payment and Exploration Expenditures pursuant to Section 2.01(f), the Optionor will within 10 business days thereafter transfer to the Optionee all of the Property Interests and all other data and other information concerning the Property in the possession of the Optionor that has not previously been delivered to the Optionee. The Optionor agrees to take all necessary action, including preparing and making available such Property Interests for transfer on the BC Mineral Titles Online services, and taking all such further action as may be necessary to complete the registration of the transfer of the Property Interest to the Optionee.

## **2.06 Royalty**

- (a) Upon exercise of the Option, the Optionee will grant to the Optionor the Optionor Royalty, provided that the Optionee shall have the right, at any time thereafter, to purchase half (or a 1% NSR royalty) of the Optionor Royalty by the Optionee making a payment of \$1,500,000 to the Optionor (the "1% NSR Repurchase").
- (b) Upon completion of the 1% NSR Repurchase, the Optionee shall have the additional right, at any time, to purchase an additional 1% (or the remaining NSR royalty) of the Optionor Royalty by the Optionee making an additional payment of \$5,000,000 to the Optionor.
- (c) Subject to the prior grant of the Optionor Royalty pursuant to Section 2.06(a) hereof, the Option will pay an advance minimum royalty (the "AMR") of \$100,000 per year

commencing on the first day of the seventh year from the First Due Date and ending on the last day of the eleventh year from the First Due Date. The AMR will increase to \$300,000 per year commencing in the twelfth year from the First Due Date. If the Optionee exercises the 1% NSR Repurchase right, then the AMR payments will be reduced by 50% in respect of each yearly period. All AMR payments by the Optionor or any permitted assignee of this Agreement will be applied as a credit to future royalty payments pursuant to the Optionor Royalty.

- (d) The terms of the Optionor Royalty will be as set forth in the attached Schedule B, which shall include provisions for the assignment of the Optionor Royalty, the 1% NSR Repurchase and payment and credit of the AMR, and such terms of the Optionor Royalty shall in the event of a conflict supersede the provisions of this Section 2.06.

## **2.07 Option Only**

The Option constitutes an option to purchase only, and the Optionee will not be obligated to make any payment of consideration, or proceed with the acquisition of the Property as described herein, with the exception that the Optionee is obligated hereunder to incur the minimum Exploration Expenditures pursuant to Section 2.01(a) prior to the First Due Date.

## **2.08 Accelerated Exercise**

The Optionee may, at its sole option, accelerate the exercise of the Option at any time prior to the expiry of five years from the Option Due Date by completing the applicable Option exercise requirements set out in Section 2.01.

## **2.09 Seel Option Assignment**

- (a) The Optionor agrees to concurrently herewith enter into an assignment agreement to assign all of its rights and obligations under the Seel Option Agreement to the Optionee, subject to obtaining the prior consent of Seel thereto. The Optionee shall grant to the Optionor a stock power of attorney for the transfer of the Seel Option Agreement back to the Optionee, should the Option terminate prior to its exercise, duly executed by the Optionee.
- (b) If the Optionee terminates the Option prior to the exercise thereof, the Optionee hereby agrees to re-assign the Seel Option Agreement to the Optionor, provided that if prior to such termination the Optionee has acquired the Residual Interest pursuant to the exercise of the option under the Seel Option Agreement, the Optionor will instead hold the right to acquire the Residual Property Interest from the Optionee on the same terms as provided under the Seel Option Agreement.

## **3. REPRESENTATIONS AND WARRANTIES**

### **3.01 The Optionor's Representations and Warranties**

The Optionor represents and warrants to the Optionee that:

- (a) the Optionor is a corporation duly incorporated in the Province of British Columbia and is validly existing corporation in good standing under the laws of the Province of British Columbia;
- (b) this Option Agreement has been validly and effectively approved and authorized by all necessary corporate action on the part of the Optionor and has been duly executed and delivered by the Optionor;

- (c) the Optionor has good and sufficient right, power and authority to enter into and deliver this Option Agreement and to perform the transactions contemplated hereby and this Option Agreement and the provisions hereof constitute legal, valid and binding obligations of the Optionor enforceable in accordance with their terms;
- (d) the Optionor is the recorded title holder of the Property and the beneficial holder of the Property Interest and has good and sufficient right, power and authority to enter into and deliver this Option Agreement and to perform the transactions contemplated hereby, and the provisions hereof constitute legal, valid and binding obligations of the Optionor enforceable in accordance with their terms;
- (e) neither the execution and delivery of this Option Agreement, nor compliance by the Optionor with any of the provisions hereof or thereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of the constating documents or any directors' or shareholders' resolution of the Optionor or any agreement or instrument to which the Optionor is a party or any judgment, order, law or governmental, or administrative regulation or restriction applicable to it;
- (f) there are no actions, suits, claims, proceedings, litigation or investigations pending or to the best of the Optionor's knowledge after due investigation, threatened, or judgments outstanding and unsatisfied against or affecting the Optionor, any part of or all of the Property, or this Option Agreement;
- (g) to the best of the Optionor's knowledge and belief, there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance or waste (as defined by any applicable law) from, on in or under the Property or into the environment, except releases permitted or otherwise authorized by such law;
- (h) to the best of the Optionor's knowledge and belief, no toxic or hazardous substance or waste has been treated on or is now stored on the Property;
- (i) to the best of the Optionor's knowledge and belief, there are no pending or ongoing actions taken by or on behalf of any native persons pursuant to the assertion of any land claims with respect to lands included in the Property;
- (j) the lands comprised in the Property have been duly and validly acquired and recorded under the law and jurisdiction in which they are situated and are in good standing in the appropriate mining recorder's office on the date hereof;
- (k) there are no royalties, fees or monies payable or required to be paid to any person with regard to the Property other than the Optionor Royalty;
- (l) to the best of the Optionor's knowledge, information and belief, all previous work conducted on the Property was conducted in compliance with all applicable laws; and
- (m) the Optionor shall be liable and shall indemnify and save the Optionee harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any covenant, representation or warranty contained in this Option Agreement save and excepting breaches by the Optionee.

The Optionor acknowledges and agrees that the Optionee has entered into this Option Agreement relying on the covenants, representations and warranties of the Optionor.

### **3.02 The Optionee's Representations and Warranties**

The Optionee represents and warrants to the Optionor that:

- (a) the Optionee is a corporation duly incorporated in the Province of British Columbia and is validly existing corporation in good standing under the laws of the Province of British Columbia;
- (b) this Option Agreement has been validly and effectively approved and authorized by all necessary corporate action on the part of the Optionee and has been duly executed and delivered by the Optionee;
- (c) the Optionee has good and sufficient right, power and authority to enter into and deliver this Option Agreement and to perform the transactions contemplated hereby and this Option Agreement and the provisions hereof constitute legal, valid and binding obligations of the Optionee enforceable in accordance with their terms; and
- (d) neither the execution and delivery of this Option Agreement, nor compliance by the Optionee with any of the provisions hereof or thereof conflicts with or results in a breach of or default under any lien, charge, encumbrance or adverse claim against or on the Property under any of the terms, conditions or provisions of the constating documents or any directors' or shareholders' resolution of the Optionee or any Option Agreement or instrument to which the Optionee is a party or any judgment, order, law or governmental, or administrative regulation or restriction applicable to it.

The Optionee acknowledges and agrees that the Optionor has entered into this Option Agreement relying on the covenants, representations and warranties of the Optionee.

### **3.03 Survival of Representations**

All representations and warranties granted or assented to in this Option Agreement, will survive the signing of this Option Agreement and each such representation and warranty is a condition of this Option Agreement, any or all of which conditions may be waived in whole or in part by the party for whose benefit the representation is made.

## **4. RIGHTS AND COVENANTS RELATING TO THE PROPERTY**

### **4.01 Right to Explore**

During the term of this Option Agreement (the "**Term**"), the Optionee shall be the operator for all exploration activity on the property and shall have the exclusive right to enter upon the Property and to explore and prospect for ores and minerals thereon, subject to the conditions attaching to the Property. The rights of the Optionee under this Section shall be subject to British Columbia laws and shall include all rights held or exercisable by the Optionor which rights include, but are not limited to, the right to:

- (a) build roads and erect temporary structures upon the surface of the Property for use by the Optionee and its contractors and their respective personnel and equipment, subject to applicable British Columbia regulations and permitting requirements;
- (b) carry out surface and underground exploration on the Property for ores and minerals in respect of which the mineral claim comprising the Property are validly issued including, without limitation, by collecting samples for test metallurgical work;
- (c) conduct any other geological, geophysical or geochemical evaluation, testing or assaying of the Property;



- (d) use any surface and underground water rights, if any, in or upon or appurtenant to the Property and make application for any such rights as may be required in the circumstances, and to use all reciprocal rights which any of the Property may have with respect to other Property in the area;
- (e) apply for all permits, licenses and other approvals deemed necessary or appropriate by the Optionee in connection with the conduct of exploration activities; and
- (f) do all things which are incidental to or which may be useful, desirable or convenient in the exercise of rights or in the performance of obligations granted to the Optionee hereunder.

During the Term, the Optionee shall have control of all exploration activities on or for the benefit of the Property and of all equipment supplies, machinery and other assets purchased or otherwise acquired for use in connection with such exploration activities. The Optionee shall pay or cause to be paid the costs of all labour performed upon or material furnished to the Property by it or at its request.

#### **4.02 Site Responsibility**

During the Term, the Optionee shall comply with applicable British Columbia laws and regulations, municipal and local laws, regulations, orders and approval of all governmental authorities relating to environmental matters in connection with the use, maintenance and operation of the Property and the conduct of business and operations related thereto. The Optionee shall indemnify and save harmless the Optionor from and against any and all liabilities, losses, claims, damages (including, without limitation, penalties, fines and monetary sanctions but excluding lost profits and any other consequential damages whatsoever), costs, lawyer's fees and disbursements on a solicitor and his own client basis, court costs, accountant's fees and expenses and all other out-of-pocket expenses in connection with or arising in any manner whatsoever out of the breach of the covenant of the Optionee contained in this Section, provided however, that the Optionee's covenant contained in this Section does not apply to environmental matters related to the Property which took place prior to the date of this Option Agreement. The Optionor may inspect the Property as long as it gives reasonable notice of its intention to do so and takes all reasonable steps to not interfere or inhibit the Optionee's work.

#### **4.03 Reclamation**

The Optionee will be responsible for reclamation of all disturbances caused from activities of the Optionee on the Property, and to the extent possible, the Optionee will conduct reclamation concurrently with disturbance. The Optionee will undertake rehabilitation and monitoring of the Property to the extent required by British Columbia laws and regulations. Notwithstanding termination of the Option, the Optionee shall, subject to the Optionor agreeing otherwise, have the obligation within three (3) months following the termination of the Option to remove from the Property all buildings, plant equipment, machinery, tools, appliances and supplies that have been brought onto the Property by the Optionee.

#### **4.04 Access to Information**

Immediately upon the Parties' execution of this Option Agreement, the Optionor will provide to the Optionee all technical information, data and other documents in the possession or control of the Optionor that are pertinent to the exploration of the Property by the Optionee. However, the Optionor makes no representations or warranties in respect to the accuracy, completeness or usefulness to the Optionee of such information, data or other documents.

#### **4.05 Area of Interest**

Any claims acquired by staking (i.e. not currently held by any arms' length third parties) by either of the Parties or their affiliates and associates, within two (2) kilometers of the outside boundary of the Property after the Effective Date shall be included as part of the Property for the purposes of this Agreement. The Party acquiring such interest shall immediately inform the other Party, and thereafter the Parties will enter into an amendment to this Option Agreement to include such acquired claims.

#### **4.06 Abandonment**

Neither Party will abandon, surrender, or cause the forfeiture of any claims comprising the Property without the prior written consent of the other Party, provided that following exercise of the Option, the Optionee may in its sole discretion abandon any or all claims comprising the Property upon providing the Optionor with 30 days' prior notice thereof, during which the Optionor may elect to have such claims transferred back to the Optionor at the expense of the Optionor. Any claims that are abandoned by either Party in accordance with this Section will no longer be included in the definition of the Property for the purposes of this Agreement including the Optionor Royalty.

### **5. TERMINATION**

5.01 The Optionee shall have the right to terminate this Option Agreement at any time by giving written notice of such termination to the Optionor. This Option Agreement shall terminate on the date the Optionor has deemed to have received such notice, pursuant to Subsection 8.03. Upon such termination, this Option Agreement shall be of no further force and effect except that the Optionee shall be required to have performed and filed records of assessment work or take any other action which may be necessary in that regard so that the Property will remain in good standing for a period of at least 12 months following such termination. Further, the Optionee will ensure that its obligations with respect to 2.02, 2.04, 4.01, 4.02, 4.04, 4.06 and 8.04 shall survive termination.

On the termination of the Option prior to its exercise, the Optionee will provide to the Optionor all technical information, data and other documents in possession or control of the Optionor that are pertinent to the exploration of the Property by the Optionor including all technical, economic, geological and other information of any nature, including without limitation and studies, reports, mineral models, assays, drill hole data, geochemical reports, recovery reports and other information derived from the Optionor's work on the Property.

5.02. The Optionor shall have a right to terminate this Option Agreement on the happening of the following:

- a) the failure of the Optionee to complete its obligations under Article 2.01 on the dates set out therein;
- b) the failure of the Optionee to complete its obligations as set out in Article 2.02, 2.03, 2.04, 4.02, 4.03, 4.04, and 4.06 and such failure continuing for 30 days from the date the Optionee receives written notice of the same from the Optionor,
- c) the bankruptcy, insolvency, liquidation, making an assignment for the benefit of creditors or dissolution of the Optionor or the occurrence of any other event which would permit a trustee or receiver to administer the affairs of the Optionor.

### **6. FORCE MAJEURE**

#### **6.01 Extension of Time**

No party will be liable for its failure to perform any of its obligations under this Option Agreement due to a cause beyond its reasonable control (except those caused by its own lack of funds) including, but not

limited to, act of God, fire, storm, flood, explosion, terrorism, strike, lockout or other industrial disturbance, actions taken by or on behalf of First Nations pursuant to the assertion of land claims or rights, act of public enemy, war, riot, law, permitting, rule and regulation or order of any duly constituted governmental authority, unavailability of materials or transportation, or any work stoppages, shutdowns or other material unforeseen events due to the COVID-19 pandemic (each an “**Intervening Event**”). All time limits imposed by this Option Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event.

#### **6.02 Notice of Intervening Event**

A party relying on the provisions of Section 6.01, insofar as possible, shall promptly give written notice to the other party of the particulars of the Intervening Event, shall give written notice to all other parties as soon as the Intervening Event ceases to exist, shall take all reasonable steps to eliminate any Intervening Event and will perform its obligations under this Option Agreement as far as practicable, but nothing herein will require such party to settle or adjust any dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Option Agreement if an Intervening Event renders completion impossible.

### **7. GOVERNING LAW AND DISPUTES**

This Option Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia. Any disputes hereunder that cannot be resolved by the parties hereto, shall be subject to the sole jurisdiction of the courts of the Province of British Columbia.

### **8. GENERAL PROVISIONS**

#### **8.01 No Partnership**

This Option Agreement is not intended to, and shall not be deemed to, create any partnership relation between the parties hereto, including without limitation a mining partnership or commercial partnership. The obligations and liabilities of the parties hereunder shall be several and not joint and neither party shall have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other party, other than as expressly granted herein. Nothing herein contained shall be deemed to constitute any party the partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties.

#### **8.02 Compliance With Laws**

In the conduct of its operations on the Property, the Optionee and Optionor shall be responsible for compliance with applicable laws and regulations, including laws and regulations related to exploration, mining and reclamation; provided that the Optionee shall bear and pay the costs related thereto.

#### **8.03 Notice**

Any notice, election, proposal, objection or other document required or permitted to be given hereunder (“**Notices**”) shall be in writing addressed to the parties as follows:

**Optionor:**

0902744 B.C. Ltd.  
10084 Hislop Road  
Telkwa, BC V0J 2X1  
Attention: Hans Smit

Email: [hqsmit@gmail.com](mailto:hqsmit@gmail.com)

**Optionee:**

Troy Minerals Inc.  
c/o #1200 – 750 West Pender Street  
Vancouver, BC V6C 2T8  
Attention: Rana Vig, Director  
Email: [ranavig@gmail.com](mailto:ranavig@gmail.com)

All such Notices will be deemed to have been received (i) in the case of personal delivery or delivery by electronic communication, on the date of such delivery, and (ii) in the case of delivery by internationally-recognized express courier, on the business day following dispatch.

A party may at any time change its address for future Notices hereunder by Notice in accordance with this Subsection 9.03.

**8.04 Confidential Information & Press Releases**

The Optionor agrees to keep all information concerning the Optionee, this Option Agreement and activities carried out on the Property by the Optionee confidential, whether such information is verbal or written (the “**Confidential Information**”). Confidential Information will exclude information that has become generally available to the public; was available to a receiving party or its representatives on a non-confidential basis before the date of this Option Agreement; or has become available to a receiving party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the receiving party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the receiving party or its representatives. No Confidential Information may be released by a receiving party to any third party without the consent of the provider thereof.

The Optionor agrees not to make any public statement or press release in respect of this Option Agreement or any activities undertaken by the Optionee on the Property without the prior written consent of the Optionee. The Optionee will not be restricted from making any public statement or press release.

**8.05 Collection of Personal Information**

The Optionor acknowledges and consents to the fact that the Optionee is collecting the Optionor’s personal information which may be disclosed by the Optionee to:

- (a) a stock exchange or securities regulatory authorities;
- (b) the Optionee’s registrar and transfer agent;
- (c) Canadian tax authorities;
- (d) authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada); and
- (e) any other parties involved in the Option, including legal counsel.

By executing this Option Agreement, the Optionor is deemed to be consenting to the foregoing collection, use and disclosure of the Optionor’s personal information and to the retention of such personal information for as long as permitted or required by law or business practice. The Optionor also consents to the filing of copies or originals of any of the Optionor’s documents described herein as may be required to be filed with a stock exchange or any securities regulatory authority in connection with the transactions contemplated

hereby. An officer of the Optionee is available to answer questions about the collection of personal information by the Optionee.

#### **8.06 Consent or Waiver**

No consent or waiver, express or implied, by any Party hereto in respect of any breach or default by any of the other Parties in the performance by such other Party of its obligations under this Agreement will be deemed or construed to be consent to or waiver of any other breach or default.

#### **8.07 Further Assurances**

Each of the parties hereby covenants and agrees to execute all further and other documents and instruments and to do all further and other things that may be necessary to implement and carry out the intent of this Option Agreement.

#### **8.08 Entire Agreement**

This Option Agreement, including the Schedules hereto, shall constitute the entire Option Agreement of the parties with respect to the Property and the subject matter hereof, all previous agreements with respect thereto, being expressly rescinded and replaced hereby, and no modification or alteration of this Option Agreement shall be effective unless in writing executed subsequent to the date hereof by both of the parties. No prior written or contemporaneous oral promises, representations or agreements shall be binding upon the parties.

#### **8.09 Amendments**

This Option Agreement may only be amended in writing with the mutual consent of each Party.

#### **8.10 Assignments**

No Party will assign its rights under this Option Agreement, including Schedule B hereto, without the prior written consent of the other Party, which consent is not to be unreasonably withheld. No assignment will be effective unless and until the proposed assignee agrees to be bound by the provisions of this Option Agreement as if it was an original party to this Agreement in the place of the assigning Party, with any adjustments necessary to achieve the foregoing being agreed to by the Parties, each acting reasonably. Notwithstanding the foregoing, the Optionee may assign this Option Agreement to an affiliate without the consent of the Optionor by providing written notice thereof, and provided the affiliate agrees in writing to be bound by the provisions of this Option Agreement as if it was an original party to this Agreement in the place of the assigning Party.

#### **8.11 Counterparts and Electronic Delivery**

This Option Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original and all of which together shall constitute one instrument. Delivery of an executed copy of this Option Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Option Agreement as of the date hereinafter set forth.

#### **8.12 Independent Legal Advice**

The Optionor acknowledges and confirms that the Optionor has been advised to seek, and has sought or has otherwise waived, independent legal advice with respect to this Option Agreement and that the legal

counsel to the Optionee that prepared this Option Agreement is not protecting the rights and interests of any other Party to this Option Agreement.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement as of the date first mentioned above.

**0902744 B.C. LTD.**

By: "Hans Smit"  
Name: Hans Smit  
Title: President

**TROY MINERALS INC.**

By: "Rana Vig"  
Name: Rana Vig  
Title: Director

## SCHEDULE "A"

### THE PROPERTY INTEREST

<b>Title Number</b>	<b>Claim Name</b>	<b>Owner</b>	<b>Title Type</b>	<b>Title Sub Type</b>	<b>Map Number</b>	<b>Issue Date</b>	<b>Good To Date</b>	<b>Status</b>	<b>Area (ha)</b>
519710	GREEN 3	262519 (100%)	Mineral	Claim	093G	2005/SEP/06	2023/JUN/30	PROTECTED	229.431
519711	GREEN 4	262519 (100%)	Mineral	Claim	093G	2005/SEP/06	2023/JUN/30	PROTECTED	305.832
519712	GREEN 5	262519 (100%)	Mineral	Claim	093G	2005/SEP/06	2023/JUN/30	PROTECTED	458.612
559807	GREEN 8	262519 (100%)	Mineral	Claim	093G	2007/JUN/04	2023/JUN/30	PROTECTED	458.4307
559808	GREEN 9	262519 (100%)	Mineral	Claim	093G	2007/JUN/04	2023/JUN/30	PROTECTED	305.6707
559809	GREEN 10	262519 (100%)	Mineral	Claim	093G	2007/JUN/04	2023/JUN/30	PROTECTED	439.8041
586559	GREEN 11	262519 (100%)	Mineral	Claim	093G	2008/JUN/19	2023/JUN/30	PROTECTED	381.9598
605633	GREEN 12	262519 (100%)	Mineral	Claim	093G	2009/JUN/07	2023/JUN/30	PROTECTED	152.7945
845215	GREEN 13	262519 (100%)	Mineral	Claim	093G	2011/FEB/01	2023/JUN/30	PROTECTED	325.032
1055660	GREEN 25	262519 (100%)	Mineral	Claim	093G	2017/OCT/20	2023/JUN/30	PROTECTED	1374.6167
1055661	GREEN 26	262519 (100%)	Mineral	Claim	093G	2017/OCT/20	2023/JUN/30	PROTECTED	1280.3785
1055662	GREEN 27	262519 (100%)	Mineral	Claim	093G	2017/OCT/20	2023/JUN/30	PROTECTED	1874.7208



## SCHEDULE "B"

### NET SMELTER RETURNS ROYALTY

The following constitutes the terms and conditions with respect to the calculation and payment of the 2% Net Smelter Returns royalty (the "NSR" or "Royalty") payable in connection with the Property as contemplated by the Option Agreement between 0902744 B.C. Ltd. (the "Payee") and Troy Minerals Inc. (the "Payor") to which this Schedule "B" is attached.

1. **Definition of Net Smelter Returns.** "Net Smelter Returns" are defined as the Gross Revenues received (as defined below) by the Payor from the sales of any ores, mineral resources or mineral products ("Products") extracted and produced from the Property; after deducting the following:

- (a) all smelting and refining costs, sampling, assaying and 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 (including price participation charges by smelters and/or refiners); and
- (b) costs of handling, transporting, securing and insuring such material from the Claims or from a concentrator, whether situated on or off the Claims, to a smelter, refinery or other place of treatment, and in the case of gold or silver concentrates, security costs; and
- (c) ad valorem taxes and taxes based upon sales or production, but not income taxes; and
- (d) marketing costs, including sales commissions, incurred in selling ore mined from the Claims and from concentrate, doré, metal and products derived from ore mined from the Claims.

Gross Revenues shall be defined as the actual gross revenues received by the Payor from the sales of the Products, unless the Quoted Price (as defined below) applies, in which case Gross Revenues shall be determined as follows: gross revenues from the sales of the Products based on the price attributed to the Products so sold shall be the price per ounce / pound / tonne of Product as quoted on the London precious metals fix averaged over the quarter prior to the date of final settlement from the smelter, refinery or other buyer of the Products on which the Royalty is to be paid (the "Quoted Price").

For the purposes of calculating Net Smelter Returns in the event the Payor elects not to sell any portion of any metal extracted and produced from the Property, but instead elects to have the final product of any such metals credited to or held for its account with any smelter, refiner or broker, such metals shall be deemed to have been sold at the Quoted Price on the day such metals are actually credited to or placed in the Payor's account. With respect to any metals other than precious metals extracted and produced from the Property, the price attributed to such other metals shall be calculated based on the relevant London Metal Exchange official settlement quotation (or other generally accepted quotation) averaged over the quarter prior to the date of final settlement for the smelter or refinery or other such purchaser of relevant metals.

2. **Certain Characteristics of the Royalty.** The Payee's interest in the Royalty is a nonparticipating interest in the Property which entitles the Payee to receive certain payments based upon the production and sale or deemed sale of Products from the Property as provided herein. The Royalty does not: (a) entitle the Payee to direct or control or be consulted in any manner with respect to the timing, nature, extent or any other aspect of exploration, development, production or other operations on the Property; (b) entitle the Payee to grant to third parties leases, licenses, easements or other rights to conduct operations on the Property; (c) entitle the Payee to any partition of the Property; or (d) entitle the Payee to any ownership interest in any improvements on the Property, equipment and other personal property located thereon, or in any proceeds received by the Payor from the sale, lease or other disposition thereof.

3. **Commingling.** The Payor shall have the right to commingle Products with ores, minerals or materials produced from lands other than the Property, after such Products have been weighed or measured, sampled and analyzed in accordance with sound mining and metallurgical practices such that the Payee's production Royalty can be reasonably and accurately determined. Upon written request by the Payee to the Payor and at the Payee's expense, the Payee shall have the right to have a representative present at the time all such samples and measurements are taken. The Payee's representative shall have the right to secure sample splits for the purpose of confirming the accuracy of all measurements.

4. **Stockpiling.** The Payor may stockpile any Products from the Property at such place or places as it may elect, either upon the Property or upon other property.

5. **Calculation and Delivery of Royalty Payments.** Royalty payments shall be due on the first day of the second month following the end of each calendar quarter during which production of Products occurs, and on the first day of the second month following each and every subsequent calendar quarter for so long as the Payor mines and sells Products or otherwise receives proceeds from the production of Products from the Property. Production Royalty payments shall be accompanied by a statement sufficient to allow the Payee to determine the method of computation of each Royalty payment and the accuracy thereof. Each statement furnished to the Payee shall be deemed to be correct and binding on the Payee unless, within one year of its receipt, the Payee notifies the Payor in writing that it disputes the correctness of such statement and specifies its objections in detail.

6. **Audit.** The Payor shall maintain true and correct records of all Products mined, processed and sold (or deemed to be sold) and all proceeds otherwise received from the Property, and the Payee shall have the right to audit such records at the Payor's offices during normal business hours upon reasonable prior notice, provided such audit is conducted by the Payee or by an accounting firm of recognized standing, at least one of whose members is a member of the Canadian Institute of Chartered Accountants. The Payor shall make available all books and records, refinery statements, and other invoices, receipts and records necessary for purposes of such audit, and shall make available workspace and copying facilities, or permit the Payee and its representatives to install copying facilities for use in connection with its audit activities.

7. **Method of Making and Reporting Payments.** All payments of money required to be made by the Payor to the Payee hereunder shall be made by cheque to the Payee on or before the due date at the Payee's address as set forth in the Option Agreement, or such other address as may be designated in writing from time to time by the Payee. Upon written request from the Payee to the Payor prior to the due date of any payment of money, the Payee may direct that the payment be made by way of wire transfer to an account designated by the Payee. Upon making payment as provided herein, the Payor shall be relieved of any responsibility for the distribution of such payment among the Payee and any of its successors or assigns. Concurrently with the payment of the Royalty, the Payor shall furnish to the Payee a statement of account setting forth in reasonable detail the computation of the Royalty.

8. **Commercial Production.** The phrase Commercial Production as used herein means and shall be deemed to have been achieved when the mill erected on the Property (the "Mill") processing ore from the Property for other than testing purposes has operated for a period of 30 consecutive production days at not less than 75% of design capacity or, in the event a Mill is not erected on the Property when ores from the Property have been produced for a period of 30 consecutive production days at not less than 75% of the mining rate specified in a feasibility study recommending placing the Property into production.

9. **Additional Agreements of the Parties.**

(1) **No Obligation.** In no event, by the creation of the Royalty hereunder or otherwise, shall the Payor be deemed subject to any duty, express or implied, to explore for ores, mineral resources or mineral products or produce Products from the Property, and the timing, manner, method and amounts of

any such production and exploration shall be in the sole discretion of the Payor, and subject to the applicable laws.

(2) **Hedging.** The Payor and the Payee hereby expressly agree that in no event shall the Payor have any liability to the Payee as the result of the amount of revenues received by the Payor from any forward sales or other hedging activities engaged in by the Payor with respect to Products from the Property. In addition, the Payor and the Payee agree that the Payor shall have no obligation, express or implied, to engage in (or not to engage in) any forward sales activities with respect to Products from the Property.

10. **Subordination.** The payment of any amount pursuant to this Royalty shall be paramount to and have priority over the payment of any amount pursuant to any other existing royalty with respect to the Property.

11. **Arbitration.** Any dispute or differences between the parties hereto concerning this schedule which cannot be resolved or settled by the said parties shall be settled by final and binding arbitration in the City of Vancouver, British Columbia, at the request of any party pursuant to the provisions of the Arbitration Act (British Columbia), (subject to the specific terms hereof). The party desiring arbitration shall notify the other party of its intention to submit any dispute(s) or difference(s) to arbitration as well as a brief description of the matter(s) to be submitted for arbitration. Should the parties fail to agree on a single arbitrator to settle the relevant dispute(s) or difference(s) within 15 days of delivery of the aforesaid notice, then each such party shall within 30 days thereafter nominate an arbitrator familiar with the mineral exploration and/or mining business (failing which nomination by a party, the arbitrator nominated by the other party may proceed to determine the dispute alone as he or she shall deem fit and the two arbitrators so selected shall select a chairman of the arbitral tribunal of similar knowledge and/or background to act jointly with them. The decision of the single arbitrator or any two of the three arbitrators shall be non-appealable, final and binding with respect to the issue(s) in dispute. The arbitrator shall further determine the location of the arbitration proceedings. If said arbitrators shall be unable to agree in the selection of such chairman, such chairman shall be designated by the President or another officer of the Canadian Institute of Mining and Metallurgy, bearing no relationship to either of the parties hereto, or, if no designation has been made within 30 days of such request having been made, the Chairman shall be selected as contemplated in the Arbitration Act (British Columbia). The costs of arbitration shall be borne by the parties hereto as may be specified in the determination of the arbitrator(s). The arbitrator(s) shall further be authorized to retain such legal counsel and other professional advisors to render any advice to the arbitrator(s) as the arbitrator(s) deem appropriate.

12. **Buyback Right.** The Payor shall have the right to purchase one half (50%) of the NSR Royalty (i.e. reduce the 2% NSR Royalty to 1%) at any time for a purchase price of \$1,500,000 (the “**1% NSR Repurchase**”). Upon completion of the 1% NSR Repurchase, the Payor shall have the additional right, at any time, to purchase the remaining 1% NSR Royalty for a purchase price of \$5,000,000.

13. **Right to Purchase.** The Payee agrees to provide the Payor 30 days’ written notice of any proposed sale or assignment of the Royalty (which sale or assignment will be subject to compliance with the Option Agreement), which will include the terms of such proposed sale or assignment. The Payor may during the 30 day notice day period elect in writing to purchase the Royalty on the same terms provided in such notice, in which event the Payee will sell the Royalty to the Payor within 10 days of such election and take all necessary actions to enter into an agreement in respect thereof. In the event the consideration payable as described in the notice of proposed sale is not cash, the Payee will accept the fair market value of such consideration (determined reasonably) to be paid by the Payor in cash, or such other equivalent consideration as the Payee and Payor may agree.

13. **Advance Minimum Royalty.** The Payor will pay an advance minimum royalty (the “AMR”) of \$100,000 per year commencing on the first day of the seventh year from the First Due Date (as defined in the Option Agreement) and ending on the last day of the eleventh year from the First Due Date. The AMR will increase to \$300,000 per year commencing in the twelfth year from the First Due Date. If the 1% NSR Repurchase right has been exercised, then the AMR payments will thereafter be reduced by 50% in respect of each yearly period or portion thereof (i.e. pro-rated for any portion of a yearly period remaining). All AMR payments by the Payor will be applied as a credit to royalty payments otherwise payable pursuant to the Royalty.