

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Assignment Agreement**”) is made as of April 22, 2022, by and between **Tocvan Ventures Corp.**, an entity organized under the laws of the Province of Alberta (the “**Assignor**”), **C3 Metals Inc.**, an entity organized under the laws of the Province of Ontario (the “**Consenting Party**”), and **Cascade Copper Corp.** (the “**Assignee**”), an entity organized under the laws of the Province of Alberta.

Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in a Mining Claims and Purchase and Sale Agreement (defined below), an executed copy of which is attached hereto as Schedule “A”.

WHEREAS, the Assignor and the Consenting Party are parties to a mining claims purchase and sale agreement between the Assignor and the Consenting Party dated September 29, 2021 (the “**P&S Agreement**”), pursuant to which, and subject to the terms and conditions set forth therein, the Assignor agreed to purchase from the Consenting Party 100% of the legal and beneficial ownership of all mineral interests in and to certain mineral claims known as the Rogers Creek consisting of 23 claims totaling 21,233.88 hectares, located in the Coastal Mountain Belt of British Columbia about 90 kilometres northeast of Vancouver, in the South-West Mining Division and registered with the British Columbia Ministry of Energy, Mines, and Petroleum Resources Office, as more particularly as described in Schedule “A” to the P&S Agreement (the “**Claims**”).

AND WHEREAS the Assignor, as a result of the P&S Agreement, is the beneficial owner of and has the legal right to enforce the transfer of the Claims, but the Consenting Party was estopped from assigning and transferring legal title to the Claims because outstanding work assessments in the amount of \$80,000.00 were not completed as required under the *Minerals Tenure Act* (RSBC 1996, chapter 292) (the “*Minerals Tenure Act*”) and the chief gold commissioner was therefore legally restricted from approving and registering the transfer of the Claims to the Assignor, as stipulated in the P&S Agreement.

AND WHEREAS the Assignor and the Consenting Party acknowledge and agree that the Assignor satisfied all of its obligations to the Consenting Party under the P&S Agreement, including the satisfaction and payment of the Purchase Price, which consisted of the issuance of 500,000 common shares of the Assignor to the Consenting Party.

AND WHEREAS the Assignor has received an offer from the Assignee to purchase all legal and beneficial interests of the Assignor in and to the Claims in consideration for the issuance of 5,000,000 common shares of the Assignee to the Assignor on the basis that the Consenting Party shall take all necessary legal action under the *Minerals Tenure Act* to the transfer the Claims directly to the Assignee for the sum of \$1.00 immediately after the outstanding work assessments on the Claims are current and the Consenting Party is permitted finalize the transfer under the *Minerals Tenure Act*.

AND WHEREAS, the Assignee has agreed to assume, and satisfy, perform, pay and discharge as and when due and payable, and otherwise be solely responsible for, all liabilities and obligations of the Consenting Party under the P&S Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the Assignor, Assignee, and the Consenting Party hereby agree as follows:

1. **Assignment of P&S Agreement.** On the terms and subject to the conditions of the Assignment Agreement as of the date hereof (the “**Effective Date**”), the Assignor and the Consenting Party hereby assign and transfer to Assignee, and the Assignee hereby takes assignment from Assignor and the Consenting Party of all right, title and interest of the Consenting Party and the Assignor in and to the P&S Agreement, and all rights benefits and advantages whatsoever to be derived therefrom, free and clear of all encumbrances.
2. **Assumption of Assumed Liabilities.** On the terms and subject to the conditions of the P&S Agreement, the Assignee hereby agrees to be bound by the P&S Agreement and to assume all of the liabilities and obligations of the Consenting Party under the P&S Agreement, which all parties hereto acknowledge and agree is nil, from and after the date hereof.
3. **Consideration.** As consideration for the assignment of all right, title and interest of the Consenting Party and the Assignor in and to the P&S Agreement, the Assignee shall issue 5,000,000 common shares to the Assignor at a deemed issue price of \$0.05 per common share, for aggregate deemed consideration of \$250,000.00 (Cdn.). The common shares shall be issued as fully paid and non-assessable capital of the Assignee.

4. **Agreement.** Nothing in this Assignment Agreement shall, or shall be deemed to, defeat, limit, alter or impair, enhance or enlarge any right, obligation, claim or remedy created by the Agreement. In the event of any conflict between this Assignment Agreement and the P&S Agreement, the P&S Agreement shall be the conclusive document to resolve any conflict.
5. **Successors and Assigns.** This Assignment Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.
6. **Definitive Agreement.** The parties hereto acknowledge and agree that the Assignor, Consenting Party, and the Assignment Agreement will enter into a definitive option agreement containing for the sum of \$1.00, and containing the customary terms and conditions to enable the Assignee to exercise the option, in accordance with its terms and conditions, and obtain 100% of the Assignor's legal and beneficial interest to the Claims.
7. **Further Assurances.** Each party hereto agrees to execute and deliver all such additional assignments, assumptions, releases, other documents and instruments, and do such further acts and things as may be reasonably required to effectuate completely this Assignment Agreement.
8. **Applicable Law.** This Assignment Agreement and any disputes between the parties under or related to this Assignment Agreement or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada and the federal laws of Canada applicable therein, without giving effect to those principles of conflicts of laws that might otherwise require application of the laws of any other jurisdiction.
9. **Counterparts.** This Assignment Agreement may be executed by facsimile, portable document format (PDF) or other electronic means and/or in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same Assignment Agreement.

[EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment Agreement to be executed and delivered as of the date first written above.

TOCVAN VENTURES CORP.

(Signed) "Brodie Sutherland"

By: _____

Name: **Brodie A. Sutherland**

Title: President, CEO and Director

C3 METALS INC.

(Signed) "Kevin Tomlinson"

By: _____

Name: **Kevin Tomlinson**

Title: President and CEO

CASCADE COPPER CORP.

(Signed) "Elena Clarici"

By: _____

Name: **Elena Clarici**

Title: President, CEO and Director

SCHEDULE "A"

MINING CLAIMS PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the 29th day of September 2021.

BETWEEN:

TOCVAN VENTURES CORP.,

a company duly incorporated under the laws of Alberta and
having an office in the City of Calgary, in the Province of Alberta
("TOCVAN")

- and -

C3 METALS INC.,

a company duly incorporated under the laws of Ontario and having an
office in the City of Toronto, in the Province of Ontario
("C3")

WHEREAS:

- A. C3 is the 100% legal and beneficial owner of all mineral interests in and to certain mineral claims known as the Rogers Creek consisting of 23 claims totaling 21,233.88 hectares, located in the Coastal Mountain Belt of British Columbia about 90 kilometres northeast of Vancouver, in the South-West Mining Division and registered with the British Columbia Ministry of Energy, Mines, and Petroleum Resources Office, as more particularly as described in Schedule "A" attached hereto (the "Claims" or the "Property").
- B. Pursuant to an option agreement between the Parties dated May 23, 2018, as amended, (the "Option Agreement") Tocvan has an option to acquire up to 80% of the Claims from C3.
- C. The Parties have agreed to terminate the Option Agreement and C3 wishes to sell to TOCVAN, and TOCVAN wishes to purchase from C3, 100% of the Claims described in Schedule "A" attached hereto.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the respective covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Party), the Parties hereto covenant and agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 Defined Terms.** In this Agreement, the following terms shall have the respective meanings set out below:
- (a) "**Agreement**" means this purchase and sale agreement, as it may be amended from time to time;
 - (b) "**Assumed Obligations**" means, collectively, any and all costs, liabilities and obligations assumed by TOCVAN pursuant to Section 2.3;

- (c) "**Books and Records**" has the meaning set out in Section 1.1(s)(iii);
- (d) "**Business Day**" means any day other than a Saturday, Sunday or statutory or civic holiday in Calgary, Alberta;
- (e) "**Canadian Securities Laws**" means the applicable securities laws of each Province of Canada together with all applicable regulations, rules, published policy statements and Instruments of Canadian Securities Administrators and other Canadian securities regulatory authorities having jurisdiction;
- (f) "**Closing Date**" means the third Business Day following the date on which all conditions have been satisfied, or such later date as the Parties may agree in writing;
- (g) "**Closing Time**" means 10:00 a.m. (MST) on the Closing Date, or such other time on the Closing Date as the Parties may agree in writing;
- (h) "**Commercial Production**" means the operation of the Property or any portion thereof as a producing mine and the production of mineral products therefrom (excluding bulk sampling, pilot plant or test operations).
- (i) "**Encumbrance**" means, with respect to any property or asset, any security interest, mortgage, pledge, hypothecation, condition, restriction, lien, charge, option, title defect or other encumbrance or interest of any kind upon such property or asset or upon the Income, revenue or profits therefrom, including (i) any right to participate in revenues, profits or other income in any way derived from or attributable to such property or asset or any rights arising therefrom, (ii) any option to acquire such property or asset, or (iii) any agreement to create or grant any of the foregoing;
- (j) "**Environmental Law**" means any federal, provincial, municipal or local statute, regulation, by-law, order, ordinance, permit, licence, registration, consent, certificate, approval or authorization or other law (including the common law) relating to reclamation or restoration of the environment; abatement of pollution; protection of the environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural or historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances into the environment, including without limitation, ambient air, surface water and groundwater; and all other laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;
- (k) "**Environmental Liabilities**" means any and all actions, causes of action, demands, claims, obligations, liabilities (contingent or otherwise) or other requirements, or any state of facts or circumstances which could give rise to any of the foregoing, of any nature whatsoever (including, without limitation, liability for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation, reclamation or restoration costs, containment costs, corrective action costs, closure costs, natural resource damages, property damages, business losses, personal Injuries, penalties or fines) arising out of, based on or resulting from (i) the presence, release, threatened release, discharge or emission into the environment of any hazardous

materials or substances, (ii) physical disturbance of the environment, or (iii) violation or alleged violation of any Environmental Law, in each case whether initiated, instituted, required, made, imposed, rendered or issued by a Governmental Authority or any other person;

- (l) **"Exchange"** means the Canadian Securities Exchange;
- (m) **"Governmental Authority"** means any federal, provincial, municipal or local government and includes any governmental agency, department, ministry, authority, tribunal, commission or official, and any court, stock exchange or securities commission having jurisdiction;
- (n) **"NI 45-106"** has the meaning set out in Section 3.2 (j);
- (o) **"Parties"** means, collectively, TOCVAN and C3, and **"Party"** means any of them;
- (p) **"Permitted Encumbrances"** means, in respect of the Purchased Assets, any of the following Encumbrances:
 - (i) inchoate or statutory liens for taxes or utilities not at the time overdue;
 - (ii) minor discrepancies in the legal description of the Claims or any adjoining real property which would be disclosed in an up-to-date survey; any registered easements and registered restrictions; and any covenants that run with the land which do not materially detract from the value of, or materially impair the use in the conduct of mining exploration, development and production activities of, or the right to transfer, the Claims; and
 - (iii) rights of way for or reservations or rights of others for, sewers, water lines, gas lines, electric lines, telegraph and telephone lines, and other similar utilities, or zoning by-laws, ordinances, or other restrictions as to the use of real property, which do not affect the right to transfer the Claims;
- (q) **"person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal or personal representative, regulatory body, agency or Governmental Authority, however designated or constituted;
- (r) **"Purchase Price"** has the meaning set out in Section 2.2;
- (s) **"Purchased Assets"** means the following:
 - (i) all of the real property and other property that comprises the Claims, including, without limitation, all crown minerals forming part of the Claims, all related prospectivity and geological reports, any unpatented mining claims and all improvements, permits, leases, appurtenances, fixtures, bore holes, pits, shafts, dams, located thereon or thereunder or forming part thereof;
 - (ii) all contracts, deeds, grants, conveyances and other documents and rights giving rise to or creating the Claims, and all rights arising thereunder against Third Persons, in favour of C3; and

- (iii) all records (whether or not recorded on computer or computer related media) in the possession or control of C3 relating to the Purchased Assets (the "**Books and Records**"), including, without limitation, all surveys, plans or specifications, contracts, documents, technical information and data, maps, surveys, drill core samples and assays and maintenance and repair records and all reports and studies (including scoping studies and feasibility studies) as well as the data, documentation and materials used in connection therewith, relating to the Claims, but not including any business, financial, accounting or tax records (other than in respect of property taxes or other taxes related to the Claims) of C3;
 - (t) "**Shares**" has the meaning set out in Section 2.2;
 - (u) "**Royalty**" means a net smelter return royalty payable by TOCVAN to C3 equal to 2% on the Sale Proceeds from Commercial Production, as described in Schedule "B" for all minerals derived from the Property, and subject to the provisions of Section 2.7 herein.
 - (v) "**Sale Proceeds**" means actual proceeds received from any mint, smelter, refinery or other purchaser from the sale of minerals, concentrates, metals (including bullion) or products derived from the any metals on the Property and sold.
 - (w) "**Tax Act**" means the *Income Tax Act* (Canada), as such act may be amended from time to time;
 - (x) "**Third Person**" means any person other than any Party.
- 1.2 **Sections and Headings.** The division of this Agreement into articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement.
- 1.3 **Extended Meanings.** In this Agreement, words importing the singular number only include the plural and vice versa, words importing gender include all genders and the words "hereof", "hereto", "hereunder" and similar expressions refer to this Agreement and the Schedules hereto and not to any particular article, section, Schedule or other part of this Agreement; the terms "Article", "Section" and "Schedule" refer to articles and sections of, and schedules to, this Agreement; and the term "including" means "including without limiting the generality of the foregoing."
- 1.4 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all agreements and understandings, written or oral, made prior hereto relating to the subject matter hereof.
- 1.5 **Amendment and Waivers.** No amendment of this Agreement or waiver of any provision hereof shall be binding on any Party unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision hereof.
- 1.6 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- 1.7 **Severability.** if any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof.

- 1.8 **Time of Essence.** Time shall be of the essence of this Agreement.

**ARTICLE 2
PURCHASE AND SALE**

- 2.1 **Purchase and Sale of Purchased Assets.** Subject to the terms and conditions hereof, TOCVAN covenants and agrees to purchase from C3, and C3 covenants and agrees to sell, assign and transfer to TOCVAN, all of C3's right, title and interest in and to the Purchased Assets, on an "as is, where is" basis, free and clear of all Encumbrances other than Permitted Encumbrances.
- 2.2 **Purchase Price.** The total purchase price (the "**Purchase Price**") payable by TOCVAN to C3 for its right, title and interest in and to the Purchase Assets shall be satisfied as follows:
- (i) 500,000 common shares (the "**Shares**") in the capital of TOCVAN shall be issued to C3 at the Closing Time as fully paid and non-assessable Shares;
 - (ii) the Royalty granted in favour of C3; and
 - (iii) such number of common shares (each, a "**Cascade Share**") of Cascade Copper Corp. ("**Cascade**") which is equal to the quotient obtained by dividing \$75,000 by the last price at which the Cascade Shares are issued prior to the Cascade Shares being listed and posted for trading on the Exchange.
- 2.3 The Parties acknowledge and agree that the Shares forming part of the Purchase Price issuable pursuant to Section 2.2(i) shall include a statutory four-month restrictive legend (the "**Statutory Legend**") as required by Canadian Securities Laws, and an additional legend (the "**Voluntary Legend**") providing for contractual resale restrictions as follows:
- (i) as to 150,000 Shares, a Voluntary Legend providing that C3 must not trade the Share until the date that is seven months following the Closing Date; and
 - (ii) as to 150,000 Shares, a Voluntary Legend providing that C3 must not trade the Shares until the date that is ten months following the Closing Date.
- 2.4 **Assumption of Liabilities.** Subject to the terms and conditions hereof, TOCVAN covenants and agrees that, at and after the Closing Time, it will assume, be liable and responsible for and undertake to discharge, perform and fulfill all costs, liabilities and obligations of C3 of any nature or kind whatsoever arising on or after the Closing Date relating to, arising from or connected with the Purchased Assets. Notwithstanding the foregoing, TOCVAN shall not assume and shall not be liable for any obligations or liabilities of C3 whatsoever for any taxes under the Tax Act or any other taxes whatsoever that may be or become payable by C3, including any income or corporation taxes, resulting from *or* arising as a consequence of the sale by C3 to TOCVAN of its interests in the Purchased Assets hereunder or its ownership or sale, transfer or other disposition of any of the Shares.
- 2.5 **Allocation of Purchase Price.** The Purchase Price shall be allocated among the Purchased Assets on such basis as TOCVAN and C3 shall agree in writing to the allocations on or before the Closing Date, and TOCVAN and C3 agree to prepare and file their respective tax returns in a manner consistent with such allocation.

- 2.6 **Possession Following Closing.** From and after the Closing Time, TOCVAN shall be entitled to take vacant possession and enjoyment of the Claims.
- 2.7 **Royalty.** TOCVAN acknowledges and agrees that on the commencement of Commercial Production, the Property will be subject to the Royalty in favor of C3, as described in Schedule “B”.
- 2.8 **Purchase of Royalty.** TOCVAN shall have, at its sole discretion, the right and option to purchase 1% of the Royalty (such that the remaining Royalty shall be reduced to 1% of the Sale Proceeds from Commercial Production) for a price equal to \$1,000,000.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

- 3.1 **Representations and Warranties of TOCVAN.** TOCVAN represents and warrants to C3 as follows and acknowledges that C3 is relying on such representations and warranties in connection with the purchase and sale of the Purchased Assets contemplated hereby:
- (a) *Corporate Existence.* TOCVAN is a corporation continued and existing under the laws of the Province of Alberta and has the corporate power and capacity to execute and deliver this Agreement and to perform its obligations hereunder.
 - (b) *Authorization.* This Agreement has been duly authorized, executed and delivered by TOCVAN and is a legal, valid and binding obligation of TOCVAN, enforceable by C3 against TOCVAN in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally. No corporate proceedings on the part of TOCVAN are necessary to authorize or approve this Agreement except such as have been taken.
 - (c) *No Conflict.* The execution and delivery of this Agreement by TOCVAN and the consummation by TOCVAN of the transactions contemplated hereby will not violate (i) any provision of the articles or by-laws of TOCVAN, (ii) any statute, regulation or other law to which TOCVAN is subject, or (iii) any judgment, decree, order or award of any court or Governmental Authority having jurisdiction over TOCVAN.
 - (d) *Consents and Approvals.* TOCVAN is under no obligation, whether statutory, contractual or otherwise, to obtain any consent or approval from, or to give any notice to, any person as a condition to, or in connection with, the completion of the transactions contemplated hereby, other than approval of the Canadian Securities Exchange (the “**Exchange**”).
 - (e) *Securities Law Matters.* No order ceasing or suspending trading in any securities of TOCVAN has been issued by any Governmental Authority and no proceedings for such purpose are, to the knowledge of TOCVAN, pending or threatened. TOCVAN is a reporting issuer in the Provinces of Alberta and British Columbia and its common shares are listed and posted for trading on the Exchange.
 - (f) *GST Registration.* TOCVAN is a registrant under Part IX of the *Excise Tax Act* (Canada) having registration number ●.

3.2 **Representations and Warranties of C3.** C3 represents and warrants to TOCVAN as follows and acknowledges that TOCVAN is relying on such representations and warranties in connection with the purchase and sale of the Purchased Assets contemplated hereby:

- (a) *Corporate Existence.* C3 is a corporation incorporated and existing under the laws of the Province of Ontario and has the corporate power and capacity to execute and deliver this Agreement and perform its obligations hereunder.
- (b) *Authorization.* This Agreement has been duly authorized, executed and delivered by C3 and is a legal, valid and binding obligation of C3, enforceable by TOCVAN against C3 in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally. No corporate proceedings on the part of C3 are necessary to authorize or approve this Agreement except such as have been taken.
- (c) *No Conflict.* The execution and delivery of this Agreement by C3 and the consummation of the transactions contemplated hereby will not violate (i) any provision of the articles or by-laws of C3, (ii) any statute, regulation or other law to which C3 is subject or (iii) any judgment, decree, order or award of any court or Governmental Authority having jurisdiction over C3.
- (d) *Consents and Approvals.* C3 is under no obligation, whether statutory, contractual or otherwise, to obtain any consent or approval from, or to give any notice to, any person as a condition to, or in connection with, the completion of the transactions contemplated hereby.
- (e) *Obligations.* Other than obligations imposed under the *mining laws* in the Province of British Columbia, C3 is not aware of any obligations on the Claims.
- (f) *Ownership of the Purchased Assets.* C3 is the legal and beneficial owner of all of the Purchased Assets free and clear of all Encumbrances other than Permitted Encumbrances and the Poirier Royalty.
- (g) *No Contracts or Other Rights.* C3 has all necessary legal right, power and authority to sell, assign and transfer all of its right, title and interest in and to the Purchased Assets to TOCVAN on the basis contemplated herein. No person has any agreement or option, or any right or privilege (whether by law or contract) capable of becoming an agreement or option, for the purchase or other acquisition from C3 of any of its interest in the Purchased Assets. To the knowledge of the officers of C3, no royalty other than the Poirier Royalty or other fee is required to be paid to any person in connection with the operation or production of the Claims.
- (h) *Environmental Liabilities.* To the knowledge of the directors and officers of C3, the Claims are not subject to any Environmental Liabilities.
- (i) *Mineral Properties.* The Claims are presently in good standing under the laws of British Columbia and all amounts required to be paid to Governmental Authorities to keep the Claims in good standing up to the Closing Time have been paid.
- (j) *Prospectus and Registration Exemption.* The Shares being issued to C3 under Section 2.2 are being issued pursuant to an exemption from prospectus and dealer registration

requirements under section 2.13 of National Instrument 45-106 - *Prospectus and Registration Exemptions* ("**NI 45-106**") and acknowledges that the Shares are subject to restrictions on resale pursuant to Canadian Securities Laws and that the certificates representing the Shares will bear a legend to such effect in accordance with applicable securities laws.

3.3 Covenants.

- (a) *Satisfaction of Conditions.* Each of the Parties will ensure that the conditions of closing for the benefit of (in the case of C3) TOCVAN and (in the case of TOCVAN) C3 have been satisfied or complied with at or prior to the Closing Time.
- (b) *Issuance of common shares of Cascade Copper Corp.* TOCVAN covenants and agrees that it shall cause Cascade to issue \$75,000 worth of Cascade Shares to C3 at price equal to the last issue price of the Cascade Shares prior to the date that the Cascade Shares are listed and posted for trading on the Exchange.
- (c) *Filing of Forms.* TOCVAN covenants and agrees to file prior to the Closing Time requisite forms with the Exchange with respect to the transaction contemplated by this Agreement.

3.4 Survival of Representations, Warranties and Covenants.

- (a) *Representations and Warranties.* All representations and warranties of the Parties set out in this Agreement shall survive for a period of one year following the Closing Date, after which time no Party shall have any further liability hereunder with respect to such representations or warranties, except in respect of any claim made with respect to any inaccuracy in or breach of any such representation and warranty (i) as a result of fraud by the Party making such representation and warranty, or (ii) which claim is made prior to the expiration of such one year period.
- (b) *Covenants.* All covenants made or given by each Party in or pursuant to this Agreement shall survive the completion of the transactions contemplated hereby and shall continue in full force and effect for the benefit of C3 or TOCVAN, as the case may be, in accordance with their terms.

ARTICLE 4 CONDITIONS OF CLOSING

4.1 **Conditions in Favour of TOCVAN.** The obligations of TOCVAN to complete the purchase and sale of the Purchased Assets contemplated hereby shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

- (a) Each of the representations and warranties of C3 contained in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as though such representations and warranties were made at and as of such date and all covenants of C3 to be completed prior to the Closing Time shall have been performed, and C3 shall have delivered to TOCVAN a certificate to such effect signed by a senior officer or director of C3.
- (b) TOCVAN shall have received from C3 the following documents, dated as of the Closing Date and in form and substance satisfactory to TOCVAN, acting reasonably:

- (i) such instruments of sale, transfer, conveyance, assignment or delivery, in registrable form or otherwise, in respect of the Purchased Assets or any part thereof as TOCVAN may reasonably require to assure full and effective sale, transfer, conveyance and assignment to it of the rights, title and interests of C3 in and to the Purchased Assets;
- (c) No action or proceeding will have been commenced by any person to enjoin, restrict or prohibit the sale and purchase of the Purchased Assets contemplated hereby.
- (d) TOCVAN'S board of directors shall have approved the transaction contemplated herein.

4.2 **Conditions in Favour of C3.** The obligations of C3 to complete the purchase and sale of the Purchased Assets contemplated hereby shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

- (a) Each of the representations and warranties of TOCVAN contained in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as though such representations and warranties were made at and as of such date and all covenants of TOCVAN to be completed prior to the Closing Time shall have been performed, and TOCVAN shall have delivered to C3 a certificate to such effect signed by a senior officer or director of TOCVAN.
- (b) C3 or its nominees shall have received from TOCVAN the following documents, dated as of the Closing Date and in form and substance satisfactory to C3, acting reasonably:
 - (i) duly issued share certificates or direct registration statement advice of TOCVAN registered in the name of C3, or as directed by C3, in respect of the Shares to be issued under Section 2.2.
- (c) No action or proceeding will have been commenced by any person to enjoin, restrict or prohibit the sale and purchase of the Purchased Assets contemplated hereby.
- (d) C3's board of directors shall have approved the transaction contemplated herein.

4.3 **Termination.**

- (a) This Agreement may be terminated upon written notice given prior to the Closing Time:
 - (i) by mutual written agreement of the Parties;
 - (ii) by TOCVAN if the satisfaction of any of the conditions set out in Section 4.1 is or becomes impossible (other than through the failure of TOCVAN to comply with any of its obligations under this Agreement) and TOCVAN has not waived such condition on or before the Closing Date;
 - (iii) by C3 if the satisfaction of any of the conditions set out in Section 4.2 is or becomes impossible (other than through the failure of C3 to comply with any of its obligations under this Agreement) and C3 has not waived such condition on or before the Closing Date; or

- (iv) by any Party if the completion of the sale and purchase of the Purchased Assets has not occurred on or before the Outside Date, provided that such right to terminate this Agreement shall not be available to a Party whose failure to comply with any of its obligations under this Agreement was the cause of, or resulted in, the failure of the completion of the sale and purchase of the Purchased Assets to have occurred on or before the Outside Date.
- (b) In the event of the termination of this Agreement pursuant to Section 4.3(a), this Agreement shall be of no further force and effect, and no Party shall have any liability or obligation under this Agreement after such termination, including in respect of any breach hereof occurring prior to such termination, except pursuant to this Section 4.3 and the provisions of Article 1 and Section 6.1 which are necessary to give full meaning and effect thereto, all of which shall survive such termination.

**ARTICLE 5
CLOSING ARRANGEMENTS**

- 5.1 **Place of Closing.** The completion of the transactions contemplated hereby shall take place at the Closing Time at such location as the Parties may agree.
- 5.2 **Further Assurances.** Each of the Parties shall from time to time execute and deliver all such further documents and instruments and do all acts and things as any other Party may, either before or after the Closing Time, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
- 5.3 **Books and Records.** C3 shall as soon as practicable, and in no event later than ten Business Days following the Closing Date, deliver the Books and Records to TOCVAN.

**ARTICLE 6
GENERAL**

- 6.1 **Notices.**
 - (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person or transmitted by email or facsimile, or similar means of recorded electronic communication, addressed as follows:

- (i) If to TOCVAN:

TOCVAN VENTURES CORP.
Suite 2200,
736 – 6th Avenue SW
Calgary, Alberta
T2P 3T7

Attention: Derek Wood, President
E-Mail: dwood@tocvan.ca if to C3:

(ii) If to C3:

C3 METALS INC.
161 Bay Street, 27th Floor
Toronto, Ontario
M5J 2S1

Attention: Jeffery Ackert, VP. Business Development
E-Mail: jackert@c3metals.com

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day).
- (c) Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 6.1.
- 6.2 **Costs and Expenses.** Each Party hereto shall be responsible for its own costs and expenses incurred with respect to the transactions contemplated hereby including, without limitation, all costs and expenses incurred prior to the date of this Agreement and all legal and accounting fees and disbursements relating to the preparation of this Agreement and any other documents contemplated hereby and otherwise relating to the transactions contemplated hereby.
- 6.3 **Successors and Assigns.** This Agreement shall endure to the benefit of and shall be binding on and enforceable by the Parties and, where the context so permits, their respective successors and permitted assigns. None of the Parties may assign any of its rights or obligations hereunder without the prior written consent of the other Parties.
- 6.4 **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. Executed signature pages may be delivered by any Party by electronic transmission with originals to be subsequently delivered to each of the other Parties.

[EXECUTION PAGE FOLLOWS]

SCHEDULE "A"

ROGERS CREEK MINING CLAIMS

Title Number	Claim Name	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
1069242	RC-001	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2020/DEC/31	PROTECTED	1036.0342
1069243	RC-002	243441 (100%)	Mineral	Claim	092G	2019/JUN/21	2020/DEC/31	PROTECTED	1018.5562
1069245	RC-003	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2020/DEC/31	PROTECTED	1034.2534
1069246	RC-004	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2020/DEC/31	PROTECTED	869.6388
1069247	RC-005	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2020/DEC/31	PROTECTED	538.7354
1069248	RC-006	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	642.8537
1069249	RC-007	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1036.5839
1069250	RC-008	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	580.8569
1069251	RC-009	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	290.5521
1069252	RC-010	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1037.5623
1069253	RC-011	243441 (100%)	Mineral	Claim	092G	2019/JUN/21	2020/DEC/31	PROTECTED	873.9407
1069254	RC-012	243441 (100%)	Mineral	Claim	092G	2019/JUN/21	2020/DEC/31	PROTECTED	958.3102
1069255	RC-013	243441 (100%)	Mineral	Claim	092G	2019/JUN/21	2020/DEC/31	PROTECTED	729.4365
1069257	RC-014	243441 (100%)	Mineral	Claim	092G	2019/JUN/21	2020/DEC/31	PROTECTED	1394.2196
1069258	RC-015	243441 (100%)	Mineral	Claim	092G	2019/JUN/21	2020/DEC/31	PROTECTED	957.7964
1069259	RC-016	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1036.3007
1069260	RC-017	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1036.8037
1069261	RC-018	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1036.2254
1069262	RC-019	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1036.7331
1069263	RC-020	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	995.6613
1069264	RC-021	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1016.659
1069265	RC-022	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1037.9468
1069266	RC-023	243441 (100%)	Mineral	Claim	092J	2019/JUN/21	2021/DEC/31	PROTECTED	1038.2243

SCHEDULE "B"

NET SMELTER RETURNS ROYALTY AGREEMENT

THIS ROYALTY AGREEMENT is made with effect as of 29th day of September, 2021.

BETWEEN:

C3 METALS INC., a company duly incorporated under the laws of Ontario and having an office in the City of Toronto, in the Province of Ontario, (hereinafter referred to as the "**Holder**")

- and -

TOCVAN VENTURES CORP., a company duly incorporated under the laws of Alberta and having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "**Tocvan**")

WHEREAS Tocvan has agreed to create, grant and convey to the Holder, the NSR Royalty, as provided for herein.

NOW THEREFORE, for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), the Parties agree as follows:

1. INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) "**Abandonment Property**" has the meaning given in Section 4.2.
- (b) "**Acceptable Accounting Standards**" means, as used at the applicable time by Tocvan for financial reporting purposes, either Canadian generally accepted accounting principles or International Financial Reporting Standards as adopted by the International Accounting Standards Board.
- (c) "**Affiliate**" means, with respect to any Person, any other Person which directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For the purposes of this definition, "**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.
- (d) "**Arbitration**" has the meaning given in Section 13.2.
- (e) "**Arbitration Act**" has the meaning given in Section 13.2.
- (f) "**Arbitrator**" has the meaning given in Section 13.4.

- (g) “**Business Day**” means a day other than a Saturday, a Sunday or any other day on which the principal chartered banks located in Calgary, Alberta are not open for business.
- (h) “**Commercial Production**” means the operation of the Property or any portion thereof as a producing mine and the production of mineral products therefrom (excluding bulk sampling, a pilot plant or test operations of less than 1,000 tonnes).
- (i) “**Dispute**” has the meaning given in Section 13.1.
- (j) “**Hedging Transactions**” has the meaning given to it in Section 6.
- (k) “**Interest**” has the meaning given to it in Section 3.4.
- (l) “**LBMA**” has the meaning given to it in the definition of Reference Price.
- (m) “**Loss**” means an insured loss of or damage to Products, whether or not occurring on or off the Property and whether the Products are in the possession of Tocvan or its Affiliates or otherwise;
- (n) “**National Instrument 43-101**” or “**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.
- (o) “**Net Smelter Returns**” means, with respect to each Quarter (and without duplication):
 - (A) in the case of Products comprised of gold and silver processed at a refinery, the number of ounces of refined gold and refined silver credited to the account of Tocvan during such Quarter multiplied by the applicable Reference Price;
 - (B) in all other cases other than clause (C) below, the actual gross proceeds received during such Quarter by Tocvan from the sale or other disposition of Products; and
 - (C) in the event that there is a Loss of Products, an amount equal to the sum of the insurance proceeds actually received by Tocvan during such Quarter (less any costs and expenses incurred in connection therewith) in respect of such Loss.

Less, with respect to subsections 1.1(o)(A), (B) and (C) the following expenses, to the extent incurred in respect of the Products for which payment or credit is received during such Quarter:

- (i) all taxes based directly on or assessed against the value or quantity of Products produced from the Property, including the following:
 - (A) direct sales tax;
 - (B) use taxes;
 - (C) gross receipts taxes;
 - (D) severance taxes; and
 - (E) crown royalties;

but excluding any and all taxes based upon the net or gross income of Tocvan or other operator of the Property, the value of the Property or the privilege of doing business and other taxes assessed on a similar basis; and

- (ii) all transportation costs, including related insurance costs, for transportation of Products from the Property to a Processor or to the point of sale, and all direct charges and/or costs charged by any Processor of the Products (provided such charges or costs have not been previously deducted by Tocvan or such Processor); provided that if any refining and/or smelting is carried out at facilities owned or controlled, in whole or in part, by Tocvan, then the charges and costs for such refining and/or smelting of such Products shall be the lesser of: (A) the charges and costs Tocvan would have incurred if such processing was carried out at facilities that are not owned or controlled by Tocvan and that are offering comparable services for comparable products; and (B) the actual charges and costs incurred by Tocvan with respect to such refining and/or smelting.
- (p) “**NSR Royalty**” shall have the meaning set out in Section 2.
- (q) “**Parties**” means the parties to this Agreement, and “**Party**” means any one of the Parties.
- (r) “**Person**” means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, governmental bodies or any other type of organization or entity, whether or not a legal entity.
- (s) “**Place of Delivery**” means an account at a chartered bank in Canada specified in writing to Tocvan by the Holder at least 3 Business Days prior to the date of Payment.
- (t) “**Prime**” means at any particular time, the reference rate of interest, expressed as a rate per annum, that the Bank of Canada establishes as its prime rate of interest in order to determine interest rates that it will charge for demand loans in Canadian dollars to its most credit worthy customers in Canada.
- (u) “**Processor**” means collectively any refiner or smelter of the Products which, refines or smelts any Products to the final product stage before sale or other disposition by or for the account of Tocvan.
- (v) “**Products**” means all ores, doré, concentrates, minerals and mineral products mined, produced, extracted, derived or otherwise recovered from the Property and includes all beneficiated and other mineral products produced or derived therefrom.
- (w) “**Property**” means (i) the interests in the mineral rights and titles described on Schedule “A” hereto, (ii) any Additional Property, and any renewal thereof and any other form of successor or substitute title therefore.
- (x) “**Quarter**” means each three-month fiscal period ending on March 31, June 30, September 30 or December 31.
- (y) “**Reference Price**”, for any given Quarter, means:
 - (i) for gold, the quarterly average of the afternoon per ounce LBMA Gold Price in U.S. dollars quoted by the London Bullion Market Association (“**LBMA**”) (currently in partnership with ICE Benchmark Administration) for refined gold for such Quarter, calculated by dividing the sum of all such quotations during such Quarter by the number of such quotations; provided that if, for any reason, the LBMA is no longer in operation or the price of refined gold is not confirmed, acknowledged by or quoted by the LBMA, the Reference

Price for gold shall be determined by reference to the price of refined gold in the manner endorsed by the LBMA (if in operation) and World Gold Council; and

- (ii) for silver, the quarterly average of the daily per ounce LBMA Silver Price in U.S. dollars quoted by the LBMA (currently in partnership with CME Group and Thomson Reuters) for refined silver for such Quarter, calculated by dividing the sum of all such quotations during such Quarter by the number of such quotations; provided that if, for any reason, the price of refined silver is not confirmed, acknowledged by or quoted by the LBMA, the Reference Price for silver shall be determined by reference to the price of refined silver in the manner endorsed by the LBMA.

Should any of the price quotations referred to above cease to exist, cease to be published or should no longer be internationally recognized as the basis for the settlement of the applicable commodity, then, upon the request of either of them, Tocvan and the Holder shall promptly meet to select a comparable commodity quotation for purposes of this Agreement. The basic objective of such selection shall be to secure the continuity of fair market pricing of such commodity.

- 1.2 **Headings, Internal References.** The headings used in this Agreement, and its division into articles, sections, schedules, and other subdivisions, do not affect its interpretation. Unless otherwise indicated, references in this Agreement to articles, sections, schedules, and other subdivisions are to those parts of this Agreement.
- 1.3 **Number and Gender.** Unless the context requires otherwise, words importing the singular number include the plural and vice versa; words importing gender include all genders.
- 1.4 **Currency.** Unless specified otherwise, all dollar amounts expressed in this Agreement refer to, and all payments contemplated hereby shall be made in, lawful Canadian currency.
- 1.5 **Calculation of Time.** In this Agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. (Calgary time) on the last day of the period. Except with respect to the last day of a Quarter, if any period of time is to expire, or any action or event is to occur, on any day that is not a Business Day, the period expires, or the action or event is considered to occur, at or not later than 5:00 p.m. (Calgary time) on the next Business Day.
- 1.6 **Use of the Term “Including”.** Where this Agreement uses the word “**including**” it means “**including without limitation**”, and where it uses the word “**includes**” it means “**includes without limitation**”.
- 1.7 **Interpretation of this Agreement.** The Parties acknowledge that they have each participated in settling the terms of this Agreement. The Parties agree that any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting party will not apply in interpreting this Agreement.
- 1.8 **References to Statutes, etc.** Unless specified otherwise, any reference in this Agreement to a statute includes both the regulations, rules and policies made under that statute and any provision that amends, supplements, supersedes or replaces any such statute, regulation, rule or policy.
- 1.9 **Schedules.** Schedule “A” hereto forms part of this Agreement.

2. GRANT OF ROYALTY AND OPERATIONS

- 2.1 **NSR Royalty.** Tocvan hereby creates, grants and conveys to the Holder, a perpetual royalty (the “**NSR Royalty**”) in respect of the Products equal to 2% of Net Smelter Returns, subject to decrease in accordance with Section 2.2, payable quarterly as set forth in Section 3.1 and otherwise in accordance with the provisions of this Agreement. The Tocvan and the Holder expressly acknowledge and agree that the grant, sale, transfer and conveyance of the NSR Royalty is effective as of date hereof and is intended to run with and bind each part of the Property and the title of Tocvan thereto and shall be binding upon the successors and assigns of Tocvan and all successors of Tocvan in title to the Property.
- 2.2 **Partial Repurchase/Reduction of NSR.** At any time after the date of this Agreement and with a minimum of 60 days prior written notice to the Holder (the “**Reduction Notice**”), Tocvan shall have, in its sole discretion, the right and option to purchase 1% of the NSR Royalty (such that the remaining NSR Royalty shall be reduced to 1% of the Net Smelter Returns) for a price equal to \$1,000,000 (the “**Reduction Price**”). The Reduction Price shall be paid in cash. Closing shall occur within 15 days of the date of delivery of the Reduction Notice to the Holder. In exchange for the Reduction Price, the Holder shall deliver to Tocvan an executed quitclaim or deed of release in respect of 1% of the NSR Royalty, in form and substance satisfactory to Tocvan, acting reasonably, which document shall constitute an amendment of this Agreement, to specifically provide for the NSR Royalty reduction. For greater certainty and without limitation, any theretofore made payments of the NSR Royalty shall not be refunded by the Holder to Tocvan and the reduction in NSR Royalty payments shall apply only on a going forward basis.
- 2.3 **Additional Property Interest.** If any Additional Property hereafter becomes a part of the Property, Tocvan agrees to execute and deliver such document or documents as the Holder may reasonably request to acknowledge that the NSR Royalty is applicable thereto, including, without limitation, any registration or recording document of the nature contemplated in Section 12.

3. TIME, CALCULATION AND MANNER OF ROYALTY PAYMENTS

- 3.1 **Time and Calculation of Payment.** The NSR Royalty payment shall be calculated and paid for each Quarter of each calendar year during the term of this Agreement, upon the date of the commencement of Commercial Production, provided that the first Quarter shall begin on the date hereof and end on the last day of the Quarter in which such date falls. The NSR Royalty payment for each Quarter shall be calculated with respect to each type of applicable mineral Product by multiplying 2% and the amount of Net Smelter Returns (subject to increase in accordance with Section 2.2) with respect to each applicable mineral Product for which payment or credit is received by Tocvan during such Quarter (as provided herein) and shall be paid to the Holder by Tocvan in a single payment by wire transfer in Canadian dollars, on or before the day that is forty-five (45) days after the last day of each Quarter. Any adjustment to the determination of any NSR Royalty payment (including as a result of a provisional payment from a Processor or other third party) shall be applied to the next scheduled NSR Royalty payment. All such NSR Royalty and adjustment payments shall be delivered to the Holder at the Place of Delivery.
- 3.2 **Statements.** At the time each NSR Royalty payment is paid to the Holder, Tocvan shall prepare and deliver to the Holder a statement setting out in reasonable detail the manner in which such NSR Royalty payment was calculated, including: (i) the quantities of Products sold or otherwise disposed of by Tocvan with respect to such Quarter or the amount of Products produced and credited to the account of Tocvan for such Quarter, as the case may be; (iii) the calculation of the applicable Net Smelter Returns; (v) the calculation of Interest accrued on such NSR Royalty payment, if any; and

(vi) the calculation of any withholding or deduction in respect of the NSR Royalty for remittance to an applicable governmental authority pursuant to Section 3.6.

- 3.3 **Tocvan Credited with Disposition.** Notwithstanding the terms of any other provision in this Agreement, Tocvan shall not be obligated to make any NSR Royalty payment before Tocvan has received or been credited with the proceeds from the sale or other disposition of Products (but for greater certainty, shall be obligated to make such payment after receiving or being credited with such proceeds).
- 3.4 **Objections by Holder.** The Holder may object in writing to any statement or NSR Royalty payment amount within two (2) years of the receipt by the Holder of the relevant statement in respect of such payment. If it is determined by agreement of the Parties or by arbitration that any NSR Royalty payment has not been properly paid in full as provided herein, Tocvan shall pay interest on the delinquent amount at a rate per annum of Prime plus 8% per annum (“**Interest**”), commencing on the date on which such delinquent amount was properly due and continuing until the date on which the Holder receives payment in full of such delinquent amount and all accrued interest thereon. For the purposes of this subsection, Prime shall be determined as of the date on which such delinquent amount was properly due.
- 3.5 **Overpayment and Set-Off.** If any portion of any NSR Royalty payment (and any related Interest amount) was overpaid, Tocvan shall be entitled to offset such amount against the next NSR Royalty payment.
- 3.6 **Withholding or Deductions.** All NSR Royalty payments, including Interest, if any, will be made subject to withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied on such payment by or on behalf of any governmental authority having power and jurisdiction to tax and for which Tocvan is obligated in law to withhold or deduct and remit to such governmental authority and no gross-up or make-whole payment shall be made in respect of such withholding. Tocvan shall set out in detail in the statement referred to in Section 3.2 any amount so withheld or deducted.
- 3.7 **No Deduction for Certain Costs.** All NSR Royalty payments shall be made without deduction or set off for costs of production, mining, milling, processing, transportation, taxes or other expenses whatsoever, except as expressly provided in this Agreement.
- 3.8 **Tailings.** All tailings, residues, waste rock, spoiled leach materials and other materials resulting from Tocvan’s operations and activities on the Property shall be the sole property of Tocvan, but shall remain subject to the obligation to pay the NSR Royalty should the same be processed or reprocessed, as the case may be, in the future and result in the production of Products.
4. **MANAGEMENT OF OPERATIONS**
- 4.1 **Tocvan to Determine Operations.** The Holder acknowledges and agrees that all decisions concerning methods, the extent, times, procedures and techniques of any:
- (a) exploration, development and mining related to the Property;
 - (b) leaching, milling, processing or extraction;
 - (c) materials to be introduced on or to the Property or produced therefrom; and

(d) decisions concerning the sale or other disposition of Products from the Property,

shall be made by Tocvan in its sole and absolute discretion. The Holder agrees that Tocvan shall not be responsible to the Holder for or obliged to make any NSR Royalty payments for Products or Product value lost in any mining or processing of the Products.

- 4.2 **Suspension and Abandonment of the Property.** Tocvan may suspend operations on, in or under the Property (or any part thereof) from time to time or at any time, in its sole and absolute discretion. Tocvan may, subject to compliance with the provisions of this Section 4.2, abandon, surrender, or allow to lapse all or any part of the Property (the “**Abandonment Property**”). If Tocvan intends to abandon, surrender or allow to lapse any Abandonment Property, it shall provide at least 30 days prior notice of such intention, along with the details of any known encumbrance on the Abandonment Property. Within 20 days of the receipt of such notice, the Holder may deliver notice to Tocvan that it desires Tocvan to convey the Abandonment Property to the Holder. If the Holder desires to have the Abandonment Property conveyed, then Tocvan shall convey the Abandonment Property to the recipient on an “as is, where is” basis in consideration for the sum of CAD\$1.00 and Tocvan shall have no further obligations in respect of the Abandonment Property under this Royalty Agreement. Upon abandonment of the Property, this Royalty Agreement shall be null and void and of no further force or effect with respect to such part or parts of the Property that are the subject of such abandonment, provided that if the Holder or an Affiliate of Tocvan reacquires rights in respect of such part or parts of the Property at any time after such abandonment, this Royalty Agreement and the Royalty shall again be of force and effect and shall apply to any Products derived therefrom.
- 4.3 **Commingling.** Commingling of Products from the Property with other ores, doré, concentrates, metals, minerals or mineral by-products produced elsewhere is permitted, provided that (i) reasonable and customary procedures are established by Tocvan and approved by the Holder, acting reasonably, prior to any commingling, for the weighing, sampling, assaying, determination of moisture content, and other measuring or testing necessary to fairly allocate valuable metals contained in such Products and in the other ores, doré, concentrates, metals, minerals and mineral by-products, and (ii) Holder is not economically disadvantaged as a result of commingling the Products and the other ores, doré, concentrates, metals, minerals and mineral by-products or by processing the other ores, doré, concentrates, metals, minerals and mineral by-products prior to the Products.
- 4.4 **Sales to or Processing by Affiliates.** Tocvan will be permitted to sell Products in the form of raw ore, doré, concentrates or otherwise to an Affiliate of Tocvan, provided that such sales will be deemed, for the purposes of this Agreement, to have been sold at prices and on terms no less favourable to Tocvan than those that would be extended by an unaffiliated third person in an arm’s length transaction under similar circumstances. Tocvan will be permitted to contract with an Affiliate of Tocvan or an unaffiliated third person for the smelting or other processing of Products, provided that in the case of a contract with an Affiliate, such contract is on an arm’s length basis at market terms.
- 4.5 **Maintain Insurance.** Tocvan shall implement in good standing policies of insurance in respect of the Property or Products in a manner consistent with good industry standards in the mining industry and present all claims under such policies in a due and timely manner.

5. **TERM**

- 5.1 This Agreement shall continue in perpetuity, it being the intent of the Parties that the NSR Royalty shall constitute an interest in land running with and binding upon the title to the Property and all accessions thereto and all successions thereof, whether created privately or through governmental action, and binding upon the successors and assigns of Tocvan and the successors in title to the Property. If any right, power or interest of either Party would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

6. **HEDGING TRANSACTIONS**

- 6.1 All profits, losses and expenses resulting from Tocvan engaging in any commodity futures trading, option trading, metals trading, metal loans, and any other hedging transactions or any combination thereof (collectively "**Hedging Transactions**") are specifically excluded from calculations of NSR Royalty payments pursuant to this Agreement. All Hedging Transactions shall be for Tocvan's sole account and shall not affect the calculation and payment to the Holder of the NSR Royalty payment which shall be calculated and paid in accordance with Section 3 without regard for any Hedging Transactions. In the case of a Hedging Transaction in respect of a Product which is not gold or silver, the applicable Net Smelter Returns shall be calculated as the quantity of the applicable Product for which Tocvan received payment during such Quarter multiplied by the applicable reference price, less the deductions set forth in clauses (i) through (iii) of the definition of New Smelter Returns. The applicable reference price is to be determined using the quarterly average of the daily COMEX price for the given commodity calculated in a comparable manner as used for determining the Reference Price for gold and silver, subject to the last paragraph of the definition of "Reference Price".

7. **BOOKS; RECORDS; INSPECTIONS**

- 7.1 **Right to Audit.** Tocvan shall keep true, complete and accurate books and records of all of its sales or other dispositions of Products, prepared in all material respects in accordance with industry standards consistently applied. Subject to complying with the confidentiality provisions of this Agreement, the Holder and/or its authorized representatives shall be entitled, upon delivery of five (5) Business Days advance notice, and during the normal business hours of Tocvan, to perform audits or other reviews and examinations of Tocvan's books and records relevant to the calculation and payment of the NSR Royalty pursuant to this Agreement to confirm compliance with the terms of this Agreement, including without limitation, calculations of Net Smelter Returns. Without limiting the generality of the foregoing, the Holder shall have the right to audit all invoices and other records relating to the transportation of Products from the Property to any Processor at which Products from the Property may be processed. The Holder shall diligently complete any audit or other examination permitted hereunder. All expenses of any audit or other examination permitted hereunder shall be paid by the Holder, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of any NSR Royalty payments paid to the Holder hereunder in respect of the period being audited or examined in an amount greater than 3% of the amount of the NSR Royalty properly payable with respect to such period, in which event all reasonable expenses of such audit or other examination shall be paid by Tocvan.
- 7.2 **Reasonable Access.** In performing such audit the Holder and/or its agents shall have reasonable access to all production records, including all mining, stockpile and milling records of Tocvan relating to the Products derived from the Property (and the Holder shall be allowed to make notes

or a photocopy thereof), all of which such records shall be kept and retained by Tocvan or operator of the Property in accordance with good mining industry practice.

8. **CONFIDENTIALITY**

8.1 **No Disclosure without Consent.** Subject to Section 12, the Holder shall not, without the express written consent of Tocvan, disclose any non-public or confidential information in respect of the terms of this Agreement or otherwise received under or in conjunction with this Agreement including information concerning Products and operations on the Property or any other properties owned or leased by Tocvan, other than to its employees, agents and/or consultants for purposes related to the administration of this Agreement and the Holder shall not issue any press releases concerning the terms of this Agreement or in respect of the Property or the operations of Tocvan, without the consent of Tocvan after Tocvan has first reviewed the content of such press release. The Holder agrees to reveal such information only to its employees, agents and/or consultants who need to know, who are informed of the confidential nature of the information and who agree to be bound by the terms of this Section 8 and the Holder agrees to be responsible for the breach of this Section 8 by its employees, agents and/or consultants.

8.2 **Notice to the Other Party.** The Holder may disclose data or information obtained under or in conjunction with this Agreement and otherwise prohibited from disclosure by this Section 8:

- (a) to any third person to whom the Holder in good faith anticipates selling or assigning its interest hereunder in compliance with Section 10;
- (b) to a prospective lender to the Holder; or
- (c) to a prospective equity financier or investor of the Holder;

provided that in each case the person to whom disclosure is proposed shall first have been provided with and signed and delivered to Tocvan a confidentiality agreement executed by such third party purchaser, lender, financier or investor which agreement shall include the confidentiality provisions of this Section 8 and shall otherwise be in form and substance acceptable to Tocvan, acting reasonably.

8.3 **Compliance with Applicable Laws.** The Holder may disclose data or information obtained under this Agreement or publicly file this Agreement if required to do so for compliance with applicable laws, rules, regulations or orders of a governmental authority having jurisdiction over the Holder, provided that the Holder shall disclose only such data or information as, in the opinion of its counsel, is required to be disclosed and provided further that it will provide Tocvan with a copy of the proposed disclosure and Tocvan shall be given the right to review and object to the data or information to be disclosed within 24 hours of its receipt of such copy prior to any release, and any such release will be subject to any reasonable objections, redactions (to the extent permitted by applicable laws) or changes proposed by Tocvan.

9. **NO IMPLIED COVENANTS**

9.1 The Parties agree that there are no implied covenants or duties relating to or affecting any of their respective rights or obligations under this Agreement, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this Agreement.

10. **TRANSFER BY THE HOLDER**

- 10.1 The Holder may assign this Agreement in whole or in part, and any rights and obligations under this Agreement, without the written consent of Tocvan, provided that: (i) any such assignee provides written confirmation to Tocvan to be bound by the provisions of this Agreement in all respects and to the same extent as the Holder is bound, (ii) notwithstanding the foregoing, the Holder shall only remain liable for all obligations of the Holder under this Agreement that arose prior to such assignment and shall not be liable for any obligations that arise thereafter, and (iii) notwithstanding the foregoing, where the assignment is to an Affiliate of the Holder, the Holder shall perform such Affiliate's obligations under this Agreement to the extent that such Affiliate fails to do so, for as long as such Affiliate remains an Affiliate of the Holder.

11. **TRANSFER BY TOCVAN**

- 11.1 Tocvan shall be entitled to assign, sell, transfer, lease, mortgage, charge or otherwise encumber any of the Property and its rights and obligations under this Agreement, provided the following conditions are satisfied, and upon such conditions being satisfied in respect of any such assignment, sale or transfer only (but not in respect of any such lease, mortgage, charge or other encumbrance), Tocvan shall be released from all obligations under this Agreement:

- (a) any purchaser, transferee, lessee or assignee of such Property or this Agreement agrees in advance in writing in favour of the Holder to be bound by the terms of this Agreement including, without limitation, this Section 11
- (b) any purchaser, transferee or assignee of this Agreement has simultaneously acquired Tocvan's right, title and interest in and to such Property;
- (c) in any case where the Property has been assigned as security pursuant to any mortgage, charge or other encumbrance or is leased to another person, the mortgagee, chargee, encumbrance holder or lessee of such Property agrees in advance in writing in favour of the Holder to be bound by and subject to the terms of this Agreement in the event it takes possession of or forecloses on all or part of such Property and undertakes to obtain an agreement in writing in favour of the Holder from any subsequent purchaser, lessee, assignee or transferee of such mortgagee, chargee, lessee or encumbrance holder that such subsequent purchaser, lessee, assignee or transferee will be bound by the terms of this Agreement including, without limitation, this Section 11.

Notwithstanding any other provision of this Agreement, neither (i) an amalgamation, merger or consolidation of Tocvan or any of its Affiliates with or into another body corporate, including by way of a plan of arrangement, nor (ii) an acquisition or a transfer of shares of Tocvan or any of its Affiliates, including a transfer of all of the shares pursuant to a takeover bid and subsequent acquisition transaction (including a compulsory acquisition) or a plan of arrangement, is a transfer or event to which this Section 11 applies; provided, however, that in the case of clause (i) any successor entity to Tocvan shall have acknowledged in writing to the Holder that it is bound by this Agreement.

12. **REGISTRATION**

- 12.1 It is the express intention of the Parties that the NSR Royalty is an interest in land which shall run with Tocvan's title to the Property and be binding upon the successors of Tocvan in title to the Property. Notwithstanding Section 8, the Holder may cause, at its own expense, the due registration

or recordation or filing of this Agreement or notice of this Agreement against the title to the Property. Tocvan covenants and agrees that it shall co-operate with such registration or recordation and/or filing and provide its written consent or signature to any documents or things reasonably necessary to accomplish such registration or recordation in order to ensure that any successor or assignee or other acquiror or encumbrancer of Tocvan's title to the Property, or any interest therein, shall have public notice of this Agreement and the terms of this Agreement.

13. **DISPUTE RESOLUTION**

- 13.1 **Dispute.** Any dispute or disagreement of any kind or nature between the Parties arising out of or in connection with this Agreement (a "**Dispute**") shall be resolved in accordance with this Section 13, to the extent permitted by applicable laws.
- 13.2 **Submit to Arbitration.** Any Dispute shall be submitted to arbitration (the "**Arbitration**") by one Arbitrator pursuant to the procedure set forth in this Section 13 and pursuant to the arbitration rules set forth in the *Arbitration Act* (Alberta) (the "**Arbitration Act**"). If the provisions of this Section 13 are inconsistent with the provisions of the Arbitration Act and to the extent of such inconsistency, the provisions of this Section 13 shall prevail in any Arbitration.
- 13.3 **Demand for Arbitration.** Any Party may make a demand for Arbitration by sending a notice in writing to another Party, setting forth the nature of the Dispute, the amount involved and the name of the Arbitrator it proposes to be appointed. The demand for Arbitration shall be made no later than thirty (30) days after notice is first given to the other Party concerning the event giving rise to the Dispute.
- 13.4 **Appointment of Arbitrator.** Within thirty (30) days after any demand for Arbitration under Section 13.3, the Parties shall have agreed on the designation of the Arbitrator or should the Parties fail to do so, the Arbitrator may be appointed by a judge of the Court of Queen's Bench Alberta upon motion of either Party (in either case, the "**Arbitrator**").
- 13.5 **Location of Arbitration.** The Arbitration hearings shall be held in Calgary, Alberta in the English language and shall commence no later than thirty (30) days after the determination of the Arbitrator under Section 13.4. The decision of the Arbitrator shall be made not later than sixty (60) days after its appointment. The decision of the Arbitrator, shall be final without appeal and binding on the Parties.
- 13.6 **Expenses.** The reasonable costs and expenses of all lawyers, consultants, advisors, witnesses and employees retained by each Party and the expenses of the Arbitrator shall be paid by the non-prevailing Party unless the Arbitrator otherwise provides in its award.
- 13.7 **Obligations Continue.** During the conduct of Dispute resolution procedures pursuant to this Section 13, the Parties shall continue to perform their respective obligations under this Agreement and neither Party shall exercise any other remedies to resolve a Dispute.
- 13.8 **Provisional Remedies.** The provisions of this Section 13 shall not operate to prevent recourse to a court of competent jurisdiction by any Party as permitted by the Arbitration Act with respect to injunctions, receiving orders or orders regarding the detention, preservation and inspection of property, or whenever enforcement of an arbitration award reasonably requires access to any remedy which an arbitrator has no power to award or enforce.

14. **COMPLIANCE WITH NATIONAL INSTRUMENT 43-101**

- 14.1 The Parties acknowledge that the Holder or Affiliates thereof may be or become subject to NI 43-101 with respect to the NSR Royalty and the Property. Tocvan hereby covenants that upon written request by the Holder or an Affiliate thereof, in the case where a technical report is required to be filed by the Holder or an Affiliate under NI 43-101 and no exemption is available, Tocvan shall, (at the expense of the Holder):
- (a) provide any and all necessary technical data on the Property, in the form and to the extent in the possession of Tocvan, required by the Holder or its Affiliates to comply with NI 43-101, as reasonably requested by the Holder;
 - (b) grant access to the Property to the Holder, its Affiliates or any representative thereof for personal inspection of the Property on the provision of 7 Business Days prior written notice to Tocvan, such access to be at a time and on a date that do not unduly interfere with the mining operations of Tocvan, it being understood and agreed that the Holder shall abide by the health and safety rules and regulations of Tocvan and that the Holder shall indemnify and hold harmless Tocvan and its Affiliates from and against any and all damages, losses, suits and liabilities that they may suffer as a result of damage to life, limb or property as a result of such access by the Holder (absent the gross negligence of Tocvan); and
 - (c) use its commercially reasonable efforts to request the authors of any technical report relating to the Property prepared for Tocvan in accordance with NI 43-101 to readdress such technical report to the Holder or an Affiliate.

15. **INDEMNITY**

- 15.1 **By Tocvan.** Tocvan agrees that it will indemnify and hold harmless the Holder, its agents and employees (collectively the “indemnified parties”), and each of them, from and against any and all claims, demands, liabilities, actions and proceedings, that may be made or brought against the Holder or which it may sustain, pay or incur that result from or relate to operations conducted on or in respect of the Property or that result from or relate to the mining, handling, transportation, smelting or refining of the Products or the handling or transportation of the Products, including without limitation claims, demands, liabilities, actions and proceedings, in any way arising from or connected with any non-compliance with environmental laws or any contaminants or hazardous substances on, in or under the Property or the soil, sediment, water or groundwater forming part thereof, whether in the past, present or future, or any contaminants or hazardous substances on any other lands or areas having originated or migrated from the Property or the soil, sediment, water or groundwater forming part thereof, provided that the foregoing shall not apply to any claims, demands, liabilities, actions and proceedings to the extent they arise primarily from the gross negligence or willful misconduct of such indemnified persons.
- 15.2 **Limited to NSR Royalty.** The indemnity provided in Section 15.1 is limited to claims, demands, liabilities, actions and proceedings that may be made or taken against an indemnified party in its capacity as or related to the Holder as a holder of the NSR Royalty and will not include any indemnity in respect of any claims, demands, liabilities, actions and proceedings against an indemnified party in any other capacity.

16. **GENERAL PROVISIONS**

- 16.1 **Notices.** In order to be effective, any notice given hereunder must be in writing. A notice is effective if it is delivered (i) personally, either to the individual designated below for such Party, or to an individual having apparent authority to accept deliveries on behalf of such Party at its address set out below; (ii) by registered mail at or to the applicable addresses set out opposite the Party's name below or at or to such other address for a Party as such Party from time to time designates to the other Party in the same manner, or (iii) by email at the email address set out below:

in the case of Tocvan, to:

TOCVAN VENTURES CORP.
Suite 2200, 736 – 6th Avenue SW
Calgary, Alberta
T2P 3T7

Attention: Derek Wood, President and CEO
Email: dwood@tocvan.ca

in the case of the Holder, to:

C3 METALS INC.
161 Bay Street, 27th Floor
Toronto, Ontario
M5J 2S1

Attention: Jeffrey Ackert, VP. Business Development
E-Mail: jackert@c3metals.com

Any Notice is effective (i) if personally delivered as described above, on the day of delivery if that day is a Business Day, and it was delivered before 5:00 p.m. local time in the place of delivery or receipt, and otherwise on the next Business Day; or (ii) if by registered mail, on the tenth Business Day following the day on which it is mailed, except that if at any time between the date of mailing and the tenth Business Day thereafter there is a general discontinuance or disruption of postal service, Notice must be given by means other than mail; or (iii) if sent by email, on the day of transmission, if that day is a Business Day and the email was sent before 5:00 p.m. local time in the place of receipt, and otherwise on the next Business Day.

- 16.2 **Severability.** The invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions. To the extent that any such provision is found to be invalid or unenforceable, the Parties shall act in good faith to substitute for such provision, to the extent possible, a new provision with content and purpose as close as possible to the provision so determined to be invalid or unenforceable.
- 16.3 **Further Assurances.** Each Party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

- 16.4 **Governing Law.** This Agreement is governed by, and is to be interpreted, construed and enforced in accordance with, the laws of Alberta and the laws of Canada applicable in Alberta, excluding any rule or principle of conflicts of law that may provide otherwise.
- 16.5 **Waiver.** No waiver of satisfaction of a condition or non-performance of an obligation under this Agreement is effective unless it is in writing and signed by the Party granting the waiver. No waiver under this Section affects the exercise of any other rights under this Agreement.
- 16.6 **Business Day.** Whenever any payment to be made or other action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action shall be taken on the next following Business Day.
- 16.7 **Relationship of the Parties.** Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between Tocvan and the Holder.
- 16.8 **Other Activities and Interests.** This Agreement and the rights and obligations of the Parties are strictly limited to the Property. Each party will have the free and unrestricted right to enter into, conduct and benefit from any and all business ventures of any kind whatsoever, whether or not competitive with the activities undertaken pursuant hereto, without disclosing such activities to the other party or inviting or allowing the other to participate therein including activities involving mineral claims or mineral leases adjoining the Property.
- 16.9 **Residency Status.** The Holder is not a 'non-resident' of Canada for the purposes of the *Income Tax Act* (Canada).
- 16.10 **Time of Essence.** Time shall be of the essence of this Agreement.
- 16.11 **Accounting Principles.** All calculations hereunder shall be made in accordance with Acceptable Accounting Standards as the same may be in effect from time to time.
- 16.12 **Counterparts.** This Agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Counterparts may be transmitted by fax or in electronically scanned form. Any Party transmitting by fax or electronically will also deliver the original counterpart to the other Party, but failure to do so does not invalidate this Agreement.