

June 5, 2023

OPTION AGREEMENT

BETWEEN:

MT. CAMERON MINERALS INCORPORATED

– and –

ARGYLE RESOURCES CORP.

Concerning:

Mining Claims – Frenchvale Flake Graphite Property, Nova Scotia

OPTION AGREEMENT

THIS AGREEMENT, made effective as of the 5th day of June, 2023.

BETWEEN:

MT. CAMERON MINERALS INCORPORATED, a corporation incorporated under the laws of the Province of Nova Scotia,

(the “**Vendor**”)

- and –

ARGYLE RESOURCES CORP., a corporation incorporated under the laws of the Province of British Columbia,

(the “**Purchaser**”)

(collectively, the “**Parties**” and each, a “**Party**”)

WITNESSETH THAT:

WHEREAS the Vendor is the registered and beneficial holder of 100% of the right, title and interest in and to the Property (as defined herein);

AND WHEREAS the Parties wish to enter into this Agreement in order to provide for the grant to the Purchaser of the Option (as defined herein) to acquire from the Vendor a 100% interest in the Property all for the consideration and upon the terms and conditions set forth herein;

NOW THEREFORE in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions

Capitalized words and phrases used in this Agreement shall have the meaning given to such words and phrases below:

“**Aboriginal Peoples**” means any Indian, first nation, Inuit, Métis or indigenous persons or groups, or first nations, bands or any other such similar legal entities.

“**Acquisition Costs**” has the meaning set out in Section 6.3.

“**Acquisition Date**” has the meaning set out in Section 3.1.

“**Additional Mineral Rights**” has the meaning set out in Section 6.2(a).

“**Additional Other Rights**” has the meaning set out in Section 6.2(b).

"Affiliate(s)" of a party shall mean any entity or person directly or indirectly controlling, controlled by, or under direct or indirect common control with such party, where each form of the term "control" means the power to directly or indirectly cause the direction of the management of such person or entity whether through ownership of voting securities or otherwise.

"Agreement" means this Option Agreement, including all schedules, and all instruments supplementing, amending or confirming this Agreement and references to "Article" or "Section" are to the specified article or section of this Agreement.

"Applicable Law" or **"Applicable Laws"** means any and all applicable federal, provincial, municipal or local laws, statutes, regulations, ordinances, rules, guidelines, policies, orders and directions or other requirements of any Governmental Authority in Canada;

"Area of Interest" has the meaning set out in Section 6.1.

"Business Combination" has the meaning set out in Section 4.1.

"Business Day" means any day other than a Saturday, Sunday or day that is a statutory holiday in any of Vancouver, British Columbia or Halifax, Nova Scotia;

"Claim" means any claim, demand, action, cause of action, damage, loss, cost, liability or expense, including reasonable Costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

"Common Shares" means the common shares in the capital of the Purchaser (or resulting issuer, in connection with an IPO).

"Confidential Information" has the meaning set out in Section 10.1.

"Contract" means any contract, agreement, instrument or commitment, whether oral or written, that relates to the Property, including, without limitation, those to which the Vendor is bound or in respect of which the Vendor may have liability.

"Costs" means any and all damages, claims, losses, including economic losses, costs, expenses, liabilities and obligations of whatsoever kind, direct or indirect, including fines, penalties, interest, lawyers' fees and disbursements, expenses and taxes thereon.

"Dispute" has the meaning set out in Section 11.2(a).

"Effective Date" means the date of this Agreement, as first above written.

"Encumbrances" means any lien or deemed trust (statutory or otherwise), charge, hypothecation, pledge, mortgage, title retention agreement or arrangement, conditional sale agreement, right of set-off or arrangement, option or earn-in agreement, covenant, condition, lease, license, security interest of any nature, claim, exception, reservation, easement, encroachment, right of occupation, right-of-way, right-of-entry, matter capable of registration against title, assignment, right of pre-emption, royalty, right, privilege or any other encumbrance or other adverse third party interest of any nature (including any execution, seizure, attachment or garnishment which binds property), regardless of form, whether or not registered or registrable and whether or not consensual or arising by any Applicable Law, and includes an agreement to give or create any of the foregoing.

“Environmental Laws” means all Applicable Laws relating to the protection of the environment, including air, soil, surface water, ground water, land, biota, wildlife or personal or real property, or to employee and public health and safety, and includes those Environmental Laws that regulate, ascribe, provide for or pertain to liabilities or obligations in relation to the existence, use, production, manufacture, processing, distribution, transport, handling, storage, removal, treatment, disposal, emission, discharge, migration, seepage, leakage, spillage or release of Substances, pollution, noise or the construction, alteration, use or operation, closure, dismantling, abandonment, demolition or decommissioning of any facilities, mines, workings or other real or personal property and the reclamation or restoration of lands.

“Event of Force Majeure” means any event or circumstance, or a combination of events and/or circumstances:

- (a) that causes or results in the prevention or delay of a Party from performing any of its obligations in this Agreement;
- (b) which is beyond the reasonable control of that Party; and
- (c) could not, or the effects of that event or circumstance could not, have been prevented or delayed, overcome or remedied by the relevant party acting reasonably, and provided the event or circumstance meets the foregoing criteria, includes:
 - (i) acts of war (whether war be declared or not); public disorders, insurrection, rebellion, revolution, terrorist acts, sabotage, riots or violent demonstrations;
 - (ii) civil disobedience, caused by indigenous peoples, environmental lobbyists, non-governmental organizations or local community groups or other Persons;
 - (iii) injunctions imposed by any governmental authority except if caused by a breach of Applicable Law or a court resolution;
 - (iv) explosions, fires or floods not caused by or attributable to a Party;
 - (v) floods, earthquakes, hurricanes or other natural calamities or acts of God;
 - (vi) shortages in workforce or supplies, travel and access restrictions imposed by Governmental Authority or other Third Parties, or other delays caused by endemics, epidemics or pandemics;
 - (vii) strike or lockout or other industrial labour action or disruption (including unlawful, but excluding lawful strikes or lockouts or other industrial labour action) which:
 - (A) has national, regional, provincial or state-wide application,

- (B) directly affects the performance of the obligations under this Agreement, and
- (C) lasts for more than seven consecutive calendar days;
- (viii) any action or failure to act within a reasonable time without justifiable cause by any Governmental Authority, its employees or agents including the denial of or delay in granting any land tenure, concession, authorization, licence, permit, lease, consent, approval or right which denial or delay shall imply a material adverse effect on the construction or operation of any project in respect of the Property, upon due application and diligent effort by the Party to obtain same, or the failure once granted to remain in full force and effect or to be renewed on substantially similar terms;
- (ix) interference with Property by way of delaying the issuance of any land tenure, concession, authorization, licence, permit, lease, consent, approval or right or by denying access to the Property, by Aboriginal Peoples in connection with land claims or other disputes relating thereto, or other occupants of the lands comprising, or around, the Property; and
- (x) injunctions (granted by a court or other Governmental Authority) not caused by any breach of this Agreement by any Party whether of the kind enumerated above or whether foreseen, foreseeable or otherwise unforeseeable.

“Exchange” means a recognized stock exchange in Canada.

“Expenditures” means all costs and expenses funded, spent or incurred in the conduct of activities directly on, or in relation to, the Property, including:

- (a) in holding the mineral titles comprising the Property in good standing (including Maintenance Payments and Maintenance Filings), curing title defects and in acquiring and maintaining surface, water and other ancillary rights, all other rentals, duties, assessments, payments, fees and other governmental charges applicable to, or imposed on, the Property, or in connection with holding the mineral titles comprising the Property, and all duties and Taxes levied against or in respect of the Property, and for activities on the Property;
- (b) in preparing for and in the application for and acquisition of environmental and other permits necessary or desirable to commence and complete exploration and development activities;
- (c) in connection with any applications and necessary studies for the obtaining of permits, licences, and other regulatory approvals, including the preparation for and attendance at hearings and other meetings relating to the Property;
- (d) in doing geophysical, geochemical and geological surveys, drilling, assaying and metallurgical testing, including costs of assays, metallurgical testing and other tests and analyses (including downhole photography) to determine the quantity and quality of Minerals, water and other materials or substances;

- (e) in the preparation of Work Programs and Budgets and the presentation and reporting of data and other results obtained from those Work Programs, including any program for the preparation of reports or studies, including any environmental, preliminary economic assessment, scoping study, technical report, pre-feasibility study, feasibility study or other evaluation of the Property;
- (f) in searching for, digging, trenching, sampling, assaying, testing, working, developing, mining or extracting Minerals;
- (g) in conducting the drilling of holes by any method;
- (h) in acquiring, erecting and installing a mining plant, milling and metallurgical plant, ancillary facilities, buildings (including accommodations for workers, if necessary), machinery, tools, appliances or equipment and constructing access roads, railroads and other transportation facilities and, if necessary, water pipelines for use in relation to the Property;
- (i) in transporting Minerals, personnel, supplies, mining or milling plant, buildings, machinery, tools, appliances or equipment in, to or from the Property;
- (j) for environmental remediation and rehabilitation;
- (k) in acquiring or obtaining the use of facilities, equipment or machinery, and for all parts, supplies and consumables;
- (l) for salaries, wages and/or other expenses for Persons assigned to conduct Operations (including reasonable travel, food and lodging expenses and other reasonable needs of such Persons);
- (m) in paying assessments or contributions under worker's compensation, employment insurance, pension or other similar legislation or ordinances relating to such personnel;
- (n) payments to contractors or consultants for work done, services rendered, or materials supplied;
- (o) the costs of insurance premiums and performance bonds or other security;
- (p) in obtaining independent legal services directly relating to Operations; and
- (q) all Acquisition Costs incurred upon the acquisition of Additional Mineral Rights and Additional Other Rights pursuant to Article 6,

and, for clarity, a Party may, subject to the terms of this Agreement, either directly or through one of its Affiliates, provide the foregoing goods or services provided that the costs of such goods or services shall be charged at rates no higher than those which would be used by a non-related party in a transaction at arm's length for equivalent goods or services.

“Governmental Authorities” means any domestic, national, federal, provincial, territorial, state, regional, municipal or local government or authority, quasi government authority, fiscal or judicial

body, government or self-regulatory organization, commission, board, tribunal, organization, or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing.

“Interest” means, in the case of the Vendor, a 100% registered and beneficial interest in and to the Property and the rights of the Vendor pursuant to this Agreement, and in the case of the Purchaser, the Option, and the rights of the Purchaser pursuant to this Agreement.

“IPO” means an initial public offering or such other transaction, whether by means of take-over, merger, amalgamation, arrangement, reorganization, exchange of assets or a similar transaction or transactions, whereby, upon completion thereof, the Common Shares are listed on an Exchange.

“Listing Date” means the date in which the Common Shares are listed on an Exchange, which date is intended to be on or before December 31, 2023;

“Maintenance Filings” has the meaning set out in Section 5.6.

“Maintenance Payments” has the meaning set out in Section 5.6.

“Minerals” means all marketable naturally occurring metallic minerals or mineral bearing material in whatever form or state, including, without limitation, any precious metal, any base metal or diamonds mined, extracted, removed, produced or otherwise recovered from the Property (but, for greater certainty, not including any rock, sand, gravel or aggregate), whether in the form of ore, doré, concentrates, refined metals or any other beneficiated or derivative products thereof and including any such metallic minerals or mineral bearing materials or products derived from any processing or reprocessing of any tailings or other waste products originally derived from the Property.

“Miscellaneous Interests” means the interests of the Vendor in all property, assets and rights (other than the Property) ancillary to the Property to which the Vendor is entitled including, but not limited to, the interests of the Vendor in:

- (a) rights under all Contracts and documents relating to the Property and the Operations conducted thereunder (but for greater certainty does not require the Purchaser to assume any liability in respect of such Contracts and documents);
- (b) all subsisting rights to enter upon, use and occupy the surface of any lands forming part of the Property or of any lands to be traversed in order to gain access to any of the lands forming part of the Property;
- (c) any right, license, concession or permit in relation to the use or diversion of water;
- (d) all permits, licenses and authorizations relating to the Property;
- (e) all books, records, data (including technical data) and other information relating to the Property, including accounting records, plans, drawings, specifications and other Operations records;

- (f) all pre-paid expenses and deposits relating to the Property, including all pre-paid taxes, rentals, licence fees and water rates, as well as pre-paid purchases of gas, oil and hydro;
- (g) all right, title, benefit and interest of the Vendor in and to all of the patents, trademarks, copyrights, designs, inventions, licences, sub-licences, processes, technology and other industrial property and intellectual property of or used in connection with the Property; and
- (h) any Additional Other Rights acquired pursuant to this Agreement.

“**Notice**” has the meaning set out in Section 11.9.

“**Operations**” includes every kind of work done on or in respect of the Property or the products therefrom and, without limiting the generality of the foregoing, includes the work of assessment, geophysical, geochemical and geological surveys, studies and mapping, investigating, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, cross-cutting and drifting, searching for, digging, trucking, sampling, working and procuring Minerals, surveying and bringing any mining claims to lease or patent, and doing all other work usually considered to be prospecting, exploration, development and/or mining work.

“**Option**” has the meaning set out in Section 3.1.

“**Option Expenditures**” has the meaning set out in Section 3.1.

“**Option Period**” means the period of time from the Effective Date to the date upon which the Purchaser exercises or is deemed to have exercised the Option, or the Option terminates, all pursuant to the terms hereof.

“**Parties**” and “**Party**” have the meanings set out in the recitals to this Agreement.

“**Permitted Encumbrances**” means:

- (a) rights of way for, or reservations or rights of others relating to, sewers, water lines, gas lines, pipelines, electric lines, telegraph and telephone lines and other similar products or services;
- (b) any reservations or exceptions to or vested in any Governmental Authority by the terms of any lease, licence, grant or permit forming part of the Property as of the date of this Agreement;
- (c) any encumbrance right or royalty vested in favour of any Governmental Authority arising under Applicable Laws or under the terms of any contract, mineral concession or license as of the date hereof;
- (d) security given to a public utility or any Governmental Authority when required in the ordinary course of business in connection with the Operations; and
- (e) any other rights or Encumbrances consented to in writing by the Purchaser (in its sole and absolute discretion) or granted by the Purchaser.

“Person” means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, company, corporation or other body corporate, union, Governmental Authority and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

“Powers of Attorney” has the meaning set out in Section 4.1.

“Property” means the mineral titles depicted in Schedule A and any Additional Mineral Rights acquired pursuant to this Agreement.

“Purchaser” has the meaning set out in the recitals to this Agreement.

“Section 85 Elections” has the meaning set out in Section 4.1.

“Securities Act” means the *Securities Act* (British Columbia) and the rules, regulations, forms and published instruments, policies, bulletins and notices made thereunder, as now in effect and as they may be promulgated or amended from time to time;

“Substance” means any contaminant, pollutant or hazardous substance that is likely to cause harm or degradation to the environment or risk to human health or safety, including any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in any Environmental Law.

“Successors” means successors and includes any successor continuing by reason of amalgamation or other reorganization and any Person to which assets are transferred by reason of a liquidation, dissolution or winding-up.

“Tax” means all federal, state, provincial, territorial, regional, county, municipal, or local taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including:

- (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, antidumping, countervail, customs or excise tax;
- (b) all withholdings on amounts paid to or by the relevant Person;
- (c) all employment insurance premiums, government pension plan contributions or premiums;
- (d) any fine, penalty, interest, or addition to tax;
- (e) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee; and
- (f) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of Applicable Law.

“**Tax Act**” means the *Income Tax Act* (Canada) as amended from time to time.

“**Third Party**” means a Person or other form of enterprise that is not a Party or an Affiliate of a Party.

“**Transfer**” means to sell, transfer, grant, assign, donate, create an Encumbrance, grant a right to purchase or in any other manner convey, transfer, alienate or dispose of, or commit to do any of the foregoing.

“**Vendor Certificate**” has the meaning set out in Section 4.1.

“**Vendor Shares**” has the meaning set out in Section 4.1.

“**Vendor’s Notice of Election**” has the meaning set out in Section 4.1.

1.2 Schedules

The following Schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule “A” - The Property

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Vendor Representations and Warranties

The Vendor represents and warrants to the Purchaser as follows:

- (a) the Vendor is the registered and beneficial owner of a 100% undivided interest in and to the Property, free and clear of all Encumbrances, Claims and defects in title, other than the Permitted Encumbrances;
- (b) the mineral titles comprising the Property have been duly and validly issued and acquired pursuant to all Applicable Laws in Nova Scotia, are currently in good standing up to and including the expiry dates set forth in Schedule A hereto and are in full compliance with Applicable Laws and the depiction and description of the Property set forth herein (including in Schedule A) is true and correct;
- (c) all Operations conducted on the Property to the date of this Agreement by or on behalf of the Vendor, and to the knowledge of the Vendor, by or on behalf of any previous owner of the Property or any Person who had an option or interest in respect of the Property, have been conducted in all material respects in accordance with all Applicable Laws and conditions on and relating to the Property are in compliance with Applicable Laws, and no condition exists or event has occurred which, with or without notice or the passage of time or both, would constitute a violation of or give rise to material liability under any Applicable Law;
- (d) there has been no spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any Substance from, on, in or under the Property or into the environment, nor has any Substance or waste been treated on or disposed of, or is located or stored on the Property, as a result of the activities by or on behalf of the Vendor, or to the knowledge of the Vendor, by or

on behalf of any previous owner of the Property or any Person who had an option or interest in respect of the Property, except if expressly permitted by, and in compliance with, Applicable Law;

- (e) the Vendor has all required approvals and authorizations to grant the Option to the Purchaser, and to transfer a 100% interest in the Property and Miscellaneous Interests to the Purchaser in accordance with the terms hereof;
- (f) except for the Permitted Encumbrances and the rights of the Purchaser under this Agreement, the Vendor has not done any act or suffered or permitted any action to be done whereby any Person may acquire any interest in or to (or otherwise deal with) the Property or Miscellaneous Interests or in the Minerals or other products to be produced or removed from the Property, including, without limitation, any royalty or payment in the nature of rent;
- (g) no Person has any right under proprietary, possessory, preferential, pre-emptive or first purchase rights or otherwise to acquire any interest in or to (or otherwise deal with) the Property or Miscellaneous Interests or Minerals or other products to be produced or removed from the Property, or that might be triggered by virtue of this Agreement, or the transactions contemplated hereby;
- (h) there is no actual, threatened or, to the knowledge of the Vendor, contemplated Claim or challenge relating to the Property, nor to the knowledge of the Vendor, is there any basis therefor, and there is not presently outstanding against the Vendor, nor to the knowledge of the Vendor, against any previous owner of the Property or any Person who had an option or interest in respect of the Property, any judgment, decree, injunction, rule or order of any court, Governmental Authority or arbitrator which would have an effect upon the Property;
- (i) subject to any limitations imposed by Applicable Law, the Vendor has access or shall negotiate and secure the rights to enable it to explore the Property for Minerals resources;
- (j) the Property does not lie within any legacy claim, crown grant, privately held mineral rights, protected area, rescued area, reserve, reservation, reserved area, environmental or historic protected area as designated by any Governmental Authority having jurisdiction, that would materially and adversely impair the exploration for Minerals or other Operations on the Property, and the Property does not lie within any other lands in which mineral rights cannot be acquired;
- (k) there are no Claims, asserted, existing or pending made by or on behalf of any Aboriginal Peoples relevant to the Property or any lands included in the area of the Property or the Vendor (other than the general claim made by the Aboriginal Peoples concerning their traditional land) nor to the knowledge of the Vendor, is there any basis therefor;
- (l) neither the Vendor, nor to the knowledge of the Vendor, any previous owner of the Property or any Person who had an option or interest in respect of the Property, has notice, or knowledge of, any proposal to terminate or vary the terms of, or rights attaching to, the mineral titles comprising the Property from any Governmental Authority, of any challenge to the Vendor's right, title or interest in

the Property or of any actual or alleged breach of any Applicable Laws, and there are no orders, directions or actions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property or the conduct of the business, including any Operations, related to the Property;

- (m) all work or expenditure obligations applicable to the Property, all statements and reports of the work or expenditures all rentals, duties, taxes, assessments, payments, fees and other governmental charges applicable to, or imposed on, the mineral titles comprising the Property and any other requirements to be paid, satisfied or filed to keep the mineral titles comprising the Property in good standing have been paid, satisfied or filed and have satisfied the applicable Governmental Authority;
- (n) the Vendor is not a party to or bound by any guarantee, indemnification, surety or similar obligation pertaining to the Property and, except for this Agreement, no Contracts have been entered between or on behalf of the Vendor and/or any other Person with respect to (or that may affect) the Property;
- (o) the Vendor is a resident of Canada for the purposes of the *Tax Act*; and
- (p) the Vendor has made available to the Purchaser all material maps, assays, surveys, drill logs, samples, metallurgical, geological, geophysical, geochemical and engineering data and other Operations records within its control (or the control of an Affiliate or any Person that conducted Operations on behalf of the Vendor) in respect of the Property and all information supplied to the Purchaser or its advisors or its personnel in the course of the due diligence review in respect of the transactions contemplated by this Agreement, is to the knowledge of the Vendor, accurate and correct in all material aspects and does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements contained therein not misleading.

2.2 Mutual Representations and Warranties

The Purchaser represents and warrants to the Vendor and Vendor represents and warrants to the Purchaser, as follows:

- (a) in the case of the Purchaser, it is duly organized and validly existing under the laws of the place of its establishment or incorporation and is in good standing and existing under the laws of the place of its establishment or incorporation, and in the case of the Vendor, it is duly organized and validly existing under the laws of the place of its establishment or incorporation and is in good standing and existing under the laws of the place of its establishment or incorporation;
- (b) this Agreement constitutes a legal, valid and binding obligation of the Party, enforceable against it in accordance with its terms by appropriate legal remedy, subject, however, to limitations with respect to enforcement imposed by Applicable Law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought;

- (c) the Party is not insolvent under the Applicable Laws of its jurisdiction and is able to pay its debts as they fall due;
- (d) neither the execution and delivery of this Agreement, nor the performance of its obligations hereunder or thereunder, nor the consummation of the transactions hereby contemplated conflict with any of, or require the consent or waiver of rights of any Person, nor do or shall do any of the foregoing:
 - (i) violate any provision of or require any consent, authorization or approval under any Applicable Law;
 - (ii) conflict with result in a breach of, constitute a default under (whether with notice or the lapse of time or both), accelerate or permit the acceleration of the performance required by, or require any consent, authorization or approval which has not been obtained under, any contract to which it the Party is a party or by which the Party is bound or to which any of the Party's property is subject; or
 - (iii) result in the creation of any Encumbrance on the Property, except in accordance with the terms of this Agreement;
- (e) the Party has all requisite power and authority required to enter into this Agreement and each other document or instrument delivered in connection herewith and has all requisite power and authority to perform fully each and every one of its obligations hereunder; and
- (f) the Party has not incurred any liability, contingent or otherwise, for brokers' or finders' fees in respect of the transactions contemplated herein.

2.3 Survival and Investigation

- (a) The representations and warranties contained in this Agreement are conditions on which the Parties have relied in entering into this Agreement, and enforcement of such representations and warranties shall survive the execution hereof for a period of two years following the date of termination of this Agreement pursuant to Section 8.1, to the full extent necessary for the protection of the Party in whose favour they run.
- (b) Each Party shall indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made or to be fulfilled by it hereunder. In addition, the Vendor assumes, and releases the Purchaser from, all existing obligations and liabilities as of the Effective Date, howsoever arising relating to the Property, and indemnifies and saves harmless the Purchaser from and against all Claims relating thereto, made against the Purchaser, any Affiliates thereof and any of their respective officers, directors, employees and representatives with respect to any existing obligations and liabilities as of the Effective Date, howsoever arising, relating to the Property.
- (c) A Party may waive any of such representations, warranties, covenants, agreements or conditions in whole or in part at any time without prejudice to its

right in respect of any other breach of the same or any other representation, warranty, covenant, agreement or condition.

- (d) The right of any of the Parties to enforce any breach (and any remedy as a result of such enforcement) of any of the representations and warranties set out in Article 2 shall not be affected by any investigation conducted, or any knowledge acquired, at any time by the Party enforcing such breach, whether before or after the execution and delivery of this Agreement with respect to the accuracy or inaccuracy of, or compliance with, such representation or warranty.
- (e) In no event shall any Party be liable for any consequential damages, or any damages based on loss of revenue or loss of profit in respect of any breach of any representation, warranty, covenant, or agreement set out in this Agreement.

ARTICLE 3 OPTION

3.1 Grant of Option

Subject to the terms and conditions set out in this Agreement, the Vendor hereby grants to the Purchaser the sole and exclusive right and option (the “**Option**”) exercisable in the manner described herein, to acquire a 100% legal and beneficial interest in and to the Property free and clear of all Encumbrances and Claims, other than the Permitted Encumbrances, which interest shall be deemed to vest and be fully exercised on the date (the “**Acquisition Date**”) upon which each of following conditions has been satisfied:

Expenditures: the Purchaser funding or incurring Expenditures for four (4) Work Programs as follows:

Work Program	DATE	FUNDING AMOUNT¹
Work Program No. 1 ²	On the date the first Work Program is approved (Section 5.4)	\$150,000
Work Program No. 2	On or before the date that is twelve (12) months after the Listing Date	\$250,000
Work Program No. 3	On or before the date that is twenty-four (24) months after the Listing Date	\$1,000,000
Work Program No. 4	On or before the date that is thirty-six (36) months after the Listing Date	\$3,000,000

(the “**Option Expenditures**”).

¹ The respective amounts indicated herein are the respective amounts required to be expended by the Purchaser in order to exercise the Option, notwithstanding that the Budget for a particular Work Program may be in excess of such amount.

² The Parties acknowledge and agree that Work Program No. 1 shall include the preparation of a National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* technical report in respect of the Property pursuant to Section 4.3 of this Agreement.

Upon approval by the Purchaser of each Work Program and Budget pursuant to Section 5.4, the Purchaser shall, within ten (10) Business days thereafter, advance to the Operator the funding amount required to be expended by the Purchaser in relation to the Work Program as indicated in the table above.

On the Acquisition Date, the Vendor shall take all actions and do all things necessary or desirable to effect a transfer of 100% of the legal and beneficial right, title and interest in and to the Property to the Purchaser in accordance with of Section 4.1.

3.2 No Obligation

The Purchaser has the right, but not the obligation, to fund or incur the Option Expenditures and do all other things necessary in order to exercise the Option pursuant to this Article 3. The Purchaser shall have the right at any time to elect not to continue to maintain the Option and to terminate this Agreement. For the avoidance of doubt, once a Work Program and Budget is approved by the Purchaser pursuant to Section 5.4, then the Purchaser shall be obligated to fund the funding amount required to be expended by the Purchaser in relation to the Work Program as indicated in the table above in Section 3.1.

3.3 Cash in Lieu and Excess Expenditures

- (a) Subject to Section 3.3(b), the Purchaser may, in its sole discretion, make up any shortfall in the Option Expenditures required to be funded by the Purchaser by the end of the periods set out in Section 3.1 by making a cash payment to the Vendor before the end of the applicable period set out in Section 3.1, and the payment of such shortfall shall be deemed to have satisfied such requirement for the completion of the Option Expenditures during such period. The amount of any such shortfall so paid to the Purchaser shall be forwarded to and held by the Operator and be used for future Option Expenditures, and may not be distributed to any of the Parties.
- (b) If the amount of Expenditures actually funded by the Purchaser in a given period set out in Section 3.1 is below the minimum required Option Expenditures to be funded in such period because (i) the work performed by the Operator pursuant to an approved Work Program and Budget cost less than the Budget, (ii) the Operator did not, or was not able to (for any reason, including, without limitation, as a result of default or non-performance by the Operator of its obligations under this Agreement) complete the required Expenditures set out in an approved Work Program and Budget within such period, (iii) the Operator did not submit to the Purchaser cash calls equal to the required Expenditures set out in an approved Work Program and Budget within such period; and/or (iv) the Operator did not submit to the Purchaser (for the Purchaser's approval) a Work Program and Budget that set out the Option Expenditures required for such period, then:
 - (i) the minimum required Option Expenditures to be funded in such period shall be deemed to be reduced to the amount actually funded by the Purchaser during such period; and
 - (ii) the difference between the amount of Option Expenditures required to be funded in such period and the amount of Expenditures actually funded by the Purchaser during such period shall be added to the amount of Option

Expenditures required to be funded by the Purchaser in the immediately succeeding 12 month period set out in Section 3.1.

- (c) Any excess Expenditures completed in advance of a period specified in Section 3.1 shall be carried over and shall qualify and be accounted for as Option Expenditures made by the Purchaser during a subsequent period specified in Section 3.1.

3.4 Accelerated Expenditures

Any Option Expenditure may be satisfied within a shorter time frame than set out in Section 3.1, at the sole and absolute discretion of the Purchaser.

3.5 Notice of Option

The Purchaser shall have the right to register notice of this Agreement with the applicable Governmental Authority office for the sole purpose of giving notice of its Option rights hereunder. Such notice shall be removed by the Purchaser upon termination of this Agreement.

ARTICLE 4 VESTING OF INTEREST AND SUBSEQUENT MATTERS

4.1 Exercise of Option and Vesting of 100% Interest

On the Acquisition Date:

- (a) the Option is deemed fully exercised;
- (b) the Purchaser shall give Notice to the Vendor of such fact; and
- (c) the Vendor shall take all actions and do all things necessary or desirable to effect a transfer of 100% of the legal and beneficial right, title and interest in and to the Property and the Miscellaneous Interests to the Purchaser, such that the Purchaser thereafter holds a 100% legal and beneficial interest in and to the Property and the Miscellaneous Interests, free and clear of all Encumbrances and Claims, other than the Permitted Encumbrances.

Upon the Purchaser providing the Notice to the Vendor that the Option is fully exercised, the Vendor shall have the election, exercisable by providing to the Purchaser Notice within five (5) Business Days following the date of the Notice of the Option being fully exercised (the “**Vendor’s Notice of Election**”), to require that the Purchaser’s acquisition of the Property occur by way of a business combination between with the Purchaser or an Affiliate of the Purchaser, on the one hand, and the Vendor and its shareholders, on the other hand, such that the shareholders of the Vendor who are residents of Canada may be able to complete elections under Section 85 of the Tax Act (the “**Section 85 Elections**”) in respect of such transaction (the “**Business Combination**”); provided, however, that the Vendor shall be required to confirm that the Vendor is not subject to any liabilities, except Permitted Encumbrances and holds a 100% Interest in and to the Property (the “**Vendor Certificate**”). For the avoidance of doubt, it is not the Purchaser’s responsibility that the shareholders of the Vendor that are resident of Canada are able to complete Section 85 Elections, and the Purchaser shall not be in any way or manner be responsible for any tax consequences borne by the shareholders of the Vendor in connection with the Business Combination.

Within ten (10) Business Days of the Vendor's Notice of Election, the Vendor shall cause the solicitor for the Vendor and all of its shareholders to tender to the Purchaser, all of the issued and outstanding shares in the capital stock of the Vendor (the "**Vendor Shares**") endorsed for transfer free and clear of all encumbrances, together with legal powers of attorney (the "**Powers of Attorney**") signed by each shareholder of the Vendor empowering the Purchaser to act in all respects to complete the Business Combination and deliver to the Purchaser the Vendor Certificate. Upon completion of the Business Combination, the Purchaser shall issue the Common Shares to the shareholders of the Vendor as provided for in Section 4.2 below.

If the solicitor for the Vendor and all of its shareholders does not tender the Vendor Shares and Powers of Attorney within ten (10) Business Days of the Notice to the Vendor of the Option being fully exercised, then the Vendor shall take all actions and do all things necessary or desirable to effect a transfer of 100% of the legal and beneficial right, title and interest in and to the Property and the Miscellaneous Interests to the Purchaser, such that the Purchaser thereafter holds a 100% legal and beneficial interest in and to the Property and the Miscellaneous Interests, free and clear of all Encumbrances and Claims, other than the Permitted Encumbrances.

4.2 Share Issuance Matters

- (a) Upon the Purchaser earning an one hundred percent (100%) legal and beneficial interest in and to the Property (subject to Permitted Encumbrances), the Purchaser shall issue to the Vendor or, in the case the Vendor so elects under Section 4.1, to the shareholders of the Vendor pro rata to their respective holdings in the Vendor, such number of Common Shares such that the Vendor, or its shareholders, as the case may be, shall own forty percent (40%) of the then issued and outstanding Common Shares, with the share price valued based on the twenty (20) day volume-weighted average trading price of the Common Shares on the Exchange for the twenty (20) consecutive trading days immediately preceding (but not including) the date the Purchaser earns the interest in the Property.
- (b) The share issuance pursuant to Section 4.2(a) shall be subject to the Securities Act and the policies of the Exchange, including, without limitation, receipt of any required regulatory approvals in connection therewith.
- (c) The Vendor understands and acknowledges that the Common Shares issued to the Vendor pursuant to the share issuance may be subject to statutory restrictions on resale and trading, as well as escrow arrangements, pursuant to Applicable Law, including, without limitation, the Securities Act and the policies of the Exchange. The Vendor agrees that it will enter into any escrow arrangement as may be required by Applicable Law.

4.3 Technical Report

The Vendor hereby acknowledges and agrees that it shall assist the Purchaser in coordinating the preparation of a National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* technical report in respect of the Property for the purposes of the Purchaser submitting a listing application for the listing of the Common Shares on an Exchange, and that Work Program No.1 shall include the preparation of such technical report.

ARTICLE 5 OPERATOR AND OPERATIONS

5.1 Operator

During the Option Period, subject to the provisions of this Article 5, the Vendor shall act as the operator of the Properties (the “**Operator**”) and shall conduct the Operations, and the Purchaser shall be the “**Non-Operator**”).

5.2 General Duties of Operator

In addition to the other obligations set forth herein, the Operator shall do the following:

- (a) perform, and cause its employees, consultants, sub-contractors and representatives to perform, the Operations in a prudent and workmanlike manner, with the degree of effort, skill and judgment that is in accordance with good Canadian exploration, construction, mining, processing and engineering practices generally and locally prevailing in the mining industry and in accordance with all Applicable Laws and all agreements, permits and licences relating to the Property and the Operator;
- (b) pay and discharge all wages and accounts for material and services and all other costs and expenses that may be incurred by the Operator in connection with its Operations on the Property, and to save the Purchaser harmless from and against all liens in respect of such Operations which may be filed against the Property, and in the event of any liens being so filed, to proceed forthwith to have the same removed, provided that the foregoing provision shall not prevent the Operator from properly contesting in good faith any claims for liens which the Operator considers unjustified;
- (c) indemnify and hold harmless the Purchaser, its directors, officers, employees, agents or representatives (the “**Indemnitees**”) from and against all claims, losses, liabilities, demands, costs (including reasonable attorneys’ fees and expenses incurred by the Purchaser), damages, actions, suits or other proceedings whatsoever arising out of or attributable to any fraud, negligence, willful misconduct, or as a result of the breach of any Applicable Laws, committed by the Operator and/or its employees, consultants, sub-contractors and representatives;
- (d) apply for all necessary permits, licenses and approvals, comply with all Applicable Laws and promptly notify the Purchaser of any allegations of material violation thereof;
- (e) obtain and maintain (and cause its subcontractors to obtain and maintain), comprehensive general liability in such coverage amounts and on such terms as are consistent with industry standards and practices, and as approved by the Purchaser in its sole and absolute discretion;
- (f) maintain financial books and records showing all costs, Expenditures, receipts, and disbursements in connection with all Operations. These accounts shall include general ledgers and supporting and subsidiary journals, invoices, cheques, and other customary documentation;

- (g) deliver to the Purchaser, within thirty (30) days of the end of each quarter and of each calendar year (or in such other frequency as may be determined by the Purchaser, in consultation with the Operator), progress reports, along with an itemized report of the aggregate Expenditures spent by the Operator in carrying out the approved Work Program by the Operator during such period, certified to be correct by the Operator (each an “**Expenditure Report**”), in form agreed to by the Purchaser and the Operator. The progress reports shall indicate the status of any approved Work Program being conducted on the Property, and the applicable Budget, and disclose any significant technical data learned or obtained in connection with such work. Such reports shall be delivered within 45 days (or in such other timeframe as may be determined by the Purchaser, in consultation with the Operator) of the end of the quarter or calendar year to which such report relates;
- (h) perform its, and cause its employees, consultants, sub-contractors and representatives to perform their, activities under this Agreement, with good health and safety standards expected from recognized international operators experienced in providing the types of services contemplated in this Agreement in similar locations and in compliance with Applicable Laws regarding health and safety. The Operator shall be solely responsible for the health and safety relating to its activities, its employees, consultants, sub-contractors and representatives; and
- (i) provide the Purchaser and its representatives with access to the Property and to the books and records maintained by the Operator, during regular business hours, with or without advance notice.

5.3 Removal of Operator

Upon satisfaction of the Option Expenditures, or at any time for cause, the Purchaser shall have the option, in its sole and absolute discretion, to: (a) provide written notice of termination to the Operator, designating a date of termination; and (b) appoint a successor Operator, which such successor Operator may be the Purchaser, an Affiliate of the Purchaser, or a Third Party. For greater certainty, the Purchaser’s option to remove and replace the Operator is not contingent on the Operator being in default of any provisions of this Agreement.

5.4 Work Programs and Budgets

All Operations shall be conducted, and all costs shall be incurred on the basis of a work program (a “**Work Program**”) and a budget (“**Budget**”), each approved by the Operator and the Purchaser, except in the case of emergency actions in accordance with Section 5.5. All Work Programs and Budgets shall be prepared by the Operator unless otherwise determined by the Purchaser, in its sole and absolute discretion. All proposed Work Programs and Budgets must be approved by the Purchaser in writing, in its sole and absolute discretion, before implementation by the Operator and before being considered Work Programs for the purposes of Section 3.1. Upon approval of a Work Program and Budget by the Purchaser, the Operator shall implement such Work Program and Budget within the time periods set out therein, and otherwise in compliance with its duties and obligations under this Agreement.

5.5 Emergency or Unexpected Funding

Notwithstanding any other provisions hereof, in case of emergency or to address unexpected events or to cover unexpected liabilities or expenses not covered in an approved Work Program and Budget which are necessary to protect against loss, injury or damage to Persons or property, or to protect the Operations and the Property or to comply with Applicable Laws, the Operator may take any reasonable action the Operator deems necessary and may incur such Expenditures as it deems necessary, notwithstanding that such Expenditures shall exceed allowable Expenditures under an approved Work Program and Budget. The Operator shall promptly notify the Purchaser of any such emergency or unexpected Expenditures that have been made or taken or that must be made or taken, and the funds necessary to pay for such emergency and unexpected Expenditures shall be added to the current Work Program and Budget and shall constitute Expenditures for the purposes of Section 3.1, subject however, to the indemnity requirements in Section 5.2(c), if applicable. The Purchaser has no obligation to fund or incur any Work Program, Budget or funding requests otherwise made pursuant to this Section 5.5.

5.6 Maintenance Payments

The Operator covenants to, at all times, keep the Properties in good standing and to Property comply with Applicable Laws and the terms and conditions applicable to the Property , including by making, or causing to be made, as applicable, all filings, reports, applications (including renewal applications) (the “**Maintenance Filings**”) within the time periods necessary, and making, or causing to be made, as applicable, the minimum required tax, Expenditures and other maintenance payments (the “**Maintenance Payments**”) to keep the Property in good standing or as otherwise required by Applicable Laws or the terms and conditions applicable to the Property and must provide the Purchaser with written evidence of the Maintenance Filings and the Maintenance Payments, subsequent to filing or payment, respectively, thereof, and if the Operator should breach these covenants and any breach continues for a period of 14 days following written notice by the Non-Operator to the Operator of such breach, then the Non-Operator shall be entitled (but under no circumstances obligated) to cure such default (a “**Maintenance Default**”). All costs incurred by the Non-Operator in curing such default shall constitute (and qualify as) Expenditures for the purposes of Section 3.1. In addition to the foregoing, upon request at any time by the Purchaser in its sole and absolute discretion, the Operator must provide the Purchaser with copies of (and the opportunity to review) any Maintenance Filings prior to being filed.

5.7 Management Fee

The Operator shall be paid a Management Fee equal to 7% of the Option Expenditures determined for the applicable Work Program for the exploration on the Property, such fee, and all travel and lodging expenses to be incurred by the Operator, to be included in and form part of the Budget for each Work Program.

ARTICLE 6 AREA OF INTEREST

6.1 Area of Interest

For the purposes of this Agreement, the “**Area of Interest**” means the area within two kilometers of the external boundaries of the combined geographic area of the Property.

6.2 Prohibition on Acquisitions

During the Option Period, no Party shall directly or indirectly acquire any of the following rights in any property or mineral title or rights related thereto that is located wholly or partly within the Area of Interest, except in accordance with this Article 6:

- (a) rights (including option rights) to or interests in any minerals, whether surface placer rights, subsurface rights, or of any other nature (the “**Additional Mineral Rights**”); or
- (b) rights to or interests in any real property, including, without limitation, any surface rights or any right, concession, authorization, license, permit, or interest in relation to the use or diversion of water that may affect the development of rights to minerals (the “**Additional Other Rights**”).

For greater certainty, the Area of Interest and the provisions this Article 6 shall only apply during the Option Period.

6.3 Notice and Election.

If any Party acquires or proposes to acquire any Additional Mineral Rights or Additional Other Rights in the Area of Interest, it must give Notice to the other Party of such acquisition and the non-acquiring Party shall have the election whether to add such Additional Mineral Rights or Additional Other Rights to the Property or the Miscellaneous Rights, respectively (whether contained wholly or partly within the Area of Interest). The Notice provided by the acquiring Party must include a summary of the terms, if any, on which the Additional Mineral Rights or Additional Other Rights are being acquired (or have been acquired), a statement of all costs and expenses incurred by the acquiring Party in acquiring or staking or acquiring rights or permits to the Additional Mineral Rights or Additional Other Rights (the “**Acquisition Costs**”), and a copy of all title documents and, if applicable, contracts relating to the acquisition of the Additional Mineral Rights or Additional Other Rights. The non-acquiring Party must exercise its election within 45 days of receiving Notice of the acquisition. If the non-acquiring Party does not exercise its election to add such Additional Mineral Rights or Additional Other Rights to the Property or the Miscellaneous Rights, respectively, in accordance with this Section 6.3, the Additional Mineral Rights or Additional Other Rights shall not be added to the Property or the Miscellaneous Rights, respectively, and the acquiring Party shall be at liberty to develop or otherwise deal with such Additional Mineral Rights or Additional Other Rights for its own account, and, if such acquiring Party acquires such Additional Mineral Rights and Additional Other Rights for its own account, such Additional Mineral Rights or Additional Other Rights shall no longer be subject to this Article 6 and shall be excluded from the Area of Interest.

6.4 Costs and Expenses

- (a) If the acquiring Party of the Additional Mineral Rights and/or Additional Other Rights is the Vendor, and the Purchaser exercises its election to add the Additional Mineral Rights or Additional Other Rights to the Property, or the Miscellaneous Rights, respectively, the Purchaser shall reimburse the Vendor for all Acquisition Costs incurred by the Vendor, provided that the amount so reimbursed shall constitute Expenditures for the purposes of Section 3.1.

- (b) If the acquiring Party of the Additional Mineral Rights and/or Additional Other Rights is the Purchaser, and the Vendor exercises its election to add the Additional Mineral Rights or Additional Other Rights to the Property, or the Miscellaneous Rights, respectively, the Acquisition Costs incurred by the Purchaser shall constitute Expenditures for the purposes of Section 3.1.

6.5 No Enlargement of Area of Interest

The Area of Interest shall not be enlarged by the addition of any Additional Mineral Rights or Additional Other Rights to the Property or the Miscellaneous Rights, respectively, pursuant to this Article 6.

ARTICLE 7 RESTRICTIONS ON TRANSFER

7.1 Restriction on Transfer

- (a) During the Option Period, the Vendor may not directly or indirectly Transfer all or any part of the Property or, if applicable, any Additional Mineral Rights and/or Additional Other Rights without the prior written consent of the Purchaser, in its sole and absolute discretion.
- (b) The Vendor acknowledges that damages alone would not be an adequate remedy in the event that they Transfer (or permits the Transfer of) their Interests in contravention of this Section 7.1. Accordingly, without prejudice to any other rights and remedies that the Purchaser may have, the Purchaser shall be entitled to the granting of equitable relief (including without limitation injunctive relief and specific performance, without the requirement of posting a bond or other security) in connection with or arising out of any actual or threatened Transfer of the Interest in contravention of this Section 7.1.

ARTICLE 8 TERMINATION AND SURVIVAL

8.1 Termination

- (a) This Agreement shall be terminated upon the occurrence of any of the events set forth below:
 - (i) if, at any time, the Purchaser provides Notice to the Vendor of its decision not to advance with the Property, provided that, for the avoidance of doubt, termination pursuant to this Section 8.1(a)(i) will not affect the Purchaser's obligation to fund an approved Work Program and Budget pursuant to Section 3.2;
 - (ii) upon the Purchaser exercising the Option in accordance with the terms hereof; or
 - (iii) subject to Sections 3.3, 3.4 and 9.1, in the event that the Purchaser is in default of its obligations to fund or incur any of the Option Expenditures within the applicable time periods therefor prescribed by Article 3 and provided that Notice of any such default has been provided in writing by the

Vendor to the Purchaser, upon the Purchaser's failure to cure such default within 30 days of its receipt of such Notice.

- (b) In the event of termination pursuant to Sections 8.1(a)(i) or 8.1(a)(iii) above:
- (i) the Purchaser shall acquire no interest in the Property;
 - (ii) the Operator shall deliver to the Purchaser, copies of all records, information and data in respect of the Property that existed between the Effective Date and the date of termination of this Agreement, and the Purchaser may maintain such copies use the information contained therein, subject to the terms of Article 10.
 - (iii) the Operator shall return to the Purchaser all monies contributed by the Purchaser in respect of a Work Program or Budget that have not been spent, subject to the payment of any outstanding accounts payable or amounts due under contract that cannot be terminated, as at the date immediately prior to the date of termination of this Agreement; and
 - (iv) without the need of any further confirmation or formality, the Purchaser shall be absolved of any requirement or obligation to fund or incur Option Expenditures or any other payments or amounts.

8.2 Survival

Section 2.3, Section 5.2(b), Section 5.2(c), Article 8, Article 10 and Article 11 and all limitations of liability and rights accrued prior to completion, termination, or expiration of this Agreement shall not merge on completion, termination, or expiration of this Agreement, but shall continue in full force and effect after any termination or expiration of this Agreement as shall any other provision of this Agreement which expressly or by implication from its nature is intended to survive the termination or expiration of this Agreement.

ARTICLE 9 EVENT OF FORCE MAJEURE

9.1 Event of Force Majeure

- (a) No right of a Party shall be affected, and no Party shall be liable under this Agreement or found in default, under this Agreement by the failure of such Party to meet any term or condition of this Agreement where such failure is caused by an Event of Force Majeure and, in such event, all times specified or provided for in this Agreement shall be extended by a period commensurate with the period during which the Event of Force Majeure causes such failure.
- (b) A Party affected by an Event of Force Majeure shall take all reasonable steps within its control to remedy the failure caused by such event, provided however, that nothing contained in this Section 9.1 shall require any Party to settle any labour or industrial dispute or to test the constitutionality of any Applicable Law enacted by any Legislature or Parliament of or within Canada.

- (c) Nothing in this 9.1 shall require a Party affected by an Event of Force Majeure to settle labour disputes or question the validity of any act of a Governmental Authority.
- (d) Any Party relying on the provisions of this Section 9.1 shall forthwith give Notice to the other Parties of the commencement of an Event of Force Majeure and of its end.

ARTICLE 10 CONFIDENTIALITY

10.1 Confidentiality of Information

All information provided to or received by the Parties hereunder shall be treated as Confidential (“**Confidential Information**”). During the Option Period, the Parties shall each solicit the consent of the other to the disclosure of Confidential Information in circumstances other than those set forth in Section 10.2 and such consent shall not be unreasonably withheld or delayed. For greater certainty, the Parties agree and acknowledge that once consent is granted by a Party hereunder with respect to the disclosure of any particular Confidential Information, or such Confidential Information is otherwise disclosed pursuant to any exemption set forth in Section 10.2 below, the provisions of this Section 10.1 requiring consent shall no longer be required with respect to any subsequent disclosure of the same Confidential Information which has previously been consented to and/or disclosed.

10.2 Permitted Disclosure

The consent required by Section 10.1 shall not be required with respect to any disclosure:

- (a) required to comply with any Applicable Laws, stock exchange rules or a regulatory authority having jurisdiction;
- (b) to a director, officer, employee or other representative of a Party;
- (c) to an Affiliate of a Party;
- (d) to a consultant, contractor or subcontractor of a Party that has a *bona fide* need to be informed;
- (e) to any Third Party to whom the disclosing Party may, if permitted by the terms of this Agreement, assign any of its rights under this Agreement; or
- (f) if the disclosing party is the Purchaser (i) to a bank, financial institution or investor from which the Purchaser is seeking equity or debt financing; (ii) in a prospectus, offering memorandum or other publicly filed document in connection with an IPO, and/or pursuant to which the Purchaser is seeking to obtain financing; or (iii) in continuous disclosure documents prepared pursuant to Applicable Laws.

10.3 Exception

The obligations with respect to Confidential Information and prohibitions against use under this Agreement shall not apply to information that the disclosing Party can show by reasonable documentary evidence or otherwise:

- (a) as of the Effective Date, was in the public domain;
- (b) prior to the time of receipt, was known to the disclosing Party;
- (c) was furnished to the disclosing Party by a Third Party who is not bound by a confidentiality agreement with, or by any obligation of confidence to, the other Parties;
- (d) was independently acquired or developed by the disclosing Party without use of, or reference to, the Confidential Information of the other Parties and without otherwise contravening the terms and provisions of this Agreement; or
- (e) after the Effective Date, was published or otherwise became part of the public domain (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain through no breach by the disclosing Party of Article 10).

ARTICLE 11 GENERAL

11.1 Rules of Interpretation

In this Agreement and the Schedules to this Agreement:

- (a) time is of the essence in the performance of the Parties' respective obligations;
- (b) all references to money amounts are to Canadian currency;
- (c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or Schedule;
- (d) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and where applicable to a body corporate;
- (e) the word "or" is not exclusive and the word "including" is not limiting (whether or not non-limiting language such as "without limitation" or "but not limited to" or other words of similar import are used with reference thereto);
- (f) where the phrase "to the knowledge of" or phrases of similar import are used in this Agreement, it shall be a requirement that the Person in respect of whom the phrase is used shall have made such due enquiries as a prudent businessperson in comparable circumstances would make and that are reasonably necessary to enable such Person to make the statement or disclosure;
- (g) the descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content and shall not be used to interpret the provisions of this Agreement;
- (h) any reference to a corporate entity includes, and is also a reference to, any corporate entity that is a Successor to such entity;

- (i) the representations, warranties, covenants and agreements contained in this Agreement shall not merge and shall continue in full force and effect from and after the date hereof for the applicable period set out in this Agreement;
- (j) all Schedules attached to this Agreement form part of this Agreement; and
- (k) whenever any payment is to be made or any action under this Agreement is to be taken on a day other than a Business Day, such payment shall be made, or action taken on the next Business Day following.

11.2 Arbitration

- (a) In the event any controversy, dispute, Claims, question or difference (a “**Dispute**”) arises out of, or with respect to, this Agreement or its performance, enforcement, breach, termination or validity, the Parties will use commercially reasonable efforts to settle the Dispute. To this end, the Parties will consult and negotiate with each other in good faith and understanding of their mutual interests in an effort to reach a just and equitable solution satisfactory to both parties. All Disputes that the Parties are unable to resolve after sixty (60) days of good faith negotiations will be finally settled under the *Commercial Arbitration Act* (Nova Scotia) (the “**Act**”) by three (3) arbitrators appointed in accordance with said rules. The arbitration award shall be final and binding on both parties. The costs of arbitration shall be borne by the losing Party or as otherwise determined by the arbitral panel. The seat of arbitration will be Halifax, Nova Scotia. The language of the arbitration will be English. Judgment upon the award may be entered in any court having jurisdiction thereof or having jurisdiction over the applicable party and/or its assets.
- (b) The Parties agree to treat as Confidential Information, in accordance with the provisions of Article 10, the following: the existence of the arbitral proceedings; written Notices, pleadings and correspondence in relation to the arbitration; reports, summaries, witness statements and other documents prepared in respect of the arbitration; documents exchanged for purposes of the arbitration; the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing, a Party may disclose such Confidential Information in judicial proceedings to enforce, nullify, modify or correct an award or ruling and as permitted under Article 10, or as required by Applicable Law or as compelled by a lawful authority.

11.3 Entire Agreement

This Agreement, including the Schedules to this Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth in this Agreement and in any agreement or document delivered pursuant to this Agreement. No supplement, modification or waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

11.4 Parties' Rights to Conduct Other Business

Each Party shall devote such time as may be required to fulfill any obligation assumed by it hereunder but, except as otherwise provided in this Agreement:

- (a) outside of the Property and the Area of Interest, the Parties and their respective Affiliates shall be free to engage in any business or other activity, whether or not competitive with the activities of the other Parties, and whether or not such business activity or acquisition is a result of reviewing the information obtained from the Property, and in particular, this Agreement may not be construed to prevent a Party from acquiring any mineral rights or interests therein, real property rights, water rights, or other associated rights outside of the boundaries of the Property;
- (b) no Party shall be under any fiduciary or other obligation to any other Party which shall prevent or impede such Party from participating in, or enjoying the benefits of, competing endeavours of a nature similar to the business or activity undertaken by the Parties hereunder; and
- (c) the legal doctrines of "corporate opportunity" or "business opportunity" sometimes applied to Persons occupying a relationship similar to that of the Parties shall not apply with respect to participation by any Party in any business activity or endeavour outside the Property, and, without implied limitation, a Party shall not be accountable to the others for participation in any such business activity or endeavour outside the Property which is in direct competition with the business or activity undertaken by the Parties under this Agreement.

11.5 No Reliance or Inducement

Each Party represents and warrants and agrees that when entering into this Agreement it relied exclusively on the following matters independently of any statements, inducements or representations made by or on behalf of any other Party (including without limitation by any agents acting on behalf of a Party):

- (a) its own inspections, investigations, skill and judgement;
- (b) the terms expressly contained in this Agreement; and
- (c) opinions and advice obtained independently of any other Party.

11.6 Tax Included and Refundable Tax Credits

- (a) All amounts and Expenditures to be funded, paid or incurred by the Purchaser as described in this Agreement are inclusive of any amounts on account of Tax incurred by any Party in funding an approved Work Program (i.e. no tax gross up shall be made). Any such Tax recovered or refunded by either of the Parties during the term of this Agreement shall be used to fund Expenditures; however, such recovered or refunded Tax shall not be credited towards the Purchaser's Option Expenditure obligations. If any Tax is recovered by the Vendor following termination of this Agreement, such Tax shall be reimbursed to the Purchaser.

(a) Any Canadian exploration expenses that may be accumulated pursuant to the Tax Act that are derived from eligible Expenditures under the Tax Act, shall be for the account of the Purchaser and for its sole benefit.

11.7 Applicable Law

(a) This Agreement shall be governed by and interpreted in accordance with the laws in force in the Province of Nova Scotia and the federal laws of Canada applicable therein, without regard to any conflict of laws or choice of laws principle that would permit or require the application of the laws of any other jurisdiction.

(b) Each of the Parties hereby irrevocably attorns and submits to the arbitral jurisdiction set forth in Section 11.7(a) and, with respect to any matters not determined by arbitration, to the exclusive jurisdiction of the courts of Nova Scotia of the Parties hereunder.

11.8 Expenses

Except as otherwise provided, all costs incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring them.

11.9 Notices

Any notice or writing required or permitted to be given under this Agreement or any communication otherwise made in respect of this Agreement (referred to in this Section as a "Notice") shall be sufficiently given if in writing and: (a) delivered personally, either to the individual designated below for such Party, or to an individual having apparent authority to accept deliveries on behalf of such individual at the address set out below for such Party; (b) by registered mail to the address set out below for such Party; or (c) transmitted by email, at or to the applicable email addresses set out below for such Party:

(a) In the case of Notice to the Purchaser, at:

Argyle Resources Corp.

[REDACTED]

Attention: Gurcham Deol

Email: [REDACTED]

(b) In the case of Notice to the Vendor, at:

Mt. Cameron Minerals Incorporation

[REDACTED]

Attention: John Wightman

Email: [REDACTED]

or at such other address as the Party to whom such Notice is to be given shall have last notified the Party giving the same, in the manner provided in this Section. Any Notice delivered to the Party to whom it is addressed as provided in this Section shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the Notice shall be deemed to have been given and received on the Business

Day next following such day. Any Notice mailed to a Party to whom it is addressed as provided in this Section shall be deemed to have been given and received on the third Business Day following the date of mailing, except in the event of disruption of the postal services, in which event, Notice will be deemed to have been given and received will be deemed only when actually received. Any Notice transmitted by facsimile or email shall be deemed given and received on the first Business Day after its transmission.

11.10 Assignment and Successors

This Agreement is binding upon and shall enure to the benefit of the Parties and their respective Successors and permitted assignees. Notwithstanding any other provision hereof, the Parties agree and acknowledge that the Purchaser shall be entitled to assign its Interest hereunder to any Third Party provided that it provides Notice of such assignment to the Vendor and such transferee(s) agree in writing to be bound by the terms and conditions of this Agreement.

11.11 Severability

If any provision of this Agreement is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this Agreement.

11.12 Waiver and Amendment

A waiver of any right, power or remedy under this Agreement must be in writing signed by the Party granting it. A waiver is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion. No modification, variation or amendment of this Agreement is of any force unless it is in writing and has been signed by each of the Parties.

11.13 Relationship of the Parties

Nothing in this Agreement or any other agreement relating to the development of the Property is to constitute or be deemed to constitute a partnership or joint venture for any purpose between the Parties or an agency of one Party to another Party, or in any way create a fiduciary duty of one Party to another Party.

11.14 Further Assurances

Subject to the terms and conditions of this Agreement, the Parties shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under Applicable Laws to carry out all of their respective obligations under this Agreement and to consummate the transactions contemplated by this Agreement, and from time to time, without further consideration, each Party shall, at its own expense, execute and deliver such documents to any other Party as such Party may reasonably request in order to consummate the transactions contemplated by this Agreement. Each of the Parties agrees to take all such actions as are within its power to control, and to use reasonable commercial efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in this Agreement which are for the benefit of the other Party.

11.15 Execution in Counterparts and by Electronic Delivery

This Agreement may be executed in any number of counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument. Such counterparts may be delivered by regular post, courier or electronic mail.

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

ARGYLE RESOURCES CORP.

Per: /s/ "Gurcharn Deol"
Authorized Signatory

MT. CAMERON MINERALS INCORPORATION

Per: /s/ "John Wightman"
Authorized Signatory

SCHEDULE “A”

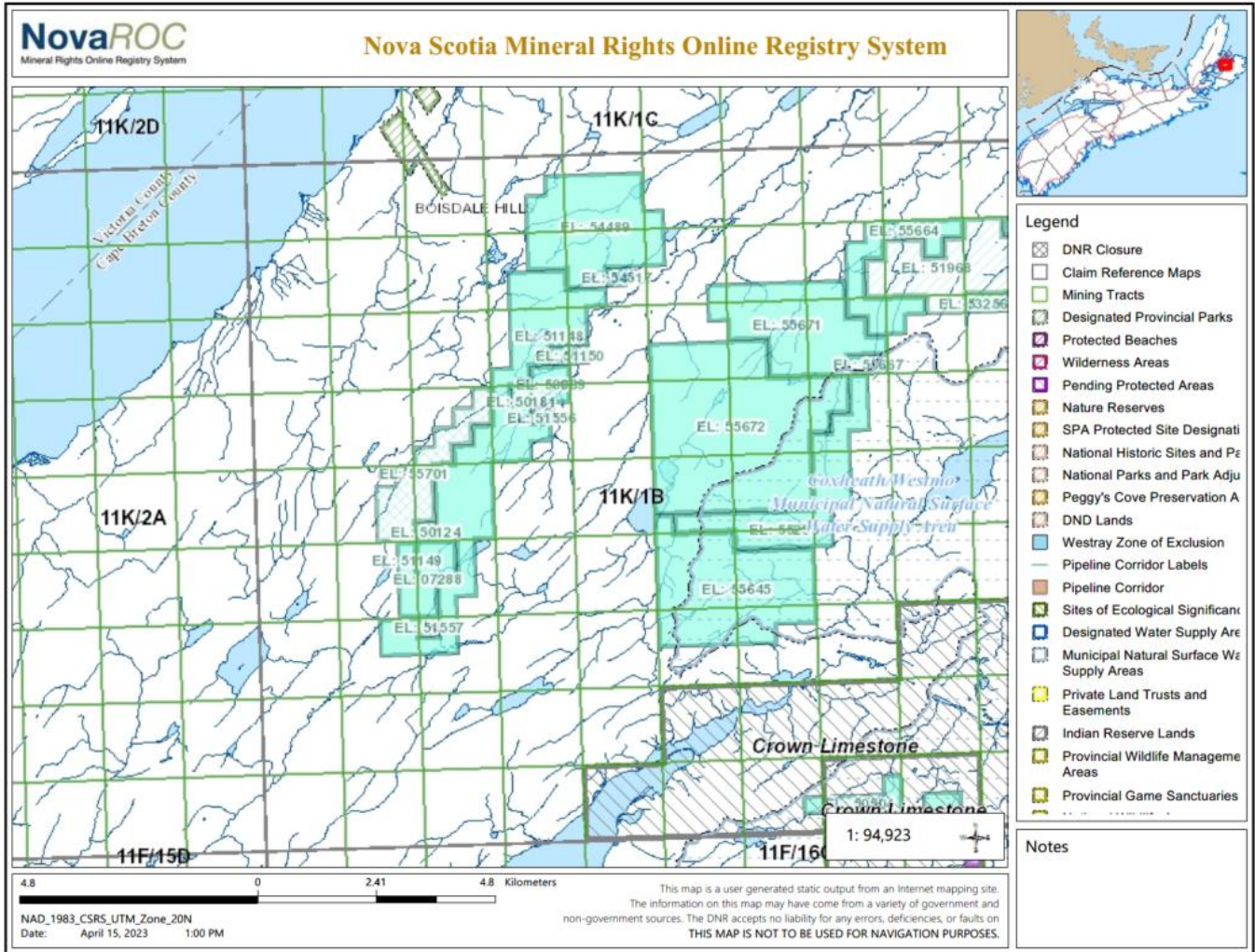
THE PROPERTY

Frenchvale Flake Graphite Project Claims owned by Mt. Cameron Minerals Inc. as of 12 April 2023.

A listing of the claim reference map sheets, tracts and claims, issue date and expiry date (as employed in the N.S. Registry of Mineral and Petroleum Titles on NovaRoc) of the exploration licence(s) included in the Frenchvale Flake Graphite Project owned by Mt. Cameron Minerals Inc. as of 12 April 2023.

Exploration Licence No.	Claim Ref. Map	Tracts	Claims	Issue Date yyyy-mm-dd	Expiry Date yyyy-mm-dd
51149	11K/1B	38	J,Q	2016-09-23	2023-09-23
50124	11K/1B	58	D	2010-05-06	2024-05-06
07288	11K/1B	38	A,H	1997-10-08	2023-10-08
07288	11K/1B	39	D,E,L,M,N,O	1997-10-08	2023-10-08
50181	11K/1B	64	O	1997-10-08	2023-10-08
50869	11K/1B	64	P,Q	2016-02-09	2025-02-09
50869	11K/1B	81	A,B	2016-02-09	2025-02-09
51150	11K/1B	80	E	2016-09-23	2023-09-23
51150	11K/1B	80	H	2016-09-23	2023-09-23
51148	11K/1B	34	L,M,O	2016-09-23	2023-09-23
51148	11K/1B	35	J,K,P,Q	2016-09-23	2023-09-23
51148	11K/1B	39	C,F,GK,P	2016-09-23	2023-09-23
51148	11K/1B	58	A,B,C,F,G,H,J,K,L,O ,P,Q	2016-09-23	2023-09-23
51148	11K/1B	63	A,B,H	2016-09-23	2023-09-23
51148	11K/1B	64	C,D,E,F,G,L,M,N	2016-09-23	2023-09-23
51148	11K/1B	80	M,N	2016-09-23	2023-09-23

51148	11K/1B	81	C,D,F,G,J,K,L,O,P,Q	2016-09-23	2023-09-23
51148	11K/1B	88	A,B,C,F,G,H	2016-09-23	2023-09-23
51148	11K/1B	89	C,D	2016-09-23	2023-09-23
55701	11K/1B	58	E,M,N	2023-04-16	2025-04-16
55701	11K/1B	59	A,B,G,H,J,K,Q	2023-04-16	2025-04-16
55701	11K/1B	63	C,D,F,G,J,K,Q	2023-04-16	2025-04-16
51149	11K/1B	38	J,Q	2016-09-25	2023-09-23



OPTION AMENDING AGREEMENT

THIS AMENDING AGREEMENT is made effective as of the 1st day of November, 2023.

BETWEEN:

MT. CAMERON MINERALS INCORPORATED, a company incorporated under the laws of the Province of Nova Scotia ("**Vendor**") [

AND:

ARGYLE RESOURCES CORP., a company incorporated under the laws of the Province of British Columbia ("**Purchaser**")

WHEREAS:

- A. The Vendor and the Purchaser entered into a mineral property option agreement, dated June 5, 2023 ("**Option Agreement**") pursuant to which the Vendor granted the purchaser the option to acquire a 100% interest in and to certain mineral properties, as further set out within the Option Agreement;
- B. The parties have now agreed to amend the Option Agreement on the terms and conditions more particularly set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants, conditions and premises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties do hereby covenant and agree as follows.

1. Definitions

Capitalized terms used in this Agreement but not defined herein shall have the respective meanings given to them in the Option Agreement.

2. Amendments to the Option Agreement

- 2.1** The definition of "Listing Date" in Section 1.1 of the Option Agreement is hereby deleted in its entirety and replaced with the following:

"**Listing Date**" means the date in which the Common Shares are listed on an Exchange, which date is intended to be on or before January 31 2024;

2.2 Further Confirmation

The parties further confirm that all of the other terms of the Option Agreement remain in full force and effect and that time shall remain of the essence. This Agreement and the Option Agreement shall hereafter be read together and shall collectively constitute one agreement

2.3 Governing Law

This agreement shall be governed by and construed in accordance with the laws of the province of British Columbia and the federal laws of Canada applicable in such province.

2.4 Counterparts

This Agreement may be executed in several counterparts and by electronic transmission, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same document.

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

MT. CAMERON MINERALS INCORPORATED

/s/ "John Wightman"

Per: Authorized Signatory

ARGYLE RESOURCES CORP.

/s/ "Gurcharn Deol"

Per: Authorized Signatory