

SABLE RESOURCES LTD.

as Vendor

and

EUROCONTROL TECHNICS GROUP INC.

as Purchaser

ASSET PURCHASE AGREEMENT

January 24, 2019

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION

Section 1.1	Defined Terms.	1
Section 1.2	Gender and Number.....	12
Section 1.3	Headings, etc.....	12
Section 1.4	Currency.	12
Section 1.5	Certain Phrases, etc.....	12
Section 1.6	Knowledge.	12
Section 1.7	Accounting Terms.....	13
Section 1.8	Incorporation of Schedules.....	13

ARTICLE 2 PURCHASED ASSETS

Section 2.1	Purchased Assets.....	13
Section 2.2	Assignment of Vendor Contracts.	13

ARTICLE 3 PURCHASE PRICE

Section 3.1	Purchase Price.....	13
Section 3.2	Allocation.....	13
Section 3.3	Payment of the Purchase Price.....	14

ARTICLE 4 ASSUMED LIABILITIES

Section 4.1	Assumed Liabilities.....	14
Section 4.2	Excluded Liabilities.....	14
Section 4.3	Assumption of Contractual Liabilities.....	15

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE VENDOR

Section 5.1	Representations and Warranties of the Vendor.	15
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ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Section 6.1	Representations and Warranties of the Purchaser.....	26
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ARTICLE 7
PRE-CLOSING COVENANTS OF THE PARTIES

Section 7.1	Conduct of Business Prior to Closing.	31
Section 7.2	Access for Due Diligence.	32
Section 7.3	Actions to Satisfy Closing Conditions.	33
Section 7.4	CSE Approval.	34
Section 7.5	Listing Statement and Circular.	34
Section 7.6	Transfer of the Purchased Assets.....	35
Section 7.7	Request for Consents.	35
Section 7.8	Filings and Authorizations.	35
Section 7.9	Notice of Untrue Representation or Warranty.....	36
Section 7.10	Exclusive Dealing.	36
Section 7.11	Reorganization.....	36
Section 7.12	Equity Financing.	37
Section 7.13	Governance Arrangements.....	37
Section 7.14	Transfer Taxes.....	37

ARTICLE 8
CONDITIONS OF CLOSING

Section 8.1	Mutual Conditions Precedent.	37
Section 8.2	Conditions for the Benefit of the Purchaser.....	39
Section 8.3	Conditions for the Benefit of the Vendor.	41

ARTICLE 9
CLOSING

Section 9.1	Date, Time and Place of Closing.....	43
Section 9.2	Closing Procedures.	43

ARTICLE 10
TERMINATION

Section 10.1	Termination by Purchaser.	43
Section 10.2	Termination by Vendor.....	44
Section 10.3	Other Termination Rights.....	44
Section 10.4	Effect of Termination.	44

ARTICLE 11
INDEMNIFICATION

Section 11.1	Indemnification in Favour of the Purchaser.....	45
Section 11.2	Indemnification in Favour of the Vendor.	45
Section 11.3	Time Limitations.	46
Section 11.4	Limitations on Amount.....	46

Section 11.5	Procedure for Indemnification – Third Party Claims.	47
Section 11.6	Procedure for Indemnification – Other Claims.....	49
Section 11.7	Exclusion of Other Remedies.	49

ARTICLE 12 POST-CLOSING COVENANTS

Section 12.1	Confidentiality.....	49
Section 12.2	Further Assurances.....	49
Section 12.3	Further Agreement.	49
Section 12.4	Financial Assurances.	50
Section 12.5	Portable Assessment Credit (PAC).	50
Section 12.6	Distribution of Consideration Shares.	51

ARTICLE 13 MISCELLANEOUS

Section 13.1	Notices.....	51
Section 13.2	Time of the Essence.....	52
Section 13.3	Brokers.	52
Section 13.4	Announcements.	52
Section 13.5	Third Party Beneficiaries.....	53
Section 13.6	Expenses.	53
Section 13.7	Amendments.....	53
Section 13.8	Waiver.	53
Section 13.9	Non-Merger.....	54
Section 13.10	Entire Agreement.	54
Section 13.11	Successors and Assigns.	54
Section 13.12	Severability.....	55
Section 13.13	Governing Law.....	55
Section 13.14	Counterparts.	55

SCHEDULES

SCHEDULE 1.1 PURCHASED ASSETS

SCHEDULE 2.2(c) FORM OF NSR ROYALTY AGREEMENT

ASSET PURCHASE AGREEMENT

Asset Purchase Agreement dated January 24, 2019, between Sable Resources Ltd. (the “**Vendor**”) and Eurocontrol Technics Group Inc. (the “**Purchaser**”).

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

“**Aboriginal Claims**” means any and all claims, whether proven or unproven, by any person to or in respect of: (i) rights, title or interests of any Aboriginal Group by virtue of its status as an Aboriginal Group; (ii) treaty rights; (iii) Métis rights, title or interests; or (iv) specific or comprehensive claims being considered by the Government of Canada; and includes any alleged or proven failure of the Crown to satisfy any of its duties to any claimant of any of the foregoing, whether such failure is in respect of matters before, on or after the Closing Date.

“**Aboriginal Group**” means any First Nation, Métis, Inuit, community, aboriginal group or person, Indian Act band, tribal council, band council or other aboriginal organization in Canada.

“**Acquired Equipment**” means the equipment of the Vendor described in Schedule 1.1.

“**Acquired Fixed Assets**” means the fixed assets of the Vendor described in Schedule 1.1;

“**Acquired Intellectual Property**” means: all Intellectual Property, together with: (i) all copies and tangible embodiments of the foregoing (in whatever form or medium); and (ii) all improvements, modifications, translations, adaptations, refinements, derivations, and combinations thereof acquired, created, developed or conceived by or on behalf of the Vendor as of the Closing Date.

“**Acquired Properties**” means the mineral properties referred to in the Vendor Documents as the Baker (Toodoggone) Gold/Silver Project; Shasta Mine & Baker Infrastructure and Equipment; Chappelle (Baker and Multinational Mines) Property; Tulox Property; Mets Lease; Bot Property; WCGG Properties; and Spence Bridge Regional Program, as more particularly described as the Owned Real Property, the Leased Real Property, the Mining Claims, the Leased Mining Claims, the Mineral Leases set out in Schedule 1.1, and the Additional

Rights in Section 5.1(l) of the Vendor Disclosure Letter, and "**Acquired Property**" means any one of them.

"**Additional Rights**" has the meaning specified in Section 5.1(m)(vi).

"**Affiliate**" has the meaning ascribed thereto in the *Securities Act* (Ontario).

"**Agreement**" means this asset purchase agreement and all schedules and instruments in amendment or confirmation of it; and the expressions "**Article**" and "**Section**" followed by a number mean and refer to the specified Article or Section of this Agreement.

"**Ancillary Agreements**" means all agreements, certificates and other instruments delivered or given pursuant to this Agreement.

"**Assumed Liabilities**" has the meaning specified in Section 4.1.

"**Authorization**" means, with respect to any Person, any order, permit, approval, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"**Books and Records**" means all information in any form primarily relating to the Purchased Assets and the Assumed Liabilities, including books of account, personnel records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, business reports, plans and projections, marketing and advertising materials, equipment logs, operating guides and manuals, business reports, plans and projections and all other documents, files, correspondence, e-mails, Authorizations, environmental management systems (including data collected for the purpose of compliance with Environmental Laws and the preparation of reports to Governmental Entities), all geological, geophysical, geochemical and test data and all other information (including internal and external studies, analyses and other work products) in relation to the Acquired Properties acquired, proved, gained or developed heretofore in the possession or under the control of the Vendor; (in each case, whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices);

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which banks are required or authorized to close in Toronto, Ontario.

"**Cash Consideration**" has the meaning specified in Section 3.3(a).

"Circular" means the management information circular to be prepared and sent to the Purchaser's shareholders in connection with its Meeting.

"Closing" means the completion of the transaction of purchase and sale contemplated in this Agreement.

"Closing Date" has the meaning specified in Section 9.1.

"Consent" means **"Consents"** means the consents of the contracting parties to the assignment of the Vendor Contracts, if required by the terms of any of the Vendor Contracts.

"Consideration Shares" has the meaning specified in Section 3.3(b).

"Consolidation" means a consolidation of the Purchaser Common Shares on the basis of one (1) post-consolidation Purchaser Common Share for each four (4) Purchaser Common Shares as constituted on the date of this Agreement.

"Contractual Rights" has the meaning specified in Section 2.2.

"CSE" means the Canadian Securities Exchange.

"Damages" has the meaning specified in Section 11.1.

"Data Room" means the password protected virtual due diligence data room in respect of and populated by the Vendor, and accessible to the Purchaser and its representatives.

"Delisting" means the voluntary delisting of the Purchaser Common Shares from trading on the TSXV.

"Encumbrance" means any lien, charge, hypothec, pledge, mortgage, title retention agreement, covenant, condition, lease, licence, 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, option, assignment, right of pre-emption, privilege or any other encumbrance or charge or title defect of any nature whatsoever, regardless of form, whether or not registered or registrable and whether or not consensual or arising by Law, or any Vendor Contract or Purchaser Contract to create any of the foregoing.

"Environmental Laws" means all applicable Laws relating to the protection of the environment and includes those relating to pollution, protection, use or conservation of the environment or natural resources, the protection of public health and safety, Hazardous Substances, or the reclamation, rehabilitation,

closure or other restoration of mining properties. Without limiting the generality of the foregoing, an Environmental Law pertaining to the protection, use or conservation of the environment shall include all such Environmental Laws relating to the manufacture, processing, generation, use, treatment, storage, disposal, transport, Release, containment, reclamation, rehabilitation, closure or other restoration of any tailings, waste rock, tailings ponds or Hazardous Substances.

"Equity Commitments" means the unconditional, enforceable contractual commitments made by Equity Parties to the Purchaser to purchase Units pursuant to the Equity Financing on the Closing Date for aggregate gross proceeds of not less than \$1,500,000 and not more than \$2,000,000, at a price of \$0.20 per Unit.

"Equity Financing" means the proposed offering by the Purchaser of Units for aggregate gross proceeds of not less than \$1,500,000 and not more than \$2,000,000, at a price of \$0.20 per Unit, on a non-brokered private placement basis, pursuant to exemptions from the registration and prospectus requirements in the Offering Jurisdictions.

"Equity Incentive Plan" means the equity incentive plan to be adopted by the Purchaser prior to the Closing, on terms acceptable to the Vendor, acting reasonably, subject to shareholder approval at the Meeting.

"Equity Parties" means Persons in any of the Offering Jurisdictions that are, in each case, acceptable to the Purchaser, acting reasonably, and permitted to purchase Units pursuant to the Equity Financing in accordance with applicable Law, provided that, no prospectus filing, registration or comparable obligation arises in any such jurisdiction in respect of the Equity Financing.

"Excluded Liabilities" has the meaning specified in Section 4.2.

"Existing Insurance Policies" has the meaning specified in Section 5.1(v).

"Governance Arrangements" means the reconstitution of the board of directors of the Purchaser to consist of Paul Wood, Thomas Obradovich, Terence Harbort, Brent Gilchrist, Andres Tinajero, and one other independent director chosen by the Vendor and acceptable to the Purchaser, and management of the Purchaser to consist of Terence Harbort as President and Chief Executive Officer and Andrew Malashewsky as Chief Financial Officer.

"Governmental Entity" means any (i) federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-

governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

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

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Intellectual Property” means any and all industrial or intellectual property and any right or protection associated therewith (whether foreign or domestic, registered or unregistered) owned by the Vendor and its Affiliates (or any of them) and used exclusively in the operation, conduct or maintenance of the Purchased Assets, as it is currently and has historically been operated, conducted or maintained.

“Interim Balance Sheet Date” means September 30, 2018.

“Interim Financial Statements” means the unaudited interim financial statements of the Vendor as at and for the nine months ended September 30, 2018.

“Interim Period” means the period between the close of business on this date and the Closing.

“Inventory” means ore stockpiles, ore on leach pads or in leach circuits, loaded carbon on site or other minerals in process.

“Laws” means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, guidelines, and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.

“Leased Real Property” has the meaning specified in Section 5.1(m)(ii).

“Leased Mining Claims” has the meaning specified in Section 5.1(m)(iv).

“Legacy Understanding” has the meaning specified in Section 12.3 of the Purchaser Disclosure Letter.

“Liability” or “Liabilities” means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including, without limitation, those arising under any Law, under any contract, agreement, arrangement, commitment or undertaking or under any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Entity.

“Listing Statement” means the disclosure document prepared in accordance with CSE Form 2A to be submitted to the CSE and filed via SEDAR in connection with the application for listing with the CSE by the Purchaser.

“Material Adverse Change” means a change, effect, circumstance or event that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, financial condition or results of operations of the Purchaser or the Vendor, with respect to the Purchased Assets, taken as a whole; provided, however, that no change, effect, circumstance or event, arising from or relating to any of the following, shall be deemed to constitute a Material Adverse Change, or shall be taken into account in determining whether a Material Adverse Change has occurred: (i) general political, economic or financial conditions in Canada, (ii) any adoption, implementation, change or proposed change in applicable Laws or IFRS (or in any interpretation of applicable Laws or IFRS), (iii) any natural disaster, terrorist attack, armed hostilities, military conflicts, or any governmental response to any of the foregoing, and (iv) the announcement of the execution of this Agreement or the implementation of any of the actions or transactions contemplated herein; provided, however, that the change, effect, circumstance or event referred to in (i), (ii) or (iii) does not disproportionately and adversely affect the Vendor, or the Purchaser, taken as a whole.

“Material Purchaser Contract” means a Purchaser Contract (i) which requires or could require expenditures or the assumption of Liabilities by the Purchaser or any Affiliate of the Purchaser in excess of \$20,000, (ii) that has a term of one year or more, or (iii) that would be required under IFRS to be disclosed in the audited financial statements of the Purchaser or such Affiliate, if such statements were prepared as at the relevant time.

“Meeting” means the special meeting of the Purchaser’s shareholders, including any adjournment or postponement thereof, to be called and held to consider resolutions to approve the Meeting Matters.

“Meeting Deadline Date” means April 15, 2019.

"Meeting Matters" means, *inter alia*, the following items to be presented for approval by the Purchaser's shareholders at the Meeting, as a condition of the completion of the transactions contemplated hereby:

- (a) the purchase of the Purchased Assets in accordance with the terms of this Agreement;
- (b) the Delisting and the listing of the Purchaser Common Shares on the CSE;
- (c) the election of directors in accordance with the Governance Arrangements to be effective following the Closing;
- (d) the appointment of the auditors of the Purchaser following the Closing;
- (e) the adoption of the Equity Incentive Plan to be effective following the Closing; and
- (f) such other matters as shall properly come before the Meeting, or as may be required by the CSE or the TSXV in order to give effect to the transactions contemplated by this Agreement.

"Mineral Leases" has the meaning specified in Section 5.1(m)(v).

"Mining Rights" has the meaning specified in Section 5.1(m)(viii).

"Name Change" means the change of the name of the Purchaser from "Eurocontrol Technics Group Inc." to "Talisker Resources Ltd." or such other name as the Parties may determine.

"NI 43-101" means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

"NSR Royalty" has the meaning specified in Section 3.3(c).

"NSR Royalty Agreement" has the meaning specified in Section 3.3(c).

"Offering Jurisdictions" means each of the provinces of Canada, and certain foreign jurisdictions acceptable to the Purchaser, provided that, no prospectus filing, registration or comparable obligation arises in respect of the Equity Financing in any such jurisdiction.

"Operations" means all activities of whatever kind or nature currently conducted by the Vendor or any of its Affiliates in connection with the exploration, development, and operation of the Acquired Properties.

"Outside Date" means April 30, 2019.

"Owned Real Property" has the meaning specified in Section 5.1(m)(i).

"Owned Mining Claims" has the meaning specified in Section 5.1(m)(iii).

"Parties" means the Vendor and the Purchaser and any other Person who may become a party to this Agreement.

"Permits" means all permits, licences, leases, registrations, qualifications, certifications and other approvals required under applicable Laws from a Governmental Entity in connection with the Purchased Assets.

"Permitted Encumbrances" means (i) any inchoate right, lien or interest of a Governmental Entity, (ii) Encumbrances for taxes not yet due and payable and accrued in the ordinary course of business, (iii) statutory Encumbrances in favour of municipalities or public utilities, (iv) servitudes, easements or other similar real property rights, as well as encroachments and other minor imperfections of title which do not impair, detract from the value of or impair the use of the Acquired Properties in any material respect, (v) the Encumbrances listed in Section 1.1 of the Vendor Disclosure Letter; (vi) any reservations or exceptions contained in the original grants of land in respect of any real property comprising the Owned Real Property, (vii) minor discrepancies in the legal description of the Owned Real Property or Leased Real Property or any adjoining real property which would be disclosed in an up-to-date survey which do not detract from the value of, or impair the current use of, the Owned Real Property or Leased Real Property;

"Person" means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"Public Statement" has the meaning specified in Section 13.4.

"Purchase Price" has the meaning specified in Section 3.1.

"Purchased Assets" means all of the Vendor's rights, title and interest in, to and under all of the Purchased Assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or hereafter acquired, in each case which relate to, or are used or held for use in connection with, the Acquired Properties as of the Time of Closing, including the following:

- (a) the Acquired Properties (including any freehold title, mining leases, mining concessions, mining claims or participating interests or other conventional property or proprietary interests or rights recognized in British Columbia, Canada in respect thereof);
- (b) all Authorizations which are held by the Vendor and required for the conduct of the Operations as currently conducted or for the ownership and use of the Purchased Assets that are transferrable under Law;
- (c) all improvements, buildings, mill sites, mill, facilities, plant, offices, laboratories, fixtures, tunnels, adits, drifts, power lines, roads and other similar facilities;
- (d) all Tangible Property;
- (e) the Acquired Equipment;
- (f) the Acquired Fixed Assets;
- (g) all tailings, dams and similar property and structures on the Acquired Properties;
- (h) the Acquired Intellectual Property;
- (i) any and all goodwill and any other intangibles associated with the business and operations relating to the Purchased Assets;
- (j) all Inventory derived from the exploitation and mining of the Acquired Properties;
- (k) all rights, benefits and entitlements of the Vendor and its each of its Affiliates under the Vendor Material Contracts;
- (l) all prepaid expenses, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, deposits, charges, sums and fees, rights under warranties, indemnities and similar rights against third parties, in each case, to the extent that the Purchaser did not assume the Liabilities relating thereto;
- (m) all proceeds of insurance received by, or payable to, the Vendor on account of loss of or damage to the Purchased Assets occurring during the period commencing on the date of this Agreement and ending on the Closing Date; and
- (n) the Books and Records.

"Purchaser" means Eurocontrol Technics Group Inc.

"Purchaser Common Share" means the common shares in the capital of the Purchaser.

"Purchaser Contract" means any agreement, indenture, contract, lease, deed of trust, royalty, licence, option, instrument, arrangement, understanding or other commitment, whether written or oral, that relates to Purchaser and to which the Purchaser or any Affiliate of the Purchaser is a party or by which the Purchaser or any such Affiliate of the Purchaser is bound or under which it has rights or obligations.

"Purchaser Disclosure Letter" means the disclosure letter dated the date hereof executed by the Purchaser and delivered to the Vendor in connection with the execution of this Agreement.

"Purchaser Documents" has the meaning specified in Section 6.1(f).

"Reclamation" means the reclamation, restoration or closure of any facility or land after it has been utilized in any exploration, mining or processing operation required by any Law or any franchises, approvals, authorizations, permits, licences, easements, registrations, qualifications, leases, variances and similar rights obtained from any Governmental Authority, including those required under Environmental Laws.

"Release" means, when used in connection with environmental matters as a verb, includes release, spill, leak, emit, deposit, discharge, pump, pour, inject or dispose of into the environment or any other similar act, however defined in applicable Environmental Laws, and the term **"Release"** when used as a noun has a correlative meaning.

"Reorganization" has the meaning specified in Section 7.11.

"Royalties" means in respect of any property, royalties, streaming interests, profit interest or other agreements providing for the payment of consideration measured, qualified or calculated based on, in whole or in part, any minerals produced, mined, recovered or extracted from such property.

"Tangible Property" means all equipment and machinery (whether mobile or otherwise), drill samples and drill cores, rolling stock, materials, consumables, supplies and warehouse inventory, maintenance supplies, furniture, fixtures, improvements, tooling, office equipment, computers and other tangible property owned by the Vendor located on and used for purposes of the Operations, excluding Inventory.

"Technical Report" means a current technical report with respect to the Baker Gold Project prepared in accordance with the requirements of NI 43-101 to be delivered by the Vendor to the Purchaser, the TSXV and the CSE, as applicable, and filed on SEDAR.

"Time of Closing" means 9:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as agreed to in writing by the Purchaser and the Vendor.

"TSXV" means the TSX Venture Exchange.

"Unit" means a Purchaser Common Share issued on a post-Consolidation basis, and a share purchase warrant to acquire one additional Purchaser Common Share issued on a post-Consolidation basis at a price of \$0.30 per share for a period of two years, provided that the term of warrants would be subject to acceleration if the Purchaser Common Shares trade at or above \$0.50 for 10 consecutive trading days.

"Vendor" means Sable Resources Ltd.

"Vendor Contract" means any agreement, indenture, contract, lease, deed of trust, royalty, licence, option, instrument, arrangement, understanding or other commitment, whether written or oral, that relates to the Purchased Assets and to which the Vendor or any Affiliate of the Vendor is a party or by which the Vendor or any such Affiliate of the Vendor is bound or under which it has rights or obligations.

"Vendor Disclosure Letter" means the disclosure letter dated the date hereof executed by the Vendor and delivered to the Purchaser in connection with the execution of this Agreement.

"Vendor Documents" means all forms, reports, schedules, statements, certifications, material change reports and other documents required to be publicly disclosed and filed by the Vendor with all applicable Governmental Entities (such forms, reports, schedules, statements, certifications and other documents to include any financial statements or other documents, including any schedules included therein).

"Vendor Financial Statements" means (i) the audited consolidated financial statements of the Vendor as at and for the fiscal years ended December 31, 2017, 2016 and 2015, together with the notes thereto and the auditor's report thereon; and (ii) the unaudited interim consolidated financial statements as at and for the nine months ended September 30, 2018, and (iii) any additional financial statements or disclosure which may be required in accordance with the policies

of the CSE in connection with the application for listing on the CSE by the Purchaser or National Instrument 51-102 - *Continuous Disclosure Obligations*.

"Vendor Material Contract" means a Vendor Contract (i) in respect of any real property rights, or Mining Rights, (ii) which requires or could require expenditures or the assumption of Liabilities by the Vendor or any Affiliate of the Vendor in excess of \$20,000, (iii) that has a term of one year or more, or (iv) that would be required under IFRS to be disclosed in the audited financial statements of the Vendor or such Affiliate, if such statements were prepared as at the relevant time.

"Voting Agreement" means an agreement executed by a shareholder of the Purchaser, agreeing to vote any Purchaser Common Shares held by such shareholder in favour of the Meeting Matters.

Section 1.2 Gender and Number.

Any reference in this Agreement or any Ancillary Agreement to gender includes all genders and words importing the singular number only shall include the plural and vice versa.

Section 1.3 Headings, etc.

The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation.

Section 1.4 Currency.

All references in this Agreement or any Ancillary Agreement to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

Section 1.5 Certain Phrases, etc.

In this Agreement and any Ancillary Agreement (i) (y) the words **"including"** and **"includes"** mean **"including (or includes) without limitation"**, and (z) the phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**, and (ii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word **"from"** means **"from and including"** and the words **"to"** and **"until"** each mean **"to but excluding"**.

Section 1.6 Knowledge.

Where any representation or warranty contained in this Agreement or any Ancillary Agreement is expressly qualified by reference to the knowledge of the Vendor, it shall be deemed to refer to the knowledge of the Vendor. The Vendor confirms that it has made due and diligent inquiry of such Persons (including

appropriate officers of the Vendor) as it considers necessary as to the matters that are the subject of the representations and warranties.

Section 1.7 Accounting Terms.

All accounting terms not specifically defined in this Agreement shall be interpreted in accordance with IFRS.

Section 1.8 Incorporation of Schedules.

The schedules attached to this Agreement shall, for all purposes of this Agreement, form an integral part of it.

**ARTICLE 2
PURCHASED ASSETS**

Section 2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, the Vendor agrees to sell, assign and transfer to the Purchaser and the Purchaser agrees to purchase from the Vendor on the Closing Date, effective as of the Time of Closing, the Purchased Assets free and clear of all Encumbrances, other than Permitted Encumbrances.

Section 2.2 Assignment of Vendor Contracts.

Nothing in this Agreement shall be construed as an attempt to assign any Vendor Contract which is not assignable in whole or in part without the Consent of the other party or parties thereto, unless such Consent has been given (and in this Agreement, the benefits under the non-assigned Vendor Contracts are referred to as the “**Contractual Rights**”). In accordance with the provisions of Section 7.7, the Vendor shall use its best efforts to obtain the Consents.

**ARTICLE 3
PURCHASE PRICE**

Section 3.1 Purchase Price.

The aggregate purchase price (the “**Purchase Price**”) payable by the Purchaser to the Vendor for the Purchased Assets shall be Six Million Five Hundred Thousand Dollars (\$6,500,000), subject to adjustment in accordance with Section 3.3.

Section 3.2 Allocation.

The Vendor and the Purchaser agree to allocate the Purchase Price based on a mutual agreement to be reached prior to the Closing Date and to execute and file all tax returns and prepare all financial statements, returns and other instruments on the basis of this allocation.

Section 3.3 Payment of the Purchase Price.

At the Closing, the Purchase Price shall be fully paid and satisfied by:

- (a) the payment by the Purchaser to the Vendor of an amount in cash equal to \$500,000 (the "**Cash Consideration**"), which Cash Consideration shall be paid at the Time of Closing by the Purchaser to the Vendor by wire transfer of immediately available funds, or as the Vendor may otherwise direct;
- (b) the issuance to the Vendor by the Purchaser of 30,000,000 Purchaser Common Shares issued on a post-Consolidation basis (the "**Consideration Shares**") at the Time of Closing, and subject to adjustment as provided herein, which Consideration Shares shall be registered in the name of the Vendor or as the Vendor may otherwise direct in writing;
- (c) the grant, on the Closing Date, by the Purchaser to the Vendor of a 1.0% net smelter return royalty (the "**NSR Royalty**") on each of the Acquired Properties, in accordance with the terms of the royalty agreement annexed hereto as Schedule 3.3(c) to be entered into by the Purchaser and the Vendor on the Closing Date (the "**NSR Royalty Agreement**"); and
- (d) the assumption of the Assumed Liabilities.

ARTICLE 4 ASSUMED LIABILITIES

Section 4.1 Assumed Liabilities.

Subject to Closing, the Purchaser agrees to discharge, perform and fulfil the obligations and liabilities of the Vendor with respect to all reclamation and closure compliance costs in respect of any of the Acquired Properties as and from the Closing, including but not limited to, costs relating to the tailings storage facility located on the Baker/Shasta property (such obligations and liabilities collectively referred to as, the "**Assumed Liabilities**").

Section 4.2 Excluded Liabilities.

The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil, and the Vendor will indemnify the Purchaser from and against, any and all liabilities and obligations, contingent or otherwise, of the Vendor or related to the Purchased Assets except for the Assumed Liabilities (collectively, the "**Excluded Liabilities**")

Section 4.3 Assumption of Contractual Liabilities.

Notwithstanding anything in this Agreement, the Purchaser shall not assume and shall have no obligation to discharge any liability or obligation under any Vendor Contract (i) which is not assignable in whole or in part without the Consent of the other party or parties thereto, unless such Consent has been obtained, or (ii) which cannot be assumed by the Purchaser without the Consent of the other party or parties, unless such Consent shall have been given.

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

Section 5.1 Representations and Warranties of the Vendor.

The Vendor represents and warrants as follows to the Purchaser and acknowledges and confirms that the Purchaser is relying upon the representations and warranties in connection with the purchase by the Purchaser of the Purchased Assets:

Corporate Matters

- (a) **Incorporation and Qualification.** The Vendor is a corporation incorporated and existing under the laws of British Columbia and has the corporate power to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party. The Vendor is duly qualified or authorized to transact business and is in good standing (in respect of the filing of annual returns where required or other information filings under applicable corporations information legislation) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business;
- (b) **Validity of Agreement.** The execution, delivery and performance by the Vendor of this Agreement and each of the Ancillary Agreements to which it is a party:
 - (i) have been duly authorized by all necessary corporate action on the part of the Vendor;
 - (ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constating documents or by-laws or any

contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected;

- (iii) will not result in a breach of, or cause the termination or revocation of, any Authorization held by the Vendor or necessary to the ownership of the Purchased Assets; and
- (iv) will not result in the violation of any Law;
- (c) **Required Authorizations.** There is no requirement to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity as a condition to the lawful completion of the transactions contemplated by this Agreement, except for the approval of the TSXV in connection with the disposition of the Purchased Assets;
- (d) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements to which the Vendor is a party have been duly executed and delivered by the Vendor, as the case may be, and constitute legal, valid and binding obligations of the Vendor, enforceable against it in accordance with their respective terms, except insofar as enforceability may be limited by applicable bankruptcy, insolvency and other rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (e) **No Other Agreements to Purchase.** Except for the Purchaser's right under this Agreement, no Person has any written or oral agreement, option or warrant or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase or acquisition from the Vendor of any of the Purchased Assets;
- (f) **Residence of the Vendor.** The Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);

General Matters Relating to the Operations

- (g) **Absence of Changes.** Since the Interim Balance Sheet Date, the Operations has been conducted only in the ordinary course of business consistent with past practices other than as required to give effect to the Reorganization and there has not been any Material Adverse Change in respect of the Purchase Assets.
- (h) **Compliance with Laws.** Except as set forth in Section 5.1(h) of the Vendor Disclosure Letter, the Vendor is and has always been in

compliance with all applicable Laws other than acts of non-compliance which, would not, individually or in the aggregate, are not material;

- (i) **Authorizations.** The Vendor owns, holds, possesses or lawfully uses in the operation of its business, all material Authorizations which are necessary for it to conduct the its business with respect to the Purchased Assets as presently or previously conducted, or for the ownership and use of the Purchased Assets and in compliance with all applicable Laws. All Authorizations material to the Vendor with respect to the Purchased Assets are listed in Section 5.1(i) of the Vendor Disclosure Letter. Each Authorization is valid, subsisting and in good standing, the Vendor is not in default or breach of any Authorization and, to the knowledge of the Vendor, no proceeding is pending or threatened to revoke or limit any Authorization. All Authorizations are assignable to the Purchaser and renewable by their terms or in the ordinary course of business without the need for the Vendor or the Purchaser to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees;

Matters Relating to the Purchased Assets

- (j) **Sufficiency of Assets.** Except as set forth in Section 5.1(j) of the Vendor Disclosure Letter, the Purchased Assets include all rights and property owned or leased by the Vendor and used in the conduct of the Operations, and will be sufficient for the conduct of the Operations after Closing in substantially the same manner as conducted by the Vendor and its Affiliates prior to the Closing;
- (k) **Title to the Purchased Assets.** The Vendor beneficially owns (with good title) all of the properties and assets (whether real, personal or mixed and whether tangible or intangible) that it purports to own including all the properties and assets reflected as being owned by the Vendor in the financial books and records of the Vendor. The Vendor has legal and beneficial ownership of the Purchased Assets free and clear of all Encumbrances except for Permitted Encumbrances;
- (l) **No Options, etc.** No Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase or other acquisition from the Vendor of any of the Purchased Assets;
- (m) **Acquired Properties and Mining Rights.**
 - (i) Schedule 1.1 sets forth a true and complete list of any and all real property (the “**Owned Real Property**”) that is owned in fee

simple by the Vendor and its Affiliates (in each case, separately or jointly), and that is used in the conduct of the Operations, as specified therein. The Vendor or its applicable Affiliate now holds and, immediately prior to Closing the Vendor will hold, title to the Owned Real Property free and clear of all Encumbrances except for Permitted Encumbrances;

- (ii) Schedule 1.1 sets forth a true and complete list of all real property leased or subleased by the Vendor and its Affiliates (in each case, separately or jointly), to the extent that such real property is used in the conduct of the Operations (the "**Leased Real Property**"), other than leased or subleased unpatented mining claims. The Vendor or its applicable Affiliate now holds, and immediately prior to Closing the Vendor will hold, a valid and enforceable leasehold or subleasehold interest in the Leased Real Property, free and clear of all Encumbrances except for Permitted Encumbrances and in accordance with the terms set out in the applicable lease or sublease. All such leases or subleases are in good standing and in full force and effect without amendment thereto other than such amendments as are set out in the Data Room, and neither the Vendor nor, to the Vendor's knowledge, any other party thereto is in breach of any material covenants, conditions or obligations contained therein. True and complete copies of all such leases or subleases, including any amendments thereto, have been made available to the Purchaser in the Data Room. The Vendor is in exclusive possession of the Leased Real Property;
- (iii) Schedule 1.1 sets forth a true and complete list of all unpatented mining claims (the "**Owned Mining Claims**") owned by the Vendor and its Affiliates (in each case, separately or jointly), to the extent that such mining claims are used in the conduct of the Operations. The Vendor and such Affiliates, as applicable is, and immediately prior to Closing the Vendor will be, the sole owner of and holds valid and enforceable title to the applicable claim, free and clear of all Encumbrances except for Permitted Encumbrances. All such Mining Claims are in good standing, in full force and effect and, to the knowledge of the Vendor, have been located and maintained in accordance with applicable Laws;
- (iv) Schedule 1.1 sets forth a true and complete list of all unpatented mining claims leased or subleased by the Vendor and its Affiliates (in each case, separately or jointly), to the extent that

such real property is used in the conduct of the Operations (the "**Leased Mining Claims**"). The Vendor or its applicable Affiliate now holds, and immediately prior to Closing the Vendor will hold, a valid and enforceable leasehold or subleasehold interest in all such mining claims, free and clear of all Encumbrances except for Permitted Encumbrances and, all such leases or subleases are in good standing. True and complete copies of all such leases or subleases, including any amendments thereto, have been made available to the Purchaser in the Data Room;

- (v) Other than as listed in Section 5.1(m)(v) of the Vendor Disclosure Letter, no Person has any Royalties encumbering any of the Acquired Properties or any right to be granted any Royalty in respect of the production of minerals from the Acquired Properties;
- (vi) Section 5.1(m)(vi) of the Vendor Disclosure Letter sets out a list of all material easements, surface rights and rights of way (the "**Additional Rights**") from landowners or Governmental Entities issued or granted to the Vendor or any of its Affiliates. The Vendor or such Affiliate has and at the Time of Closing the Vendor will have, all easements and surface rights from landowners or Governmental Entities necessary to conduct the Operations as currently conducted;
- (vii) The Vendor or its applicable Affiliate now holds and immediately prior to Closing the Vendor will hold, a valid and enforceable title to, or a valid leasehold or subleasehold interest in, all material buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles, inventory and other items of tangible personal property and other assets used in the Operations and required to conduct the Operations as currently conducted;
- (viii) The Vendor has the exclusive right to deal with the Owned Mining Claims, Leased Mining Claims, Mineral Leases and the Additional Rights (collectively, the "**Mining Rights**") and there are no restrictions on the ability of the Vendor to use, transfer or exploit the foregoing, other than pursuant to Law;
- (ix) Except as set forth in Section 5.1(m)(ix) of the Vendor Disclosure Letter, the Vendor is not a party to any Vendor Contract containing farm-in or earn-in rights, rights of first refusal, rights of first offer or similar rights that would materially affect the

Mining Rights. Neither the Vendor nor the Vendor has received any notice from any Governmental Entity or any other person of any revocation, cancelation or termination or intention to revoke, cancel or terminate the interest of the Vendor in any of the Mining Rights;

- (x) Except as set forth in Section 5.1(m)(x) of the Vendor Disclosure Letter, there are no outstanding work orders or notices advising of any defects in the construction or state of repair of the Purchased Assets, or any notice or directive requiring or recommending any alterations, repairs, improvements or other work to be done with respect to the Purchased Assets or relating to any non-compliance with any building permits, building restriction, by-law, requirement, agreement, regulation or ordinance from any Governmental Authority;
- (xi) There are no construction liens registered against the Purchased Assets;
- (xii) Except as set forth in Section 5.1(m)(xii) of the Vendor Disclosure Letter, the buildings and improvements on the Purchased Assets, the operation, maintenance and management thereof, as now operated and maintained, comply with all applicable Laws, and no portion of any such buildings or improvements encroach upon any land not owned by the Vendor; and
- (xiii) There are no material restrictive covenants, municipal by-laws or other laws or regulations which restrict or prohibit in any material respect the use of any Purchased Asset for the purposes for which it is presently being used, other than the Permitted Encumbrances, and neither the Vendor nor any of its Affiliates has received no notice and is not aware of any proposed changes to any official plan or zoning by-laws which could materially and adversely affect or prohibit such uses;
- (n) **Technical Report.** Sable has or will have made available to the Purchaser, prior to the delivery to it of the Technical Report, all material information relating to the mineral resource estimates contained therein, including all information reasonably requested by Eurocontrol, for the purposes of preparing such report which report was prepared based on the assumptions contained therein and in all other respects compliant with NI 43-101. The information contained in the Technical Report will be, at the time of delivery, complete and accurate in all material respects.

- (o) **Material Contracts.** Section 5.1(n) of the Vendor Disclosure Letter contains a list of all Vendor Material Contracts. The Vendor and each of the Vendor's Affiliates, as applicable, (i) has performed all of the obligations required to be performed by it under such Vendor Material Contracts, (ii) is, and at the Time of Closing the Vendor will be, entitled to all benefits under any such Vendor Material Contract, (iii) is not in breach or violation of or default under (in each case, with or without notice or lapse of time or both) any Vendor Material Contract and, at the Time of Closing, all such Vendor Material Contracts are valid and binding agreements of the Vendor and are in full force. True and complete copies of all Vendor Material Contracts and any amendments thereto have been made available to the Purchaser in the Data Room. To the knowledge of the Vendor: (i) there exists no state of facts which after notice or lapse of time or both would constitute a default or breach of any Vendor Material Contract; (ii) neither the Vendor nor any of the Vendor's Affiliates has received notice that any party to a Vendor Material Contract intends to cancel, terminate or otherwise materially and adversely modify or not renew its relationship with the Vendor, or such Affiliate and, to the knowledge of the Vendor, no such action has been threatened;
- (p) **Operational Matters.** Except as would not, individually or in the aggregate, be reasonably expected to be material and adverse to the Purchaser or as set forth in Section 5.1(p) of the Vendor Disclosure Letter:
 - (i) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any of the Purchased Assets, have been: (A) duly paid; (B) duly performed; or (C) provided for in accordance with applicable Laws prior to the date hereof; and
 - (ii) all material costs, expenses, and Liabilities payable on or prior to the date hereof under the terms of any material contracts and agreements to which the Vendor or any of its Affiliates is directly or indirectly bound and which relate to the Purchased Assets have been timely paid.

Financial Matters

- (q) **Books and Records.** All accounting and financial Books and Records of the Vendor relating to the Purchased Assets have been fully, properly and accurately kept and completed in all material respects. The Books

and Records and other data and or information relating to the Purchased Assets are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which would not be available to a purchaser of the Purchased Assets in the Ordinary Course;

(r) **Financial Statements.**

- (i) The Vendor Financial Statements, have been, and all financial statements of the Vendor which are publicly disseminated by the Vendor in respect of any subsequent periods prior to the Closing Date will be, prepared in accordance with IFRS applied on a basis consistent with prior periods and all applicable Laws and present fairly, in all material respects, the financial position and results of operations relating to the Purchased Assets as of the respective dates thereof and their financial performance and their cash flows for the respective periods covered thereby (except as may be indicated expressly in the notes thereto).
- (ii) Since December 31, 2017, neither the Vendor nor any of its Subsidiaries nor, to the Vendor's knowledge, any director, officer, employee, auditor, accountant or representative of the Vendor or any of its Subsidiaries has received or otherwise had or obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies, methods or internal accounting controls of the Vendor or any of its Subsidiaries, including any complaint, allegation, assertion or claim that the Vendor or any of its Subsidiaries has engaged in questionable accounting or auditing practices, which has not been resolved to the satisfaction of the audit committee of the Vendor's board of directors.
- (s) **No Liabilities.** Except as set forth in Section 5.1(s) of the Vendor Disclosure Letter, there are no liabilities, whether or not accrued and whether or not determined or determinable, in respect of which the Purchaser may become liable on or after consummation of the transactions contemplated by this Agreement other than the Assumed Liabilities;

Particular Matters Relating to the Operations

- (t) **Environmental Matters.** Except as set forth in Section 5.1(t) of the Vendor Disclosure Letter:

- (i) Currently and during the past six years, the Vendor in connection with the Operations and the Acquired Properties was in compliance in all material respects with all applicable Environmental Laws, (ii) the Vendor and each of its Affiliates has duly obtained all Permits necessary in connection with the Acquired Properties, in compliance in all material respects with all Environmental Laws, all such Permits are in full force and effect and neither the Vendor nor any of its Affiliates is in default or breach of any such Permit, (iii) neither the Vendor nor any of its Affiliates has received, during the six year period preceding the date of this Agreement, any written order, notice or other communication from any Governmental Entity in respect of the Acquired Properties of any actual or threatened non-compliance with any Environmental Law which would give rise to any undischarged liability relating to the Acquired Properties and (iv) to the knowledge of the Vendor there are no pending or threatened Proceedings, reviews or investigations relating to the Vendor or any of its Affiliates in connection with the Operations or any of the Acquired Properties arising under or in respect of any Environmental Law.
- (ii) There has been no Release of Hazardous Substances in contravention of Environmental Law with respect to the Operations, the Owned Real Property, Leased Real Property or Mining Rights or any other assets of the Vendor that has resulted in a Material Adverse Change and, to the knowledge of the Vendor, neither the Vendor nor any of its Affiliates, has received any notice under Environmental Laws that any Owned Real Property, Leased Real Property or Mining Rights has been contaminated with any Hazardous Substances which could reasonably be expected to result in a claim against the Purchaser, or a violation of Environmental Law or term of any Permit by the Vendor that could reasonably be expected to result in a Material Adverse Change. To the knowledge of the Vendor, all Hazardous Substances and other wastes, materials and substances used in whole or in part or in connection with or resulting from the Operations have been generated, disposed of, treated and stored in compliance with all Environmental Laws.
- (iii) The Vendor and each of its Affiliates is, in each case, in compliance with any rehabilitation and closure obligations, for which it is responsible pursuant to applicable Law, with respect to the Operations, the Owned Real Property, the Leased Real

Property and any property formerly owned by the Vendor. The Financial Statements set forth accurate accruals for all such rehabilitation and closure obligations.

- (iv) To the knowledge of the Vendor, no building, structure or improvement located on the Owned Real Property or the Leased Real Property contains asbestos, mould, PCBs or other Hazardous Substances in violation of any applicable Law.
- (v) To the knowledge of the Vendor, no underground storage tanks are or have been located on the Owned Real Property or the Leased Real Property.
- (u) **Aboriginal Matters.** Except as set forth in Section 5.1(u) of the Vendor Disclosure Letter:
 - (i) Neither the Vendor nor any of its Affiliates is a party to any arrangement or understanding with any Aboriginal Group in relation to the environment or the development of communities in the vicinity of, or in connection with, the Purchased Assets.
 - (ii) Neither the Vendor nor any of its Affiliates is currently engaged or involved in any disputes, discussions or negotiations with any Aboriginal Group or Governmental Entity in relation to Aboriginal Claims.
 - (iii) Neither the Vendor nor any of its Affiliates is aware of any existing, potential or threatened Aboriginal Claims which relate to any of the Purchased Assets.
- (v) **Insurance.** Section 5.1(v) of the Vendor Disclosure Letter sets out a list of all insurance policies in force as at the date hereof with respect to the Acquired Properties and the Operations conducted thereon (the “**Existing Insurance Policies**”) that are maintained by the Vendor. The Vendor is not in default with respect to any of the provisions contained in any Existing Insurance Policy. To the best of its knowledge, the Vendor has not failed to give any notice or present any claim with respect to the Acquired Properties or the Operations conducted thereon under any Existing Insurance Policy in a due and timely manner. As of the date of this Agreement, there are no claims by the Vendor pending under any of the Existing Insurance Policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies or in respect of which such underwriters have reserved their

rights. There have been no claims made in connection with any insurance policy maintained by or on behalf of the Vendor;

- (w) **Litigation.** There are no actions, suits or proceedings, at law or in equity, by any Person arbitration, administrative or other proceeding by or before (or to the best of the knowledge of the Vendor any investigation by) any Governmental Entity pending, or, to the best of the knowledge of the Vendor, threatened against or affecting the Vendor or any of the Purchased Assets, and the Vendor knows of no valid basis for any such action, suit, proceeding, arbitration or investigation. The Vendor is not subject to any judgment, order or decree entered in any lawsuit or proceeding with respect to any of the Purchased Assets;
- (x) **Taxes.** The Vendor has filed or caused to be filed, within the times and in the manner prescribed by Law, all federal, provincial, local and foreign tax returns and tax reports which are required to be filed by or with respect to the Vendor. The information contained in such returns and reports is correct and complete and, to the best knowledge of the Vendor, such returns and reports reflect accurately all liability for taxes of the Vendor for the periods covered thereby. All federal, provincial, local and foreign income, profits, franchise, sales, use, occupancy, excise and other taxes and assessments (including interest and penalties) that are or may become payable by or due from the Vendor in respect of the Purchased Assets have been fully paid or fully disclosed and fully provided for in the Books and Records and the Interim Financial Statements. There are no outstanding agreements or waivers extending the statutory period providing for an extension of time with respect to the assessment or reassessment of tax or the filing of any tax return by, or any payment of any tax by the Vendor, no notice of assessment or reassessment has been received and to the knowledge of the Vendor, no examination of any tax return of the Vendor in respect of the Purchased Assets is currently in progress. There are no claims, actions, suits or proceedings (or, to the knowledge of the Vendor, any investigation) pending, or to the knowledge of the Vendor, threatened against the Vendor or any of its Affiliates relating to the Purchased Assets and the Vendor knows of no valid basis for any such claim, action, suit, proceeding, investigation or discussion. The Vendor and each of its Affiliates has withheld from each payment made by it the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper taxing or other authority within the time prescribed under any applicable Law;
- (y) **TSXV Approval.** The Vendor has no reason to believe that, as a result of matters pertaining to the Vendor or the Purchased Assets, the Vendor

will be unable to obtain the approval of the TSXV to the disposition of the Purchased Assets contemplated by this Agreement, if such approval is required in accordance with the policies of the TSXV; and

- (z) **Full Disclosure.** Neither this Agreement nor any Ancillary Agreement to which the Vendor is a party (i) contains any untrue statement of a fact in respect of the Vendor, the affairs, prospects, operations or condition of the Vendor, the Purchased Assets, or (ii) omits any statement of a material fact necessary in order to make the statements in respect of the Vendor, the affairs, prospects, operations or condition of the Vendor, the Purchased Assets contained herein or therein not misleading.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Section 6.1 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants as follows to the Vendor and acknowledges and confirms that the Vendor is relying on such representations and warranties in connection with the sale by the Vendor of the Purchased Assets:

- (a) **Incorporation and Corporate Power.** The Purchaser is a corporation incorporated and existing under the laws of Ontario and has the corporate power and authority to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;
- (b) **Validity of Agreement.** The execution, delivery and performance by the Purchaser of this Agreement and each of the Ancillary Agreements to which it is a party:
 - (i) have been duly authorized by all necessary corporate action on the part of the Purchaser;
 - (ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected;
 - (iii) will not result in the violation of any Law; and

- (iv) will not result in the payment of any golden parachute or termination fees of any sort whatsoever other than as set forth in Section 6.1(b)(iv) of the Purchaser Discloser Letter;
- (c) **Execution and Binding Obligation.** This Agreement and each of the Ancillary Agreements to which the Purchaser is a party have been duly executed and delivered by the Purchaser and constitute legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement or other similar laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies;
- (d) **Reporting Status and Listing.** The Purchaser is a reporting issuer or its equivalent in the provinces of British Columbia and Alberta. The Purchaser Common Shares, as constituted prior to completion of the Consolidation, are listed and posted for trading on the TSXV;
- (e) **Stock Exchange Compliance.** The Purchaser has been notified by the TSXV that it is not in compliance with the continued listing requirements of the TSXV because it no longer has active operations and, that it may be put on notice for transfer of its listing to the "NEX" market of the TSXV;
- (f) **Public Documents.** The Purchaser has filed with all applicable Governmental Entities true and complete copies of the documents it is required to file therewith (the "**Purchaser Documents**"). The Purchaser Documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over the Purchaser. To its knowledge, and except as disclosed in writing to the Vendor, there is no material fact regarding the Purchaser which has not been publically disclosed. The Purchaser has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential;

- (g) **No Cease Trade.** the Purchaser is not subject to any cease trade or other order of the TSXV or any Securities Authority and, to the knowledge of the Purchaser, no investigation or other proceedings involving the Purchaser that may operate to prevent or restrict trading of any securities of the Purchaser are currently in progress or pending before the TSXV or any Securities Authority; and
- (h) **The Purchaser Common Shares.** The Consideration Shares to be issued pursuant to this Agreement will, upon issue, be issued as fully paid and non-assessable common shares of the Purchaser, issued in compliance with all applicable securities laws, and the Vendor will be the registered holder of and will hold legal title to such common shares free and clear of all pre-emptive rights, mortgages, liens, charges, security interests, adverse claims, pledges and demands whatsoever arising by reason of the acts or omissions of the Vendor, except as imposed by applicable securities laws.
- (i) **Financial Statements.** Except as otherwise disclosed in the Purchaser Documents, since the date of the most recent audited balance sheet, (i) there has been no material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Purchaser, (ii) there have been no transactions entered into by the Purchaser which are material with respect to the Purchaser other than those in the ordinary course of business, and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Purchaser on any class of its shares;
- (j) **Share Capital.** The authorized capital of the Purchaser consists of an unlimited number of Purchaser Common Shares. As at the date of this Agreement, there are outstanding:
 - (i) 92,450,238 Purchaser Common Shares, prior to giving effect to the Consolidation; and
 - (ii) options to acquire an aggregate of up to 3,025,000 Purchaser Common Shares, prior to giving effect to the Consolidation;

Except as described above, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating the Purchaser to issue or sell any shares of the Purchaser, or securities or obligations of any kind convertible into or exchangeable or exercisable for any shares of the Purchaser.

- (k) **No Breach.** Except as would not result in a Material Adverse Change, the Purchaser is not in breach or violation of, and the execution and delivery of this Agreement or the Ancillary Agreements and the performance by the Purchaser of its obligations hereunder or thereunder will not result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents or by-laws of the Purchaser, or any resolution of the directors or shareholders of the Purchaser, or any material contract, mortgage, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease, judgment, decree, order, statute, rule, licence or regulation applicable to the Purchaser, and will not give rise to any Lien in or with respect to the properties or assets now owned or hereafter acquired by the Purchaser or the acceleration of or the maturity of any debt under any indenture, mortgage, lease, agreement or instrument binding or affecting it or any of its properties or assets;
- (l) **Litigation.** Except as set forth in Section 6.1(l) of the Purchaser Disclosure Letter, there are no actions, suits or proceedings, at law or in equity, by any Person arbitration, administrative or other proceeding by or before (or to the best of the knowledge of the Purchaser any investigation by) any Governmental Entity pending, or, to the best of the knowledge of the Purchaser, threatened against or affecting the Purchaser, and the Purchaser knows of no valid basis for any such action, suit, proceeding, arbitration or investigation. The Purchaser is not subject to any judgment, order or decree entered in any lawsuit or proceeding;
- (m) **Taxes.** The Purchaser has filed or caused to be filed, within the times and in the manner prescribed by Law, all federal, provincial, local and foreign tax returns and tax reports which are required to be filed by or with respect to the Purchaser. The information contained in such returns and reports is correct and complete and, to the best knowledge of the Purchaser, such returns and reports reflect accurately all liability for taxes of the Purchaser for the periods covered thereby. All federal, provincial, local and foreign income, profits, franchise, sales, use, occupancy, excise and other taxes and assessments (including interest and penalties) that are or may become payable by or due from the Purchaser have been fully paid or fully disclosed and fully provided for in the books and records of the Purchaser. Except as set forth in Section 6.1(m) of the Purchaser Disclosure Letter, there are no outstanding agreements or waivers extending the statutory period

providing for an extension of time with respect to the assessment or reassessment of tax or the filing of any tax return by, or any payment of any tax by the Purchaser, no notice of assessment or reassessment has been received and to the knowledge of the Purchaser, no examination of any tax return of the Purchaser is currently in progress. There are no claims, actions, suits or proceedings (or, to the knowledge of the Purchaser, any investigation) pending, or to the knowledge of the Purchaser, threatened against the Purchaser or any of its Affiliates and the Purchaser knows of no valid basis for any such claim, action, suit, proceeding, investigation or discussion. The Purchaser and each of its Affiliates has withheld from each payment made by it the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper taxing or other authority within the time prescribed under any applicable Law;

- (n) **Compliance.** The Purchaser has conducted and is conducting its business in material compliance with all applicable Laws of each jurisdiction in which it carries on business and the Purchaser has not received any notice of any alleged violation of any such laws, rules and regulations;
- (o) **Title.** The Purchaser has good and marketable title to all of its assets and property and no person has any contract or any right or privilege capable of becoming a right to purchase any personal property from the Purchaser that would result in a Material Adverse Change;
- (p) **Corporate Records.** The minute books and corporate records of the Purchaser made available to Cassels Brock & Blackwell LLP, counsel to the Vendor, in connection with their due diligence investigations are the original minute books and records or true and complete copies thereof and contain copies of all proceedings of the shareholders, the boards of directors and all committees of the boards of directors of each of such entities that have been minuted or resolved and there have been no other meetings, resolutions or proceedings of the shareholders, boards of directors or any committee thereof to the date of review of such corporate records and minute books not reflected in such minute books and other corporate records, other than those which are not material in the context of such entities, as applicable; and
- (q) **Full Disclosure.** Neither this Agreement nor any Ancillary Agreement to which the Purchaser is a party (i) contains any untrue statement of a fact in respect of the Purchaser, the affairs, prospects, operations or condition of the Purchaser, or (ii) omits any statement of a material fact necessary in order to make the statements in respect of the Purchaser,

the affairs, prospects, operations or condition of the Purchaser, contained herein or therein not misleading.

ARTICLE 7 PRE-CLOSING COVENANTS OF THE PARTIES

Section 7.1 Conduct of Business Prior to Closing.

- (1) During the Interim Period, the Vendor will conduct the Operations in the ordinary course and the Purchaser will conduct its business in the ordinary course.
- (2) Without limiting the generality of Section 7.1(1) and without derogating from the obligation of the Vendor in Section 8.2(a), during the Interim Period the Vendor shall:
 - (a) Maintain the Purchased Assets in good state of repair and condition;
 - (b) Comply with all Authorizations and contractual obligations under the Vendor Contracts;
 - (c) Maintain all Books and Records in the usual, regular and ordinary manner;
 - (d) Use reasonable efforts consistent with past practice to retain possession and control of the Purchased Assets and preserve the confidentiality of any confidential or proprietary information related to the Purchased Assets; and
 - (e) Conduct the Operations in such a manner that on the Closing Date, the representations and warranties of the Vendor contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date.
- (3) Without limiting the generality of Section 7.1(1) and without derogating from the obligation of the Purchaser in Section 8.3(a), during the Interim Period the Purchaser shall:
 - (a) Carry on no business other than as currently carried on, as contemplated in this Agreement or as necessary to remain a reporting issuer in good standing in the provinces of British Columbia and Alberta, and shall use commercially reasonable efforts to ensure that its aggregate monthly expenditures during the Interim Period, other than expenditures in connection with respect to the transactions contemplated in this

Agreement, do not exceed \$50,000 without giving prior written notice to the Vendor; and

- (b) Upon execution of this Agreement, arrange to deliver to the Vendor copies of the Voting Agreements, duly executed by each member of the board of directors of the Purchaser that is a holder of Purchaser Common Shares, as well as the Chief Executive Officer and Chief Financial Officer of the Purchaser and any shareholders of the Purchaser holding more than 10% of the outstanding Purchaser Common Shares.

Section 7.2 Access for Due Diligence.

- (1) The Vendor shall (i) permit the Purchaser and its employees, agents, counsel, accountants or other representatives, between this date and the Closing, without undue interference to the ordinary conduct of business, to have reasonable access during normal business hours and upon reasonable notice to the premises of the Vendor, the Purchased Assets and, in particular to any information, including all Books and Records whether retained by the Vendor or otherwise, and all Vendor Contracts; and (ii) furnish to the Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information with respect to the Purchased Assets as the Purchaser shall from time to time reasonably request.
- (2) The Purchaser shall (i) permit the Vendor and its employees, agents, counsel, accountants or other representatives, between this date and the Closing, without undue interference to the ordinary conduct of business, to have reasonable access during normal business hours and upon reasonable notice to the premises of the Purchaser and, in particular to any information, including all Books and Records whether retained by the Purchaser or otherwise, and all Purchaser Contracts; and (ii) furnish to the Vendor or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information with respect to the Purchaser as the Vendor shall from time to time reasonably request.
- (3) No investigations made by or on behalf of the Purchaser or Vendor, whether under this Section 7.2 or any other provision of this Agreement or any Ancillary Agreement, shall have the effect of waiving, diminishing the scope of, or otherwise affecting any representation or warranty made in this Agreement or any Ancillary Agreement.
- (4) The Parties acknowledge that each Party (a “**Disclosing Party**”) will be providing to the other Party (the “**Recipient**”) information that is non-public, confidential, or proprietary in nature. Until the Closing and in the event of termination of this Agreement without Closing, the Disclosing Party will

keep confidential any information obtained from the Recipient or its agents and representatives, unless such information (i) is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement, (ii) becomes available to the Disclosing Party on a non-confidential basis from a source other than the Recipient or its respective agents and representatives, unless the Disclosing Party knows that such source is prohibited from disclosing the information to the Disclosing Party by a contractual, fiduciary or other legal obligation to the Recipient, or (iii) was known to the Disclosing Party on a non-confidential basis before its disclosure to the Disclosing Party by the Recipient or its respective agents and representatives. In the event the Disclosing Party is required by Law or by any by-law, rule or policy of the TSXV or the CSE (as applicable) to disclose any confidential information, the Disclosing Party will, to the extent reasonably practicable, provide the Recipient with prompt notice of such requirements so that the Recipient may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Section 7.2(4). Subject to the next sentence, if this Agreement is terminated, promptly after such termination the Disclosing Party will return or cause to be returned or destroyed all documents, work papers and other material (whether in written, printed, electronic or computer printout form and including all copies) obtained from the Recipient or its respective agents and representatives in connection with this Agreement and not previously made public. The Disclosing Party may retain one copy of all such documents, work papers and other materials in a sealed envelope left with its solicitors, which sealed envelope is not to be opened except in circumstances where this Agreement or the transaction contemplated herein are the subject of litigation or otherwise with the consent of the Recipient.

Section 7.3 Actions to Satisfy Closing Conditions.

- (1) The Vendor shall take all such actions as are within its power to control and to use its best efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 8.1 including ensuring that during the Interim Period and at Closing, there is no breach of any of its representations and warranties.
- (2) The Purchaser shall take all such actions as are within its power to control and to use its best efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 8.3 including ensuring that during the Interim Period and at Closing, there is no breach of any of its representations and warranties.

Section 7.4 CSE Approval.

The Purchaser shall, as soon as practicable, apply to the CSE for listing of the Purchaser Common Shares, and each of the Vendor and the Purchaser will diligently seek the approval of the CSE for the listing and the transactions contemplated by this Agreement.

Section 7.5 Listing Statement and Circular.

- (1) As promptly as practical following the execution of this Agreement, and in compliance with applicable Laws and the policies of the TSXV and the CSE, as applicable:
 - (a) the Purchaser and the Vendor shall cooperate in the preparation of the Listing Statement required by the CSE and each of the Vendor and the Purchaser shall provide all necessary information in respect of themselves and, in the case of the Vendor, the Purchased Assets, to ensure that the Listing Statement contains all information required to be included therein in accordance with applicable Laws and the policies of the CSE on the date of filing thereof; and
 - (b) after the Listing Statement has been prepared in accordance with Section 7.5(1)(a) the Purchaser shall cause the Listing Statement to be filed with applicable regulatory authorities in all jurisdictions where the same is required to be filed.
- (2) As soon as reasonably practicable following the date hereof and in sufficient time to hold the Meeting on or prior to the Meeting Deadline Date, the Purchaser shall use commercially reasonable efforts to prepare and complete the Circular, together with any other documents required by applicable Laws in connection with the Meeting. The Purchaser and the Vendor shall cooperate in the preparation of the Circular and the Vendor shall, in consultation with the Vendor, prepare such portions of the Circular, or information required therein, relating to the Purchased Assets and the Vendor and its Affiliates, as applicable, (including financial statements and pro forma financial statements required by the CSE) as is reasonably requested by the Purchaser and shall provide such information to the Purchaser in a reasonably timely manner. The Purchaser shall provide the Vendor and its counsel with reasonable opportunity to review and comment on the Circular. All information relating solely to the Vendor included in its Circular must be in a form and content satisfactory to the Purchaser, acting reasonably. Each Party shall ensure that any portions of the Circular prepared or provided by it, and any amendments or supplements thereto, do not contain any misrepresentations (as defined under applicable securities Laws), provide the Purchaser's shareholders with sufficient information to

permit them to form a reasonable judgment concerning the matters to be placed before the Meeting and otherwise comply with applicable securities Laws.

- (3) The Purchaser shall use commercially reasonable efforts to arrange for approval of the Meeting Matters at the Meeting, and will, if requested by Vendor, retain a proxy solicitation firm in connection with the Meeting (at the Vendor's expense), and will provide the Vendor with a daily report as to preliminary voting results for the Meeting starting on the tenth Business Day prior to the Meeting upon the Vendor's request.
- (4) Subject to the terms of this Agreement and provided that this Agreement has not been terminated in accordance with its terms, the Purchaser agrees to convene and conduct the Meeting in accordance with its articles and by-laws and applicable Laws on or before the Meeting Deadline Date and not to propose to adjourn or postpone the Meeting without the prior written consent of the Vendor except (i) as required for quorum purposes or by applicable Law or by a Governmental Entity; or (ii) for an adjournment for the purpose of attempting to obtain the requisite approval of the Meeting Matters.

Section 7.6 Transfer of the Purchased Assets.

The Vendor shall take all necessary steps and proceedings to permit good title to the Purchased Assets and good and marketable title to the Acquired Properties to be duly and validly transferred and assigned to the Purchaser at the Closing, free of all Encumbrances other than Permitted Encumbrances.

Section 7.7 Request for Consents.

The Vendor will use its best efforts to obtain, prior to Closing, all Consents. Such Consents shall be upon such terms as are acceptable to the Purchaser, acting reasonably. The Purchaser will co-operate in obtaining such Consents.

Section 7.8 Filings and Authorizations.

Each of the Vendor and the Purchaser, as promptly as practicable after the execution of this Agreement, will (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the purchase and sale of the Purchased Assets in accordance with the terms of this Agreement, (ii) use all reasonable efforts to obtain, or cause to be obtained, all Authorizations necessary or advisable to be obtained by it in order to consummate such transfer, and (iii) use all reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under this Agreement. The Vendor and the Purchaser will coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be

reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied or filed with any Governmental Entity, and all notices and correspondence received from any Governmental Entity.

Section 7.9 Notice of Untrue Representation or Warranty.

The Vendor shall promptly notify the Purchaser, and the Purchaser shall promptly notify the Vendor, upon any representation or warranty made by it contained in this Agreement or any Ancillary Agreement becoming untrue or incorrect during the Interim Period and for the purposes of this Section 7.9 each representation and warranty shall be deemed to be given at and as of all times during the Interim Period. Any such notification shall set out particulars of the untrue or incorrect representation or warranty and details of any actions being taken by the Vendor or the Purchaser, as the case may be, to rectify that state of affairs.

Section 7.10 Exclusive Dealing.

During the Interim Period:

- (1) the Vendor shall not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, any Person (other than Purchaser) relating to any transaction involving the sale of the Purchased Assets (other than as permitted in this Agreement); and
- (2) the Purchaser shall not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to any Person (other than Vendor) relating to any transaction of any sort whatsoever that may reasonably be expected to lead to a transaction in opposition to or in competition with the purchase and sale transaction contemplated in this Agreement, in each case, except as required by statutory obligations or in respect of which the Purchaser's board of directors determines, in its good faith judgment, after receiving advice from its legal advisors, and after notifying and consulting with the Vendor, that failure to recommend such transaction to the Purchaser's shareholders would be a breach of the directors' respective fiduciary duties under applicable Law, and provided that such transaction shall not relieve the Purchaser from its obligation to complete the purchase and sale transaction contemplated in this Agreement.

Section 7.11 Reorganization.

As promptly as practicable after the execution and delivery of this Agreement and prior to the Closing Date, the Vendor shall complete a reorganization of its

business, operations and assets in furtherance of the assignment, transfer and conveyance of the Purchased Assets to the Vendor contemplated hereby, in the manner described in Section 7.11 of the Vendor Disclosure Letter (the “**Reorganization**”). The Vendor agrees that the Reorganization shall not prejudice the Purchaser or result in any material adverse consequences to the Purchaser, including with respect to tax.

Section 7.12 Equity Financing.

- (1) During the Interim Period, the Purchaser shall use its reasonable commercial efforts to obtain the Equity Commitments and to complete the Equity Financing in compliance with applicable Laws and the policies of the TSXV.
- (2) The Vendor shall, at all times during the Interim Period, assist the Purchaser by identifying to the Purchaser potential Equity Parties and otherwise cooperate with the Purchaser in furtherance of the completion of the Equity Financing.

Section 7.13 Governance Arrangements.

The Parties shall use reasonable commercial efforts to cause the Governance Arrangements to become effective on the Closing Date.

Section 7.14 Transfer Taxes.

The Purchaser shall be liable for all applicable transfer taxes relating to the acquisition of the Purchased Assets (including any applicable sale tax). The Vendor shall have the right to collect any such applicable taxes from the Purchaser on the Closing, in accordance with applicable law.

ARTICLE 8 CONDITIONS OF CLOSING

Section 8.1 Mutual Conditions Precedent.

The respective obligations of the Parties to consummate the transactions contemplated hereby is subject to the following terms and conditions to be fulfilled prior to the Closing, which conditions are true conditions precedent:

- (a) **Name Change.** The Purchaser will have completed the Name Change;
- (b) **Consolidation.** The Purchaser will have completed the Consolidation;
- (c) **Governance Arrangements.** The Governance Arrangements shall have become effective, provided that if, at any time before the Purchaser has printed the Circular for sending to its shareholders or the termination of this Agreement, either Party becomes aware that any of the proposed

directors and officers named in the definition of "Governance Arrangements" in Section 1.1 is unwilling or not legally qualified to serve in the position specified in such definition, then such Party shall immediately notify the other Party in writing of such circumstance and the Parties will use good faith efforts to agree on alternate governance arrangements that are mutually acceptable in sufficient time before the Circular is required to be sent to the Purchaser's shareholders in order to permit the Purchaser to hold the Meeting prior to the Meeting Deadline Date;

- (d) **Shareholder Approval.** The resolutions to approve matters set out in paragraphs (a), (b) and (f) of the definition of "Meeting Matters" in Section 1.1 shall have been approved by the Purchaser's shareholders at the Meeting in compliance with Law and the requirements of the TSXV and the CSE, as applicable;
- (e) **CSE Approval.** The CSE shall have conditionally approved the listing thereon of the Purchaser Common Shares (on a post-Consolidation basis) and the Consideration Shares to be issued pursuant to Section 3.3(b) as of the Closing Date, in each case, subject only to compliance with the usual requirements of the CSE;
- (f) **TSXV Approval.** If such approval is required in accordance with the policies of the TSXV, the TSXV shall have conditionally approved the disposition of the Purchased Assets by the Vendor and the Delisting, as of the Closing Date, subject only to compliance with the usual requirements of the TSXV;
- (g) **No Legal Action.** There shall not be in force any Law, ruling, order or decree, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the transactions contemplated by this Agreement in accordance with the terms hereof or thereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the transactions contemplated by this Agreement;
- (h) **Required Approvals.** The issue and sale and delivery of the Consideration Shares shall be exempt from the requirements to file a prospectus or deliver an offering memorandum (as defined in applicable securities Laws, or any similar document under applicable securities Laws relating to the issue, sale and delivery of the Consideration Shares;

- (i) **Legacy Understanding.** The [Redacted] agreement entered into between the [Redacted], shall remain in full force and effect; and
- (j) **Termination.** This Agreement shall not have been terminated pursuant to Section 10.1 or Section 10.2.

The foregoing conditions are for the mutual benefit of the Parties and may be waived in respect of a Party, in whole or in part by such Party in writing at any time.

Section 8.2 Conditions for the Benefit of the Purchaser.

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

- (a) **Truth of Representations and Warranties.** The representations and warranties of the Vendor contained in this Agreement or in any Ancillary Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Vendor shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by the Purchaser of any of the representations and warranties of the Vendor which are contained in this Agreement or in any Ancillary Agreement. Upon the delivery of such certificates, the representations and warranties of the Vendor in Section 5.1 shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date;
- (b) **Performance of Covenants.** The Vendor shall have fulfilled or complied with all covenants contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by it at or prior to the Closing, and the Vendor shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by the Purchaser of any of the covenants of the Vendor which are contained in this Agreement or any Ancillary Agreement;
- (c) **Consents.** All Required Consents shall have been obtained on terms acceptable to the Purchaser acting reasonably;

- (d) **Equity Financing.** The Purchaser shall have completed the Equity Financing on terms and conditions satisfactory to the Purchaser, acting reasonably;
- (e) **Deliveries.** The Vendor shall deliver or cause to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser, acting reasonably:
 - (i) Certified copies of (i) the charter documents and by-laws of the Vendor, (ii) all resolutions of the board of directors of the Vendor approving the entering into and completion of the transaction contemplated by this Agreement and the Ancillary Agreements, and (iii) a list of the officers and directors authorized to sign agreements together with their specimen signatures;
 - (ii) A certificate of status, compliance, good standing or like certificate with respect to the Vendor issued by appropriate government officials of its jurisdiction of incorporation;
 - (iii) The certificates referred to in Section 8.2(a) and Section 8.2(b);
 - (iv) An opinion of counsel to the Vendor substantially with respect to the Acquired Properties being owned, as contemplated in this Agreement, by the Vendor free and clear of any and all Encumbrances, save and except for such Encumbrances as may be acceptable to the Purchaser, which legal opinion shall be acceptable to the Purchaser, acting reasonably;
 - (v) The Purchaser will have received the opinion of legal counsel to the Vendor dated the Closing Date satisfactory to the Purchaser, acting reasonably that the Agreement has been duly authorized and executed and constitutes valid and binding obligations of the Vendor in accordance with its terms;
 - (vi) the originals of the Books and Records;
 - (vii) all necessary deeds, conveyances, assurances, transfers (electronically and otherwise), and assignments and any other instruments necessary or reasonably required to transfer the Purchased Assets to the Purchaser with a good and in marketable title, free and clear of all Encumbrances other than Permitted Encumbrances; and
 - (viii) copies of all required third party consents and approvals to the transfer of the Purchased Assets to the Purchaser.

- (f) **Technical Report.** The Technical Report in a form acceptable to the TSXV and the CSE, as applicable, shall have been delivered to the Purchaser, together with all necessary related consents, in sufficient time so as to permit the filing of the Technical Report and for the Circular to be filed and sent to each shareholder of the Purchaser and other persons, in each case, in accordance with applicable Laws and requirements of the TSXV and the CSE, and so as to permit the Meeting to be held on or prior to the Meeting Deadline Date.
- (g) **Proceedings.** All corporate proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be satisfactory in form and substance to the Purchaser, acting reasonably, and the Purchaser shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all necessary corporate proceedings in connection therewith; and
- (h) **Reorganization.** The Vendor shall have completed the Reorganization, and the Purchaser shall have received copies of all instruments, registrations, and other evidence as it may reasonably request in order to establish the consummation of the Reorganization and the taking of all necessary corporate proceedings in connection therewith.

Section 8.3 Conditions for the Benefit of the Vendor.

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

- (a) **Truth of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement and in any Ancillary Agreement shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver of the representations and warranties of the Purchaser which are contained in this Agreement or any Ancillary Agreement. Upon delivery of such certificates, the representations and warranties of the Purchaser in Section 6.1 shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date;

- (b) **Performance of Covenants.** The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by it at or prior to the Closing and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by the Vendor of the covenants of the Purchaser which are contained in this Agreement or any Ancillary Agreement);
- (c) **Available Capital.** The Purchaser shall have available current assets on hand of not less \$4,000,000, after deducting therefrom all outstanding liabilities of the Purchaser, other than any fees and costs incurred by the Purchaser in furtherance of the transactions contemplated by this Agreement, and in the event of a shortfall the Vendor shall have the option to require the Purchaser to increase the number of Consideration Shares issuable to the Vendor by an amount determined by dividing the amount of the shortfall by \$0.20.
- (d) **Deliveries.** The Purchaser shall deliver or cause to be delivered to the Vendor the following in form and substance satisfactory to the Vendor, acting reasonably:
 - (i) Certified copies of (i) the charter documents and extracts from the by-laws of the Purchaser relating to the execution of documents, (ii) all resolutions of the shareholders and the board of directors of the Purchaser approving the entering into and completion of the transactions contemplated by this Agreement and the Ancillary Agreements, and (iii) a list of its officers and directors authorized to sign agreements together with their specimen signatures;
 - (ii) A certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by appropriate government official of the jurisdiction of its incorporation;
 - (iii) The certificates referred to in Section 8.3(a) and Section 8.3(b); and
 - (iv) An opinion of counsel to the Purchaser a legal opinion, in form and content acceptable to the Vendor, acting reasonably, subject to acceptable qualifications and assumptions as to Ontario securities Law matters concerning the issuance of the Consideration Shares; and

- (e) **Proceedings.** All corporate proceedings to be taken in connection with the transactions contemplated in this Agreement and any Ancillary Agreement shall be reasonably satisfactory in form and substance to the Vendor, acting reasonably, and the Vendor shall have received copies of all the instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all corporate proceedings in connection therewith.

ARTICLE 9 CLOSING

Section 9.1 Date, Time and Place of Closing.

- (1) Subject to compliance with the terms and conditions hereof, the transfer of the Purchased Assets shall be deemed to take effect as at the Time of Closing (a) on the date that is five (5) Business Days after the date on which the last of the conditions set forth in Article 8 (other than any such conditions which by their terms are not capable of being satisfied until the Closing Date, but subject to the satisfaction or waiver of those conditions at the Closing) is satisfied or waived, or (b) on such other date as the Vendor and the Purchaser may mutually agree, provided that the Closing Date shall occur no later than the Outside Date. The date on which the Closing actually occurs is referred to herein as the "**Closing Date**".
- (2) The completion of the transaction of purchase and sale contemplated by this Agreement shall take place at the offices of Irwin Lowy LLP, 365 Bay Street, Suite 400, Toronto, Ontario, at 10:00 a.m. (Toronto time) on the Closing Date or at such other place, on such other date and at such other time as may be agreed upon in writing between the Vendor and the Purchaser.

Section 9.2 Closing Procedures.

Subject to satisfaction or waiver by the relevant Party of the conditions of closing, at the Closing, the Vendor shall transfer the Purchased Assets to the Purchaser and upon such delivery the Purchaser shall pay or satisfy the Purchase Price in accordance with Section 3.1.

ARTICLE 10 TERMINATION

Section 10.1 Termination by Purchaser.

If any of the conditions set forth in Section 8.2 have not been fulfilled or waived at or prior to Closing or any obligation or covenant of the Vendor to be performed at or prior to Closing has not been observed or performed by such time, the Purchaser

may terminate this Agreement by notice in writing to the Vendor, and in such event the Purchaser shall be released from all obligations hereunder save and except for its obligations under Section 13.3, Section 13.4 and Section 13.6 which shall survive. If the Purchaser waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation, or covenant in whole or in part.

Section 10.2 Termination by Vendor.

If any of the conditions set forth in Section 8.3 have not been fulfilled or waived at or prior to Closing or any obligation or covenant of the Purchaser to be performed at or prior to Closing has not been observed or performed by such time, the Vendor may terminate this Agreement by notice in writing to the Purchaser, and in such event the Vendor shall be released from all obligations hereunder save and except for its obligations under Section 13.3, Section 13.4 and Section 13.6 which shall survive. The Purchaser shall only be released from its obligations hereunder if the condition or conditions for the non-performance of which the Vendor has terminated this Agreement are not reasonably capable of being performed or caused to be performed by the Purchaser. If the Vendor waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

Section 10.3 Other Termination Rights.

This Agreement may, by notice in writing given prior to or on the Closing Date, be terminated:

- (a) By the mutual written agreement of the Vendor and the Purchaser;
- (b) By the Purchaser or the Vendor if the Closing has not occurred by the Outside Date; or
- (c) By the Purchaser or the Vendor if any of the conditions precedent set forth in Section 8.1 have not been fulfilled or waived at or prior to Closing;

and, in such event, each Party shall be released from all obligations under this Agreement, save and except for its obligations under Section 13.3, Section 13.4 and Section 13.6 which shall survive.

Section 10.4 Effect of Termination.

Each Party's right of termination under this Article 10 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of

termination will not be an election of remedies. Nothing in Article 10 shall limit or affect any other rights or causes of action either the Purchaser or the Vendor may have with respect to the representations, warranties, covenants and indemnities in its favour contained in this Agreement.

ARTICLE 11 INDEMNIFICATION

Section 11.1 Indemnification in Favour of the Purchaser.

Subject to Section 11.3, Section 11.4 and Section 11.5, the Vendor shall indemnify and save the Purchaser and its shareholders, directors, officers, employees, agents and representatives (collectively, the “**Purchaser’s Indemnified Persons**”) harmless of and from any loss, liability, claim, damage (including incidental and consequential damage) or expense (whether or not involving a third-party claim) including legal expenses (collectively, “**Damages**”) suffered by, imposed upon or asserted against any of the Purchaser’s Indemnified Persons as a result of, in respect of, connected with, or arising out of, under, or pursuant to:

- (a) Any failure of the Vendor to perform or fulfil any covenant of the Vendor under this Agreement or any Ancillary Agreement;
- (b) Any breach or inaccuracy of any representation or warranty given by the Vendor contained in this Agreement or in any Ancillary Agreement;
- (c) Any Third Party Claim based upon, resulting from or arising out of the business, operations, properties, assets or obligations of the Vendor or any of its Affiliates (other than the Purchased Assets or Assumed Liabilities) conducted, existing or arising on or prior to the Closing Date;
- (d) The non-compliance of the Purchased Assets or the Operations on or prior to the Closing Date with Laws existing at any time on or prior to Closing; and
- (e) Any Excluded Liabilities.

Section 11.2 Indemnification in Favour of the Vendor.

The Purchaser shall indemnify and save the Vendor and its shareholders, directors, officers, employees, agents and representatives (collectively, the “**Vendor’s Indemnified Persons**”) harmless of and from any Damages suffered by, imposed upon or asserted against any of the Vendor’s Indemnified Persons as a result of, in respect of, connected with, or arising out of, under or pursuant to:

- (a) Any failure of the Purchaser to perform or fulfil any covenant of the Purchaser under this Agreement or any Ancillary Agreement; and
- (b) Any breach or inaccuracy of any representation or warranty given by the Purchaser contained in this Agreement or in any Ancillary Agreement.

Section 11.3 Time Limitations.

- (1) The representations and warranties of the Vendor contained in this Agreement and in any Ancillary Agreement shall survive the Closing and, notwithstanding the Closing or any investigation made by or on behalf of the Purchaser, shall continue for a period of one (1) year after the Closing Date and any claim in respect thereof shall be made in writing.
- (2) The representations and warranties of the Purchaser contained in this Agreement and in any Ancillary Agreement shall survive the Closing and, notwithstanding the Closing or any investigation made by or on behalf of the Vendor, shall continue for a period of one (1) year after the Closing Date and any claim in respect thereof shall be made in writing during such time period.
- (3) All covenants and agreements of the Parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing provisions of this Section 11.3, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching Party to the breaching Party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 11.4 Limitations on Amount.

The indemnifications provided for in Section 11.1 and Section 11.2 shall be subject to the following limitations:

- (a) The Vendor will have no liability (for indemnification or otherwise) with respect to the matters described in Section 11.1 until the total of all Damages with respect to such matters exceeds \$10,000, in which event the Vendor shall be required to pay or be liable for all such Damages from the first dollar, up to a maximum amount of \$6,500,000.
- (b) The Purchaser will have no liability (for indemnification or otherwise) with respect to the matters described in Section 11.2 or Section 12.3 until the total of all Damages with respect to such matters exceeds \$10,000, in which event the Purchaser shall be required to pay or be liable for all

such Damages from the first dollar, up to a maximum amount of \$6,500,000.

Section 11.5 Procedure for Indemnification – Third Party Claims.

- (1) Promptly after receipt by an indemnified party (an **"Indemnified Party"**) under Section 11.1 or Section 11.2 of a notice of the commencement of any proceeding against it made or brought by any Person who is not a party to this Agreement (a **"Third Party Claim"**), the Indemnified Party will, if a claim is to be made against an indemnifying party under such Section, give notice to the Indemnifying Party (an **"Indemnifying Party"**) of the commencement of such claim. The failure to notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party, except to the extent that the Indemnifying Party demonstrates that the defense of such action is prejudiced by the Indemnified Party's failure to give such notice.
- (2) If any proceeding referred to in Section 11.5(1) (a **"Proceeding"**) is brought against an Indemnified Party and it gives notice to the Indemnifying Party of the commencement of the Proceeding, the Indemnifying Party will be entitled to participate in the Proceeding. Subject to the next following sentence, to the extent that the Indemnifying Party wishes to assume the defense of the Proceeding with counsel satisfactory to the Indemnified Party, it may do so provided it reimburses the Indemnified Party for all of its out-of-pocket expenses arising prior to or in connection with such assumption. The Indemnifying Party may not assume defence of the Proceeding if (i) the Indemnifying Party is also a party to the Proceeding and the Indemnified Party determines in good faith that joint representation would be inappropriate, or (ii) the Indemnifying Party fails to provide reasonable assurance to the Indemnified Party of its financial capacity to defend the Proceeding and provide indemnification with respect to the Proceeding. After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of the Proceeding, the Indemnifying Party will not, as long as it diligently conducts such defense, be liable to the Indemnified Party under this Section 11.5 for any fees of other counsel or any other expenses with respect to the defense of the Proceeding, in each case subsequently incurred by the Indemnified Party in connection with the defense of the Proceeding, other than reasonable costs of investigation. If the Indemnifying Party assumes the defense of a Proceeding (i) it will be conclusively established for purposes of this Agreement that the claims made in that Proceeding are within the scope of, and subject to, indemnification, (ii) no compromise or settlement of such claims may be made by the Indemnifying Party without the Indemnified Party's consent unless (y) there is no finding or admission of any violation of Laws or any violation of the rights of any Person and no effect on any other

claims that may be made against the Indemnified Party, and (z) the sole relief provided is monetary damages that are paid in full by the Indemnifying Party, and (iii) the Indemnified Party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an Indemnifying Party of the commencement of any Proceeding and the Indemnifying Party does not, within ten days after receipt of such notice, give notice to the Indemnified Party of its election to assume the defense of the Proceeding, the Indemnifying Party will be bound by any determination made in the Proceeding or any compromise or settlement effected by the Indemnified Party.

- (3) Notwithstanding the foregoing, if an Indemnified Party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle the Proceeding. In such case, the Indemnifying Party will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).
- (4) Where the defence of a Proceeding is being undertaken and controlled by the Indemnifying Party, the Indemnified Party will use all reasonable efforts to make available to the Indemnifying Party those employees whose assistance, testimony or presence is necessary to assist the Indemnifying Party in evaluating and defending any such claims. However, the Indemnifying Party shall be responsible for the expense associated with any employees made available by the Indemnified Party to the Indemnifying Party pursuant to this Section 11.5(4), which expense shall be equal to an amount to be mutually agreed upon per person per hour or per day for each day or portion thereof that the employees are assisting the Indemnifying Party and which expenses shall not exceed the actual cost to the Indemnified Party associated with the employees.
- (5) With respect to any Proceeding, the Indemnified Party shall make available to the Indemnifying Party or its representatives on a timely basis all documents, records and other materials in the possession of the Indemnified Party, at the expense of the Indemnifying Party, reasonably required by the Indemnifying Party for its use in defending any such claim and shall otherwise cooperate on a timely basis with the Indemnifying Party in the defence of such claim.
- (6) With respect to any re-assessment for income, corporate, sales, excise, or other tax or other liability enforceable by any Encumbrance against the property of the Indemnified Party, the Indemnifying Party's right to so contest shall only

apply after payment of the re-assessment or the provision of such security as is necessary to avoid an Encumbrance being placed on the property of the Indemnified Party.

Section 11.6 Procedure for Indemnification – Other Claims.

A claim for indemnification for any matter not involving a Third Party Claim may be asserted by notice to the Party from whom indemnification is sought.

Section 11.7 Exclusion of Other Remedies.

No Party shall have the right to bring any proceeding against any other Party for a breach of any representation, warranty, covenant or agreement contained in this Agreement, except for a proceeding brought in accordance with the provisions of this Article 11. This provision is not intended to preclude any proceeding by any Party against any other Party based on fraud or on a cause of action or right, including any statutory right, other than a cause of action in contract or tort for breach of a representation, warranty, covenant or agreement contained in this Agreement.

**ARTICLE 12
POST-CLOSING COVENANTS**

Section 12.1 Confidentiality.

After the Closing, the Vendor will keep confidential all information in its possession or under its control relating to the Purchased Assets unless such information is or becomes generally available to the public other than as a result of a disclosure by the Vendor in violation of this Agreement.

Section 12.2 Further Assurances.

From time to time after the Closing Date, each Party shall, at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to effectively transfer the Purchased Assets to the Purchaser and carry out the intent of this Agreement and any Ancillary Agreement. If requested by the Vendor following Closing, the Purchaser will cooperate and provide its written consent or signature to any documents or things reasonably necessary to register the NSR Royalty against title to the Purchased Assets.

Section 12.3 Further Agreement.

Subject to Closing, the Purchaser agrees to be bound by the terms of the Legacy Understanding following the Closing, to the extent such terms relate to those certain Acquired Properties referred to therein, provided that the Purchaser will have no liability (for indemnification or otherwise) to the Vendor arising under or in connection with such agreement of the Parties contained in this Section 12.3 unless a claim is made by the Vendor pursuant to the provisions of Section 11.5 on or before

the date that is two years from the later of (i) the day the Vendor is served with a pleading regarding a related Third Party Claim, or (ii) the day on which the Vendor knew or reasonably ought to have known that a related claim for contribution or indemnity may be made.

Section 12.4 Financial Assurances.

In order that the Purchaser may realize the full benefit of the security, letters of credit, cash, trust funds (including Qualified Environmental Trusts and Funds), reclamation bonds, financial instruments and other similar financial assurances (the "**Financial Assurances**") set out in Section 12.2 of the Vendor Disclosure Letter, the Vendor shall, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser shall specify:

- (a) hold the Financial Assurances in trust for the benefit of the Purchaser;
- (b) take all such action and do or cause to be done all such things as shall, in the opinion of the Purchaser, be necessary or proper in order that the obligations of the Purchaser related to the Assumed Liabilities may be performed in such manner that the value of the Financial Assurances are preserved and enure to the benefit of the Purchaser, and that any application, retention, claim, reduction or use by any Government Entity of all or any portion of the Financial Assurances or any amounts (including as a result of any realization, forfeiture, reduction, application of, claim against or set off of any Financial Assurance) shall be credited to and for the benefit of the Purchaser, in order to reduce the Assumed Liabilities and any amounts that are recoverable by or payable to the Vendor or any of its Affiliates in respect of the Financial Assurances are received by the Purchaser; and
- (c) promptly pay over to the Purchaser all moneys collected by or paid to the Vendor in respect of every such Financial Assurance.

Section 12.5 Portable Assessment Credit (PAC).

The Vendor shall ensure that the Purchaser has the full benefit of the value of all amounts (i) credited to any Portable Assessment Credit (PAC) account of the Purchaser or any of its Affiliates in respect of all applicable Acquired Properties and (ii) any approved technical exploration and development expenditures that have not been applied to any of the Acquired Properties and that may be claimed and credited to a PAC account of the Purchaser or its Affiliate (as the Purchaser may direct) to be established.

Section 12.6 Distribution of Consideration Shares.

The Vendor shall seek approval of its shareholders, at the next meeting of its shareholders held following the Closing Date, the TSXV and any required regulatory authorities, in order to distribute the majority of the Consideration Shares as a return of paid-up capital to its shareholders. Following receipt of any required regulatory and shareholder approvals, the Vendor shall complete the distribution of the Consideration Shares as soon as is reasonably practicable.

**ARTICLE 13
MISCELLANEOUS**

Section 13.1 Notices.

Any notice, direction or other communication given under this Agreement or any Ancillary Agreement shall be in writing and given by delivering it or sending it by email, facsimile or other similar form of recorded communication addressed:

(a) to the Vendor at:

Sable Resources Ltd.
Suite 900, 999 West Hastings Street
Vancouver, British Columbia
V6C 2W2 Canada

Attention: Thomas Obradovich, President and Chief
Executive Officer

Email: [Redacted]

with a copy to:

Cassels Brock & Blackwell LLP
2100-40 King Street West
Toronto, ON M5H 3C2

Attention: Jay Goldman

Facsimile: [Redacted]

Email: [Redacted]

(b) to the Purchaser at:

Eurocontrol Technics Group Inc.
365 Bay Street, Suite 400
Toronto, Ontario, Canada M5H 2V1

Attention: Paul Wood, Chief Executive Officer

Email: [Redacted]

with a copy to:

Irwin Lowy LLP
365 Bay Street, Suite 400
Toronto, Ontario, Canada M5H 2V1

Attention: Eric Lowy

Facsimile: [Redacted]

Email: [Redacted]

Any such communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time) and otherwise on the next Business Day, or (ii) if transmitted by email, facsimile or similar means of recorded communication on the Operations Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

Section 13.2 Time of the Essence.

Time shall be of the essence of this Agreement.

Section 13.3 Brokers.

Except for commissions or other remuneration payable in connection with the Equity Financing, the Vendor shall indemnify and save harmless the Purchaser from and against any and all claims, losses and costs whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Vendor. The Purchaser shall indemnify and save harmless the Vendor from and against any and all claims, losses and costs whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Purchaser.

Section 13.4 Announcements.

At all times prior to Closing, any press release or public statement or announcement (a "**Public Statement**") with respect to the transaction contemplated in this Agreement shall be made only with the prior written consent and joint approval of the Vendor and the Purchaser unless such Public Statement is required by Law or by any stock exchange, in which case the Party required to make the Public Statement shall use its best efforts to obtain the approval of the other Party as to the form, nature and extent of the disclosure.

Section 13.5 Third Party Beneficiaries.

Except as otherwise provided in Section 11.1 and Section 11.2, the Vendor and the Purchaser intend that this Agreement shall not benefit or create any right or cause of action in, or on behalf of, any Person other than the Parties to this Agreement and no Person, other than the Parties to this Agreement shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. Despite the foregoing, the Vendor acknowledges to each of the Purchaser's Indemnified Persons their direct rights against it under Section 11.1 of this Agreement and the Purchaser acknowledges to each of the Vendor's Indemnified Persons their direct rights against it under Section 11.2 of this Agreement. If a court determines that Section 11.1 and Section 11.2 do not create direct rights in favour of the Purchaser's or Vendor's Indemnified Persons, then the Purchaser acts as agent on behalf of each of the Purchaser's Indemnified Persons and the Vendor acts as agent on behalf of each of the Vendor's Indemnified Persons in contracting for their respective rights under those Sections. If the foregoing agency is ineffective in procuring their respective rights under those Sections for any reason, then the Purchaser acts as trustee on behalf of each of the Purchaser's Indemnified Persons and the Vendor acts as trustee on behalf of each of the Vendor's Indemnified Persons and hold for their benefit their rights under Section 11.1 and Section 11.2, respectively.

Section 13.6 Expenses.

Except as otherwise expressly provided in this Agreement, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and accountants) incurred in connection with this Agreement, the Ancillary Agreements and the transactions contemplated therein shall be paid by the Party incurring such expenses.

Section 13.7 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor and the Purchaser.

Section 13.8 Waiver.

- (1) No waiver of any of the provisions of this Agreement or any Ancillary Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar); nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.
- (2) No failure on the part of the Vendor or the Purchaser to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

Section 13.9 Non-Merger.

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of any Party, shall continue in full force and effect. Closing shall not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 13.10 Entire Agreement.

This Agreement together with the Ancillary Agreements constitutes the entire agreement between the Parties and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement except as specifically set forth herein and therein and neither the Vendor nor the Purchaser has relied or is relying on any other information, discussion or understanding in entering into and completing the transactions contemplated in this Agreement and the Ancillary Agreements. If there is any conflict or inconsistency between the provisions of this Agreement and the provisions of any Ancillary Agreement, the provisions of this Agreement shall govern.

Section 13.11 Successors and Assigns.

- (1) This Agreement shall become effective when executed by the Vendor and the Purchaser and after that time shall be binding upon and enure to the benefit of the Vendor, the Purchaser and their respective successors and permitted assigns.
- (2) Except as provided in this Section 13.11, neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by any Party without the prior written consent of the other Party. The Purchaser shall be entitled, upon giving notice to the Vendor at any time on or prior to the Closing Date, to assign this Agreement or any of the Purchaser's rights and obligations under this Agreement to any Affiliate of the Purchaser subject to the following three conditions:
 - (a) The assignee shall execute and deliver a confidentiality agreement to the Vendor in substantially the same form as the confidentiality agreement executed by the Purchaser;
 - (b) The assignee shall become jointly and severally liable with the Purchaser, as a principal and not as a surety, with respect to all of the representations, warranties, covenants, indemnities and agreements of the Purchaser; and

- (c) The assignee shall execute an agreement confirming the assignment and the assumption by the assignee of all obligations of the Purchaser under this Agreement.

Section 13.12 Severability.

If any provision of this Agreement shall be determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

Section 13.13 Governing Law.

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 13.14 Counterparts.

This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Asset Purchase Agreement.

SABLE RESOURCES LTD.

By: (Signed) "Thomas Obradovich"

Authorized Signing Officer

**EUROCONTROL TECHNICS GROUP
INC.**

By: (Signed) "Paul Wood"

Authorized Signing Officer

SCHEDULE 1.1
PURCHASED ASSETS

[Attached]

SCHEDULE 1.1 - PURCHASED ASSETS

OWNED REAL PROPERTY

1. 12 x 60 Atco Sleeper Trailer. Purchased in Aug 2017 for exploration program.
2. Camp. 30 person camp with kitchen facilities
3. 250 ton per day Concentrator. With crushing, grinding, flotation, filtration, leaching, washing, precipitation, and refinery circuits.
4. Various Surface and Under-Ground Mobile Equipment
5. Various Under-Ground Equipment
6. \$137,151.06 credit with the British Columbia government as bond for environmental remediation costs at the Baker/Shasta project.

SCHEDULE 1.1 - PURCHASED ASSETS

LEASED REAL PROPERTY

None.

SCHEDULE 1.1 – PURCHASED ASSETS

OWNED MINING CLAIMS

SHASTA/BAKER CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1059801		Baker-SOM	123531 (100%)	Mineral	Claim	094E	2018/APR/05	2019/APR/05	GOOD	174.7327	
245273	CHAPPELLE NO.186	Baker-Shasta	123531 (100%)	Mineral	Claim	094E025	1970/NOV/09	2019/JAN/25	GOOD	25.0	Entirely overlapped by tenure 505429 - intend to abandon
245274	CHAPPELLE NO.188	Baker-Shasta	123531 (100%)	Mineral	Claim	094E025	1970/NOV/09	2019/JAN/25	GOOD	25.0	Entirely overlapped by tenure 505429 - intend to abandon
1061560		Baker-SOM	123531 (100%)	Mineral	Claim	094E	2018/JUL/05	2019/JUL/05	GOOD	1328.2127	Baker-SOM claims are newly acquired ground contiguous to the north of Baker
1061563		Baker-SOM	123531 (100%)	Mineral	Claim	094E	2018/JUL/05	2019/JUL/05	GOOD	698.652	
1061566		Baker-SOM	123531 (100%)	Mineral	Claim	094E	2018/JUL/05	2019/JUL/05	GOOD	523.9831	
1061571		Baker-SOM	123531 (100%)	Mineral	Claim	094E	2018/JUL/05	2019/JUL/05	GOOD	366.6811	
243454		Shasta Mining Lease	123531 (100%)	Mineral	Lease	094E025	1990/JUN/13	2019/JUN/13	GOOD	100.0	
243451		Baker Mining Lease	123531 (100%)	Mineral	Lease	094E025	1980/SEP/10	2019/SEP/10	GOOD	157.8	

SCHEDULE 1.1 – PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
350639	MOSLEY 1	Baker-Shasta	123531 (100%)	Mineral	Claim	094E025	1996/SEP/11	2022/OCT/30	GOOD	450.0	
505423		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	69.984	
505424		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	69.969	
505425		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	69.953	
505426		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	69.953	
505427		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	577.469	
505428		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	69.984	
505429		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	612.271	
505430		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	559.951	
505431		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	437.658	
505432		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	175.129	
505434		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	105.026	
505435		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	280.196	
505436		Baker-Shasta	123531	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	245.097	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
		Shasta	(100%)								
505438		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	34.992	
505439		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/01	2022/OCT/30	GOOD	52.488	
505460		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.937	
505471		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	87.421	
505472		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.485	
505473		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.937	
505474		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.946	
505475		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.483	
505476		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.973	
505478		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.947	
505480		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	52.459	
505482		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.962	
505485		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	52.467	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
505487		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.987	
505490		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.493	
505492		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.495	
505633		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.97	
505634		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.493	
505635		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.99	
505636		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.962	
505637		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	52.482	
505638		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.495	
505639		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	52.466	
505640		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.969	
505641		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.99	
505642		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.975	
505643		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.98	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
		Shasta	(100%)								
505644		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	69.977	
505645		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.487	
505646		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.988	
505647		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.986	
505649		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	52.474	
505651		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.984	
505652		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	34.984	
505653		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2005/FEB/02	2022/OCT/30	GOOD	17.495	
527360	MUTT 1	Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2006/FEB/09	2022/OCT/30	GOOD	17.497	
535688	TIGERNOTCH	Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2006/JUN/14	2022/OCT/30	GOOD	104.877	
1047530		Baker-Shasta	123531 (100%)	Mineral	Claim	094E	2016/OCT/31	2022/OCT/30	GOOD	821.7896	

SCHEDULE 1.1 - PURCHASED ASSETS

TULOX CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1050587		Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	910.2784	
1050588		Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	850.0833	
1050590	THREE GRAM CREEK	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	668.48	
1050591	TULOX 14	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	566.9738	
1050592	JOE ROSS 2	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	567.3654	
1050593	TULOX 2	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	889.0241	
1050594	TULOX 8	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	546.289	
1050595	TULOX 6	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	647.1108	
1050596	TULOX 11	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	708.434	
1050597	TULOX 13	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	647.9738	
1050598	TULOX 15	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	627.9473	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1050599	TULOX 1	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	727.131	
1050600	TULOX 17	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	445.5548	
1050601	JOE ROSS 3	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	263.4412	
1050602	TULOX 9	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	465.2828	
1050603	TULOX 5	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	424.474	
1050604	TULOX 3	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	444.6855	
1050605	TULOX 12	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	485.7841	
1050606	TULOX 16	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	364.5735	
1050607	JOE ROSS 1	Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/06	2021/OCT/01	GOOD	344.5859	
1050629		Tulox	123531 (100%)	Mineral	Claim	092P	2017/MAR/08	2021/OCT/01	GOOD	929.92	
1059295	TULOX SOUTH	Tulox	123531 (100%)	Mineral	Claim	092P	2018/MAR/14	2021/OCT/01	GOOD	1114.4454	

SCHEDULE 1.1 - PURCHASED ASSETS

METS LEASE CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
314708		Mets	123531 (100%)	Mineral	Lease	094E044	1993/APR/30	2019/APR/30	GOOD	200.0	

SCHEDULE 1.1 - PURCHASED ASSETS

BOT PROPERTY CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1028576	STZ	Bot	123531 (100%)	Mineral	Claim	094E	2014/MAY/28	2021/FEB/01	GOOD	17.3204	
1032456		Bot	123531 (100%)	Mineral	Claim	094E	2014/NOV/29	2021/FEB/01	GOOD	17.3085	
1040240	TDGNN	Bot	123531 (100%)	Mineral	Claim	094E	2015/NOV/30	2021/FEB/01	GOOD	34.615	
1040255		Bot	123531 (100%)	Mineral	Claim	094E	2015/DEC/01	2021/FEB/01	GOOD	86.5367	
1040264		Bot	123531 (100%)	Mineral	Claim	094E	2015/DEC/01	2021/FEB/01	GOOD	69.3408	
1040375	TULAMEEN SOUTH	Tulameen	123531 (100%)	Mineral	Claim	092H	2015/DEC/04	2021/FEB/01	GOOD	757.5151	
1048078		Bot	123531 (100%)	Mineral	Claim	094E	2016/NOV/26	2021/FEB/01	GOOD	17.3223	
1051249		Bot	123531 (100%)	Mineral	Claim	094E	2017/APR/06	2021/FEB/01	GOOD	1731.7793	
1051343		Bot	123531 (100%)	Mineral	Claim	094E	2017/APR/10	2021/FEB/01	GOOD	380.928	
1051375		Bot	123531 (100%)	Mineral	Claim	094E	2017/APR/12	2021/FEB/01	GOOD	190.3267	
1051462		Bot	123531	Mineral	Claim	094E	2017/APR/18	2021/FEB/01	GOOD	346.4437	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
			(100%)								
1051463		Bot	123531 (100%)	Mineral	Claim	094E	2017/APR/18	2021/FEB/01	GOOD	520.3175	
1054165		Bot	123531 (100%)	Mineral	Claim	094E	2017/AUG/20	2021/FEB/01	GOOD	1735.5102	
1054166		Bot	123531 (100%)	Mineral	Claim	094E	2017/AUG/20	2021/FEB/01	GOOD	416.9101	
1054171		Bot	123531 (100%)	Mineral	Claim	094E	2017/AUG/20	2021/FEB/01	GOOD	607.5693	
1054172		Bot	123531 (100%)	Mineral	Claim	094E	2017/AUG/20	2021/FEB/01	GOOD	554.7616	
1054174		Bot	123531 (100%)	Mineral	Claim	094E	2017/AUG/20	2021/FEB/01	GOOD	537.0532	
1058606		Bot	123531 (100%)	Mineral	Claim	094E	2018/FEB/13	2019/FEB/13	GOOD	277.8813	Assessment work to be filed on Bot before 'good to date'
1060401		Bot	123531 (100%)	Mineral	Claim	094E	2018/MAY/03	2019/MAY/03	GOOD	1142.5652	Assessment work to be filed on Bot before 'good to date'

SCHEDULE 1.1 – PURCHASED ASSETS

TULAMEEN PROPERTY CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1040375	TULAMEEN SOUTH	Tulameen	123531 (100%)	Mineral	Claim	092H	2015/DEC/04	2021/FEB/01	GOOD	757.5151	

SCHEDULE 1.1 – PURCHASED ASSETS

NEW BLUE JAY PROPERTY CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1051919	NEW BLUEJAY	New Bluejay	123531 (100%)	Mineral	Claim	082E	2017/MAY/11	2020/OCT/30	GOOD	1407.8914	
1062416		New Bluejay	123531 (100%)	Mineral	Claim	082E	2018/AUG/17	2020/OCT/30	GOOD	42.0009	

SCHEDULE 1.1 – PURCHASED ASSETS

SAUCHI CREEK PROPERTY CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1042502	SAUCHI GOLD	Sauchi	123531 (100%)	Mineral	Claim	093K	2016/MAR/02	2020/FEB/01	GOOD	1130.2355	
1042540	SAUCHI GOLD II	Sauchi	123531 (100%)	Mineral	Claim	093K	2016/MAR/03	2020/FEB/01	GOOD	357.8088	

SCHEDULE 1.1 - PURCHASED ASSETS

SPENCES BRIDGE REGIONAL PROGRAM PROPERTY CLAIMS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
855421	SB 1	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	496.6198	
855422	SB 2	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	475.9264	
855424	SB 3	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	475.9192	
855425	SB 4	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	310.2361	
855426	SB 5	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	310.2386	
855427	SB 6	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	517.065	
855428	SB 7	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	517.0624	
855430	SB 8	SPRP	123531 (100%)	Mineral	Claim	092I	2011/MAY/23	2020/JUN/01	GOOD	413.6463	
1063304	SBGB1	SPRP	123531 (100%)	Mineral	Claim	092O	2018/SEP/26	2019/SEP/26	GOOD	1703.1133	
1063305	SBGB2	SPRP	123531 (100%)	Mineral	Claim	092O	2018/SEP/26	2019/SEP/26	GOOD	1014.4193	
1063306	SBGB2-1	SPRP	123531 (100%)	Mineral	Claim	092O	2018/SEP/26	2019/SEP/26	GOOD	1440.8847	
1063307	SBGB95	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/26	2019/SEP/26	GOOD	1530.1391	
1063308	SBGB3	SPRP	123531 (100%)	Mineral	Claim	092O	2018/SEP/26	2019/SEP/26	GOOD	2030.0281	
1063309	SBGB4	SPRP	123531 (100%)	Mineral	Claim	092O	2018/SEP/26	2019/SEP/26	GOOD	1320.5794	
1063310	SBGB4-1	SPRP	123531 (100%)	Mineral	Claim	092O	2018/SEP/26	2019/SEP/26	GOOD	874.0579	
1063311	SBGB94	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/26	2019/SEP/26	GOOD	1530.2362	
1063312	SBGB5	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	2032.8059	
1063313	SBGB93	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/26	2019/SEP/26	GOOD	1843.9291	
1063314	SBGB35	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1876.6651	
1063315	SBGB33	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1875.0897	

SCHEDULE 1.1 – PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1063316	SBGB34	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	2040.9595	
1063317	SBGB43	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1794.7444	
1063318	SBGB31	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1153.1846	
1063319	SBGB36	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1939.9216	
1063320	SBGB21	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1440.6063	
1063321	SBGB21-2	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	679.2312	
1063322	SBGB44	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1981.7767	
1063323	SBGB30	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	2038.5874	
1063324	SBGB45	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1983.2444	
1063325	SBGB42	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1856.7977	
1063326	SBGB29	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1832.6238	
1063327	SBGB28	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	2059.3686	
1063328	SBGB37	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1999.3878	
1063329	SBGB32	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1112.641	
1063330	SBGB38	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/26	2019/SEP/26	GOOD	1649.9889	
1063331	SBGB27	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1975.7997	
1063332	SBGB26	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1501.6362	
1063333	SBGB25	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1934.0287	
1063334	SBGB24	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1974.3588	
1063335	SBGB23	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2034.9591	
1063336	SBGB39	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1753.6117	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1063337	SBGB22	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1396.3533	
1063338	SBGB14	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1748.4379	
1063339	SBGB41	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1754.8234	
1063340	SBGB31-2	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	411.9063	
1063341	SBGB40	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1320.3394	
1063342	SBGB20	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1932.8228	
1063343	SBGB46	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2023.7511	
1063344	SBGB13	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2055.2319	
1063345	SBGB47	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1094.653	
1063346	SBGB96	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2013.7904	
1063347	SBGB19	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2032.7509	
1063348	SBGB98	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1006.3684	
1063349	SBGB48	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	949.2704	
1063350	SBGB19-2	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	964.7023	
1063351	SBGB49	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	537.0814	
1063352	SBGB18	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2051.2553	
1063353	SBGB50	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2066.7059	
1063354	SBGB97	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1375.6653	
1063355	SBGB51	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2066.7371	
1063356	SBGB12	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1805.4072	
1063357	SBGB45-1	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	82.6408	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1063358	SBGB18	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1967.972	
1063359	SBGB52	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1674.271	
1063360	SBGB55	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1922.5389	
1063361	SBGB17	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1782.6809	
1063362	SBGB56	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1117.3844	
1063363	SBGB16	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1904.6949	
1063364	SBGB10	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2027.1517	
1063365	SBGB54	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1985.4129	
1063366	SBGB53	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1922.9086	
1063367	SBGB15	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1964.7444	
1063368	SBGB100	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1946.0045	
1063369	SBGB99	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2004.8638	
1063370	SBGB101	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	331.4382	
1063371	SBGB56-1	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	496.584	
1063372	SBGB9	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1940.2394	
1063373		SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1532.3088	
1063374	SBGB8	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2038.9104	
1063375	SBGB58	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2051.6746	
1063376	SBGB6	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2036.9805	
1063377	SBGB65	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2072.6167	
1063378	SBGB64	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2072.0451	

SCHEDULE 1.1 – PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1063379	SBGB5	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2035.2137	
1063380	SBGB59	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1970.0541	
1063381	SBGB60	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2033.2407	
1063382	SBGB92	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1780.1799	
1063383	SBGB61	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2053.6022	
1063384	SBGB91	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2094.1063	
1063385	SBGB66	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	2053.6617	
1063386	SBGB90	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1151.1136	
1063387	SBGB89	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2072.3332	
1063388	SBGB62	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2034.4245	
1063389	SBGB87	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1882.1557	
1063390	SBGB67	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1887.942	
1063391	SBGB88	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2070.6697	
1063392	SBGB63	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2055.4726	
1063393	SBGB85	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2068.7259	
1063394	SBGB86	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1420.8401	
1063395	SBGB68	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	1910.1723	
1063396	SBGB84	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2047.0724	
1063397	SBGB80	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1982.59	
1063398	SBGB69	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1932.2155	
1063399	SBGB83	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2067.0734	

SCHEDULE 1.1 - PURCHASED ASSETS

Title Number	Claim Name	Property	Owner	Title Type	Title Sub Type	Map Number	Issue Date	Good To Date	Status	Area (ha)	NOTES
1063400	SBGB70	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1724.5527	
1063401	SBGB82	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2067.0792	
1063402	SBGB71	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1683.1249	
1063403	SBGB81	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1983.2834	
1063404	SBGB72	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1975.316	
1063405	SBGB79	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2003.1079	
1063406	SBGB73	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2060.4486	
1063407	SBGB78	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2023.7123	
1063408	SBGB74	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1248.3083	
1063409	SBGB77	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2023.7898	
1063410	SBGB102	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	1664.7482	
1063411	SBGB76	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2043.4278	
1063412	SBGB75	SPRP	123531 (100%)	Mineral	Claim	092H	2018/SEP/27	2019/SEP/27	GOOD	2000.1226	
1063413	SBGB102	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	185.4252	
1063414	SBGB104	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	144.4188	
1063415	SBGB105	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	20.6932	
1063416	SBGB3-1	SPRP	123531 (100%)	Mineral	Claim	092O	2018/SEP/27	2019/SEP/27	GOOD	324.865	
1063417	SBGB106	SPRP	123531 (100%)	Mineral	Claim	092I	2018/SEP/27	2019/SEP/27	GOOD	124.1414	

SCHEDULE 1.1 - PURCHASED ASSETS

LEASED MINING CLAIMS

None.

SCHEDULE 2.2(c)
FORM OF NSR ROYALTY AGREEMENT

[Attached]

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

THIS NET SMELTER RETURNS ROYALTY AGREEMENT dated as of the _____ day of _____, 201____.

B E T W E E N:

EUROCONTROL TECHNICS GROUP INC., a corporation
continued under the laws of the Province of Ontario

(the "Owner")

- and -

SABLE RESOURCES LTD., a corporation
incorporated under the laws of the Province of British
Columbia

(the "Royalty Holder")

WHEREAS the Royalty Holder and the Owner entered into an asset purchase agreement dated January 24, 2019 (the "**Purchase Agreement**") whereby the Royalty Holder agreed to sell and the Owner agreed to purchase all of the Royalty Holder's right, title and interest in and to the Properties;

AND WHEREAS under the terms of the Purchase Agreement, as part of the purchase consideration for the Properties, the Owner agreed to grant a net smelter returns royalty on the proceeds of production from the Properties in accordance with the provisions of this Agreement;

AND WHEREAS capitalized terms set forth in these recitals and not specifically defined have the meanings ascribed thereto in Section 1;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, it is agreed as follows:

1. INTERPRETATION

1.1 Preambles and Schedules. The preambles and the Schedules form an integral part of this Agreement.

1.2 Defined Terms. 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:

"**Additional Rights**" means all material easements, surface rights and rights of way that are attached to the owned real property, leased or subleased real property, owned unpatented mining claims and leased or subleased unpatented mining claims that form a part of the Properties;

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

"Affiliate" means with respect to a Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with, the subject Person;

"Agreement" means this Net Smelter Returns Royalty Agreement as amended or supplemented in accordance with the terms hereof;

"Allowable Deductions" means all of the following costs, charges, penalties, taxes, royalties, deductions and expenses paid or incurred by the Owner or its Affiliate without duplication for, or with respect to, Products comprising third party charges::

(a) costs of or assessed to Owner or its Affiliate for transporting Products from the Project to the place or places of treatment and to the place of sale to an Offtaker, including for loading, unloading, handling, packaging, insurance, security costs, and port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation;

(b) charges assessed by an Offtaker for smelting, refining or beneficiation of Products, including for handling, weighing, sampling, determining moisture content, assaying, umpiring and penalties for impurities and processing in the smelting or refining process; and

(c) sales, use, severance, excise and net proceeds of mine taxes, and any taxes measured by the value of minerals produced, but not including income taxes of the Owner, but only to the extent that the same are not recoverable by the Owner;

In the event of a Loss, Allowable Deductions may only be made if they were incurred prior to the Loss.

"Applicable Laws" means any law, regulation, decision, ordinance, code, order or other requirement or rule of law or the rules, policies, orders or regulations of any Governmental Authority, including any judicial or administrative interpretation thereof, applicable to a person or any of its properties, assets, businesses or operations;

"BCICAC" has the meaning set forth in Section 7.1;

"Business Day" means a day that is not a Saturday, Sunday or any other day which is a statutory holiday or a bank holiday in the place where an act is to be performed or a payment is to be made;

"Confidential Information" has the meaning set forth in Section 9.2;

"Control" or **"Controlled"** means, when used as a verb:

(a) with respect to an entity, the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the entity through the legal or beneficial ownership of voting securities or the right to appoint managers, directors or corporate management or by contract, operating agreement, voting trust or otherwise;

(b) with respect to a natural person, the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise; and;

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

(c) when used as a noun, an interest that gives the holder the ability to exercise any of the powers described in subsections (a) and (b) of this definition;

"Demanding Party" has the meaning set forth in Section 7.1;

"Dispute Notice" has the meaning set forth in Section 7.1;

"Event of Default" has the meaning set forth in Section 5.2;

"Governmental Authority" means any (i) federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"Gross Proceeds" means proceeds actually received or deemed to be received by the Owner or its Affiliates from a Sale;

"Insolvency Event" means, in relation to the Owner, any one or more of the following events or circumstances:

(a) proceedings are commenced for the winding-up, liquidation or dissolution of it, unless it in good faith actively and diligently contests such proceedings resulting in a dismissal or stay thereof within 60 days of the commencement of such proceedings;

(b) a decree or order of a Governmental Authority is entered adjudging it to be bankrupt or insolvent (unless vacated), or a petition seeking reorganization, arrangement or adjustment of or in respect of it is approved under the Applicable Laws relating to bankruptcy, insolvency or relief of debtors;

(c) it makes an assignment for the benefit of its creditors, or petitions or applies to any Governmental Authority for the appointment of a receiver or trustee for itself or any substantial part of its property, or commences for itself or acquiesces in or approves or has filed or commenced against it any proceeding under any bankruptcy, insolvency, reorganization, arrangement or readjustment of debt law or statute or any proceeding for the appointment of a receiver or trustee for itself or any substantial part of its assets or property, or has a liquidator, administrator, receiver, trustee, conservator or similar person appointed with respect to it or any substantial portion of its property or assets;

(d) a resolution is passed for the receivership, winding-up or liquidation of it; or

(e) anything analogous or having a similar effect to an event listed in paragraphs (i) to (iv) above occurs in respect of that person.

"Loss" means loss of, theft of or damage to Products, whether or not occurring on or off the Properties and whether the Products are in the possession of the Owner or its Affiliates or otherwise;

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

"Losses" means all claims, demands, proceedings, fines, losses, damages, liabilities, obligations, deficiencies, costs and expenses (including all reasonable legal and other professional fees and disbursements, interest, penalties, judgment and amounts paid in settlement of any demand, action, suit, proceeding, assessment, judgment or settlement or compromise), including any taxes payable in respect thereof and, in the case of the Royalty Holder, all special, indirect and consequential losses (including loss of profits, loss of revenue or losses attributable to the failure by the Owner to make current or future required or expected Royalty payments hereunder, including any decline in value of any Products in respect of Royalty payments that are not made when due), in connection with or in respect of any breach or default of the Agreement by the Owner;

"Materials" has the meaning set forth in Section 2.3;

"Monthly Average Spot Price" means the average Spot Price for the applicable Product in United States dollars (or, should that quotation cease, another similar quotation acceptable to the Parties or, if they cannot agree, determined by arbitration hereunder), calculated by dividing the sum of all such prices with respect to the applicable Product reported for the month by the number of days for which such prices were reported;

"Net Smelter Returns" means for any consecutive three month calendar quarter, the Gross Proceeds received by the Owner or an Affiliate from a Sale during such quarter, less the Allowable Deductions;

"Offtaker" means any Person that purchases Products from, or smelts, refines or beneficiates Products provided by, the Owner or its Affiliates pursuant to an Offtake Agreement;

"Offtake Agreement" means any refining, smelting, brokering, sales, marketing and/or processing agreement entered into by the Owner or its Affiliates with an Offtaker (i) for the sale of Products to such Offtaker, (ii) for the delivery of the entitlement to or benefit of Products to such Offtaker, or (iii) for the smelting, refining or other beneficiation of Products by such Offtaker for the benefit of the Owner or its Affiliates;

"Party" or **"Parties"** means one or more of the parties to this Agreement;

"Person" means and includes any individual, corporation, limited liability company, partnership, firm, joint venture, syndicate, association, trust, governmental agency or board or commission or authority and any other form of entity or organization;

"Products" means any and all economic marketable material, in whatever form or state, produced from the Properties and without limitation, any products resulting from the further milling, processing or other beneficiation, including without limitation, ore concentrates, doré, powders or dusts or Refined Metal;

"Properties" means the mineral properties including owned real property, leased or subleased real property, owned unpatented mining claims, leased or subleased unpatented mining claims located in the Province of British Columbia and referred to as the Baker (Toodoggone) Gold/Silver Project; the Shasta Mine & Baker Infrastructure and Equipment; the Chappelle (Baker and Multinational Mines) Property; the Tulox Property; the Mets Lease; the Bot Property; the WCGG Properties; and the Spence

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

Bridge Regional Program, all as more particularly described as the Owned Real Property, the Leased Real Property, the Mining Claims, the Leased Mining Claims and the Mineral Leases in the Purchase Agreement and as set out in Schedule "A", as well as the Additional Rights; in each case as well as any and all with any successors, amendments, additions, replacements, substitutions, amendments, relocations, adjustments, resurveys, additional locations, conversions of, or any renewal, other modification, extension, consolidation, accession or succession thereto, whether created privately or through government action, of any of the foregoing;

"Purchase Agreement" has the meaning ascribed thereto in the recitals of this Agreement;

"Purchase Price" has the meaning set forth in Section 2.1;

"Refined Metal" means gold, silver, lead, copper, nickel, zinc, platinum group or other marketable Products refined to standards meeting or exceeding commercial standards for the sale of such refined metals;

"Released Property" has the meaning set forth in Section 2.5;

"Relinquishment Event" has the meaning set forth in Section 2.5;

"Responding Party" has the meaning set forth in Section 7.1;

"Royalty" means 1.0% of Net Smelter Returns;

"Royalty Holder Indemnified Parties" has the meaning set forth in Section 3.12;

"Sale" means a sale or transfer of title of Products by or on behalf of the Owner or any of its Affiliates to an Offtaker, and is deemed to include a deemed transfer of title to Products transported off the Properties that the Owner or its Affiliates elects to have credited to or held for its account by an Offtaker or its Affiliates and is also deemed to include the net proceeds of any insurance received by the Owner or its Affiliates as a result of any Loss prior to any transfer or deemed transfer of title to Products to an Offtaker;

"Spot Price" means: (i) in the case of Refined Metal that is gold, the price of gold in U.S. dollars quoted by the London Bullion Market Association (currently in partnership with ICE Benchmark Administration), being the London P.M. gold fix; (ii) in the case of Refined Metal that is silver, the price of silver in U.S. dollars quoted by the London Bullion Market Association (currently in partnership with ICE Benchmark Administration); and (iii) in the case of other Refined Metals, the price per unit in U.S. dollars for the relevant Refined Metal as quoted in **"Metals Week"**. If for any reason the London Bullion Market Association is no longer in operation or the spot price of any Refined Metal is not quoted by the London Bullion Market Association or in Metals Week, as applicable, the **"Spot Price"** of such Refined Metal shall be determined by reference to the price of such Refined Metal on another commercial exchange mutually acceptable to the Parties;

"Trading Activities" has the meaning set forth in Section 3.9; and

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

“Transfer” when used as a verb, means to sell, grant, assign, encumber, hypothecate, pledge or otherwise dispose of or commit to dispose of, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sales or spin-out transactions. When used as a noun, **“Transfer”** means a sale, grant, assignment, pledge or disposal or the commitment to do any of the foregoing, directly or indirectly, including through mergers, arrangements, amalgamations, consolidations, asset sale or spin-out transaction.

1.3 Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with, and the respective obligations of the Parties shall be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

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

1.5 Calculation of Time. If any time period set forth in this Agreement ends on a day of the week which is not a Business Day, then notwithstanding any other provision of this Agreement, such period will be extended until the end of the next following day which is a Business Day.

1.6 Headings. The headings to the articles and sections of this Agreement are inserted for convenience only and will not affect the construction hereof.

1.7 Other Matters of Interpretation. In this Agreement:

- (a) the singular includes the plural and vice versa;
- (b) the masculine includes the feminine and vice versa;
- (c) references to “article,” “section” and “subsection” are to articles, sections and subsections of this Agreement, respectively;
- (d) all provisions requiring a Party to do or refrain from doing something will be interpreted as the covenant of that Party with respect to that matter notwithstanding the absence of the words “covenants” or “agrees” or “promises”;
- (e) all provisions requiring a Party to do something will be interpreted as including the covenant of that Party to cause that thing to be done when the Party cannot directly perform the covenant but can indirectly cause that covenant to be performed, whether by an Affiliate under its control or otherwise;
- (f) the words “hereto,” “herein,” “hereby,” “hereunder,” “hereof” and similar expressions when used in this Agreement refer to the whole of this Agreement and not to any particular article, part, section, exhibit or portion thereof;

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

- (g) references to a Party in this Agreement mean the Party or its successors or permitted assigns;
- (h) the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation";
- (i) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (j) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day.

2. ROYALTY DESCRIPTION

2.1 Net Smelter Return Royalty. For the consideration set forth in the Purchase Agreement and other good and valuable consideration, the receipt and sufficiency whereof being hereby acknowledged, the Owner does hereby grant the Royalty in favour of the Royalty Holder, and agrees to pay to the Royalty Holder, the Royalty all on the terms and conditions specified in this Agreement. The Owner and the Royalty Holder expressly acknowledge and agree that the grant, sale, transfer and conveyance of the Royalty herein is effective as of the date of this Agreement and is intended to run with and bind each of the Properties and the title of the Owner thereto and be binding upon the successors and assigns of the Owner and all successors in title of the Owner to the Properties. The Royalty Holder may or may cause, at its own expense, the due registration of this Agreement or notice of this Agreement against the title to the Properties. Either Party may, by providing written notice to the other, provide for a separate Royalty to be issued in respect of each Property having identical terms to this Agreement, except that such Royalty shall only apply to the particular Property. The Owner covenants and agrees that it shall, at the sole cost and expense of the Royalty Holder, co-operate with such registration and provide its written consent or signature to any documents or things reasonably necessary to accomplish such registration in order to ensure that any successor or assignee or other acquiror of the Owner's title to the Properties, or any interest therein, shall have public notice of the terms of this Agreement.

2.2 Sale of Products Other Than to a Smelter or Refinery. If there is a Sale by the Owner or an Affiliate other than to a smelter or refinery, the Royalty shall be 1.0% of the value of recoverable metals or other materials contained in such Products, without deductions except for penalties or offsets in respect of ore dependent factors, if any, imposed by the buyer in relation to the specific Products delivered. The amount of recoverable metals or other materials contained in Products removed from the Properties shall be calculated and determined based upon assays, metallurgical tests and such other analyses as are customary in the industry which are conducted in a manner satisfactory to the Owner and the Royalty Holder, acting reasonably. If the Parties are unable to agree on the manner of conducting such assays, tests and analyses for a period of 30 days, either of the Parties may refer the question to arbitration hereunder and the decision of the arbitrator shall be final and binding upon the Parties. For the purposes of

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

this Section, the gross value of such metals or other materials shall be determined by multiplying the amount of such metals or other materials by the Monthly Average Spot Price.

2.3 Tailings and Residue. All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively the "**Materials**") resulting from the Owner's operations and activities on the Properties shall be the sole property of the Owner, but shall remain subject to the obligation to pay the Royalty should the same be processed or reprocessed, as the case may be, in the future and result in Products. The Owner shall have the right to dispose of Materials from the Properties, whether on or off of the Properties, and to commingle the same with Materials from other properties. In the event Materials are processed or reprocessed, as the case may be, the Royalty applicable thereto shall be determined on a pro rata basis as determined by using such reasonable and customary engineering and technical practices as are then available.

2.4 Ore Processing. All determinations with respect to: (a) whether ore from the Properties will be beneficiated, processed or milled by the Owner or sold in a raw state; (b) the methods of beneficiating, processing or milling any such ore; (c) the constituents to be recovered therefrom; and (d) the purchasers to whom any ore, minerals or mineral substances derived from the Properties may be sold, shall be made by the Owner in its sole and absolute discretion.

2.5 Abandonment, Relinquishment or Non-Renewal. If the Owner wishes to abandon, relinquish, allow to be forfeited or terminate or not renew (the "**Relinquishment Event**") all or any portion of the Properties (the "**Released Property**"), then the Owner shall provide the Royalty Holder with a minimum of 30 days prior written notice of such intended Relinquishment Event. Upon receipt of the said notice, the Royalty Holder shall have a period of 30 days within which to advise the Owner in writing that it desires to acquire the Released Property for consideration equal to CDN\$10.00. If the Royalty Holder shall forward such written notice to the Owner within the said 30 day period, the Owner shall thereafter do all such acts and things or shall cause all such acts and things to be done, at the Royalty Holder's sole cost and expense, to assign or convey, as appropriate, the Released Property to the Royalty Holder and to have the Released Property recorded or registered into the name of the Royalty Holder. If the Royalty Holder does not forward the said written notice to the Owner within the said 30 day period, then the Owner shall have the right to complete the Relinquishment Event with respect to the applicable Released Property. If a Relinquishment Event is completed and thereafter, the Owner subsequently reacquires a direct or indirect beneficial interest in the Released Property or in a new property located in the area originally covered by the Released Property, then such Released Property will once again be subject to the Royalty with respect thereto.

3. PAYMENTS, TRADING ACTIVITIES AND BOOKS AND RECORDS AND OTHER

3.1 Payment Obligation. The obligation to pay the Royalty will accrue when there has been a Sale, provided that any Royalty due in respect of a Loss will accrue when the insurance proceeds are paid to the Owner.

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

3.2 Provisional Settlements. Where a Sale (including an insurance settlement in respect of a Loss) is made on a provisional basis, the amount of the Royalty payable will be based upon the amount of metal or other Products (or the amount of the insurance settlement received in respect of a Loss) credited by such provisional settlement, but will be adjusted to account for the amount of metal or other Products (or the amount of the insurance settlement received in respect of a Loss) established by final settlement with the treatment facility or with the purchaser or insurer, as the case may be. If production has ceased, settlement will be made between the Parties by cash payment.

3.3 Due Date. Royalty payments will be due and payable quarterly on the last day of the month immediately following the end of the preceding calendar quarter in which the same accrued. The Owner shall pay interest on any delinquent Royalty payment at a rate per annum of 7%, commencing on the date on which such delinquent payment was properly due and continuing until the date on which the Royalty Holder receives payment in full of such delinquent payment and all accrued interest thereon.

3.4 Royalty Statements. Royalty payments will be accompanied by a statement showing in reasonable detail on a Product by Product basis for the relevant calendar quarter:

- (a) the quantities, grades, tonnes mined, mined grade, head grade of milled Products and metallurgical recoveries of Products (on a Product by Product basis) produced;
- (b) the quantities and grades of Products (on a Product by Product basis) produced and for which there was a Sale in the quarter;
- (c) the Gross Proceeds of Sale received in the quarter (on a Product by Product basis), setting out the applicable Offtakers and the number of ounces, tonnes or pounds, as applicable, of each of the Products sold in such quarter;
- (d) the calculation and determination of the Allowable Deductions in the quarter;
- (e) any adjustments to provisional settlements; and
- (f) other pertinent information in sufficient detail to explain the calculation of the Royalty payment.

3.5 Adjustments. Subject to Section 3.2, each quarterly Royalty calculation and any related payment will be considered final and in full satisfaction of all obligations of the Owner with respect thereto, unless the Royalty Holder gives the Owner written notice of its objection to the calculation and payment, within twelve (12) months of the Royalty Holder's receipt of the relevant quarterly Royalty statement, describing and setting forth a specific objection to the determination thereof and the basis for the objection. If the Royalty Holder objects to a particular quarterly statement as herein provided, then:

- (a) the Royalty Holder will have the right, upon reasonable notice and at a reasonable time, and for a reasonable period of duration, to have the Owner's accounts and records relating to the calculation of the Royalty in question audited by an independent chartered professional accountant selected by the Royalty Holder;

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

(b) if such audit determines that there has been a deficiency or an excess in the payment made to the Royalty Holder, such deficiency or excess will be resolved by adjusting the next quarterly Royalty payment due hereunder. If production has ceased, settlement will be made between the Parties by cash payment; and

(c) the Royalty Holder will pay all costs of such audit unless a deficiency of two percent or more of the amount due to the Royalty Holder is determined to exist. The Owner will pay the costs of such audit if a deficiency of two percent or more of the amount due is determined to exist.

3.6 Conversion of Currency. All payments in respect of the Royalty will be made in U.S. dollars.

3.7 Wire Transfer. Payments made under or pursuant to this Agreement will be made without demand, notice, set-off or reduction, by wire transfer in good, immediately available funds, to such account or accounts as the Royalty Holder may designate pursuant to wire instructions provided by the Royalty Holder to the Owner not less than three Business Days prior to the dates upon which such payments are to be made. The date the wire transfer process is initiated shall be the date of such payment, provided that the Royalty Holder receives such payment, and the Owner shall have no duty to otherwise apportion any payment to the Royalty Holder or its successors or assigns.

3.8 Payments in Kind. In the event that the Royalty Holder determines that it wishes to receive Royalty payments in respect of Products in the physical product in kind, the Royalty Holder shall provide written notice of such election. Upon timely receipt of such notice, the Owner shall direct any Offtaker that is the final refiner or other processor of the applicable Products to pay the Royalty directly to the account of the Royalty Holder in kind. The Owner shall notify the Royalty Holder in writing at least sixty (60) days prior to any change of such Offtaker. All costs incurred by the Owner with respect to arranging for such payment in kind shall be for the account of the Royalty Holder and may be deducted from any subsequent payment of the Royalty.

3.9 Trading Activities of Owner. The Owner will have the right to market and sell Refined Metal in any manner it may elect, and will have the right to engage in forward sales, futures trading or commodity options trading and other price hedging, price protection, and speculative arrangements (the "**Trading Activities**") which may involve the possible physical delivery of Products. If the Owner engages in Trading Activities, the Royalty will be determined on the basis of the value of the Products produced and without regard to the price or proceeds actually received by the Owner for or in connection with the Sale, or the manner in which a Sale to a third party is made by the Owner, such value to be based on the Monthly Average Spot Price for the month during which Products are credited to the account of the Owner or any Affiliate with an Offtaker, or, if the Owner engages in Trading Activities in respect of Products other than Refined Metal, the Gross Proceeds will be based on the value of such Products at the time such Products are actually delivered to third parties. Proceeds received or losses incurred by Owner from any such Trading Activity shall not be included in the calculation of Net Smelter Returns or otherwise be for the account of the Royalty Holder. The Parties agree that the Royalty Holder is not a participant in the Trading Activities of

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

the Owner of its Affiliates, and therefore the Royalty will not be diminished or improved by losses or gains of the Owner or any of its Affiliates in any such Trading Activities.

3.10 Books and Records and Audit Rights. The Owner shall keep true, complete and accurate (in all material respects) of all operations and activities in respect of the books and records of all of its operations and activities with respect to the Properties, including the mining of Products therefrom and the mining, stockpiling, treatment, processing, refining and transportation of Products. Subject to Section 9.2, the Royalty Holder and/or its authorized representatives shall be entitled, no more than once each year and upon reasonable advance written notice, during the normal business hours of the Owner, in a manner that does not unreasonably interfere with the Owner's business, to perform audits or other reviews and examinations of the Owner's books and records relevant to the calculation and payment of the Royalty pursuant to this Agreement to confirm compliance with the terms of this Agreement, including without limitation, calculations of Net Smelter Returns. If the Royalty Holder discovers discrepancies in the calculation and payment of the Royalty that exceed 5%, in respect of any calendar year during the term of this Agreement, the number of audits or other reviews and examinations of the Owner's books and records pursuant to this Section shall cease to be limited to the once per year requirement. Without limiting the generality of the foregoing, the Royalty Holder shall have the right to audit all invoices and other records relating to the transportation of Products from the Properties to any mill, refinery or other processor at which Products from the Properties may be milled, smelted, concentrated, refined or otherwise treated or processed and relating to the transportation of Products in the form of concentrates, doré, slag or other waste products from any mill at which Products from the Properties may be milled, to a processor. The Royalty 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 Royalty Holder, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of any Royalty payments paid to the Royalty Holder hereunder in respect of the period being audited or examined in an amount greater than five percent of the amount of the Royalty properly payable with respect to such period, in which event all expenses of such audit or other examination shall be paid by the Owner.

In performing such audit the Royalty Holder and/or its agents shall have reasonable access to all sampling, assay, weighing, and production records, including all mining, stockpiling and milling records of the Owner relating to the Properties and any Products derived from the Properties (and the Royalty Holder shall be allowed to make notes or a photocopy thereof, subject to the provisions of Section 9.2), all of which such records shall be kept and retained by the Owner in accordance with good mining industry practice for a period of six years.

3.11 Property Visits. Subject at all times to the Owner's workplace rules, under the supervision of the Owner, and in compliance with Applicable Laws, the Royalty Holder shall, at reasonable times agreed to with the Owner (acting reasonably) and not more than once a year, upon reasonable notice, and at the Royalty Holder's sole risk, cost and expense, have the right to access and inspect the Properties and the mining operations carried on thereon provided that such activities do not interfere with such operations.

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

The Owner shall not be responsible for injuries to or damages suffered by the Royalty Holder and its representatives and agents while visiting the Project unless such injuries or damages are caused or contributed to by the gross negligence or wilful misconduct of the Owner, Owner's Affiliates, or any of their respective representatives. If the Royalty Holder discovers discrepancies in the calculation and payment of the Royalty that exceed 5%, in respect of any calendar year during the term of this Agreement, the number of audits or other reviews and examinations of the Owner's books and records pursuant to this Section shall cease to be limited to the once per year requirement.

3.13 Withholdings. All Royalty payments and any other amounts payable to the Royalty Holder in accordance with this Agreement shall be paid free and clear of all deduction, withholdings, set-offs or counterclaims whatsoever save only as may be required by law. If any deductions or withholdings are required by law from such payments the Owner shall be obliged to pay to the Royalty Holder such sum as will, after such deduction or withholding has been made, leave the Royalty Holder with the same amount as it would have been entitled to receive in the absence of any such requirement.

3.12 Indemnity by the Owner. The Owner does hereby agree to defend, indemnify, reimburse and hold harmless the Royalty Holder, its officers, directors, shareholders, employees, agents, Affiliates and its successors and assigns (collectively, the "**Royalty Holder Indemnified Parties**"), and each of them, from and against any and all Losses that the Royalty Holder Indemnified Parties may sustain, suffer or incur as a result of operations conducted on or in respect of the Properties by or on behalf of the Owner or any of its Affiliates that result from or relate to the mining, handling, transportation, smelting or refining of the Products, including without limitation Losses, 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 Properties 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 Properties or the soil, sediment, water or groundwater forming part thereof.

4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Owner. The Owner hereby represents and warrants to and in favour of the Royalty Holder and acknowledges and agrees that the Royalty Holder is entering into this Agreement on the basis of such representations and warranties, namely, that it has the corporate power, capacity and authority to execute, deliver and perform this Agreement and the execution, delivery and performance of this Agreement by the Owner has been duly authorized by all required corporate action of the Owner; this Agreement represents a valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws or by equitable principles generally.

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

4.2 Representations and Warranties of Royalty Holder. The Royalty Holder represents and warrants to and in favour of the Owner and acknowledges and agrees that the Owner is entering into this Agreement on the basis of such representations and warranties, namely, that it has the corporate power, capacity and authority to execute, deliver and perform this Agreement and the execution, delivery and performance of this Agreement by it has been duly authorized by all required corporate action and this Agreement represents a valid and binding obligation of the Royalty Holder enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws or by equitable principles generally.

5. TRANSFER RIGHTS

5.1 Restricted Transfer Rights of the Owner. The Owner may Transfer, in whole or in part: (i) legal or beneficial title in and to any or any part of the Properties; and (ii) its rights and obligations under this Agreement; so long as the following conditions are satisfied:

- (a) the Owner provides the Royalty Holder with at least 30 days prior written notice of the intent to Transfer of the Owner;
- (b) any purchaser, merged company, transferee or assignee, as a condition to completion of the Transfer, agrees in writing in favour of the Royalty Holder to be bound by the terms of this Agreement, including without limitation, this Section 5.1 pursuant to an agreement in writing satisfactory to the Royalty Holder, acting reasonably, and the Royalty Holder does not suffer a material adverse effect in relation to the transactions set forth in this Agreement;
- (c) any transferee of the Owner that is a mortgagee, charge holder or encumbrancer:
 - (i) agrees in favour of the Royalty Holder to be bound by the terms of this Agreement in the event it enforces or realizes on any security that may be granted to it over and in respect of the Properties; and
 - (ii) obtains an agreement in writing in favour of the Royalty Holder from any subsequent purchaser or transferee of such mortgagee, chargeholder or encumbrancer that such subsequent mortgagee, chargeholder or encumbrancer will be bound by the terms of this Agreement (with respect to the latter, if applicable).

For the avoidance of doubt and for greater certainty, if the Owner wishes to Transfer its interest in this Agreement, it shall Transfer all of its right, title and interest in and to all of the Properties to the same Person to whom it Transfers its interest in this Agreement (and vice versa) and this Section 5.1 shall apply if the Owner wishes to grant an option to any Person to acquire an interest in and to any of the Properties. The Owner may, at its sole discretion, enter into a joint venture agreement with respect to any part of parts of the Properties so long as prior to the execution of any joint venture agreement or mining lease agreement both the Owner and the proposed joint venture partner or proposed lessee agree in favour of the Royalty Holder to be bound by the terms of this Agreement, including without limitation, this Section 5.1. pursuant to an instrument in writing that is satisfactory to the Royalty Holder, in its sole discretion, and the Royalty Holder does not suffer a material adverse effect in relation to the transactions set forth in the proposed joint venture agreement

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

5.2 Transfer Rights of the Royalty Holder. The Royalty Holder shall have the right to Transfer or encumber, in whole or in part, its rights and obligations under this Agreement to another Person. The Royalty Holder will provide notice to the Owner prior to the Transfer or encumbrance being completed. The Royalty Holder shall also have the right at any time to charge, pledge or assign as security to a lender its rights, in whole or in part, under this Agreement. In the case of a Transfer of the Royalty under this Agreement, if such Person has agreed in writing with the Owner to be bound by such transferred obligations under this Agreement, the Royalty Holder shall be released from the transferred obligations under this Agreement.

5.3 Project Financing of the Owner. The Owner covenants to and in favour of the Royalty Holder that the terms of any project financing arranged with respect to the Properties shall not allow for the lenders to prohibit or interfere with any Royalty payments due to the Royalty Holder hereunder or allow for cash sweeps or payments of excess cash flow to the lenders in priority to any Royalty payments due to the Royalty Holder hereunder. In connection with any such project financing, the Owner shall obtain at the closing of such project financing a certificate executed by an authorized officer of each lending institution or any other third party to the project financing, acknowledging the validity and existence of this Agreement and the Royalty obligations under this Agreement and agreeing that it will not object to or attempt to prohibit payment of any of the payments of the Royalty hereunder.

6. DISPUTE RESOLUTION

6.1 Arbitration. In the event of a dispute in relation to this Agreement, including without limitation, the existence, validity, performance, breach or termination hereof or any matter arising hereunder, including whether any matter is subject to arbitration, the Parties agree to negotiate diligently and in good faith in an attempt to resolve such dispute. Failing resolution satisfactory to either Party, within ten days of the time frame specified herein or if no time frame is specified within ten days of the delivery of notice by either Party of the said dispute, which shall be after the dispute remains open for a period of 90 days, either Party may request that the dispute be resolved by binding arbitration, conducted in English, in Vancouver, British Columbia, pursuant to the domestic commercial arbitration rules of the British Columbia International Commercial Arbitration Centre (the “BCICAC”). The appointing authority shall be the BCICAC and the case shall be administered by the BCICAC in accordance with its Domestic Commercial Arbitration Rules of Procedure, subject to the following:

(a) to demand arbitration either Party (the “**Demanding Party**”) shall give written notice (the “**Dispute Notice**”) to the other Party (the “**Responding Party**”), which Dispute Notice shall toll the running of any applicable limitations of actions by law or under this Agreement. The Dispute Notice shall specify the nature of the allegation and the issues in dispute, the amount or value involved (if applicable) and the remedy requested. Within 15 Business Days of receipt of the Dispute Notice, the Responding Party shall answer the demand in writing, responding to the allegations and issues that are disputed;

(b) the Demanding Party and the Responding Party shall mutually agree upon one single qualified arbitrator within seven Business Days of the Responding Party’s answer,

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

failing which any of the Demanding Party and the Responding Party may request the BCICAC to appoint one qualified arbitrator within five Business Days of the Responding Party's answer. The arbitrator shall be a disinterested person qualified by experience to hear and determine the issues to be arbitrated;

(c) no later than 15 Business Days after hearing the representations and evidence of the Parties, the arbitrator shall make its determination in writing in English and shall deliver one copy to each of the Parties. The written decision of the arbitrator shall be final and binding upon the Parties in respect of all matters relating to the arbitration, the procedure, the conduct of the Parties during the proceedings and the final determination of the issues in the arbitration. There shall be no appeal from the determination of the arbitrator to any court. The decision rendered by the arbitrator may be entered into any court for enforcement purposes;

(d) the arbitrator may determine all questions of law and jurisdiction (including questions as to whether or not a dispute is arbitratable) and all matters of procedure relating to the arbitration;

(e) the arbitrator shall have the right to grant legal and equitable relief and to award costs (including reasonable legal fees and the costs of arbitration) and interest. The costs of any arbitration shall be borne by the Parties in the manner specified by the arbitrator in its determination, if applicable. The arbitrator may make an interim order, including injunctive relief and other provisional, protective or conservatory measures, as well as orders seeking assistance from a court in taking or compelling evidence or preserving and producing documents regarding the subject matter of the dispute;

(f) all papers, notices or process pertaining to an arbitration hereunder may be served on a Party as provided in this Agreement; and

(g) the Parties agree to treat as Confidential Information, in accordance with the provisions of Section 9.2, 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 the purposes of the arbitration; and the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing part of this section, a Party may disclose such Confidential Information in judicial proceedings to enforce, nullify, modify or correct an award or ruling and as permitted under Section 9.2.

7. OPERATION OF THE PROPERTIES

7.1 Owner to Determine Operations. The Owner will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Properties and may suspend operations and production on the Properties at any time it considers prudent or appropriate to do so. The Owner does not have or owe any duty to the Royalty Holder to explore, develop, mine or deal with any of the Properties, or to do so at any rate or in any manner other than that which the Owner may determine in its sole and unfettered discretion. For clarity, the Royalty Holder shall not have any contractual or other legal

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

rights or remedies in connection with the development or operation of any of the operations of the Owner, including without limitation, with regards to the Properties.

7.2 Commingling. Commingling of Products from the any of the Properties with other ores, doré, concentrates, metals, minerals or mineral by-products produced elsewhere is permitted without the consent of the Royalty Holder, provided that, prior to commencing any such action, the Owner shall adopt a written plan consistent with best industry practices and procedures, and satisfactory to the Royalty Holder, acting reasonably, for (i) weighing, determining moisture content, sampling and assaying, and determining the metallurgical impact of, each commingled source, in order to determine Products in feed to the applicable mill, and (ii) mitigating any impact to metallurgical recovery from Products resulting from such action.

8. MISCELLANEOUS

8.1 Other Activities and Interests. This Agreement and the rights and obligations of the Parties hereunder are strictly limited to the Properties. 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.

8.2 Confidentiality. All information, data, reports, records, analyses, economic and technical studies and test results relating to the Properties and the activities of the Owner or any other party thereon and the terms and conditions of this Agreement, all of which will hereinafter be referred to as "**Confidential Information**," will be treated by the Royalty Holder as confidential and will not be disclosed to any person not a party to this Agreement, except in the following circumstances:

(a) the Royalty Holder may disclose Confidential Information to its auditors, legal counsel, institutional lenders, brokers, underwriters and investment bankers, provided that such non-party users are advised of the confidential nature of the Confidential Information, undertake to maintain the confidentiality thereof and are strictly limited in their use of the Confidential Information to those purposes necessary for such non-party users to perform the services for which they were retained by the Royalty Holder;

(b) the Royalty Holder may disclose Confidential Information to prospective purchasers of the Royalty Holder's right to receive the Royalty, provided that each such prospective purchaser first agrees in writing to hold such information confidential in accordance with this section and to use it exclusively for the purpose of evaluating its interest in purchasing such Royalty right;

(c) the Royalty Holder may disclose Confidential Information where that disclosure is necessary to comply with applicable laws or orders of any court or governmental authority, including its disclosure obligations and requirements under any securities law, rules or regulations or stock exchange listing agreements, policies or regulatory requirements as the Royalty Holder, acting reasonably and on the advice of external legal counsel, determines is necessary or desirable to fulfill the Royalty Holder's disclosure obligations and requirements under Applicable Laws;

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

- (d) in connection with any proceeding under Section 7.1; or
- (e) with the approval of the Owner.

Any Confidential Information that becomes part of the public domain by no act or omission in breach of this section will cease to be confidential information for the purposes of this section.

8.3 No Partnership. This Agreement is not intended to, and will not be deemed to, create any partnership relation between the Parties including, without limitation, a joint venture, mining partnership or commercial partnership. Save and except as otherwise provided herein the obligations and liabilities of the Parties will be several and not joint and neither of the Parties will have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other Party. Nothing herein contained will be deemed to constitute a Party, the partner, agent, joint venturer or legal representative of the other Party.

8.4 No Waivers. No waiver of or with respect to any term or condition of this Agreement shall be effective unless it is in writing and signed by the waiving Party, and then such waiver shall be effective only in the specific instance and for the purpose for which given. No course of dealing between the Parties, nor any failure to exercise, nor any delay in exercising, on the part of any Party hereunder, any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any specific waiver of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

8.5 Time of the Essence. Time shall be of the essence in the performance of any and all of the obligations of the Parties hereunder, including without limitation, the payment of monies.

8.6 Further Assurances. Each Party will, at the request of the Party and at the requesting Party's expense, execute all such documents and take all such actions as may be reasonably required to effect the purposes and intent of this Agreement.

8.7 Rule Against Perpetuities. In the event a court of competent jurisdiction determines that any provision of this Agreement violates the statutory or common law Rule Against Perpetuities, then such provision shall automatically be revised and reformed as necessary to comply with the Rule Against Perpetuities and this Agreement shall not be terminated solely as a result of a violation of the Rule Against Perpetuities. [

8.8 Entire Agreement. This Agreement, including the Schedule hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof, all previous agreements and promises in respect thereto being hereby expressly rescinded and replaced hereby. No modification or alteration of this Agreement will be effective unless in writing executed subsequent to the date hereof by both Parties. No prior written or contemporaneous oral promises, representations or agreements are binding upon the Parties. There are no implied covenants contained herein.

8.9 Notice. Any notice, demand, consent or other communication ("Notice") given or made under the Agreement:

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by hand, by overnight courier, or email to the address below or the address or email address last notified by the intended recipient to the sender:

If to the Owner :

Attention:

Email:

If to the Royalty Holder:

Attention:

Email:

- (c) will be deemed to be duly given or made when delivered;

but if the result is that a Notice would be deemed to be given or made on a day which is not a Business Day in the place to which the Notice is sent or is later than 4:00 pm (local time) it will be deemed to have been duly given or made at the commencement of business on the next Business Day in that place.

8.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which will constitute an original, but all of which together will constitute one and the same instrument.

8.11 Parties in Interest. This Agreement will enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.

SIGNATURE BLOCKS APPEAR ON NEXT PAGE

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

IN WITNESS WHEREOF the Parties have executed and delivered this Net Smelter Returns Royalty Agreement as of the date and year first above written.

EUROCONTROL TECHNICS GROUP INC.

Per:

Signature

Name

Title

SABLE RESOURCES LTD.

Per:

Signature

Name

Title

SCHEDULE 2.2(c) - FORM OF NSR ROYALTY AGREEMENT

SCHEDULE A
DESCRIPTION OF PROPERTIES