AMENDED AND RESTATED

NET SMELTER RETURN ROYALTY AGREEMENT

THIS AGREEMENT is made the 28th day of September, 2023,

BETWEEN:

GEM CAP INVESTMENT HOLDINGS INC., a company incorporated under the laws of the Province of Ontario,

(hereinafter referred to as "**GCIH**")

- and -

CWACHSBERG HOLDINGS INC., a company incorporated under the laws of the Province of Ontario,

(hereinafter referred to as "**CWHI**")

- and -

THREE SISTERS HOLDING INC., a company incorporated under the laws of the Province of Ontario,

(hereinafter referred to as "**TSH**")

- and -

SINGULAR INVESTMENTS INC., a company incorporated under the laws of the Province of Ontario,

(hereinafter referred to as "**SII**", and together with GCIH, CWHI and TSH, the "**Holder**"))

- and -

EURO SUN MINING INC., a company incorporated under the federal laws of Canada and having an address at 198 Davenport Road, Toronto, Ontario, M5R 1J2,

(hereinafter referred to as "**ESM**")

- and -

SAMAX ROMANIA S.R.L. . a limited liability company established and functioning under the laws of Romania, with its registered office in Crişcior Village, Crişcior Commune, 146 Calea Zarandului, Hunedoara County, Romania, registered with the Trade Registry under no. J20/1647/2017, European Unique Identifier (EUID): ROONRC.J20/1647/2017, Sole Registration Code (C.U.I.) 11804027,
(hereinafter referred to as "**SAMAX**" and, together with ESM the "**Owner**")

WHEREAS SAMAX, a wholly-owned subsidiary of ESM, is the owner of the Property (as hereinafter defined);

AND WHEREAS the Property is the only mineral property asset held by ESM and SAMAX;

AND WHEREAS each of GCIH, CWHI, TSH and SII wishes to severally acquire 0.25% of the Royalty (as hereinafter defined);

AND WHEREAS the parties entered into a Net Smelter Return Royalty Agreement dated as of August 25, 2023, pursuant to which each of GCIH, CWHI, TSH and SII severally acquired, pending Initial Payment, 0.25% of the Royalty (as hereinafter defined) for cash payments totaling an aggregate of C$4,000,000 (the "**Original Agreement**");

AND WHEREAS the parties wish to amend and restate the Original Agreement by entering into this Agreement to grant to amend Section 2.6 of the Original Agreement in exchange for an increased Initial Payment of $2,625,000;

AND WHEREAS for the avoidance of doubt, ESM has incurred debt obligations under the CFSA (as defined below) for the direct benefit of SAMAX, and the amounts received will be used (a) to repay debt obligations under the CFSA and (b) by SAMAX for the development of the Rovina Valley Project

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

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

For purposes of this Agreement (including the recitals and Schedules hereto), the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

(a) "**Affiliate**" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person;

(b) "**Allowable Deductions**" means the following, without duplication:

(i) smelting and refining charges, treatment charges and penalties, including all costs of assaying, analyzing, sampling or representation, custom-smelting, minting and refining, representative and umpire charges, metal deductions and losses, penalties for impurities and charges for treating, refining, beneficiating, storing and handling the Product levied by the smelter, refinery or other place of treatment or beneficiation;

(ii) costs of transporting Product (including loading, freight, insurance, security, transportation, taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of transportation) from the Property or from a concentrator, whether situated on or off the Property, to any smelter, refinery or other place of treatment or beneficiation and then to the place of sale, costs of offsite freight and insurance, security, storage, loading and discharge and ocean freight and port charges;

(iii) sales, use, severance, excise, net proceeds of mine, ad valorem and any other Taxes payable directly on, or assessed against, the value or quantity of the Product but excluding any Taxes:

A) based on the gross or net income of Owner and/or its Affiliates;

B) any business or franchise taxes of Owner and its Affiliates; and

C) any taxes based on the value of the Property and any improvements thereon including any ad valorem taxes;

(iv) marketing and other sales costs, including sales commissions or brokerage costs and fees and transportation costs, incurred in selling the Product; and

(v) all production royalties or other fees and taxes based on mineral production or mining activity that are currently or may become legally or contractually payable to any Governmental Authority under Laws,

provided that if any smelting, refining or other treatment or beneficiation is carried out in facilities owned or controlled, in whole or in part, by the Owner or any of its Affiliates, then the Allowable Deductions shall be the amount that the Owner would have incurred if such smelting, refining or other treatment or beneficiation were carried out at facilities not owned or controlled by the Owner or its Affiliates, and Allowable Deductions will not include any costs that are in excess of those that would be incurred on an arm's length basis at market terms, or which would not be Allowable Deductions if those Products were processed by an independent third Person;

(c) "**Arm's Length**" has the meaning as that term is understood for the purposes of the *Income Tax Act* (Canada);

(d) “**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario on which commercial banks in Toronto, Ontario are open for business;

(e) “**CFSA**” means the two convertible security funding agreements entered into between ESM and Lind Global Fund II, LP;

(f) “**Commercial Production**” means the mining, extraction, processing and recovery for commercial exploitation and sale of Products from the Project, including any Commercial Production resulting from an operating contract with a Third Party, but excluding the taking, processing or shipping of minerals or Products from the Project for the purpose of bulk sampling, testing, determining the amenability of the minerals or Products to beneficiation processes;

(g) “**Commingling Product**” has the meaning ascribed to it in Section 2.4(d);

(h) “"**Common Shares**” means common shares of ESM;

(i) “**Confidential Information**” means the contents of this Agreement or any non-public information received under this Agreement relating to the Owner or the Property and all Technical Data, intellectual property owned or held by the Owner or any of its Affiliates and any other information concerning any matters affecting or relating to the business, operations, assets, results or prospects of the Owner or the Property, including information regarding plans, budgets, processes, results of exploration, development and mining and other data, except to the extent that such information has already been publicly released as allowed herein by the party providing such information or that the recipient of such information can demonstrate that such information was previously publicly released by a Person who did not do so in violation or contravention of any duty or agreement;

(j) “**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the legal or beneficial Ownership of either 50% of the securities or interests or sufficient securities or interests to elect a majority of the directors, trustees or other governing body of such Person, by contract or otherwise, and the terms “**Controlled**” and “**Controlling**” shall have meanings correlative to the foregoing;

(k) “**Dispute**” has the meaning ascribed to it in Section 3.5;

(l) “**Dispute Notice**” has the meaning ascribed to it in Section 3.5(b);

(m) “**Environmental Laws**” means Laws aimed at reclamation, restoration or closure of the Property, prevention and abatement of pollution, protection of the environment, protection of natural resources and wildlife (including endangered species), ensuring public and occupational health and safety (including from exposure to Hazardous Substances), protection of cultural or historic resources, releases or threatened release of Hazardous Substances, and all other Laws relating to the manufacturing, processing, distribution, use, treatment, management, storage, disposal, handling, remediation, control or transport of Hazardous Substances;

(n) “**Environmental Orders**” means Orders issued, filed or imposed by any Governmental Authority pursuant to any Environmental Laws and includes restrictions with respect to operations or land use (e.g., certificates of property use) and Orders requiring investigation, assessment, monitoring, managing, controlling, treatment, removal, excavation, mitigation, closure, rehabilitation or remediation of any site or Hazardous Substance, or requiring that any Release or any other activity be reduced, modified, managed, controlled, stopped or eliminated or requiring any form of payment or cooperation be provided to any Governmental Authority;

(o) "**Governmental Authority**" means any: (i) federal, national, state, provincial, municipal, borough, foreign, international, multinational government or jurisdiction (and any political subdivision of any thereof); (ii) any governmental or quasi-governmental authority (including any agency, branch, department, board, commission, court, tribunal, bureau or instrumentality or other entity exercising governmental or quasi-governmental powers); (iii) any other body exercising or purporting to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority, including any stock exchange or self-regulatory organization; and (iv) any official of (i), (ii) or (iii) while such official is acting in his or her official capacity;

(p) "**Governmental Authorization**" means any order, directive, notice, permit, license, variance, franchise, approval, finding of suitability, certificate, consent, right, quota, derivative, ratification, grant, registration, recognition order, permission, clearance, privilege, confirmation, endorsement, waiver, exemption, exemption relief order, no-action relief order, certification, transfer, qualification, other authorization or similar right issued, granted, given or otherwise made available by or under the authority of any Governmental Authority, including under any agreement with any Governmental Authority, or pursuant to any Legal Requirement, as amended, modified, codified, replaced or re-enacted, in whole or in part, from time to time;

(q) "**Gross Revenues**" for any period following the date the Property comes into Commercial Production, is determined as follows:

(i) if Products are sold by a Third Party pursuant to an operating contract and the Owner is paid an amount with respect thereto by such Third Party, then the gross proceeds shall be the amount reported to Owner to have been received by the contract miner after Allowable Deductions;

(ii) if Products are sold by the Owner to its Affiliates or in connection with Trading Activities, as applicable, then the gross proceeds in respect of such Products will be equal to the value of such Products with reference to applicable industry standard quoted commodity price acceptable to the Owner, during the period, without regard to the proceeds actually received by the Owner;

(iii) if any Products are sold by the Owner in a manner that is not addressed in section (i) above, then the gross proceeds shall be the amount of gross proceeds actually received by the Owner or its Affiliates in the applicable period for the sale of Product produced from the Property to a smelter, refiner, or other *bona fide* purchaser; and

(iv) if there is an insurable loss of or damage to Products, whether or not occurring on the Property and whether the Products are in possession of the Owner or its Affiliates or otherwise, then the gross proceeds will be equal to the sum of the insurance proceeds actually paid to the Owner in respect of such loss or damage;

(r) “**Hazardous Substances**” means any substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odour, radiation, energy vector, plasma, organic or inorganic matter that is or is deemed to be, alone or in any combination, hazardous, hazardous waste, solid or liquid waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination, regulated by any Environmental Laws;

(s) “**IFRS**” means the international financial reporting standards that have been established in Canada, including those approved from time to time by the International Accounting Standards Board or any successor body thereto;

(t) “**Law**” or “**Laws**” means all applicable laws (statutory or common), by-laws, constitutions, rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, protocols, guidelines, directives, judgments, instructions and decrees of any Governmental Authority having jurisdiction or purported jurisdiction, and other applicable governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature, including Environmental Laws;

(u) “**Legal Requirement**” means any Law or Order or other valid restriction of any Governmental Authority, and the terms of any Governmental Authorization, as amended, modified, codified, replaced or re-enacted, in whole or in part, from time to time;

(v) “**Mine Complex**” means a mine, processing plant and related facilities constructed and operated to produce Products from the Project, including any modifications thereto;

(w) “**Mining Right**” has the meaning ascribed to it in Section 4.4(b);

(x) “**Net Smelter Return**” means, in any period commencing in the period in which Commercial Production occurs, the amount, if any, by which Gross Revenues for such period exceed the Allowable Deductions for such period;

(y) “**Operations Report**” has the meaning ascribed to it in Section 3.2;

(z) “**Orders**” means orders, injunctions, judgments, administrative complaints, decrees, resolutions, rulings, awards, assessments, writs, decisions, directions, instructions, penalties or sanctions issued, filed or imposed by a Governmental Authority or arbitrator, including Environmental Orders;

(aa) “**Owner**” has the meaning ascribed to it in the recitals;

(bb) “**Person**” means any individual, corporation, legal person, any partnership, firm, joint venture, syndicate, association, trust, trustee, trust company, limited liability company, unincorporated organization, Governmental Authority or any other form of entity or organization;

(cc) “**Products**” means mineral bearing ores, including without limitation lithium ores mined from the Property and any concentrates or other materials or products derived therefrom as part of the operations relating to the Property and carried out thereunder;

(dd) “**Project**” means the Property and the activities and operations undertaken by or on behalf of the Owner in connection with the Property from time to time, including in respect of any associated Mine Complex;

(ee) “**Property**” means: (i) the mining concessions, exploration permits and all applications related thereto, located in Romania as set out in **Error! Reference source not found.**, and any renewal, replacements, substitutions or modifications of the foregoing; and (ii) surface rights, water rights and other rights relating to minerals or to access minerals, Governmental Authorizations and other forms of mineral title, whether contractual, statutory or otherwise, together with all other interests in real property, licenses, leases, fixtures and improvements and all easements, rights-of-way (including for transmission lines and pipelines and related equipment), water rights, landing and access rights in respect of port access and all other appurtenances which, as of the date hereof, are held by or for the benefit of the Owner in connection with the Project;

(ff) “**Release**” means to release, spill, leak, pump, pour, emit, empty, discharge, deposit, inject, leach, dispose, dump or permit to escape;

(gg) “**Royalty**” means the net smelter return royalty granted by the Owner to the Holder pursuant to Section 2.1;

(hh) “**Royalty Payment**” has the meaning ascribed to it in Section 2.2(a);

(ii) “**Royalty Rate**” has the meaning ascribed to it in Section 2.1;

(jj) “**Taxes**” means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind imposed by any Governmental Authority, foreign or domestic, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof;

(kk) “**Technical Data**” means engineering studies and working papers, consultants reports and working papers, pre-feasibility reports, feasibility reports, mine plans, surface and underground maps, assays, samples, cores, analyses, geologic and geophysical maps, engineering maps, photographs, drill logs, exploration reports, environmental studies, correspondence with any Governmental Authority, reserve studies and reports, metallurgical studies and reports and all other information and data in printed or electronic form concerning the condition, geology, mineral potential, physical characteristics, mineability or other technical matters related to the Property or any facilities constructed by or for the Owner or the conduct of operations in connection with the Property;

(ll) “**Third Party**” means, in relation to any party, a person with whom such party deals at Arm’s Length; and

(mm) “**Trading Activities**” means any and all price hedging and price protection activities undertaken by the Owner or its Affiliates with respect to any Products or currency exchanges, including any forward sale and/or purchase contracts, spot-deferred contracts, option contracts, speculative purchases and sales of forward, futures and option contracts, both on and off commodity exchanges.

1.2 Rules of Construction

Unless the context otherwise requires, in this Agreement:

(a) the terms "Agreement", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;

(b) references to an "Article", "Section" or "Schedule" followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;

(c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

(d) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa;

(e) unless otherwise indicated, any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;

(f) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation";

(g) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;

(h) unless otherwise indicated, time periods 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

(i) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.

1.3 Entire Agreement

This Agreement, together with the other documents executed and delivered in connection herewith, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, with respect to all matters arising after the date hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein or as provided in other documents executed and delivered by the parties in connection herewith.

1.4 Currency

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian dollars.

1.5 Schedules

The following Schedules are attached to and form an integral part of this Agreement:

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ARTICLE 2
NET SMELTER ROYALTY

2.1 Grant of Royalty

(a) On the terms and subject to the conditions of this Agreement, the Owner hereby grants, transfers and conveys to the Holder an interest in and right to the Property and minerals derived from such Property to the extent of the Royalty payable hereunder.

(b) As consideration for granting the Royalty, the Holder hereby agrees to pay to the Owner an aggregate amount of C$4,000,000, payable as follows:

(i) C$2,625,000 on the date hereof, subject to the satisfaction by the Holder of the Closing Deliverables (the "**Initial Payment**"); and

(ii) C$1,375,000 payable on or before June 24, 2024 (the "**Final Payment**");

(c) The Owner agrees to pay, beginning on the date on which any portion of the Property comes into Commercial Production, to the Holder, a net smelter royalty (the "**Royalty**") at a fixed rate of 1% (the "**Royalty Rate**") of the Net Smelter Return.

(d) To the extent any portion of the Payment is not paid in accordance with Section 2.1(b) above, this Agreement and Royalty shall terminate and ESM and the Holder shall, subject to approval of the Toronto Stock Exchange, convert the Initial Payment into Common Shares at the conversion price of the greater of (a) $0.05 per Common Shares or (b) the market price of the Common Shares.

(e) Prior to the date hereof, the Owner shall deliver to the Holder (i) an officer's certificate certifying the material payables of the Owner and (ii) a title opinion from Romanian counsel to the Holder with respect to Owner's title to the Property.

(f) The Owner agrees that the Initial Payment shall be used to pay down the principal amounts outstanding under the CFSA.

2.2 Calculation and Payment of Royalty

(a) The Royalty payable to the Holder shall be calculated on a quarterly basis (beginning in the calendar quarter that any portion of the Property comes into Commercial Production) and the amount of the Royalty payable to the Holder in respect of any applicable calendar quarter (the "**Royalty Payment**") shall be equal to the product of the Net Smelter Return for such calendar quarter multiplied by the Royalty Rate.

(b) The Royalty Payment in respect of each applicable calendar quarter shall be paid to the Holder within 45 days after the end of each such applicable calendar quarter by delivery to the Holder of a certified cheque, bank draft or wire transfer made payable to, or to the order of, the Holder. At the time each Royalty Payment is made, the Owner shall deliver to the Holder an Operations Report.

(c) All Royalty Payments shall be made in Canadian dollars and will be made subject to withholding or deduction in respect of the Royalty for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any government having power and jurisdiction to tax and for which the Owner is obligated by Law to withhold or deduct and remit under Legal Requirements to the relevant taxation authorities. The Owner shall set out in detail in the statement referred to in Section **Error! Reference source not found.** any amount so withheld or deducted.

(d) The Owner shall not deduct the costs of mining, milling, leaching or any other on-site processing costs (other than Allowable Deductions) incurred by the Owner or its Affiliates in the determination of the Net Smelter Return.

(e) The Owner shall have the right to mine, remove and sell small amounts of Product as is reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the minerals potential of the Property. The Holder shall not be entitled to a Royalty in respect of such sales.

2.3 <u>Interest in Land</u>

The parties hereto intend that the Royalty, to the extent permissible under applicable Laws, constitutes an interest in the Property and, accordingly, agree that, to the extent permitted by applicable Laws:

(a) the Royalty will run with the Property and any disposition or transfer of the Property, or any interest therein, shall be subject to the Royalty;

(b) any sale or other disposition of any interest in the Property by the Owner will be effective only in accordance with Section 4.4; and

(c) the Holder may register this Agreement in the applicable mining registry in Romania and the Owner shall sign and deliver to the Holder any and all forms or other documents, and use its commercially reasonable efforts to take any actions required, as the Holder may reasonably request so that the Holder may register this Royalty in the applicable mining registry in Romania; provided, however, that the Owner shall not be required to in any way materially amend or revise this Agreement.

2.4 <u>Accounting Matters</u>

(a) All calculations and computations relating to the Royalty Payments to be made to the Holder hereunder shall be made on the accrual method and shall be carried out on a consistent basis in accordance with IFRS to the extent that such standards are not inconsistent with the provisions of this Agreement. In the event of any inconsistency between IFRS and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(b) Any Royalty Payment made hereunder shall be considered final and in full satisfaction of all obligations of the Owner hereunder in respect of the Royalty payable for the period to which such payment relates unless within 12 months (the "**Review Period**") after the receipt by the Holder of a Royalty Payment, the Holder provides a written notice of its objection (describing in detail the specific objection and its basis therefor) to the Owner. If a Dispute arises in connection with the Holder's objection the parties to the Dispute shall use their best efforts to successfully settle the matter. If the Dispute cannot be resolved by the mutual agreement of the parties within 90 days after receipt of such notice of objection by the Owner, any party to the Dispute may elect to have the Dispute arbitrated in accordance with Section 3.5.

(c) Representatives of the Holder (which may include representatives of the Holder's auditor) shall be entitled, within the Review Period and upon not less than 10 Business Days' prior written notice from the Holder, to inspect and audit the books of account, records and supporting materials of the Owner related to the determination of the Royalty Payment or otherwise confirming the rights and obligations of the Holder and the Owner hereunder; provided, however, that the Holder's right to such inspection and audit may not be exercised more frequently than annually. If such audit determines that there has been a deficiency or an excess in the Royalty Payment made to the Holder, such deficiency or excess shall be resolved by adjusting the next Royalty Payment due hereunder. The Holder shall pay all costs and expenses of any inspection or audit unless a deficiency of 5% or more of the amount due to the Holder is determined to exist, in which case the Owner will pay the costs of such audit. Notwithstanding Section 3.5, in the event a Dispute arises regarding any adjustment to Royalty Payments as provided in this Section 2.4(c) which cannot be resolved by the mutual agreement of the parties within 90 days, any party may elect to have the Dispute arbitrated in accordance with Section 3.5. The accounting firm selected by the Holder to perform the audit shall agree to be bound by the confidentiality provisions of Section 3.4.

(d) The Owner shall have the right to commingle any Products (the "**Commingling Products**") with ore, concentrates, minerals and other material mined and removed from other properties. The Owner shall give written notice to the Holder prior to such commingling. Before any Commingling Product is commingled with ore, concentrates, minerals and other material mined and removed from other properties, the Commingling Product shall be measured and sampled in accordance with sound mining and metallurgical practices for moisture, metal, mineral and other appropriate content and penalty substances of the Commingling Product. Representative samples of the Commingling Product and the results of the measuring and sampling (including penalty substances) shall be retained by the Owner. From this information, the Owner shall determine the quantity of the Commingling Product subject to the Royalty notwithstanding that the Commingling Product has been commingled with ore, concentrates, minerals and other material mined and removed from other properties. Following the expiration of the Review Period, and absent timely objection, if any, made by the Holder, the Owner may dispose of the materials and data required to be kept and produced by this section.

(e) Any Trading Activities engaged in by the Owner or its Affiliates in respect of Products, and the profits and losses generated thereby, shall not, in any manner, be taken into account in the calculation of Royalty Payments due to the Holder, whether in connection with the determination of price, the date of sale or the date any Royalty Payment is due or in any other respect. The Holder acknowledges that the Owner or its Affiliates engaging in Trading Activities may result in the Owner or its Affiliates realizing from time to time fewer or more dollars for Product than the amount determined for Gross Revenues. Similarly, the Holder shall not be obligated to share in any losses generated by any such Trading Activities with respect to any Product.

(f) For the purpose of determining the amount of the Royalty Payments required to be made to the Holder pursuant to Section 2.2, all receipts and disbursements in a non-Canadian currency will be converted into Canadian currency on the basis of the daily average exchange rate quoted by the Bank of Canada on the last Business Day prior to the date of receipt or disbursement, as the case may be.

2.5 Royalty Sale Right

(a) Upon the payment of the Final Payment, the Owner shall have the right to sell the Royalty to a third-party (the "**Royalty Sale Right**") for consideration with a fair market value of no less than:

(i) C$20,000,000, if the Royalty Sale Right is exercised within six months of the Final Payment; or

(ii) C$24,000,000, if the Royalty Sale Right is exercised after six months of the Final Payment, but no later than 24 months from the Final Payment.

(b) The Holder hereby irrevocably appoints the Owner as its agent and attorney to take any action that is required under the Agreement to effect the Royalty Sale Right on its behalf, including without limitation for the purposes of all closing matters with respect to the Royalty Sale Right, and cause to be done all such acts and things as may be necessary or desirable in connection with the closing of the sale of the Royalty. Without limiting the generality of the foregoing, Owner may negotiate, settle and deliver the final forms of any documents that are necessary or desirable to give effect to the sale of the Royalty, extend such time periods as may be contemplated herein or terminate any sale agreement, in its absolute discretion, as it deems appropriate. The Holder hereby acknowledges and agrees that any decision or exercise of discretion made by the Owner under this Agreement or subsequent agreement with respect to the Royalty Sale Right, shall be final and binding upon the Holder so long as such decision or exercise was made in good faith. A third-party purchaser of the Royalty shall have no duty to enquire into the validity of any document executed or other action taken by Owner on behalf of the Holder pursuant to the Royalty Sale Right.

(c) All net proceeds from the sale of the Royalty under the Royalty Sale Right shall be directed to the Holder.

2.6 <u>Grant of Warrants and Copper Royalty After Royalty Sale</u>

(a) ESM agrees to grant 32,000,000 common share purchase warrants ("**Warrants**") of ESM at an exercise price of C$0.125 per Warrant, with a term expiring five years from the date hereof and vesting upon the exercise by the Owner of the Royalty Sale Right and the Royalty is sold, assigned or otherwise conveyed in accordance with Section 2.3.

(b) Upon the exercise of the Royalty Sale Right by the Owner and the Royalty is sold, assigned or otherwise conveyed in accordance with Section 2.3, Owner agrees to grant to the Holder a 1% net smelter return royalty on all copper produced at the Property, substantially on the same terms as this Agreement.

(c) ESM agrees, until the Royalty Sale Right expires in accordance with Section 2.5(a)(ii), that it shall not proceed with a consolidation of its Commons at a ratio greater than 2:1 without the prior written approval of the Holder.

2.7 <u>Board Representation Right</u>

Upon payment of the Final Payment, ESM agrees to nominate to its board of directors a nominee of Purchaser to appoint to the board of directors of ESM and to the compensation committee of ESM.

ARTICLE 3
<u>REPORTING, ACCESS AND DISPUTE RESOLUTION</u>

3.1 <u>Records</u>

The Owner shall, from and after the date hereof, keep accurate records of the tonnage, volume of Products, analysis of Products, weight, moisture, assays of pay metal content and other records, as appropriate, related to the determination of the Net Smelter Return.

3.2 Operations Reports

(a) At the same time as paying each Royalty Payment under Section 2.2, the Owner shall provide to the Holder a report setting out in reasonable detail the following information ("**Operations Report**"):

(i) the quantity, type and grade of Products produced and sold during the applicable calendar quarter;

(ii) the Royalty payable for the applicable calendar quarter, and details of the Gross Revenues and Allowable Deductions underlying the calculation of the Royalty; and

(iii) other pertinent information in sufficient detail to explain the calculation of the Royalty Payment.

3.3 Inspection Rights

(a) At any time after Commercial Production has been achieved, upon not less than 30 days' notice to the Owner, the Holder or its authorized representatives may enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and may, subject to the obligations of confidentiality described in Section 3.4, inspect and copy all records and data directly pertaining to the determination of the Royalty, including such records and data related to the determination of such mineral content in Commingled Products and including such records and data which are maintained electronically; provided, however, that this inspection right shall not be exercised by the Holder more frequently than semi-annually. The Holder and its authorized representatives shall enter the Property at its own risk and may not unreasonably hinder operations on or pertaining to the Property.

(b) The Holder shall indemnify and save harmless the Owner and its Affiliates and their respective directors, officers, shareholders, employees, agents and attorneys (each, an "**Indemnified Party**"), from and against any expenses, costs, penalties, fines, losses, liabilities (including, any amounts paid in settlement, all interest and penalties and all legal and other professional fees and disbursements) which may be suffered or incurred by any of them by reason of damage to property or injury to the Holder or any of its agents or representatives caused by the Holder's exercise of its rights under this Section 3.3, except where such damage or injury was caused by the negligence or wilful misconduct of an Indemnified Party.

3.4 Confidentiality

(a) All Confidential Information shall be treated by the Holder as confidential during the term of this Agreement and at all times thereafter. The Holder shall not, without the prior written consent of the Owner, disclose Confidential Information, other than to employees, agents, consultants or advisors of the Holder in respect of the administration or enforcement of its rights hereunder and who agree to be bound by the confidentiality provisions of this Agreement (the breach of which shall be deemed to be a breach by the Holder). In addition, the Holder shall not use any Confidential Information for its own use or benefit except for the purpose of this Agreement.

(b) Notwithstanding Section 3.4(a), the Holder may disclose Confidential Information:

(i) to a prospective lender to whom the Holder may, in good faith, grant an interest in the Royalty Payments as security for the Holder's *bona fide* obligations to such lender, but only if such lender enters into a confidentiality agreement in favour of the Owner that includes the confidentiality provisions of this Section 3.4;

(ii) if the disclosure is required by applicable Laws;

(iii) if the disclosure is necessary to comply with a directive or request of, or to obtain an authorization from, any Governmental Authority;

(iv) if the disclosure is made on a confidential basis to a prospective assignee or financier of the party, provided that such prospective assignee or financier enters into a confidentiality agreement in favour of the Owner that includes the confidentiality provisions of this Section 3.4.

(c) If the Holder determines that it is required to publish or disclose the text of this Agreement or any other Confidential Information in accordance with Sections 3.4(b)(ii) and 3.4(b)(iii), it shall provide the Owner with prompt written notice so that the Owner may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If such protective order or other remedy is not obtained and the Owner does not waive compliance with the provisions of this Agreement, the Holder shall disclose, or permit the disclosure of, only that portion of the Confidential Information that is required by Law or the Governmental Authority to be disclosed and the Holder will provide the Owner with an opportunity to propose appropriate redactions to the text of this Agreement or such Confidential Information, and the Holder hereby agrees to accept any such suggested redactions or not make such disclosure, as the case may be, to the extent permitted by such Law. If the Owner does not respond to a request for comments within 48 hours (excluding days that are not Business Days), the Holder shall be entitled to issue the disclosure without the input of the Owner. The Holder shall disclose, or permit disclosure of, only that portion of Confidential Information required to be disclosed by Law.

3.5 Cooperation and Dispute Resolution

(a) In the event of any dispute, claim, question or disagreement (each a "**Dispute**") arising out of or relating to this Agreement or breach thereof, the parties to the Dispute shall use all reasonable endeavours to settle such Dispute pursuant to this Section 3.5, to the extent permitted by Law.

(b) If a Dispute arises, the parties shall consult and negotiate with each other in good faith and attempt to reach a just and equitable solution to the Dispute, satisfactory to all parties, within a period of 30 days following written notice of the Dispute (the "**Dispute Notice**") by one party to the other party.

(c) If the parties cannot resolve the Dispute within the 30-day period following delivery of the Dispute Notice, any party may refer the Dispute to arbitration in accordance with the *International Commercial Arbitration Act* (Ontario) and based upon the following:

(i) there shall be one arbitrator if the parties to the Dispute mutually agree on the selection of such arbitrator within 15 days following receipt of the written request from the party requesting arbitration. If the parties do not reach an agreement on a single arbitrator within such period, there shall be three arbitrators, one of whom shall be designated by the Owner or the Owner, as the case may be, one of whom shall be designated by the Holder and the two arbitrators so designated shall appoint the third arbitrator who shall preside over the arbitration tribunal;

(ii) if the Owner or the Holder fail to appoint an arbitrator within five days following the termination of the 15 day period provided in 3.5(c)(i) above, or if each of the Owner and the Holder has designated an arbitrator pursuant to 3.5(c)(i) and the two arbitrators fail to designate a third arbitrator within another five days after they both have been designated, then the missing arbitrator(s) will be designated upon the request of either the Owner or the Holder by a judge of the Ontario Superior Court of Justice;

(iii) the arbitration shall be conducted in English and held in the City of Toronto;

(iv) the arbitrator or arbitration panel shall determine what portion of the costs and expenses incurred in such proceeding shall be borne by each party participating in the arbitration;

(v) the award of the arbitrator shall be final and binding on each of the parties and shall not be subject to any appeal on any ground, including an error of law; and

(vi) the parties covenant that they shall conduct all aspects of such arbitration having regard at all times to expediting the final resolution of such arbitration.

ARTICLE 4
ASSIGNMENT

4.1 Assignment by Holder

The Holder may assign, transfer or otherwise convey this Agreement or all, but not less than all, of its rights in the Royalty without the prior written consent of the Owner; provided, however, that no such assignment, transfer or conveyance shall be effective unless: (i) the Holder delivers to the Owner a certified copy of the instrument evidencing the change in the ownership in the Royalty as contemplated by Section 4.2; and (ii) the transferee has executed and delivered to the Owner an instrument pursuant to which the transferee agrees to be bound by the terms hereof and by all of the liabilities and obligations of the transferor hereunder in the same manner and to the same extent as though the transferee was an original party hereto.

4.2 Change in Ownership of Right to Royalty

No change or division in the ownership of the Royalty, however accomplished, shall enlarge the obligations or diminish the rights of the Owner. The Holder covenants and agrees that any change in ownership of the Royalty shall be accomplished in such a manner that the Owner and its Affiliates shall be required to make payments and give notice to no more than three people and, upon breach of this covenant, the Owner and its Affiliates may retain all Royalty Payments otherwise due until such breach has been cured. No change or division in the ownership of the Royalty or right to Royalty Payments shall be binding on the Owner or its Affiliates until the Holder shall have delivered to the Owner a certified copy of the instrument evidencing the change or division of such ownership.

4.3 Assignment by the Owner

(a) The Owner may assign, transfer or otherwise convey this Agreement or all or any of its rights or obligations hereunder in connection with any assignment or conveyance of the Property, whether directly or indirectly through a sale of the Owner or any parent Affiliate of the Owner, without the prior written consent of the Holder.

(b) The Owner may, at any time and from time to time, transfer or otherwise convey this Agreement or all or any of its rights or obligations hereunder in connection with any amalgamation, combination, merger, or similar transaction of the Owner or any parent Affiliate of the Owner with one or more Affiliates of the Owner.

4.4 <u>Transfer or Abandonment</u>

(a) The Owner may not transfer, sell, assign or otherwise dispose of all or any portion of their interest in the Property (other than to an Affiliate) until the acquirer of such interest has entered into an agreement with, and in form and substance satisfactory to, the Holder, acting reasonably, in which the acquirer agrees to be bound, as the Owner, with respect to the acquired interest, by all of the terms and conditions of this Agreement.

(b) If the Owner decides to permanently surrender, abandon, relinquish or let lapse or expire (collectively, "**Surrender**"), any portion of the Property or rights related thereto (a "**Mining Right**"), the Owner shall give notice of such decision to the Holder not less than 60 days prior to the effective date of such Surrender and shall use reasonable commercial efforts to provide the Holder with the opportunity to acquire such Mining Right for no consideration, on an "as is where is" basis. The Holder agrees that any future Royalty will not be payable by the Owner in respect of a Mining Right after it is transferred to the Holder or its nominee under this Section 4.4(b) or such interest is obtained in any other manner by the Holder or any of its Affiliates, nor will any Royalty be payable in respect of any Mining Right that is Surrendered and was not renewed, substituted or re-acquired by the Owner or any of its Affiliates (in the circumstances set out in Section 4.4(c)) after notice of such surrender or expiry has been given to the Holder pursuant to this Section 4.4(b).

(c) The parties agree that if a Mining Right is Surrendered and is then subsequently reacquired by the Owner or any of its Affiliates, the Royalty will be payable on any Product obtained from that Mining Right after the date of such reacquisition by the Owner or its Affiliates, all on the same terms as in this Agreement, but once a Mining Right is acquired, whether by way of transfer pursuant to Section 4.4(b) or otherwise, by the Holder, its nominee, or any of its Affiliates after the date of this Agreement, no further Royalty will be payable in connection with that Mining Right, regardless of whether the Owner or any of its Affiliates reacquires such Mining Right.

ARTICLE 5
<u>GENERAL MATTERS</u>

5.1 <u>No Implied Covenants</u>

The parties agree that no implied covenants or duties relating to exploration, development, mining or the payment of production royalties or any other matters provided for herein shall affect any of their respective rights or obligations hereunder, and that the only covenants or duties which affect such rights and obligations shall be those expressly set out and provided for in this Agreement.

5.2 <u>Further Assurances</u>

Each party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the party requesting such further document or action, unless expressly indicated otherwise.

5.3 Notices

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

(i) if to the Holder:

GEM CAP INVESTMENT HOLDINGS INC.,
Attention: Carlo LiVolsi
E-mail: carlo@gemfiveholdings.com

if to the Owner:

Euro Sun Mining Inc.
198 Davenport Road
Toronto, Ontario
M5R 1J2

Attention: Grant Sboros, Chief Executive Officer
E-mail: grant.sboros@eurosunmining.com

With a copy to

Attention: Kenny Choi, Corporate Secretary
E-mail: Kenny.choi@eurosunmining.com

(b) Any such notice or other communication shall be deemed to have been given and received if delivered personally, on the date of such delivery, or if transmitted by email, on the day that it was transmitted (or, if such day is not a Business Day or such notice or other communication was delivered or transmitted after 5:00 p.m. (recipient's time), on the next following Business Day).

(c) Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 5.3.

5.4 Governing Law

(a) This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with and under the laws of the Province of Ontario and federal laws of Canada applicable therein (without regard to conflict of law principles) except that, to the extent the law of the jurisdiction in which the Property is located (or which is otherwise applicable to the Property) necessarily governs with respect to procedural and substantive matters relating to the creation and enforcement of the interests created herein, the law of such other jurisdiction shall apply.

(b) Subject to Section 3.5, each party irrevocably attorns and submits to the exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters arising out of or in connection with this Agreement, except that, to the extent the law of the jurisdiction in which the Property is located (or which is otherwise applicable to the Property) necessarily governs with respect to procedural and substantive matters relating to the creation and enforcement of the interests created herein, each party attorns and submits to the exclusive jurisdiction of the courts of such other jurisdiction.

5.5 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on a party hereto unless consented to in writing by such party. No failure or delay to exercise, or other relaxation or indulgence granted in relation to, any power, right or remedy under this Agreement shall operate as a waiver of it or impair or prejudice it nor shall any single or partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

5.6 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions hereof shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

5.7 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties hereto and, where the context so permits, their respective successors and permitted assigns.

5.8 Time of Essence

Time shall be of the essence of this Agreement.

5.9 Counterparts

This Agreement may be executed in electronic form and in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first written above.

EURO SUN MINING INC.

Per: *<signed> Grant Sboros*
Name: Grant Sboros
Title: Chief Executive Officer

SAMAX ROMANIA S.R.L.

Per: *<signed> Soring Halga*
Name: Sorin Halga
Title: Authorized Signatory

HOLDER

GEM CAP INVESTMENT HOLDINGS INC.

Per: *<signed> Carlo LiVolsi*
Name: Carlo LiVolsi
Title: Authorized Signatory

CWACHSBERG HOLDINGS INC.

Per: *<signed> Charles Wachsberg*
Name: Charles Wachsberg
Title: Authorized Signatory

THREE SISTERS HOLDING INC.

Per: *<signed> Xavier Majic*
Name: Xavier Majic
Title: Authorized Signatory

SINGULAR INVESTMENTS INC.

Per: *<signed> Richard Wachsberg*
Name: Richard Wachsberg
Title: Authorized Signatory

SCHEDULE A

PROPERTY

- Concession License No. 18.174/2015 in Rovina, Hunedoara County