EAGLEHEAD PROPERTY ACQUISITION AGREEMENT

THIS AGREEMENT is dated as of February 9, 2020.

AMONG:

NORTHERN FOX COPPER INC., having an office at [redacted]

(the "**Purchaser**")

AND:

DISTRICT COPPER CORP., having an office at [redacted]

("**Vendor**")

AND **COPPER FOX METALS INC.**, having an office at [redacted]

(the "**Guarantor**")

WHEREAS:

A. The Vendor owns 100% of the right, title and interest in and to the Eaglehead Property (as defined in Section 1.1) subject only to the Legacy NSRs;

B. The Purchaser wishes to purchase from the Vendor, and the Vendor wishes to sell to the Purchaser, all of the Vendor's right, title and interest in and to the Eaglehead Property, on the terms and conditions herein set forth; and

C. The Purchaser is a wholly owned subsidiary of the Guarantor, and the Guarantor is party to this Agreement solely for the purpose of guaranteeing certain payments of the Purchaser on the terms and conditions set forth herein.

THEREFORE this Agreement witnesses that in consideration of the mutual premises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, the following defined terms shall have the following meanings, unless the context otherwise requires:

(a) "**2% NMR**" means the 2% net milling returns royalty (intended to be a net smelter return royalty) granted pursuant to section 2(c) of the Gill Agreement;

(b) “**2% NSR**” means the 2% net smelter returns royalty granted pursuant to section 2.5 of the Marko/Mott Agreement;

(c) “**2.5% NSR**” means the 2.5% net smelter return royalty granted pursuant to section 6.2 of the Peters/Poloni Agreement;

(d) “**Affiliate**” of a person means any other person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person. The term “control” (including the terms “controlled by” and “under common control with”) 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 ownership of voting securities, by contract or otherwise.

(e) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;

(f) “**Claim**” means any claim, demand, complaint, action, proceeding, investigation, suit, cause of action, litigation, prosecution, investigation, arbitration, assessment or reassessment, charge, judgment, order, directive, award, decree writ, injunction, lien, change, encumbrance, decree, debt, liability, expense, cost, damage or loss, contingent or otherwise, judicial, administrative or otherwise;

(g) "**Closing**" has the meaning set out in Section 8.1 hereof;

(h) “**Closing Date**” has the meaning given in Section 8.1 hereof;

(i) “**Closing Payment**” has the meaning given in Section 2.2(b) hereof;

(j) "**Contract**" means any agreement, instrument, understanding, indenture, contract, lease, deed of trust, license, option, instrument or other commitment, whether written or oral;

(k) “**Date of the Commencement of Commercial Production**” means the first day of the month following the first 30 consecutive days during which Minerals have been produced from a mine at an average rate of not less than 60% of the initial rated capacity if a plant is located on the Eaglehead Property or if no plant is located on the Eaglehead Property, the last day of the first period of 30 consecutive days during which ore has been shipped from the Claims on a reasonably regular basis for the purpose of earning revenues, whether to a plant or facility constructed for that purpose or to a plant or facility already in existence, but does not include the production of Minerals from bulk sampling or milling for the purpose of testing or milling by a pilot plant or as initial tune-up;

(l) “**Deposit**” has the meaning given in Section 2.2(a) hereof;

(m) “**Disclosure**” means any disclosure, notification, application, request, submission, response, undertaking, substantive communication or filing;

(n) “**District Copper NSR**” has the meaning given in Section 2.8 hereof;

(o) **“District Copper Reclamation Bond**” means the 3 reclamation bonds held by the Bank of Montreal, copies which are appended as Schedule “D”, and two deposits with the Minister of Mines totalling $212,000 relating to the Eaglehead Property;

(p) “**District Copper Reclamation Bond Payout**” has the meaning given in Section 2.3 hereof;

(q) "**Eaglehead Property**" means the mineral and/or mining claims, tenures, leases and licenses and other property interests set out in Schedule "A" hereto and all rights, benefits and interests derived therein, therefrom and thereby of any nature or kind whatsoever, including but not limited to any form of mineral and/or mining claim, tenure, lease, license or other property interest in substitution or replacement thereof;

(r) “**Effective Date**” means the date on which all of the closing conditions set forth in Section 7 are either satisfied or waived;

(s) "**Encumbrance**" means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty, profits interest, encumbrance, option, conversion privilege, adverse Claim or right or interest, in each case whether registered or unregistered, and whether arising by agreement, statute or otherwise under applicable laws;

(t) "**Environmental Laws**" means all applicable laws in respect of the protection of the environment or the public, occupational health or safety, and the manufacture, importation, transportation, storage, handling, use, treatment, disposal, release, discharge or remediation of Hazardous Substances;

(u) "**Exchange**" means the TSX Venture Exchange;

(v) “**Exercise Notice**” has the meaning given in Section 2.9(c) hereof;

(w) “**General Security Agreement**” means the general security agreement to be delivered by the Purchaser on Closing securing the Remaining Payments in the form of which is attached hereto as Schedule “F”

(x) “**Gill Agreement**” means the Mineral Property Acquisition agreement dated and made for reference the 6th day of April, 2018 between Amandeep Gill, as vendor, and the Vendor, as purchaser;

(y) "**Governmental Authority**" means any applicable (a) multinational, federal, provincial, Indigenous, aboriginal, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange;

(z) “**Guarantor**” means Copper Fox Metals Inc.;

(aa) "**Hazardous Substances**" means any solid, liquid, gas, odour, heat, radiation, sound, vibration or combination of them that may harm or impair the natural environment, injure or damage plant or animal life or property, or harm or impair the health of any individual and includes any contaminant, waste, substance or material defined by Environmental Law as hazardous, toxic or dangerous or any other substance or material prohibited, regulated or reportable pursuant to any Environmental Law;

(bb) "**Legacy NSRs** " means collectively the 2% MNR, the 2% NSR and the 2.5% NSR;

(cc) "**Legal Proceeding**" means any Claim, application, hearing, arbitration or other civil, criminal, regulatory or administrative proceeding or similar proceeding, by or before any court or regulatory or administrative agency, authority or tribunal and includes any judgement, decree, order or other ruling in respect thereof, any review or appeal thereof and any application for leave for review or appeal thereof;

(dd) "**Liability**" or "**Liabilities**" means liabilities, obligations or commitments of any nature whatsoever, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

(ee) "**Marko/Mott Agreement**" means the Sale and Purchase Agreement made as of the 2nd day of July, 2014 between the Purchaser and Randy John Marko and Paul James Mott;

(ff) "**Minerals**" means all ores, concentrates or metals mined from the Eaglehead Property containing precious, base and industrial minerals and which are found in, on or under the Eaglehead Property and may lawfully be explored for, mined and sold pursuant to the tenures comprising the Eaglehead Property;

(gg) "**Ministry**" means the British Columbia Ministry of Energy, Mines and Petroleum Resources;

(hh) "**Northern Fox Reclamation Bond**" has the meaning given in Section 8.2(b) hereto;

(ii) "**Partial NSR Buyout Option**" has the meaning given in Section 2.9(a) hereto;

(jj) "**Partial NSR Buyout Purchase Price**" has the meaning given in Section 2.9(b) hereto;

(kk) "**Permits**" means all easements, leases, licences or permits used in the Project, copies of which are listed on Schedule "C";

(ll) "**Peters/Poloni Agreement**" means the Earnings Option and Joint Venture Agreement made as of August 31, 2005 between Ernest S. Peters and John R. Poloni, as optionors, and the Vendor, as optionee;

(mm) "**Project**" means:

(a) 100% of the right, title and interest of the Vendor in and to the Eaglehead Property and any camp locations, helicopter pads, access roads, rights of access or other similar items owned, held under licence or otherwise or used by the Vendor for the conduct of exploration activities on the Eaglehead Property as currently or historically employed by the Vendor for its exploration activities;

(b) all Permits, including environmental permits, bonds and other security (excluding the District Copper Reclamation Bond) held or used by the Vendor for the conduct of the Project as currently conducted or for the ownership or use of the Project and as listed on Schedule "C";

(c) all of the Vendor's rights under warranties, indemnities and all similar rights against third parties to the extent related to the Project; and

(d) all exploration information and data (including core samples) within the possession or control of the Vendor, including all geological, geophysical and geochemical information and data and all technical reports, feasibility studies and other similar reports and studies concerning the Eaglehead Property;

(nn) "**Purchaser**" means Northern Fox Copper Inc.;

(oo) "**Retained Obligations**" has the meaning set out in Section 3.2 hereof;

(pp) "**Secured Promissory Note**" means secured promissory note to be delivered by the Purchaser on Closing securing and setting out the terms and intervals of payment of the Remaining Payments inthe form of which is attached hereto as Schedule "G";

(qq) "**Transactions**" means the transactions contemplated by this Agreement.

(rr) "**Transfer Documents**" means any and all bills of sale, mineral transfer documents, deeds, assignments, conveyance documents, forms and other instruments and documents necessary to duly and validly record and effect with the relevant government regulatory and administrative agencies and authorities and third parties the due and valid assignment, transfer and conveyance from the Vendor to the Purchaser of the Project;

(ss) "**Underlying Agreements**" means, collectively, (i) the Gill Agreement; (ii) the Marko/Mott Agreement; and (iii) the Peters/Poloni Agreement;

(tt) "**Underlying Agreement Consents**" has the meaning set out in Section 3.1 hereof; and

(uu) "**Vendor**" means District Copper Corp.

1.2 For the purposes of this Agreement, unless the context otherwise requires:

(a) Persons. A reference to a person shall include an individual, corporation, partnership, trust, Governmental Authority and any other artificial business entities and vice versa; a reference to a gender shall include all other genders; and any reference to a particular form or type of artificial business entity shall include all other forms and types of artificial business entities interchangeably.

(b) Number. A reference to the singular in number shall include the plural and vice versa.

(c) Currency. A reference to currency shall refer to lawful currency of Canada.

(d) Calculation of Time. A reference to time shall refer to Pacific Time. If a date or the last day of a period for performing an act referred to herein ends on a day that is not a Business Day, the date or the last day of the period for performing such act shall be extended to the end of the next succeeding Business Day.

(e) Statutes and Laws. A reference to a statute or "laws" shall include all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, statutory body or self-regulatory authority, and the term "applicable" with respect to such laws and in the context that refers to one or more persons, means that such laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority (or any other person) having jurisdiction over the aforesaid person or persons or its or their business, undertaking, property or securities.

(f) Divisions and Headings. The division of this Agreement into articles, sections, paragraphs and other sub-divisions, and the use of headings, is for convenience only and shall not affect the construction or interpretation, or be used to limit the effect, of any of the terms and conditions of this Agreement.

(g) Schedules. The following schedules, appendices, exhibits and forms attached hereto and otherwise referred to herein are deemed to be incorporated herein and form part hereof:

Schedule "A":	Description of Eaglehead Property
Schedule "B":	District Copper NSR Royalty Calculation
Schedule "C":	Permits
Schedule "D":	District Copper Reclamation Bond
Schedule "E:	Interests Affecting the Eaglehead Property
Schedule "F":	Form of General Security Agreement
Schedule "G":	Form of Secured Promissory Note

(h) Herein, etc. The words "herein", "hereunder" and "hereof" and words of similar import refer to this Agreement as a whole and not any particular article, section, paragraph or subdivision hereof and the words "or" is used in the inclusive sense of "and/or". Any reference to the "Project" or to the "Eaglehead Property" shall refer to each of the aforesaid as a whole and to any part or portion thereof.

(i) Knowledge. A reference to the knowledge of a party, a party knowing , a party being aware or words of similar import shall mean the actual knowledge of the which should have been reasonably known.

(j) Ambiguity. The parties agree that each of them has participated in the drafting hereof and any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the construction or interpretation of this Agreement.

2. PURCHASE AND SALE

2.1 Purchase and Sale. Subject to the terms and conditions set out herein and the reservation of the District Copper NSR, the Purchaser agrees to purchase from the Vendor, and the Vendor agrees to sell, assign, transfer and convey to the Purchaser, all of the Vendor's right, title and interest in and to the Project free and clear of all Encumbrances, save and except for the Legacy NRSs, the District Copper NSR and any security interests granted under the Secured Promissory Note and the General Security Agreement, for and in consideration of the sum of $1,200,000 and the Purchaser's submission of the application for deposit of the $212,000 Northern Fox Reclamation Bond to the place of the District Copper Reclamation Bond (as specified in Section 2.3).

2.2 Payment. The Purchase Price for the Project shall be due and payable as follows:

(a) $50,000 as a non-refundable deposit (the "**Deposit**"), payable on the execution and delivery of this Agreement, receipt of which is hereby acknowledged by the Vendor;

(b) $150,000 (the "**Closing Payment**"), payable at Closing; and

(c) the Secured Promissory Note and the General Security Agreement providing for payment of the balance of the purchase price in the amount of $1,000,000 on the terms and at the intervals set out therein.

2.3 Within 5 Business Days of the date of this Agreement, each of the Purchaser and the Vendor shall submit letters to the Ministry requesting that the Northern Fox Reclamation Bond be accepted by the Ministry as a replacement for the District Copper Reclamation Bond and that the District Copper Reclamation Bond be returned to the Vendor (the "**District Copper Reclamation Bond Payout**"). Each party will promptly provide the Ministry with such information as the Ministry may from time to time require so that, as of the Closing, the only remaining condition to the District Copper Reclamation Bond Payout is the supply by the Purchaser to the Ministry of the Northern Fox Reclamation Bond which amount will be forwarded to the Ministry by bank draft or a certified cheque either prior to or concurrently with the closing by counsel for the Vendor.

2.4 Upon having paid the Closing Payment to the Vendor in accordance with Section 2.2 hereof, the Vendor shall have sold, assigned, transferred and conveyed the Project to the Purchaser, and the Purchaser will be vested with and own all right, title and interest in and to the Project.

2.5 Guarantee of Remaining Payments

The Guarantor absolutely, unconditionally and irrevocably guarantees to the Vendor the obligations of the Purchaser under the Secured Promissory Note on the terms and at the intervals contained in the Secured Promissory Note. If the Purchaser defaults in its obligations under the Secured Promissory Note, and should the Purchaser fail to cure such default prior to the expiration of any applicable notice or cure period (as set out in the Promissory Note), then within a reasonable period of time following the Guarantor's receipt of written notice from the Vendor of the Purchaser's default, the Guarantor will make such payment(s) required to be made to the Vendor in accordance with the terms of the Secured Promissory Note. The Guarantor's obligations and liability will not exceed those of the Purchaser.

2.6 Transfer Fees

The Purchaser shall be responsible for and pay all applicable fees and charges for the filing and recording of the Transfer Documents and all applicable federal and provincial land transfer and other taxes (other than income taxes of the Vendor) properly and customarily payable in connection with the conveyance from the Vendor to the Purchaser of the Project.

2.7 GST Joint-Tax Election

The Vendor agrees to, at the direction and determination of the Purchaser, elect or jointly elect (where required) with the Purchaser in prescribed form and in a timely manner the tax election under Section 167 of the *Excise Tax Act – Supply of Assets of Business*.

2.8 Grant of Net Smelter Return Royalty

Upon Closing the Purchaser grants to the Vendor, subject to the Purchaser's Partial NSR Buyout Option, and the Vendor shall automatically be entitled without further action to, a net smelter returns royalty (the "**District Copper NSR**") equal to 0.5% of Net Smelter Returns as calculated in accordance with the definition set out as Schedule "B" hereto.

2.9 Partial NSR Buyout Option

(a) The Purchaser shall have the option (the "**Partial NSR Buyout Option**") to purchase 50% of the District Copper NSR such that the District Copper NSR is reduced from 0.5% to 0.25%, which option shall be exercisable at any time after the date of this Agreement, and may be exercised anytime on or before the expiration of 2 years from the Date of the Commencement of Commercial Production from the Eaglehead Property.

(b) The purchase price for the Partial NSR Buyout Option shall be $1,000,000 (the "**Partial NSR Buyout Purchase Price**"), payable to the Vendor by cheque or money order made payable to the Vendor or its assigns.

(c) The Purchaser may exercise its Partial NSR Buyout Option by providing the Vendor or its assigns with written notice of its intention to exercise the Partial NSR Buyout Option (the "**Exercise Notice**"). The Exercise Notice shall indicate the Purchaser's intention to exercise the Partial NSR Buyout Option, and indicate a date within 10 days of the date of the Exercise Notice upon which the closing of the Partial NSR Buyout Option will be held.

(d) The closing of the Partial NSR Buyout Option shall be completed at the offices of Farris LLP located at [redacted] British Columbia, or such other place and times as mutually agreed upon by the Purchaser and the Vendor or its assigns.

(e) At closing, the Purchaser shall deliver the Partial NSR Buyout Purchase Price to the Vendor or its assigns, and the Vendor or its assigns shall deliver any document reasonably requested by the Purchaser to effect the reduction of the District Copper NSR as contemplated in Section 2.9(a) above, including an amendment to this Agreement.

3. LIABILITIES

3.1 The Parties hereto acknowledge and agree that the Eaglehead Property or portions thereof are encumbered by the Legacy NSRs. The Purchaser agrees to assume, discharge, perform and fulfill the Legacy NSRs which have been granted under the Underlying Agreements and are payable arising from and after the Closing Date and not related to any default existing before the Closing Date or as a consequence of Closing and not including the Retained Obligations. The Vendor will use its best efforts to cause the holders of each of the Underlying Agreements to enter into an agreement consenting to the transfer of each of the applicable Legacy NSRs to the Purchaser and confirming that all terms of the applicable Underlying Agreements are spent and are of no further force and effect other than the Legacy NSRs (such agreements, the "**Underlying Agreement Consents**").

3.2 The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfill, and the Vendor will indemnify the Purchaser from and against, and shall be responsible for, the observance and performance of all obligations and payment of all known Liabilities relating to the Project whether direct, indirect, absolute, contingent or otherwise or arising out of facts, circumstances or events, in existence before the Closing Date, but excluding any reclamation Liabilities secured by the District Copper Reclamation Bond and any Liabilities outstanding with respect to Indigenous Claims as specified on Schedule "E" (the "**Retained Obligations**"), including, without limitation:

(a) all obligations and Liabilities incurred or accruing due before the Closing Date under the Underlying Agreements and not assumed by the Purchaser herein;

(b) any undisclosed obligations, unless the Purchaser has, in its absolute discretion, elected to assume such obligation or Liability by notifying the Vendor in writing; and

(c) any assessment or reassessment for income, corporate, capital, sales, excise or other taxes of any kind whatsoever of the Vendor or, if incurred or accruing due before the Closing Date, relating to the Project.

4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants to the Purchaser, and acknowledges and agrees that the Purchaser is relying upon the accuracy of same in connection with its purchase from the Vendor of the Project and the completion of the Transactions, that as at the date hereof and at the Closing Date:

(a) Organization. The Vendor is duly and validly incorporated, organized and subsisting and in good standing under the federal laws of Canada, extra-provincially registered to conduct business in the Province of British Columbia, and has full requisite corporate power, capacity and authority to enter into this Agreement and all other agreements and instruments to be executed by the Vendor as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The Vendor has the legal power, capacity and competence and has, or will, at Closing have, subject to fulfillment of the conditions set out in Section 7, obtained all necessary approvals by its directors, shareholders, partners and others, including all Governmental Authorities (including the Exchange) and third parties, and has taken all other necessary corporate and other actions and proceedings to authorize the entering into and execution of this Agreement and the taking of all actions required pursuant hereto.

(b) No Conflicts. This Agreement has been duly and validly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms and the entering into and execution of this Agreement and the taking of all actions required pursuant hereto does not conflict with, or constitute a violation, default or breach under, or accelerate any obligation of the Vendor or revoke its rights and privileges under, as applicable, any term or provision of its constating documents, any resolutions of its directors, shareholders or partners, any laws applicable to it or the Eaglehead Property or the Project or any agreement to which it or the Eaglehead Property or the Project is subject. There is no authorization, licence, approval, consent, order or any other action of, or any registration, declaration, filing or notice with or to any Governmental Authority, court, board or arbitrator or any other person that is required for the execution or delivery by the Vendor of this Agreement, or the completion or performance by the Vendor of any of the Transactions, or the validity or enforceability of this Agreement against the Vendor other than the approval of the Exchange.

(c) Litigation. Save and except as disclosed in Schedule “E”, there is no Claim pending or in progress or, to the knowledge of the Vendor, threatened against or relating to Vendor or affecting any of its properties or assets which would reasonably be expected to have an adverse effect on the Eaglehead Property or the Project, including under any Environmental Laws, and the Vendor is not aware of any existing ground on which any such Claim might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding contemplated, pending or in progress, or, to the knowledge of the Vendor, being considered, threatened against or relating to the Vendor. Neither the Vendor nor any of its properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of the Vendor to conduct their business in all respects as it has been carried on prior to the date hereof, or that would impede the consummation of the Transactions.

(d) Interest in the Eaglehead Property.

(i) The Vendor is the sole registered, legal and beneficial owner of the Eaglehead Property, and has all valid and sufficient right, ownership, title and interest in and to the Eaglehead Property. Other than those listed at Schedule “E”, the Vendor is not aware of any facts or circumstances which might limit, affect or prejudice its ownership rights over, or ability to sell to the Purchaser, the Eaglehead Property.

(ii) The mineral tenures comprising the Eaglehead Property have been validly granted, acquired, located and recorded in the relevant registries in accordance with all laws and are valid and subsisting. To the knowledge of the Vendor, the Project complies with all applicable laws and is not subject to any nullity or voidance actions under any other applicable laws and is not subject to any fault or error that may result in any such applications, concessions, claims, leases, licences or permits being determined to be void pursuant to applicable laws or that may result in the lapse of the same. The Eaglehead Property does not overlap with and is not overlapped by any third party rights or mining concessions or claims (or applications therefor) that may enable any such third party to explore or exploit any minerals in the same area or which may have preference in such regard over such concessions, claims, leases, licences or permits.

(iii) The Vendor has duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it, including all work requirements and the payment of all taxes, rentals, fees, duties, expenditures and other payments or levies in respect thereof, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by the Vendor under any agreement pertaining to the Eaglehead Property. The Vendor has filed with the requisite agencies and authorities assessment reports with respect to all of the Vendor’s work and expenditures on the Eaglehead Property for the purpose of recording the maximum work credits available to it from such work and expenditure on the Eaglehead Property.

(iv) Other than as set out at Schedule “E”, no person or entity of any nature whatsoever other than the Vendor has any right, option or interest in the Project or any portion thereof or any right to acquire or otherwise obtain any such interest. Other than as set out at Schedule “E”, there are no back-in rights, earn-in rights, rights of first refusal, off-take rights or obligations, royalty rights, profit rights, streaming rights, or other rights of any nature whatsoever which affect or would affect the Vendor’s interests in the Eaglehead Property, and no such rights are or have been threatened. The Vendor has not received any notice, whether written or oral, from any Governmental Authority or any other person of any revocation or intention to revoke, diminish or challenge its interest in the Eaglehead Property. The Project is in good standing under and complies with all laws and all work required to be performed has been performed and all taxes, fees, expenditures and all other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by the Vendor under any of the tenures, licenses, leases, documents, instruments or any other agreement pertaining to the Project and to the knowledge of the Vendor, none of the counterparties to such leases, documents, instruments or any other agreements pertaining to the Project are in default thereunder.

(v) Except as set out at Schedule "E", there are no adverse claims, demands, actions, suits or proceedings that have been commenced or are pending or, to the knowledge of the Vendor that are threatened, affecting or which would affect the Vendor's right, title or interest in the Eaglehead Property, the Vendor's ability to transfer the Eaglehead Property free and clear of any Encumbrance other than the Legacy NSRs, or the ability of the Vendor to explore, prospect, exploit or develop the Project, including the title to or ownership of the foregoing, or which might involve the possibility of any judgement or Liability affecting the Project.

(vi) The Vendor has provided the Purchaser with access to full and complete copies of all exploration information and data within its possession or control including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Project and the Vendor has the sole right, title and ownership of all such information, data, reports and studies.

(e) Permits and Work.

(i) There are no permits required to carry on mineral exploration activities on the Eaglehead Property as now being carried on by the Vendor, or to hold, operate and use the Project as now being held, operated and used by the Vendor.

(ii) The Vendor is not in breach or default of any of the terms of any of the Underlying Agreements and the Vendor is not aware of any breach or default of any term of any of the Underlying Agreements by any other party thereto, each Underlying Agreement is in good standing and in full force and effect, the Vendor has provided the Purchaser with, or the Purchaser otherwise has in its possession, true and complete copies of each Underlying Agreement and none of the Underlying Agreements has been amended in any manner. No state of facts exists, which, after notice or lapse of time or both, would constitute a default or breach by the Vendor under any of the Underlying Agreements. The Vendor has not received notice of any default, breach or termination of any of the Underlying Agreements or of any fact or circumstance which will, or is likely to, result in such a default, breach or termination. To the knowledge of the Vendor, there exists no event, occurrence, condition or act which, by the giving of notice, the lapse of time or the happening of any other event or condition or otherwise, would invalidate or adversely affect the ability of the Vendor or the Purchaser to re-purchase portions of the Legacy NSRs on the terms of the applicable Underlying Agreements.

(iii) Neither the execution and delivery of this Agreement nor the completion and performance of the transactions and obligations contemplated by or contained in this Agreement by the Vendor will: (A) give any person the right to terminate or cancel any contractual or other right of the Vendor, where such termination or cancellation would have an adverse effect on all or any of the Project; (B) result in the creation of any Encumbrance on any of the Project or in a breach of or a default under any agreement giving a third party security against any of the Project or any part thereof or in the crystallization of any floating charge on any of the Project, where any of such events could have an adverse effect on any of the Project; or (C) result in a breach or contravention of or default under any provision of any applicable law, Permit, or Contract, impair the legality or enforceability of this Agreement or the Transactions, or require the consent of any person. There is no indebtedness or Liability to any person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance upon any of the Project, and, save as aforesaid, there is no indebtedness or Liability of any kind whatsoever relating to the Project in respect of which the Purchaser may become liable on or after the Closing save and except for Liabilities in respect of the District Copper Reclamation Bond, which will be satisfied by the Purchaser through its deposit of the Northern Fox Reclamation Bond in accordance with the terms of this Agreement. There is no agreement, judgment, injunction, order or decree that has or would be reasonably expected to have the effect of prohibiting, restricting or impairing any sale or acquisition of the Eaglehead Property.

(iv) All permits, licences, approvals, authorizations, consents, registrations or other actions required under Environmental Laws to own or operate the Project, as currently operated and held, have been obtained and are listed at Schedule "C", and all terms and conditions attached thereto have been duly complied with and all such licences, approvals, authorizations, consents and registrations are in full force and effect and in good standing and, to the knowledge of the Vendor, there are no facts or circumstances that may result in the cancellation, revocation, suspension or modification of the Permits.

(v) There is no Claim, agreement or consent order commenced or, to the knowledge of the Vendor, threatened, other than the District Copper Reclamation Bond, which relates to or may affect the Eaglehead Property alleging any violation of Environmental Laws or which is necessary for the continued compliance of the operations by the Vendor on the Eaglehead Property under Environmental Laws. Particulars of the District Copper Reclamation Bond is located at Schedule "D". The District Copper Reclamation Bond is in full force and effect unamended, has been complied with and there are no proceedings outstanding or in progress or pending or, to the knowledge of the Vendor, threatened, which may result in the cancellation, revocation, suspension or modification of the District Copper Reclamation Bond.

(vi) The Vendor has, in a timely manner, filed all reports and has posted or displayed as required all notices or warnings required to be filed, posted, or displayed by the Vendor with respect to the Project, including the Eaglehead Property (whether currently owned, leased, occupied, controlled or licensed or owned, leased, occupied, controlled or licensed at any time prior to the date of this Agreement) under all Environmental Laws and Permits.

(f) GST. The Vendor is registered for the purposes of the *Excise Tax Act* and its GST account number is [redacted].

(g) Finder's Fees. There are no agreements or understandings entered into by the Vendor entitling any person to receive or claim any commission, finder's fee or like payment from the Purchaser in respect of this Agreement or any matter contemplated herein or hereby;

(h) Accuracy. The Vendor has disclosed to the Purchaser all known facts relating to the Eaglehead Property which could reasonably be expected to be material to a person intending to purchase the Project.

4.2 The representations and warranties made by the parties and contained in this Agreement, or contained in any document or certificate given in order to carry out the Transactions, will survive the Closing for a period of two years provided that the representations and warranties made by the Vendor in: (i) 4.1(a), (b), (c), (d), (e) and (g); and (ii) claims for breach of representations and warranties based on fraud, willful misconduct or intentional misrepresentation, which shall survive indefinitely.

5. PURCHASER AND GUARANTOR JOINT AND SEVERAL REPRESENTATIONS AND WARRANTIES

5.1 Each of the Purchaser and the Guarantor hereby represent and warrant to the Vendor, and acknowledge and agree that the Vendor is relying upon the accuracy of same in connection with its sale to the Purchaser of the Project and the completion of the Transactions, that as at the date hereof and at the Closing:

(a) Organization. Each of the Purchaser and the Guarantor are duly and validly incorporated, organized and subsisting and in good standing under the laws of British Columbia, and each of them have full requisite corporate power, capacity and authority to enter into this Agreement and all other agreements and instruments to be executed by the Purchaser and the Guarantor as contemplated by this Agreement, and to perform each of their obligations hereunder and under such other agreements and instruments. Each of the Purchaser and the Guarantor have the legal power, capacity and competence and has, or will, at Closing have, obtained all necessary approvals by each of the Purchaser and the Guarantor's respective directors, shareholders, partners and others, including all Governmental Authorities and third parties, and have taken all other necessary corporate and other actions and proceedings to authorize the entering into and execution of this Agreement and the taking of all actions required pursuant hereto. For greater certainty, this Agreement has been approved by the board of directors for each of the Purchaser and the Guarantor, and no other corporate action is necessary to authorize the execution and delivery, and the observance and performance, of the Purchaser and the Guarantor under this Agreement or any other agreement contemplated hereby.

(b) No Conflicts. This Agreement has been duly and validly executed and delivered by the Purchaser and the Guarantor and constitutes a legal, valid and binding obligation enforceable against each of them in accordance with its terms and the entering into and execution of this Agreement and the taking of all actions required pursuant hereto does not conflict with, or constitute a violation, default or breach under, or accelerate any obligation of the Purchaser or the Guarantor or revoke either of their respective rights and privileges under, as applicable, any term or provision of its constating documents, any resolutions of its directors, shareholders or partners or any laws applicable to either of them. There is no authorization, licence, approval, consent, order or any other action of, or any registration, declaration, filing or notice with or to any Governmental Authority, court, board or arbitrator or any other person that is required for the execution or delivery by the Purchaser or the Guarantor of this Agreement, or the completion or performance by the Purchaser or the Guarantor of any of the Transactions, or the validity or enforceability of this Agreement against the Purchaser or the Guarantor other than, if required, the approval of the Exchange.

(c) Litigation. There is no bankruptcy, liquidation, winding-up or other similar proceeding contemplated, pending or in progress, or, to the knowledge of the Purchaser or the Guarantor, threatened against or relating to the Purchaser or the Guarantor. Neither the Purchaser or the Guarantor nor any of their respective properties or assets are subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of the Purchaser or the Guarantor to conduct their business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the Transactions.

(d) GST. The Purchaser is registered for the purposes of the *Excise Tax Act* and its GST account number is [redacted].

(e) Pledged Securities. The Purchaser is the registered and beneficial owner of 33,283,264 shares of the Vendor free and clear of all Encumbrances.

(f) Finder's Fees. There are no agreements or understandings entered into by the Purchaser entitling any person to receive or claim any commission, finder's fee or like payment from the Vendor in respect of this Agreement or any matter contemplated herein or hereby.

(g) Accuracy. None of the foregoing representations and warranties contains any untrue statement of a fact or omits to state any fact necessary to make the statements contained herein and therein not misleading in any material respect.

6. ADDITIONAL COVENANTS

6.1 Vendor's Covenants. Except as otherwise provided in this Agreement or as otherwise agreed in writing by the Purchaser, the Vendor shall, at its own cost and expense:

Governmental Authorities Process

(a) as soon as practicable, make all filings, notices or requests for approval required to be given by or sought from any Governmental Authority, including the Exchange, in connection with Transactions.

(b) obtain all necessary releases, waivers, consents and approvals including, without limitation, the approval of the Exchange as may be required to validly and effectively assign and transfer the Project to the Purchaser as contemplated by this Agreement, and all such releases, waivers, consents and approvals will be in such forms, and upon such terms, as may reasonably be required by the Purchaser.

(c) use its best efforts to resolve objections, if any, or comply with any requirements of a Governmental Authority or other person with respect to the Transactions.

(d) take all actions and do all such things as are reasonably necessary or desirable to enable and permit the satisfaction of all conditions precedent that are set forth in Section 7 of this Agreement in a prompt manner.

(e) use its commercial best efforts to obtain all necessary releases, waivers, consents and approvals as may be required to validly and effectively assign and transfer the Project to the Purchaser as contemplated by this Agreement as quickly as practicable.

(f) promptly advise the Purchaser, and, if applicable, provide the Purchaser with a copy of, any material communications (or a reasonably detailed summary of any oral communications), received by the Vendor from any securities regulatory authority, stock exchange (including the Exchange) or other Governmental Authority in connection with the Transactions.

(g) cooperate in all respects with the Purchaser (including but not limited to, providing the Purchaser with any information requested by it), in connection with any Disclosure relating to the Transactions.

(h) until the date that is 60 calendar days from the date of this Agreement, not do or omit to do, or permit to be done, anything that may, directly or indirectly increase the amount of time required by any Governmental Authority to approve the Transactions.

(i) do all such other acts and things as may be necessary or required in order to complete the Transactions as soon as reasonably practicable, and refrain from taking any action inconsistent with the provisions of this Agreement or which could reasonably be expected to impeded the completion of the Transactions in a timely manner or which could adversely affect the Project.

Maintenance of the Project

(j) until the Closing:

(i) preserve and maintain the Project intact in good standing in accordance with standard industry practice and applicable law.

(ii) conduct its business and operations in the normal and usual course of business consistent with past practices, and otherwise do and not omit to do all acts that are required to prevent an adverse change in the Eaglehead Property or the Project or the rights of the Vendor thereto, and in any case use its best efforts to preserve the legality, validity, subsistence and enforceability of the Eaglehead Property and the Underlying Agreements and the rights thereto and keep the same in full force and effect and in good standing.

(iii) make all necessary tax, governmental and other filings in a timely fashion and pay all fees, taxes, assessments, levies and charges of any and every nature or kind, as may be required to keep the Eaglehead Property in good standing to the Closing Date.

(iv) perform and comply with the provisions of the Underlying Agreements and Permits and not, without the prior written consent of the Purchaser, amend or vary any of the Underlying Agreements or the Permits, or enter into any Contract or transaction which relates to any of the Eaglehead Property or the Project or Permits or obtain any additional Permit except renewals or replacements of any of the Permits on substantially the same terms and conditions.

(v) take or cause to be taken all proper steps, actions and corporate proceedings on its part to enable the Vendor to vest a good and marketable title to the Project in the Purchaser free and clear of all Encumbrances other than the Legacy NSRs and the Encumbrances to be registered against the Project by the Vendor at Closing to secure the Purchaser’s obligations under the Secured Promissory Note and the General Security Agreement.

General

(vi) use all commercially reasonable efforts to ensure that:

(A) the representations and warranties of the Vendor in this Agreement remain true and correct and are true and correct at the Closing; and

(B) the conditions of the Purchaser in section 7.2 are fulfilled or satisfied at the Closing.

(vii) provide to the Purchaser, its employees, representatives and agents reasonable access to all, or true copies of all, title documents, Contracts, and other documents relating to the Project, and furnish them with all such information relating to the Project as the Purchaser from time to time reasonably requests.

(viii) inform the Purchaser promptly if any representation or warranty of the Vendor becomes untrue or incorrect or of any state of facts which may result in any representation or warranty of the Vendor being untrue or incorrect as of Closing.

(ix) promptly notify the Purchaser of any material adverse change, or any change, event, occurrence or state of facts which could reasonably be expected to become a material adverse change, in respect of the Project or the Eaglehead Property.

6.2 Mutual Covenants. Each party hereto hereby agrees to conduct its business and affairs and otherwise use commercially reasonable efforts such that:

(a) the respective party's representations and warranties herein contained remain true and correct in all material respects up to the Closing.

(b) the respective party's covenants herein contained are performed in all material respects prior to and as at the Closing.

(c) the conditions herein contained, to the extent that such conditions are within the control or influence of the respective party, are observed and satisfied in all material respects prior to and as at the Closing.

(d) the Vendor and the Purchaser as Exchange "Listed Issuers" and "Non-Arm's Length Parties" (as that term is defined in Exchange Policy 1.1) agree to fully cooperate in satisfying any and all requirements that may be imposed on either of them as Listed Issuers by the Exchange as a pre-condition to obtaining Exchange approval to the Transactions.

6.3 Right of Entry. Effective the date hereof, the Purchaser and its directors, officers, employees, servants, consultants, agents and independent contractors, shall have the interim right in respect of the Eaglehead Property to:

(a) enter thereon;

(b) do such prospecting, exploration, development and/or other mining work thereon and thereunder as the Purchaser in its sole discretion may determine advisable;

(c) bring upon and erect upon the Eaglehead Property buildings, plant and machinery as the Purchaser may deem advisable; and

(d) remove therefrom, hold and dispose of quantities of ores, minerals and metals for the purpose of obtaining assays or making other tests.

7. CONDITIONS TO CLOSING

7.1 The Vendor's obligation to complete the Transactions are subject to and conditional upon the fulfillment of the following conditions as of the Closing Date:

(a) the representations and warranties of the Purchaser and the Guarantor contained in this Agreement shall be true and correct in all material respects as of the Closing with the same effect as though such representations and warranties had been made as of the Closing;

(b) the covenants and obligations of the Purchaser and the Guarantor in this Agreement to be performed, observed and satisfied prior to and as of the Closing shall have been performed, observed and satisfied in all material respects as of the Closing;

(c) all deliverables of the Purchaser under Section 8.2 of this Agreement have been delivered to the Vendor; and

(d) all approvals and consents for the Transactions shall have been obtained including the approval of the Exchange (which may be subject to such conditions as may be imposed on the Vendor by the Exchange),

and the foregoing conditions shall be for the exclusive benefit of the Vendor and may be waived by the Vendor in whole or in part without prejudice to the non-fulfillment of any other conditions for the benefit of the Vendor or any rights or remedies available to the Vendor at law or in equity.

7.2 The Purchaser's obligation to complete the Transactions are conditional upon the fulfillment of the following conditions as of the Closing:

(a) the Permits shall have been transferred;

(b) the representations and warranties of the Vendor in this Agreement shall be true and correct in all material respects as of the Closing with the same effect as though such representations and warranties had been made as of the Closing;

(c) the covenants and obligations of the Vendor and conditions for the benefit of the Purchaser in this Agreement to be performed, observed and satisfied prior to and as of the Closing shall have been performed, observed and satisfied in all material respects as of the Closing;

(d) between the date hereof and the Closing, there exists no current, pending or threatened Legal Proceeding that has or could have the effect of preventing, restricting or placing conditions unacceptable to the Purchaser in its sole discretion on (i) the transfer from the Vendor to the Purchaser of the Project or the completion of any of the Transactions, or (ii) the Purchaser's right to own and exploit the Project free and clear of all Encumbrances except for the Underlying Agreements;

(e) between the date hereof and the Closing, there has been no material adverse change to the Project or the Eaglehead Property;

(f) all deliverables of the Vendor under Section 8.3 of this Agreement have been delivered to the Purchaser; and

(g) all required approvals and consents for the Transactions, if any, shall have been obtained including, if required, the approval of the Exchange,

and the foregoing conditions shall be for the exclusive benefit of the Purchaser and may, with the exception of 7.2(g), be waived by the Purchaser in whole or in part without prejudice to the non-fulfillment of any other conditions for the benefit of the Purchaser or any rights or remedies available to the Purchaser at law or in equity.

8. CLOSING

8.1 The completion (the "**Closing**") of the purchase and sale of the Project and the Transactions shall take place at 10:00 Vancouver time, on the 5th Business Day (the "**Closing Date**") after the Effective Date, other than conditions which, by their nature, are to be satisfied on the Closing Date.

8.2 At the Closing, the Purchaser shall deliver to the Vendor:

(a) a certified cheque or bank draft in the name of the Vendor in an amount equal to and representing the Closing Payment;

(b) a copy of the Purchaser's application to the Ministry to deposit, supply or otherwise establish a reclamation bond in the amount of $212,000 in respect of the Eaglehead Property (the "**Northern Fox Reclamation Bond**"), being the amount required to affect the District Copper Reclamation Bond Payout;

(c) the executed Secured Promissory Note;

(d) the executed General Security Agreement;

(e) certified copies of resolutions of the directors of the Purchaser and the Purchaser approving the Transactions, including, without limitation, the purchase of the Project and the execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Purchaser or the Guarantor pursuant to this Agreement;

(f) a certificate of the Purchaser dated the Closing Date, executed by an authorized officer or director of the Purchaser, certifying that (i) the representations and warranties made by the Purchaser in this Agreement are true and correct as at the Closing Time with the same force and effect as if made on the Closing Date (except to the extent that a representation or warranty speaks as of an earlier date, in which event such representation or warranty shall be true and correct as of such earlier date); and (ii) all covenants and obligations to be observed or performed by the Purchaser on or before the Closing Time pursuant to the terms of this Agreement have been duly observed and performed; and

(g) such other instruments and documents as may be reasonably requested by the Vendor to evidence or give effect to the matters contemplated herein or hereby.

8.3 At the Closing, the Vendor shall deliver to the Purchaser:

(a) all deeds, bills of sale, conveyances, transfers, assignments, consents, instruments and other documents which are necessary to assign, sell and transfer good, safe and marketable title to the Eaglehead Property to the Purchaser as contemplated by this Agreement in such form and content as the Purchaser may require, acting reasonably;

(b) certified copies of resolutions of the directors of the Vendor approving the completion of the Transactions including, without limitation, the sale of the Project, and the execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Vendor pursuant to this Agreement in such form and content as the Purchaser may require, acting reasonably;

(c) confirmation that the Transactions have been approved by the Exchange;

(d) a certificate of the Vendor dated the Closing Date, executed by an authorized officer or director of the Vendor, certifying that: (i) the representations and warranties made by the Vendor in this Agreement are true and correct as at the Closing Time with the same force and effect as if made on the Closing Date (except to the extent that a representation or warranty speaks as of an earlier date, in which event such representation or warranty shall be true and correct as of such earlier date); (ii) all covenants and obligations to be observed or performed by the Vendor on or before the Closing Time pursuant to the terms of this Agreement have been duly observed and performed; and (iii) there has been no material adverse change in respect of the Project since the date of this Agreement; provided that the receipt of that certificate and the Closing shall not constitute a waiver by the Purchaser of any of the representations or warranties or covenants of the Vendor contained in this Agreement;

(e) if required by the Purchaser, each of the Underlying Agreements Consents;

(f) if required, the Permits in, or transfer documents allowing for the transfer of the Permits into, the name of the Purchaser;

(g) if not previously delivered to the Purchaser, the original Underlying Agreements and Permits to the extent in the possession of the Vendor; and

(h) such other instruments and documents as may be reasonably requested by the Purchaser to evidence or give effect to the matters contemplated herein or hereby.

9. CONFIDENTIALITY AND NON-SOLICITATION

9.1 Public Disclosure. Subject to the requirements of applicable laws, including securities laws and requirements of the Exchange, and of applicable Governmental Authorities, no party shall: (i) issue any press release or make any public announcement concerning this Agreement, the Project or the Transactions without the consent of the other party, which consent shall not be unreasonably withheld; or (ii) make any Disclosure with any Governmental Authority without prior consultation with the other party. The party making any such Disclosure will consult with the other parties prior to the making thereof and will use all reasonable efforts to accommodate comments, and if the Disclosure is required and the parties cannot agree to the content thereof within two Business Days, the party making the Disclosure shall only include information in such Disclosure as is legally required or is otherwise reasonable in the circumstances.

9.2 Non-Solicitation. The Vendor shall not, and shall not permit any of its directors, officers, employees, consultants or agents, including investment bankers, attorneys, accountants or any other person to, directly or indirectly, solicit, initiate, enter into or conduct discussions concerning, or exchange information (including by way of furnishing information concerning the Vendor, the Project or the Eaglehead Property) or enter into any negotiations concerning, provide information regarding, respond to any inquiries, or solicit, receive, entertain or agree to any proposals for, the acquisition, directly or indirectly, of any of the Project or any of the Eaglehead Property unless this Agreement is terminated due to either the Purchaser or the Vendor being unable to satisfy the conditions imposed on them under Section 7.

10. TERMINATION

10.1 If, prior to Closing, a party hereto (the "**Defaulting Party**") is in default of a material provision of this Agreement (the "**Event of Default**"), the other party hereto (the "**Non-Defaulting Party**") may terminate this Agreement prior to Closing provided that:

(a) the Non-Defaulting Party has provided to the Defaulting Party written notice of default specifying the particulars of the respective Event of Default;

(b) the Defaulting Party has not within 30 days following receipt of such notice of default, either (i) cured the respective Event of Default or (ii) commenced to cure the respective Event of Default and otherwise proceeds to use its commercially reasonable efforts to prosecute same to completion without undue delay;

(c) upon the Defaulting Party failing to comply with subsection (b), the Non-Defaulting Party has provided to the Defaulting Party written notice of termination to be effective 14 days after the date of such notice of termination; and

(d) at the time that is 14 days after the date of such notice of termination, the respective Event of Default has not been cured or substantially cured.

10.2 Should, in the opinion of the Purchaser, acting reasonably (i) the Exchange or, if applicable, any other Governmental Authority, require or be likely to require the Vendor to obtain shareholder approval in order to close the Transactions, or (ii) the Transactions are not be likely to closed in a timely manner, the Purchaser may, on written notice to the Vendor, terminate this Agreement prior to Closing.

10.3 If this Agreement is terminated prior to Closing, the Purchaser shall return to the Vendor all reports, maps, assay results, and other relevant technical data regarding the Eaglehead Property in its possession that it received from the Vendor.

10.4 This Agreement shall automatically terminate 180 days following the date of this Agreement in the event the Purchaser has been unable to obtain Exchange approval to the Transactions.

10.5 The Deposit shall be non-refundable whether or not the Closing occurs or this Agreement is terminated provided that in the event this Agreement is terminated by the Purchaser due to default of the Vendor in accordance with Section 10.1 of this Agreement as a result of: i) the Vendor failing to perform its obligations to affect the Closing despite all of the closing conditions being either satisfied or waived; or ii) one or more breaches by the Vendor of its obligations under Section 6.1 of this Agreement, the Deposit shall be returned to the Purchaser.

11. <u>NOTICES</u>

11.1 Any notice, communication or delivery required or permitted to be given shall be in writing and effected by personal delivery, email, facsimile (with electronic confirmed receipt) or by prepaid mail to:

(a) If to the Purchaser at:

Northern Fox Copper Inc.
[redacted]
[redacted]
Attention: [redacted]
Facsimile: [redacted]
Email: [redacted]

with a copy to (which shall not constitute notice):

Farris LLP
[redacted]

[redacted]
Attention: [redacted]
Facsimile: [redacted]
Email: [redacted]

(b) If to the Vendor at:

District Copper Corp.
[redacted]
[redacted]
Attention: [redacted]
Facsimile: [redacted]
Email: [redacted]

with a copy to (which shall not constitute notice):

Kjeld Werbes Law Corporation
[redacted]
[redacted]
Attention: [redacted]
Facsimile: [redacted]
Email: [redacted]

(c) If to the Guarantor at:

Copper Fox Metals Inc.
[redacted]
[redacted]
Attention: [redacted]
Facsimile: [redacted]
Email: [redacted]

with a copy to (which shall not constitute notice):

Farris LLP
[redacted]
[redacted]
Attention: [redacted]
Facsimile: [redacted]
Email: [redacted]

and such shall be deemed to have been given (i) if effected by personal delivery or email or facsimile transmission (with electronic confirmed receipt), at the time of delivery or email or facsimile receipt unless such occurs after the recipient's customary business hours in which case it shall be deemed to have been given on the next Business Day; and (ii) if effected by prepaid mail, on the fourth Business Day after mailing excluding all days on which postal service is disrupted.

12. GENERAL

12.1 Fees and Expenses. Each party shall be responsible for their own costs and expenses incurred in connection with the Transactions, including the preparation and fulfillment of this Agreement, and including but not limited to the fees and expenses of the legal counsel, accountants, financial and investment advisors, brokers and finders for all parties.

12.2 Entire Agreement. Effective as of the Closing, this Agreement including all schedules together with the agreements and documents to be delivered pursuant hereto are the full expression of the parties' intentions and rights and the entire agreement between them pertaining to the rights granted to the Purchaser, the Guarantor or any of their respective Affiliates and supersedes all prior agreements, understandings, negotiations and discussions whether oral or written of the parties other than the Confidentiality and Exclusivity Agreement made as of the 10th day of January, 2020 originally between the Guarantor and the Vendor. There are no representations, warranties or other agreements between the parties in connection with the subject matter hereof, except as set forth herein.

12.3 Further Assurances. The parties shall from time to time prior to or after the Closing execute and deliver any and all such instruments and other documents and perform any and all such acts and other things as may be necessary or desirable to carry out the provisions and intent of this Agreement

12.4 Amendments and Waivers. No amendment or termination of this Agreement shall be biding unless executed in writing by the party to be bound thereby. No waiver of any other provisions of this Agreement shall be deemed to or shall constitute a waiver or any other provisions nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

12.5 Invalidity and Limitation. The invalidity or unenforceability of any provision hereof shall not affect or impair the validity or enforceability of the remainder of the Agreement or any other provision hereof. In the event that any provision hereof is invalid or unenforceable in a given jurisdiction, that shall not affect the validity or enforceability of the provision in any other jurisdiction. The courts shall have the power to modify this Agreement, in a manner consistent with the intent of the parties, in order to limit the application of any such offensive provision to the maximum extent permitted by law.

12.6 Time of the Essence. Time is of the essence of this Agreement. Any failure to exercise any rights provided for hereunder shall not, in the absence of a waiver in accordance with the terms hereof, affect the subsequent enforcement of such right.

12.7 Remedies Cumulative. The rights and remedies of the parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such party may be lawfully entitled for the same or other default or breach.

12.8 Governing Law and Dispute Resolution. This Agreement shall be exclusively governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein. For the purposes of all legal proceedings, this Agreement shall be deemed to have been made and performed in British Columbia. In the event of any dispute hereunder, the parties agree to arbitration in Vancouver, British Columbia, in accordance with the there and then current practice, rules and procedures as are customary for transactions of this nature and otherwise determined by the parties acting reasonably and in good faith.

12.9 Assignment and Enurement. This Agreement and any rights herein or hereto shall not be assigned or otherwise transferred by any party hereto without the express written consent of the other parties hereto save and except for the District Copper NSR, which may be assigned by written notice to the Purchaser. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

12.10 Counterparts and Delivery. This Agreement may be executed and delivered in two or more counterparts and by facsimile or other electronic means. Each such counterpart and facsimile or other electronic version shall be deemed to form one and the same and an originally executed instrument, bearing the date set forth on the face page hereof notwithstanding the date of execution or delivery.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed these presents as of the day and year first above written.

NORTHERN FOX COPPER INC.

Per: *"Elmer B. Stewart"*
Authorized Signatory

DISTRICT COPPER CORP.

Per: ______________________________
Authorized Signatory

COPPER FOX METALS INC.

Per: *"Elmer B. Stewart"*
Authorized Signatory

IN WITNESS WHEREOF the parties hereto have executed these presents as of the day and year first above written.

NORTHERN FOX COPPER INC.

Per: ____
Authorized Signatory

DISTRICT COPPER CORP.

Per: *"Jevin Werbes"*
Authorized Signatory

COPPER FOX METALS INC.

Per: ____
Authorized Signatory

SCHEDULE "A"

Description of Eaglehead Property

Claim Number	Claim Name	Owner FMC#	Title Type	Good To Date	Area (ha)
409960	EH #9	224501 (100%)	Mineral Claim	2022/SEP/20	100.00
1034634	EAGLEHEAD	224501 (100%)	Mineral Claim	2022/SEP/20	13,439.61
1056997	EAGLE100	224501 (100%)	Mineral Claim	2022/SEP/20	1,030.05
1056998	EAGLE101	224501 (100%)	Mineral Claim	2022/SEP/20	844.35
1056999	EAGLE102	224501 (100%)	Mineral Claim	2022/SEP/20	270.90
1057000	EAGLE103	224501 (100%)	Mineral Claim	2022/SEP/20	271.18
Mineral Claims: 6				**Total Hectares:**	**15,956.09**

SCHEDULE "B"

NET SMELTER RETURNS ROYALTY

This is Schedule “B” to the Eaglehead Property Acquisition Agreement dated as of February 9, 2020 between District Copper Corp. (the “**Vendor**”) and Northern Fox Copper Inc. (the “**Company**”)

Unless otherwise defined, all capitalized terms used in this Schedule “B” shall have the meaning ascribed thereto under the Agreement.

1. Definition

(1) "Net Smelter Return" for purposes of the Agreement is defined as follows:

(a) where all or a portion of the ores or concentrates derived from the Eaglehead Property are sold as ores or concentrates, the Net Smelter Return shall be the gross amount actually received from the purchaser following sale thereof and any and all insurance proceeds after deduction, if applicable under the sale contract, of all smelter charges, penalties and other deductions, and after deducting all costs of transporting (including shipping, freight, handling, port, demurrage, delay and forwarding expenses and transaction taxes) and insuring the ores or concentrates from the mine to the smelter or other place of final delivery, including any place or places of storage and sale to the place where sold and after deducting all sales, use, gross receipts, severance, ad valorem, value added tax, export and other taxes, custom duties, and other governmental charges, if any, payable by the Company with respect to the existence, severance, production, removal, sale, import, export, transportation, or disposition of all or a portion of the ores or concentrates derived from the Eaglehead Property but excluding taxes based on net or gross income and like taxes, the value of the Eaglehead Property or the privilege of doing business and any value added or other taxes that are recoverable by the Company; or

(b) where all or a portion of the said ores or concentrates derived from the Eaglehead Property are treated in a smelter and a portion of the metals recovered therefrom are delivered to, and sold by the Company, the Net Smelter Return shall be the gross amount actually received from the purchaser following sale of the metals so delivered and any and all insurance proceeds, after deduction of all smelter charges, penalties and other deductions, and after deducting all costs of transporting (including shipping, freight, handling, port, demurrage, delay and forwarding expenses and transaction taxes) and insuring the ores or concentrates from the mine to the smelter, and, if applicable under the smelter contract, all costs of transporting (including shipping, freight, handling, port, demurrage, delay and forwarding expenses and transaction taxes) and insuring the metals from the smelter to the place of final delivery, including any place or places of storage and sale to the place where sold and after deducting all sales, use, gross receipts, severance, ad valorem, value added tax, export and other taxes, custom duties, and other governmental charges, if any, payable by the Company with respect to the existence, severance, production, removal, sale, import, export, transportation, or disposition of all or a portion of the ores or concentrates derived from the Eaglehead Property but excluding taxes based on net or gross income and like taxes, the value of the Eaglehead Property or the privilege of doing business and any value added or other taxes that are recoverable by the Company.

Where any ores or concentrates are sold to, or treated in, a smelter owned or controlled by the Company, the pricing for that sale or treatment will be established by the Company on an arms-length basis so as to be fairly competitive with pricing, net of transportation, insurance, treatment charges and other related costs, then available on world markets for product of like quantity and quality.

2. Payment of Net Smelter Returns Royalty

(1) The Company shall calculate the Net Smelter Return Royalty and the sums to be disbursed to the Vendor as at the end of each calendar quarter.

(1) The Company shall, within 60 days of the end of each calendar quarter, as and when any Net Smelter Return Royalty are available for distribution:

(a) pay or cause to be paid in Canadian dollars by cheque or money order made payable to the Vendor that percentage of the Net Smelter Return Royalty to which the Vendor are entitled under the Agreement;

(b) deliver to the Vendor a statement indicating:

(i) the gross amounts received from the purchaser contemplated in subsection 1(1) of this Schedule "B";

(ii) the deductions therefrom in accordance with subsection 1(1) of this Schedule "B";

(iii) the amount of Net Smelter Returns remaining; and

(iv) the amount of those Net Smelter Returns to which the Vendor are entitled,

supported by such reasonable information as to the tonnage and grade of ores or concentrates shipped as will enable the Vendor to verify the gross amount payable by the smelter or other purchaser.

3. Adjustments and Verification

(1) Payment of any Net Smelter Return Royalty by the Company shall not prejudice the right of the Vendor to adjust any statement supporting the payment; provided, however, that all statements presented to the Vendor by the Company for any quarter shall conclusively be presumed to be true and correct upon the expiration of 12 months following the end of the quarter to which the statement relates, unless within that 12-month period the Company gives notice to the Vendor claiming an adjustment to the statement which will be reflected in subsequent payment of Net Smelter Return Royalty.

(2) The Company shall not adjust any statement in favour of itself after the expiration of 12 months following the end of the quarter to which the statement relates.

(3) The Vendor shall, upon 30 days' notice in advance to the Company, have the right to request that the Company have its independent external auditors provide their audit certificate for the statement or adjusted statement, as it may relate to the Agreement and the calculation of Net Smelter Return or Net Smelter Return Royalty.

(4) The cost of the audit certificate shall be solely for the Vendor' account unless the audit certificate discloses material error in the calculation of Net Smelter Return or Net Smelter Return Royalty, in which case the Company shall reimburse the Vendor the cost of the audit certificate. Without limiting the generality of the foregoing, a discrepancy of one percent or more in the calculation of Net Smelter Return or Net Smelter Return Royalty shall be deemed to be material.

4. Hedging

In the event that the Company elects to engage in hedging or price protection activities, including, but not limited to, forward selling, metal loans, stockpiling, future trading or commodity options trading, and any other price hedging, price protection, and speculative arrangement on or off commodity exchanges that may involve any minerals concentrates or metals produced from the Eaglehead Property or any similar such actions ("**Hedging Activities**"), such Hedging Activities and the profits and losses generated from the Hedging Activities, shall not be included in the term "Net Smelter Returns". All Hedging Activities by the Company and all profits or losses associated therewith, if any, shall be solely for the Company's account.

5. Non-Arms Length Sales

If any portion of the minerals, metals or concentrates extracted and derived from the ore mined and removed from the Eaglehead Property are sold to a purchaser owned or controlled by the Company or treated by a smelter owned or controlled by the Company, the actual proceeds received shall be deemed to be an amount equal to what could be obtained from a purchaser or a smelter not so owned or controlled in respect of minerals, metals or concentrates, as applicable, of like grade, quality and quantity.

6. Confidentiality

The Vendor shall not, without the prior written consent of the Company, which shall not be unreasonably delayed or withheld, knowingly disclose to any third party data or information obtained pursuant to this Agreement which is not generally available to the public; provided, however, the Vendor may disclose data or information so obtained without consent of the Company: (a) if required for compliance with laws, rules, regulations or orders of a governmental agency or stock exchange; or (b) to any third party to whom the Vendor, in good faith, anticipate selling or assigning their interest in the Eaglehead Property, provided however, that any such third party to whom disclosure is made has a legitimate business need to know the disclosed information, and shall first agree in writing to protect the confidential nature of such information to the same extent the Vendor are obligated under this section.

7. Records

The Company shall use commercially reasonable efforts to keep or cause to be kept proper books of account, records and supporting materials covering all matters relevant to the mining and extraction and removal of minerals, metals and concentrates from the Eaglehead Property substantiated by engineering data compiled in accordance with generally accepted mining and mine management practices.

8. Interest in Land

The obligation of the Company to pay the Net Smelter Return Royalty as provided in this Agreement is an obligation which the parties intend, to the extent allowed by law, to create a vested interest in the Eaglehead Property, or any successor title, and an interest in the minerals, metals and concentrates extracted and removed from the Eaglehead Property and such royalty is intended to run with and form part of the Eaglehead Property.

9. Commingling

Minerals, metals and concentrates extracted and removed from the Eaglehead Property may be integrated with and operated as a single operation with other mining properties owned by third parties or in which the Company has an interest, in which event, the parties agree that (notwithstanding separate ownership thereof) all materials mined, extracted and removed from such other mining properties owned by third parties and subsequently milled, treated or otherwise beneficiated for the purpose of removing its mineral content (the "**Third Party Ore**") may be blended and commingled at the time of mining or at anytime thereafter with the minerals, metals or concentrates from the Eaglehead Property, provided however, that such commingling is accomplished only after the quantity, character and mineral content of any minerals have been determined or ascertained by sound assaying or engineering principles consistently applied and provided further that each respective mining property shall bear and have allocated to them the proportionate share of charges and costs described in Section 1 above as well as the proportionate share of costs and charges affected by the tonnages and respective characteristics of Third Party Ore and other materials mined and beneficiated and the characteristics of such material including the metal content of such minerals, metals or concentrates removed from, and to any special charges relating particularly to Third Party Ores, concentrates or other products or the treatment thereof derived from any such mining properties.

10. Weighing Sampling Assaying

The Company shall ensure that reasonable customary and usual practices and procedures are adopted and employed for weighing, determining moisture content, sampling and assaying and determining recovery factors for the mineral, metals and concentrates extracted, derived and removed from the Eaglehead Property and Third Party Ores and shall record such data in order to determine the amount of economically recoverable materials extracted or derived from such minerals, metals and concentrates and Third Party Ores. The Company shall maintain accurate records of the results of such sampling, weighing and analysis and the Vendors shall be permitted the right to examine, at all reasonable times and at its own cost, such records relating to any blending and commingling of minerals, metals and concentrates and Third Party Ores.

11. Recording on Title

The parties agree that following the Closing: (a) the Company and the Vendor shall immediately undertake all acts required to register title to the Eaglehead Property in the Company's name by filing (either electronically or otherwise) all necessary transfer documents required by the British Columbia Mineral Titles Office established and maintained by the Chief Gold Commissioner as per British Columbia's *Mineral Tenure Act* and applicable regulations; and (b) the Company will record against title to the Eaglehead Property this Agreement and such form of notice or other document(s) as it considers appropriate to secure payment from time to time and protect the Vendor' right to receive the Net Smelter Return Royalty or other sums due under this Agreement. The parties hereby consent to such recording and agree to co-operate with each other to accomplish the same.

SCHEDULE "C"

<u>PERMITS</u>

None.

SCHEDULE "D"

DISTRICT COPPER RECLAMATION BOND

See attached.

[redacted]

SCHEDULE “E"

Interests Affecting Eaglehead Property

None.

SCHEDULE "F"

Form of General Security Agreement

See attached.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated for reference [•], 2020 is

BETWEEN:

NORTHERN FOX COPPER CORP., a company incorporated under the laws of British Columbia, having an office at [redacted]

(the "Debtor")

AND

DISTRICT COPPER CORP., a Federally incorporated company, having an office at [redacted]

(the "Secured Party")

PART 1 – SECURITY INTERESTS

1.1 **Security Interests**. For valuable consideration and as security for the payment and performance of the Obligations, as such term is defined in the promissory note dated [*], 2020 from the Debtor, as debtor, and Copper Fox Metals Inc., as guarantor, to the Creditor, as creditor (the "Promissory Note") (the "Obligations"), the Debtor hereby mortgages, charges, assigns and transfers to the Secured Party, and grants to the Secured Party a security interest in, and' the Secured Party hereby takes a security interest in, all the Debtor's right, title and interest in and to all of the Debtor's present and after-acquired property and all proceeds thereof (except the property of the Debtor described in paragraphs 1.2 and 1.4) of whatsoever nature and kind and wherever situate including, without limiting the generality of the foregoing:

(a) Accounts. All debts, accounts, claims, monies and chosen in action which now are, or which may at any time hereafter be due or owing to or owned by the Debtor, and all books, records, documents, papers and electronically recorded data recording, evidencing, securing or otherwise relating to such debts, accounts, claims, monies and chosen in action or any part or parts thereof (collectively "Accounts");

(b) Equipment. All present and future equipment now or hereafter owned by the Debtor, including all machinery, fixtures, plants, tools, furniture, vehicles of any kind or description, all spare parts, accessions and accessories located at or installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto and any other goods that are not Inventory (collectively "Equipment");

(c) Inventory. All present and future inventory of whatever kind now or hereafter owned by the Debtor, including all raw materials, materials used or consumed in the business or profession of the Debtor, goods, work in progress, finished goods, returned goods, repossessed goods, goods used for packing, all packaging materials, supplies and containers, materials used in the business of the Debtor whether or not intended for sale and goods acquired or held for sale, lease or resale or furnished or to be furnished under contracts of rental or service (collectively "Inventory"); and

(d) Other Tangible Personal Property. All chattel paper, documents of title, instruments, securities and other goods now or hereafter owned by the Debtor that are not Accounts, Equipment or Inventory, including:

a. the Debtor's right, title and interest in and to its mineral properties located in the Liard Mining Division of the Province of British Columbia (the "Claims"), more particularly described as

Claim Number	Claim Name	Owner FMC#	Title Type	Good To Date	Area (ha)
409960	EH #9	224501 (100%)	Mineral Claim	2022/SEP/20	100.00
1034634	EAGLEHEAD	224501 (100%)	Mineral Claim	2022/SEP/20	13,439.61
1056997	EAGLE100	224501 (100%)	Mineral Claim	2022/SEP/20	1,030.05
1056998	EAGLE101	224501 (100%)	Mineral Claim	2022/SEP/20	844.35
1056999	EAGLE102	224501 (100%)	Mineral Claim	2022/SEP/20	270.90
1057000	EAGLE103	224501 (100%)	Mineral Claim	2022/SEP/20	271.18
Mineral Claims: 6				**Total Hectares:**	**15,956.09**

b. 33,283,263 fully paid and non-assessable shares of the Secured Party owned of record and beneficially by the Debtor.

1.2 **Intangibles**. For valuable consideration and as security for the payment and performance of the Obligations (as later defined) the Debtor grants to the Secured Party a security interest in, and the Secured Party takes a security interest in, all the Debtor's right, title and interest in and to all the Debtor's present and after-acquired intangible property (save and except for Accounts) wherever situate and now or hereafter owned by the Debtor including, without limitation, all contractual rights, licenses, goodwill, patents, trademarks, trade names, copyrights, other industrial designs and other industrial or intellectual property and undertaking of the Debtor and all other choses in action of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all other intangible property of the Debtor which is not Accounts, goods, chattel paper, documents of title, instruments, money or securities.

1.3 **Collateral**. The term "Collateral" means collectively all of the Debtors right, title and interest in and to all of the Debtor's present and after-acquired property and all proceeds thereof (except the property of the Debtor described in paragraph 1.4) of whatsoever nature and kind and wherever situate including without limiting the generality of the foregoing all of the property described in paragraphs 1.1(a) to (d) inclusive and paragraph 1.2.

1.4 **Exclusions**. The security interests granted in this Agreement do not apply or extend to:

(a) any real property or interests therein of the Debtor;

(b) the last day of any term created by any lease or agreement therefor now held or hereafter acquired by the Debtor but the Debtor will stand possessed of the reversion thereby remaining in the Debtor of any leasehold premises upon trust for the Secured Party to assign and dispose thereof as the Secured Party or any purchaser of such leasehold premises directs;

(c) any lease or other agreement or any right, interest or any other thing which may not be assigned, subleased, charged, encumbered or otherwise transferred without the leave, licence, consent or approval of, or notice to, any person other than the Debtor, until and if such leave, licence, consent, approval or notice is obtained or given and the security interest created hereby will attach and extend to such lease, agreement, right, interest or other thing only when and as soon as such leave, licence, consent, approval or notice is obtained or given; and

(d) any consumer goods of the Debtor.

1.5 **Attachment**. The Debtor and the Secured Party do not intend to postpone the attachment of the security interests) hereby created save as provided in paragraph 1.4(c) and except as provided therein the security interests hereby created will attach when:

(a) this Security Agreement has been executed, or in the case of after-acquired property, such property has been acquired by the Debtor;

(b) value has been given; and

(c) the Debtor has rights in the Collateral, or in the case of after-acquired property, acquires rights in the Collateral.

1.6 **Notification**. If this Security Agreement grants a security interest in Accounts, while an Event of Default (as later defined) is continuing, the Secured Party may notify any debtor of the Debtor on an intangible, chattel paper, or account, or any obligor on an instrument ("Account Debtor") to make all payments on Collateral to the Secured Party and the Debtor acknowledges that the proceeds of all sales, or any payments on or other proceeds of such Collateral, including but not limited to payments on, or other proceeds of, such Collateral received by the Debtor from any Account Debtor, after notification to such Account Debtor and after notice to the Debtor that an Event of Default has occurred and while such Event of Default is continuing, will be received and held by the Debtor in trust for the Secured Party and will be turned over to the Secured Party upon request and the Debtor will not commingle any proceeds of or payments on the Collateral with any of the Debtor's funds or property, but will hold them separate and apart.

1.7 **Purchase Money Security Interests**. The security interests created hereby will constitute purchase money security interests to the extent that any of the Obligations (as later defined) are monies advanced by the Secured Party to the Debtor for the purpose of enabling the Debtor to purchase or acquire rights in any of the Collateral and were so used by the Debtor and a certificate of an officer of the Secured Party as to the extent that the Obligations are monies so advanced and used will be prima facie proof of the purchase money security interests constituted hereby.

PART 2 - OBLIGATIONS SECURED

2.1 **Obligations**. This Security Agreement and the security interests hereby created will be continuing security for the payment of the Obligations.

PART 3 - REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties**. The Debtor represents and warrants to the Secured Party the following:

(a) Corporate Requirements. If the Debtor is a corporation:

(i) it is duly incorporated and it is in good standing under the laws of its incorporating jurisdiction;

(ii) it has the power and authority to carry on the business now being carried on by it and has the full power and authority to execute and deliver this Security Agreement;

(iii) all necessary and requisite corporate proceedings, resolutions and authorizations have been taken, passed, done and given by it and by its directors to authorize, permit and enable it to execute and deliver this Security Agreement; and

(iv) the entering into this Security Agreement is not in contravention of any statute, the organizational or constating documents of the Debtor or any agreement or other document to which the Debtor is a party;

(b) No Actions. There are no actions or proceedings pending or, to the knowledge of the Debtor, threatened which challenge the validity of this Security Agreement or which might result in a material adverse change in the financial condition of the Debtor or which would materially adversely affect the ability of the Debtor to perform its obligations under this Security Agreement or any document evidencing any indebtedness of the Debtor to the Secured Party;

(c) Owns Collateral. The Debtor owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only those, if any, shown in Schedule 1;

(e) Right and Authority. The Debtor has the right and authority to create the security interests created in this Agreement; and

(f) Financial Information. All financial information and financial statements supplied to the Secured Party by or for the Debtor:

(i) are not untrue in any material respect;

(ii) have revealed all material facts the omission of which would make such information or statements misleading;

(iii) disclose all facts which materially adversely affect, or so far as the Debtor can reasonably foresee will materially adversely affect, the Debtor's financial condition, the Collateral or the Debtor's ability to perform its obligations hereunder; and

(iv) In the case of financial statements, have been prepared in accordance with generally accepted accounting principles.

3.2 **Reliance and Survival**. All representations and warranties of the Debtor made in this Agreement or in any certificate or other document delivered by or on behalf of the Debtor for the benefit of the Secured Party are material, will survive the execution and delivery of this Security Agreement and will continue in full force and effect without time limit. The Secured Party will be considered to have relied upon each such representation and warranty in spite of any investigation made by or on behalf of the Secured Party at any time.

PART 4 - POSITIVE COVENANTS

4.1 **Positive Covenants**. The Debtor covenants with the Secured Party the following:

(a) **Defend Collateral**. It will defend the Collateral against all claims and demands of all persons claiming the Collateral or an interest therein at any time;

(b) **Provide Information**. Upon the demand by the Secured Party it will furnish in writing to the Secured Party all information requested concerning the Collateral and that, upon demand, it will promptly advise the Secured Party of the serial number, year, make and model of each serial numbered good at any time included in the Collateral;

(c) **Other Indebtedness**. It will pay and discharge as they become due all payments due and owing under or concerning any previous indebtedness created or security given by the Debtor to any person or corporation and will observe, perform and carry out all the terms, covenants, provisions and agreements relating thereto and any default in payment of any monies due and payable under or relating to any material previous indebtedness or security or in the observance, performance or carrying out of any of the material terms, covenants, provisions and agreements relating thereto will be considered to be a default hereunder at the option of the Secured Party and any and all remedies available to the Secured Party hereunder by reason of any default hereunder or by law or otherwise will be immediately available to the Secured Party upon any default of the Debtor under the previous material indebtedness created or security given by the Debtor;

(d) **Right of Inspection**. The Secured Party will have the right whenever it considers reasonably necessary either by its officers or authorized agents to, on 48 hours notice, enter upon the Debtor's premises and to inspect the Collateral, all books of account and records of the Debtor and copies of all returns made from time to time by the Debtor to boards, agencies or governmental departments and to make extracts therefrom and generally to conduct such examinations as it may see fit and without limiting the generality of the foregoing, the Secured Party may request information from the solicitor, auditor and other advisors and agents of the Debtor for the time being concerning the affairs and the conduct of business of the Debtor and the Debtor hereby irrevocably authorizes and directs and this will constitute the sufficient authority and direction to any such solicitor, auditor or other person to disclose to the Secured Party such information as to any and all matters touching upon the affairs and conduct of the business of the Debtor whether of a confidential nature or otherwise. Except as may be necessary for the enforcement of the security provided hereunder and the recovery of the Obligations by the Secured Party, the Secured Party will retain all information and documentation received pursuant to this subsection (d) in confidence and will not make use of any of the information and documentation obtained pursuant to this subsection (d) for any purpose other than to confirm that the Debtor is complying with its obligations under this Agreement;

(e) **Costs of Preparation & Enforcement**. It will pay all reasonable costs, charges and expenses of and incidental in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non-payment or procuring payment of the monies hereby secured;

(f) **Costs Caused by Default**. While an Event of Default is continuing, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such reasonable costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on an "own client" basis) will be payable immediately by the Debtor to the Secured Party, will bear interest at the highest rate borne by any of the other Obligations and will, together with such interest, form part of the Obligations secured by this Security Agreement;

(g) **Court Costs**. In any judicial proceedings taken to cancel this Security Agreement or to enforce this Security Agreement and the covenants of the Debtor hereunder the Secured Party will be entitled to special costs. Any costs so recovered will be credited against any solicitors' fees and charges paid or incurred by the Secured Party relating to the matters in respect of which the costs were awarded and which have been added to the monies secured hereunder pursuant to the foregoing clause;

(h) **Notice of Litigation**. It will give written notice to the Secured Party of all material litigation before any court, administrative board or other tribunal affecting the Debtor or the Collateral or any part thereof;

(i) **Taxes**. It will pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

(j) **Payments**. It will promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;

(k) **Further Assurances**. It will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement; and

(l) **Purchase Monies**. If the Secured Party advances money to the Debtor for the purpose of enabling the Debtor to purchase or acquire rights in any Collateral the Debtor will use such money only for that purpose and will promptly provide the Secured Party with evidence that such money was so applied.

PART 5 - NEGATIVE COVENANTS

5.1 **Negative Covenants**. The Debtor covenants and agrees with the Secured Party that it will not, without the prior', written consent of the Secured Party:

(a) **Change Name**. Change its name;

(b) **Permit Charges**. Permit the Collateral or any part or parts thereof to become subject to any mortgage, charge, lien, encumbrance or security interest which would rank equal to or in priority to any mortgage, charge, lien, encumbrance or security interest created by this Agreement or otherwise granted in favour of the Secured Party, whether made, given or created by the Debtor or otherwise, if any;

(c) **Sell Collateral**. Save as permitted in paragraph 5.2 or by the Promissory Note, sell, assign, transfer, lease or otherwise dispose of the Collateral or any part or parts thereof (and in the event of any sale, lease or other disposition permitted or consented to it will pay the proceeds to the Secured Party);

(d) **Abandon Collateral**. Release, surrender or abandon the Collateral or any part or parts thereof;

(e) **Move Collateral**. Move the Collateral or any part or parts thereof from its present location or locations (and will promptly advise the Secured Party of the new location or locations); and

(f) **Accessions**. Permit any of the Collateral to become an accession to any property other than other Collateral.

5.2 **Sale of Inventory**. If this Security Agreement grants a security interest in Inventory, until an Event of Default has occurred and the Secured Party has determined to enforce the security interests hereby created, the Debtor may only sell Inventory in the ordinary course of business and provided that all sales will be on commercially reasonable terms.

5.3 **Sale of Equipment**. If this Security Agreement grants a security interest in Equipment, until an Event of Default has occurred and the Secured Party has determined to enforce the security interests hereby created, the Debtor may sell Equipment:

(a) which is replaced by Equipment of like or superior quality and capacity ("Replacement Equipment"), or

(b) which is obsolete, worn out or otherwise no longer used or useful to the Debtor in its business,

and the proceeds of which are either applied to the purchase price of Replacement Equipment or paid to the Secured Party to be held as security for, or applied to reduce, the Obligations, as the Secured Party sees fit.

PART 6 - DEFAULT AND ENFORCEMENT

6.1 **Events of Default**. The happening of any Event of Default under the Promissory Note shall be deemed to be an Event of Default hereunder.

6.2 **Acceleration**. So long as an Event of Default is continuing, the Secured Party, in its sole and absolute discretion, may accelerate the payment of the Obligations in accordance with the terms of the Promissory Note.

6.3 **Demand Obligations**. The Debtor agrees that the provisions of paragraph 6.1 and paragraph 6.2 will not affect the demand nature of any indebtedness or obligations payable on demand and the Secured Party may demand payment of such indebtedness and obligations at any time without restriction, whether or not the Debtor has complied with the provisions of this Security Agreement or any other instrument between the Debtor and the Secured Party.

6.4 **Security Interests Enforceable**. The occurrence of an Event of Default, and so long as such Event of Default is continuing, will cause the security interests created hereby to become enforceable without the need for any action or notice on the part of the Secured Party.

6.5 **Remedies of the Secured Party**. If the security interests hereby created become enforceable, the Secured Party may enforce its rights by any one or more of the following remedies:

(a) **Take Possession**. By taking possession of the Collateral or any part thereof, and collecting, demanding, suing, enforcing, recovering, receiving and otherwise getting in the same and for that purpose entering into and upon any lands, tenements, buildings, houses and premises wheresoever and whatsoever and to do any act and take any proceedings in the name of the Debtor, or otherwise, as the Secured Party will consider necessary;

(b) **Court Appointed Receiver**. By proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver-manager of all or any part of the Collateral;

(c) **Court Ordered Sale**. By proceedings in any court of competent jurisdiction for the sale or foreclosure of all or any part of the Collateral;

(d) **File Proofs of Claim**. By filing of proofs of claim and other documents to establish its claims in any proceeding or proceedings relating to the Debtor;

(e) **Appoint Receiver**. By appointment by instrument in writing of a receiver or receiver-manager of all or any part of the Collateral;

(f) **Sale or Lease**. By sale or lease by the Secured Party of all or any part of the Collateral (whether or not it has taken possession of the same);

(g) **Voluntary Foreclosure**. By retaining any of the Collateral in satisfaction of all or part of the Obligations, in accordance with paragraph 6.11; and

(h) **Other Remedies**. By any other remedy or proceeding authorized or permitted hereby or by law or equity (including all of the rights and remedies of a secured party under the *Personal Property Security Act* in effect from time to time);

and in exercising, delaying in exercising or failing to exercise, any such right or remedy the Secured Party will not incur any liability to the Debtor.

6.6 **Power of Sale**. The provisions of paragraph 6.7(g) will apply, *mutatis mutandis,* to a sale or lease of any of the Collateral by the Secured Party under paragraph 6.5(f).

6.7 **Receiver or Receiver-Manager**. Any time after the security interests hereby created have become enforceable, the Secured Party may from time to time appoint in writing any qualified person to be a Receiver of Receiver and Manager ("Receiver") of the Collateral and may likewise remove any such person so appointed and appoint another qualified person in his stead. Any such Receiver appointed hereunder will have the following powers:

(a) **Take Possession**. To take possession of the Collateral or any part thereof, and to collect land get in the same and for that purpose to enter into and upon any lands, tenements, buildings, houses and premises wheresoever and whatsoever and to do any act and take any proceedings in the name of the Debtor, or otherwise, as the Receiver will consider necessary;

(b) **Carry On Business**. If this Security Agreement creates security interests in substantially all of the Debtor's present and after-acquired personal property, to carry on or concur in carrying on the business of the Debtor (including, without limiting the generality of the powers contained in this Agreement, the payment of the obligations of the Debtor whether or not the same are due and the cancellation or amendment of any contracts between the Debtor and any other person) and the employment and discharge of such agents, managers, clerks, accountants, servants, workmen and others upon such terms and with such salaries, wages or remuneration as the Receiver thinks proper;

(c) **Repair**. To repair and keep in repair the Collateral or any part or parts thereof and to do all necessary acts and things for the protection of the Collateral;

(d) **Arrangements**. To make any arrangement or compromise which the Receiver thinks expedient in the interest of the Secured Party or the Debtor and to assent to any modification or change in or omission from the provisions of this Security Agreement;

(e) **Exchange**. To exchange any part or parts of the Collateral for any other property suitable for the purposes of the Debtor upon such terms as may seem expedient and either with or without payment or exchange of money or equality of exchange or otherwise;

(f) **Borrow**. To raise on the security of the Collateral or any part or parts thereof, by mortgage, charge or otherwise any sum of money required for the repair, insurance or protection thereof, or any other purposes mentioned in this Agreement, or as may be required to pay off or discharge any lien, charge or encumbrance upon the Collateral or any part thereof, which would or might have priority over the security interests hereby created;

(g) **Sell or Lease**. Whether or not the Receiver has taken possession, to sell or lease or concur in the sale or leasing of any of the Collateral or any part or parts thereof after giving the Debtor not less than 20 days' written notice of his intention to sell or lease and to carry any such sale or lease into effect by conveying, transferring, letting or assigning in the name of or on behalf of the Debtor or otherwise; and any such sale or lease may be made either at public auction or privately as the Receiver will determine and any such sale or lease may be made from time to time as to the whole or any part or parts of the Collateral; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise which the Receiver considers proper; and the Receiver may buy in or rescind or vary any contract for the sale or lease of any of the Collateral or any part or parts thereof, and may resell and release without being answerable for any loss occasioned thereby; and the Receiver may sell or lease any of the same as to cash or part cash and part credit or otherwise as will appear to be most advantageous and at such prices as can be reasonably obtained therefor and in the event of a sale or lease on credit neither he nor the Secured Party will be accountable or charged with any monies until actually received.

6.8 **Liability of Receiver**. The Receiver appointed and exercising powers under the provisions hereof will not be liable for any loss howsoever arising unless the same will be caused by the Receiver's own negligence or wilful default, and the Receiver will when so appointed be considered to be the agent of the Debtor and the Debtor will be solely responsible for the Receiver's acts and defaults and for the Receiver's remuneration.

6.9 **Effect of Appointment of Receiver**. As soon as the Secured Party takes possession of any Collateral or appoints a Receiver, all powers, functions, rights and privileges of the Debtor concerning the Collateral will cease, unless specifically continued by the written consent of the Secured Party or the Receiver.

6.10 **Validity of Sale or Lease**. No purchaser at any sale and no lessee under any lease purporting to be made in pursuance of the power set out in paragraph 6.5(f) and paragraph 6.7(g) will be bound to see or enquire whether any default has been made or continues or whether any notice required hereunder has been given or as to the necessity or expediency of the stipulations subject to which sale or lease will have been made or otherwise as to the propriety of such sale or lease, or regularity of proceedings or be affected by notice that such default has been made or continues or notice given as aforesaid, or that the sale or lease is otherwise unnecessary, improper or irregular; and in spite of any impropriety or irregularity or notice thereof to such purchaser or lessee the sale or lease as regards such purchaser or lessee will be considered to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Debtor in respect of any impropriety or irregularity whatsoever in any such sale or lease will be in damages only.

6.11 **Voluntary Foreclosure**. The Secured Party may elect to retain any of the Collateral in satisfaction of the Obligations or any of them. The Secured Party may designate any part of the Obligations to be satisfied by the retention of particular Collateral which the Secured Party considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations will be considered to be satisfied by the retention of the particular Collateral.

6.12 **Proceeds of Disposition**. The proceeds of the sale, lease or other disposition of the whole or any part of the Collateral will be applied as follows:

(a) FIRSTLY to pay and discharge all rents, taxes, rates, insurance premiums and out-goings affecting the Collateral;

(b) SECONDLY to pay all costs and expenses of taking possession and/or sale or lease or otherwise (including the Receiver's remuneration, if any);

(c) THIRDLY to pay such amounts as are necessary to keep in good standing all liens and charges on the Collateral prior to the security interests hereby created;

(d) FOURTHLY to pay any principal, interest and other monies due and payable hereunder (in such order as the Secured Party may require); and

(e) should any surplus remain in the hands of the Receiver or the Secured Party then the Debtor will be entitled to such surplus.

6.13 **No Set-Off Etc**. The Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Secured Party or any right of set-off, combination of accounts or cross-claim. Any indebtedness owing by the Secured Party to the Debtor may be set off or applied against, or combined with, the Obligations by the Secured Party at any time, either before or after maturity, without demand upon, or notice to, anyone.

6.14 **Deficiency**. If the proceeds of the realization of the Collateral are insufficient to fully pay to the Secured Party the Obligations, the Debtor will immediately pay such deficiency or cause it to be paid to the Secured Party.

6.15 **Waiver**. The Secured Party may waive any breach by the Debtor of any of the provisions contained in this Security Agreement or any Event of Default, provided always that no act or omission of the Secured Party will extend to or be taken in any manner whatsoever to affect any subsequent breach or Event of Default or the rights resulting therefrom.

6.16 **Time for Payment**. If the Secured Party demands payment of any Obligations which are payable on demand or if any Obligations are otherwise due by maturity or acceleration, it will be considered reasonable for the Secured Party to exercise its remedies immediately if such payment is not made, and any days of grace or anytime for payment which might otherwise be required to be afforded to the Debtor by applicable law is hereby irrevocably waived.

PART 7 - NOTICES

7.1 **Notices**. In this Agreement:

(a) Any notice or communication required or permitted to be given under the Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by facsimile transmission or mailed by prepaid registered post in Canada, to the address or facsimile transmission number of each party set out below:

(i) if to the Debtor:

Northern Fox Copper Inc.
[redacted]
[redacted]

Attention: [redacted]
Fax No: [redacted]

with a copy to (which shall not constitute notice):

Farris LLP
[redacted]
[redacted]

Attention: [redacted]
Fax No.: [redacted]

(ii) if to the Secured Party:

District Copper Corp.
[redacted]
[redacted]

Attention: [redacted]
Fax No.: [redacted]

with a copy to (which shall not constitute notice):

Kjeld Werbes Law Corporation
[redacted]
[redacted]

Attention: [redacted]

Fax No.: [redacted]

or to such other address or facsimile transmission number as any party may designate in the manner set out above.

(b) Notice or communication will be considered to have been received:

(i) if delivered by hand during business hours, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of the next business day;

(ii) if sent by facsimile transmission during business hours, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of the next business day; and

(iii) if mailed by prepaid registered post in Canada, upon the fifth business day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication will be delivered by hand or sent by facsimile transmission.

(c) In this Agreement "business day" will mean a day which is not a Saturday, Sunday or defined as a "holiday" under the Interpretation Act (British Columbia), as amended or replaced from time to time.

PART 8 -GENERAL

8.1 [Intentionally Deleted]

8.2 **Discharge**. If at any time there are no Obligations then in existence, then, at the request of the Debtor and at the expense of the Secured Party the Secured Party will cancel and discharge this Security Agreement and the security interests granted in this Agreement and the Secured Party will execute and deliver to the Debtor all such documents as are required to effect such discharge

8.3 **No Obligation to Advance**. The Debtor acknowledges and agrees that none of the preparation, execution or registration of notice of this Security Agreement will bind the Secured Party to advance the monies hereby secured nor will the advance of a part of the monies hereby secured bind the Secured Party to advance any unadvanced portion thereof.

8.4 **Security Additional**. The Debtor agrees that the security interests created by this Security Agreement are in addition to and not in substitution for any other security now or hereafter held by the Secured Party.

8.5 **Realization**. The Debtor acknowledges and agrees that the Secured Party may realize upon various securities securing the Obligations or any part thereof in such order as it may be advised and any such realization by any means upon any security or any part thereof will not bar realization upon any other security or the security hereby constituted or parts thereof.

8.6 **No Merger**. This Security Agreement will not operate so as to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest held or which may hereafter be held by the Secured Party from the Debtor or from any other person whomsoever. The taking of a judgment concerning any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

8.7 **Extensions**. The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests and otherwise deal with the Debtor, Account Debtors, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

8.8 **Provisions Reasonable**. The Debtor acknowledges that the provisions of this Security Agreement and, in particular, those respecting rights, remedies and powers of the Secured Party or any Receiver against the Debtor, its business and any Collateral are commercially reasonable.

8.9 **Assignment**. The Secured Party may, without notice to the Debtor, at any time assign, transfer or grant a security interest in this Security Agreement and the security interests hereby granted. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, will have all of the Secured Party's rights and remedies under this Security Agreement and the Debtor will not assert any defence, counter-claim, right of set-off or otherwise any claim which the Debtor now has or hereafter acquires against the Secured Party in any action commenced by any such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

8.10 **Appropriation of Payments**. Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

8.11 **No Representations**. The Debtor acknowledges and agrees that the Secured Party has made no representations or warranties other than those contained in this Security Agreement.

8.12 **Use of Collateral by Debtor**. Save as provided in paragraph 1.6, until an Event of Default occurs, and only so long as an Event of Default is continuing, nothing contained in this Agreement or any security interest created pursuant to this Agreement will in any way affect the Debtor’s rights or ability to possess, operate, collect, use and enjoy the Collateral in any manner or for any purpose.

8.13 **Modifications, Etc**. No modification or amendment of this Security Agreement will be effective unless in writing and executed by the Debtor and the Secured Party and no waiver of any of the provisions of this Security Agreement will be effective unless in writing and signed by the party waiving the provision.

8.14 **Disclosure of Information**. The Debtor hereby consents to the Secured Party, in compliance with any statutory disclosure requirements, disclosing information about the Debtor, this Security Agreement, the Collateral and the Obligations to any person the Secured Party believes is entitled to such information and the Debtor acknowledges and agrees that the Secured Party may charge and retain a reasonable fee and its reasonable costs incurred in providing such information.

8.15 **Statutory Waivers**. To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

PART 9 - INTERPRETATION

9.1 **Incorporated Definitions**. In this Security Agreement words which are defined in the *Personal Property Security Act* (British Columbia) which are not defined in this Agreement will have the meaning set out in the *Personal Property Security Act* (British Columbia).

9.2 **Headings**. The headings in this Security Agreement are inserted for convenience of reference only and will not affect the construction or interpretation of this Security Agreement.

9.3 **Generally Accepted Accounting Principles**. Where the Canadian Institute of Chartered Accountants include a recommendation in its Handbook concerning the treatment of any accounting matter, such recommendation will be regarded as the only generally accepted accounting principle applicable to the circumstances that it covers and references in this Agreement to generally accepted accounting principles will be interpreted accordingly.

9.4 **Severability**. If any provision contained in this Security Agreement is invalid or unenforceable the remainder of this Security Agreement will not be affected thereby and each provision of this Security Agreement will separately be valid and enforceable to the fullest extent permitted by law.

9.5 **Laws of British Columbia**. This Agreement is governed by, and construed in accordance with, the laws of the Province of British Columbia and the Debtor hereby submits to the non-exclusive jurisdiction of the Courts of British Columbia concerning this Security Agreement.

9.6 **Joint Obligations**. If more than one person is the Debtor, the agreements of, and all obligations and covenants to be performed and observed by, the Debtor hereunder will be the joint and several agreements, obligations and covenants of each of the persons comprising the Debtor and any request or authorization given to the Secured Party by any of the persons comprising the Debtor will be considered to be the joint and several requests or authorizations of each of the persons comprising the Debtor.

9.7 **Time of Essence**. Time will be of the essence hereof.

9.8 **Number and Gender**. In this Security Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders and this Agreement will be read and construed accordingly with all necessary grammatical changes.

9.9 **Enurement**. This Security Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

PART 10 - ACKNOWLEDGMENT AND WAIVER

10.1 **Acknowledgment and Waiver**. The Debtor hereby:

(a) acknowledges receiving a copy of this Security Agreement; and

(b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Security Agreement or any amendments hereto.

[REMAINDER OF PAGE HAS INTENTIONALLY BEEN LEFT BLANK]

TO EVIDENCE ITS AGREEMENT the Debtor has executed this Security Agreement on the date first above written.

NORTHERN FOX COPPER INC.

Per: ___________________________________
Authorized Signatory

DISTRICT COPPER CORP.

Per: ___________________________________
Authorized Signatory

SCHEDULE "G"

Form of Secured Promissory Note

See attached.

PROMISSORY NOTE

PRINCIPAL SUM: $1,000,000 **DUE DATE: IN INSTALLMENTS AS HEREIN PROVIDED**
DATE OF ISSUANCE: [•], 2020

FOR VALUE RECEIVED, **NORTHERN FOX COPPER INC**., of [redacted]
[redacted] (the **"Debtor"**), PROMISES TO PAY to or to the order of

DISTRICT COPPER CORP. (the "**Creditor** ") of
c/o [redacted]

and **COPPER FOX METALS INC.**, the parent corporation of the Debtor, of [redacted] (the "**Guarantor**") for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) guarantees, subject to the terms and conditions contained herein, payment of:

the sum of ONE MILLION DOLLARS ($1,000,000) of lawful currency of Canada in the following installments:

(a) $340,000, on or before the expiration of 1 year from the Date of Issuance;
(b) $330,000, on or before the expiration of 2 years from the Date of Issuance; and
(c) $330,000, on or before the expiration of 3 year from the Date of Issuance (the "**Obligations**").

The Debtor may prepay all or any part of the Obligations at any time and from time to time without any bonus, penalty or other charge.

So long as an Event of Default is not continuing, the Principal Sum or the balance thereof remaining unpaid from time to time shall bear no interest. In the event an Event of Default is continuing, the unpaid balance of the Principal Sum shall accelerate and immediately become due and payable 21 days after demand for payment is made and if not paid promptly, the unpaid balance of the Principal Sum as accelerated shall bear interest at the rate of (8%) per annum calculated monthly not in advance from the date of default.

All payments shall be applied first against interest on accrued interest (if applicable), secondly against accrued interest (if applicable), and thirdly against the Principal Sum due and owing under this Promissory Note.

So long as an Event of Default is continuing, the Debtor hereby waives presentment for payment, notice of dishonor, protest, notice of protest, demand and all other notices or formalities to which it might be entitled save and except for 21 days prior notice of demand for payment; agrees that at or after demand the holders may extend the time of payment of the whole or any part of the amount due at the request of any person then liable, and agrees that the venue of any suit instituted may, at the option of the holder of this Promissory Note, be laid in Vancouver, British Columbia. This Promissory Note is governed by and shall be construed in accordance with the laws of the Province of British Columbia.

If it shall become necessary for the recovery of any amount due under this Promissory Note to place the same in the hands of a lawyer, the Debtor promises to pay the costs of collection, including a reasonable legal fee, and in the further event if suit shall be commenced for the recovery of any amount due upon this Promissory Note, the Debtor agrees to pay, in addition to the costs provided by statute, such additional sum as the court may adjudge reasonable as legal fees in such suit, and the whole of the judgment so rendered, including legal fees and costs of suit, shall bear interest as aforesaid from its due date until paid, and such may be so provided for in said judgment.

The occurrence of any of the following shall be deemed to be an event of default (each, an "**Event of Default**") hereunder:

a) Debtor fails in its performance of any of the Obligations within 90 calendar days after receipt by the Debtor from the Creditor of notice of such failure; or

b) Debtor transfers its registered title to the Eaglehead Property to a person who is not:

   a. an Affiliate of the Debtor; or

   b. a successor corporation of the Purchaser by amalgamation, merger or otherwise by law.

The Guarantor agrees with the Creditor that while an Event of Default is continuing, its guarantee of the Obligations of the Debtor is absolute and unconditional; should an Event of Default be continuing, the Guarantor shall forthwith on demand of the Creditor remedy such Event of Default; while an Event of Default is continuing, the Creditor shall not be bound or required to proceed against the Debtor or any other obligated party or to have recourse to or exhaust any security from time to time held by it for the performance of the Debtor's obligation to pay or to pursue any other remedy whatsoever which may be available to it before proceeding against the Guarantor.

The obligations of the Guarantor shall be in no way released, discharged or otherwise affected by any neglect, delay or forbearance of the Creditor in demanding, requiring or enforcing the keeping, observance or performance by the Debtor or by the Guarantor of any of their respective obligations hereunder or the grant of any extensions of time, waivers or indulgences.

Any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been given if delivered by hand or mailed by prepared registered post to the address of each party set out above.

Executed at Vancouver, British Columbia, this __________________, 2020.

NORTHERN FOX COPPER INC.
(Debtor)

Per: ______________________________________
Authorized Signatory

Per: ______________________________________
Authorized Signatory

COPPER FOX METALS INC.
(Guarantor)

Per: ______________________________________
Authorized Signatory

Per: ______________________________________
Authorized Signatory