

## MINERAL CLAIM PURCHASE AGREEMENT

THIS AGREEMENT is made as of January 5, 2015, and is

Between:

**2973090 CANADA INC.**, a Canadian company having an office at 152 Chemin de la Mine École, Val-d'Or, Québec J9P 7B6

("297")

And:

**CLEGHORN MINERALS LTD.**, a British Columbia company having an office at 152 Chemin de la Mine École, Val-d'Or, Québec J9P 7B6

("Cleghorn")

### BACKGROUND

- A. 297 is the registered and beneficial owner of a 100% interest in and to the mineral claims known as the Meech Lake – Matachewan Prospect located in Ontario described in Schedule A (the "Property").
- B. Cleghorn is a public company whose shares trade on the TSX Venture Exchange (the "Exchange") and is a Capital Pool Company (as that term is defined in the policies of the Exchange).
- C. 297 has agreed to sell the Property to Cleghorn and Cleghorn has agreed to purchase it from 297 as its Qualifying Transaction (as that term is defined in the policies of the Exchange) on the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein and for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties) the parties hereto covenant and agree each with the others as follows:

#### 1. Interpretation

- 1.1 *Definitions.* In this Agreement the following words and terms having the following meanings:
  - (a) "Agreement" means this agreement, including the background paragraphs and the Schedules all as amended, supplemented or restated from time to time.
  - (b) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in Québec.
  - (c) "Closing" has the meaning given in Section 5.1 of this Agreement.

- (d) “Closing Date” means September 30, 2015, or such other date as the parties may agree to in writing.
- (e) “Exchange” has the meaning given in background paragraph B of this Agreement.
- (f) “Government or Regulatory Authority” means any federal, provincial, regional, municipal or other government, governmental department, regulatory authority, commission, board, bureau, agency or instrumentality that have lawful authority to regulate or administer or govern a business or property or affairs of any person, and for the purposes of this Agreement also includes any corporation or other entity owned or controlled by any of the foregoing and any stock exchange on which shares of a party are listed for trading.
- (g) “Payment Shares” has the meaning given in Section 3.2(b) of this Agreement.
- (h) “Property” has the meaning given in background paragraph A of this Agreement.
- (i) “Royalty” has the meaning given in Section 3.2(c) of this Agreement.

1.2 *Headings.* The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. References herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 *Extended Meanings.* In this Agreement words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations. All references to dollar amounts shall refer to Canadian dollars, unless otherwise specified.

## **2. Representations and Warranties**

2.1 *Representations and Warranties of 297.* 297 represents and warrants to Cleghorn as of the date of this Agreement and as of the Closing Date that:

- (a) 297 is a company duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation, amalgamation or continuation with the corporate power to own its assets and to carry on its business in the jurisdiction in which the Property is located;
- (b) 297 has all necessary corporate power, authority and capacity to enter into this Agreement and to do all such acts and things as are required to be done, observed or performed by it, in accordance with the terms of this Agreement and 297 has taken all necessary action to authorize the execution, delivery and performance of this Agreement and to observe and perform the provisions thereof in accordance with its terms;

- (c) the execution and delivery of this Agreement or any agreement contemplated herein and the completion of the transactions contemplated hereby will not violate, contravene, breach or offend against or result in any default or acceleration under, create any lien, charge or encumbrance or trigger any right of first refusal, right of purchase or other rights under any indenture, mortgage, lease, agreement, obligation, instrument, statute, regulation, order, judgment, decree, licence, permit or law to which 297 is a party or by which 297 is bound or affected;
- (d) 297 is the sole registered and beneficial owner of the Property with a good and marketable title, free and clear of all liens, charges, encumbrances and any other rights of others and has the exclusive right and legal power, authority and capacity to dispose of the Property as provided in this Agreement;
- (e) the Property is properly and accurately described in Schedule A hereto and (i) has been duly and properly located and recorded in accordance with laws in effect in the jurisdiction in which the Property is located; and (ii) is in good standing under the laws of the jurisdiction in which the Property is located up to and including at least the due dates set forth in Schedule A and no taxes, surcharges, levies, or other government fees or charges are due or payable with respect to the Property;
- (f) 297 is not a party to or bound by any contract or commitment to pay any royalty, licence fee or management fee pertaining to the Property or other interest whatsoever in production or profits from the Property or any portion thereof;
- (g) 297 has not received any notice of, nor is 297 aware of, any non-compliance with any applicable environmental and hazardous substance laws with respect to the Property nor any actions, suits, or proceedings pending or threatened against or adversely affecting, or which could adversely affect, the Property or the ownership thereof;
- (h) 297 is entitled to give the acknowledgements and agreements set out in Sections 3.3 and 3.4 below both on its own behalf and on behalf of the persons to whom it has directed the Payment Shares be issued; and
- (i) 297 is not a non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada).

2.2 *Representations and Warranties of Cleghorn.* Cleghorn represents and warrants to 297 as of the date of this Agreement and as of the Closing Date that:

- (a) Cleghorn is a company duly incorporated, organized and subsisting under the laws of British Columbia with the corporate power to own its assets and to carry on its business as presently carried on;
- (b) Cleghorn has all necessary corporate power, authority and capacity to enter into this Agreement and to do all such acts and things as are required to be done, observed or performed by it, in accordance with the terms of this Agreement and Cleghorn has taken all necessary action to authorize the execution, delivery and

performance of this Agreement and to observe and perform the provisions thereof in accordance with its terms; and

- (c) the execution and delivery of this Agreement or any agreement contemplated herein and the completion of the transactions contemplated hereby will not violate, contravene, breach or offend against or result in any default or acceleration under, create any lien, charge or encumbrance or trigger any right of first refusal, right of purchase or other rights under any indenture, mortgage, lease, agreement, obligation, instrument, statute, regulation, order, judgment, decree, licence, permit or law to which Cleghorn is a party or by which Cleghorn is bound or affected.

2.3 *Survival and Reliance.* The representations and warranties set out in this Section 2 have been relied on by the parties in entering into this Agreement and will survive the transactions provided for herein.

### 3. Purchase and Sale

3.1 *Purchase and Sale.* 297 agrees to sell to Cleghorn all legal and beneficial interest in and to the Property free and clear of all liens, charges, encumbrances and any other rights of others.

3.2 *Consideration.* The consideration to be paid by Cleghorn for the Property is as follows:

- (a) Cash consideration: Cleghorn shall pay to 297 the sum of \$5,000 representing staking fees with respect to the Property, to be paid on Closing;
- (b) Share consideration: On the Closing Date Cleghorn shall issue 9,000,000 common shares of Cleghorn (the "Payment Shares") at the deemed price of \$0.05 a share; at the request of 297, the Payment Shares shall be issued and allocated as follows:

<u>Name of person to whom the Payment Shares are to be issued</u>	<u>Number of Payment Shares to be issued to such person</u>
Siobhan Mullan	500,000
Taelan Mullan	500,000
Logan Mullan	500,000
Glenn Mullan	2,000,000
Joe Groia	2,500,000
Gemma Porter	500,000
Fiona Porter	500,000
Adina Porter	500,000
Charlotte Porter	500,000
Jens Zinke	600,000
Michael Rosatelli	400,000
<b>Total:</b>	<b>9,000,000</b>

At least five Business Days before the Closing Date 297 shall provide Cleghorn with the addresses for each of the persons to whom the Payment Shares are to be issued. The share certificates representing the Payment Shares shall be delivered by Cleghorn's transfer agent by courier or such other delivery method as its generally used by Cleghorn's transfer agent.

- (c) The Royalty: On Closing and the transfer of title to the Property to Cleghorn, Cleghorn will grant to 297 a net smelter royalty (the "Royalty") of 3% of metals or minerals (iron, titanium, vanadium, gold, silver, copper, zinc and any and all other minerals or elements) produced from the Property, on the terms set out in Schedule B. Cleghorn shall be entitled to repurchase 0.5% of the Royalty, leaving 297 with a 2.5% Royalty, by paying 297 \$1,000,000, and an additional 1% of the Royalty, leaving 297 with a 1.5% Royalty, by paying 297 an additional \$3,000,000.

3.3 *Acknowledgements.* 297 acknowledges and agrees on its own behalf, and on behalf of the persons to whom it has directed that the Payment Shares be issued, that as the issuance of the Payment Shares is being completed pursuant to exemptions from the requirements to provide 297, or the persons to whom 297 has directed the Payment Shares be issued, with a prospectus and to sell the securities issuable pursuant to this Agreement through a person registered to sell securities under applicable securities legislation:

- (a) certain protections, rights and remedies provided by applicable securities legislation, including statutory rights of rescission or damages, shall not be available to 297 and the persons to whom 297 has directed the Payment Shares be issued, and 297 and the persons to whom 297 has directed the Payment Shares be issued may not receive information that they would be entitled to under applicable securities legislation if no prospectus exemption was available;
- (b) Cleghorn is relieved of certain obligations which would otherwise apply under applicable securities legislation;
- (c) various filings must be completed and disclosures made to the securities regulatory authorities having jurisdiction over the securities of Cleghorn and to the Exchange;
- (d) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Payment Shares to be issued herein; and
- (e) there is no government or other insurance covering the Payment Shares to be issued herein.

3.4 *Distributions of the Payment Shares.* 297 further acknowledges on its own behalf and on behalf of the persons to whom it has directed the Payment Shares be issued that:

- (a) some or all of the Payment Shares may be placed in escrow pursuant to the policies of the Exchange if the Exchange so requires; and

- (b) the Payment Shares may be subject to any resale restrictions imposed by the Exchange.

#### **4. Conditions Precedent**

4.1 *Conditions for the Benefit of Cleghorn.* The obligations of Cleghorn to complete the purchase of the Property are subject to the following conditions:

- (a) all consents and approvals required from the Exchange, or from any other Government or Regulatory Authority, will have been obtained;
- (b) all consents and approvals required from third parties (including without limitation, lenders and lessors), other than the Exchange or any other Government or Regulatory Authority, will have been obtained;
- (c) all approvals required by the shareholders of Cleghorn will have been obtained;
- (d) receipt by Cleghorn of a title opinion with respect to the Property that is satisfactory to Cleghorn, acting reasonably, the title opinion to be at the expense of 297;
- (e) receipt by Cleghorn of a Technical Report with respect to the Property prepared in accordance with the requirements of NI 43-101 that recommends a work program of at least \$200,000 with respect to the Property and indicates expenditures have been incurred with respect to the Property of at least \$100,000, and is otherwise satisfactory to Cleghorn, acting reasonably, the Technical Report to be at the expense of 297;
- (f) receipt by Cleghorn of a certified copy of the resolutions of the directors of 297 approving this Agreement and the sale of the Property by 297 to Cleghorn hereunder;
- (g) the representations and warranties of 297 contained in this Agreement will be true and correct on and as of the Closing Date as though made at and as of the Closing Date; and
- (h) 297 will have complied with all covenants and agreements in this Agreement to be performed or caused to be performed by it on or before the Closing Date.

4.2 *Waiver by Cleghorn.* If any of the conditions set forth in Section 4.1 are not fulfilled or waived to the reasonable satisfaction of Cleghorn, Cleghorn may terminate this Agreement by notice in writing to 297. In such event, Cleghorn will be released from all obligations under this Agreement and 297 will also be so released unless it was reasonably capable of causing such condition or conditions to be fulfilled or it has breached any of its representations, warranties, covenants or agreements in this Agreement.

4.3 *Conditions for the Benefit of 297.* The obligations of 297 to complete the sale of the Property are subject to the following conditions:

- (a) all consents and approvals required from the Exchange, or from any other Government or Regulatory Authority, will have been obtained;
- (b) all consents and approvals required from third-parties (including without limitation, lenders and lessors), other than the Exchange or any other Government or Regulatory Authority, will have been obtained;
- (c) all approvals required by the shareholders of Cleghorn will have been obtained;
- (d) receipt by 297 of a certified copy of the resolutions of the directors of Cleghorn approving this Agreement and the purchase of the Property by Cleghorn from 297 hereunder;
- (e) the representations and warranties of Cleghorn contained in this Agreement will be true and correct on and as of the Closing Date as though made at and as of the Closing Date; and
- (f) Cleghorn will have complied with all covenants and agreements in this Agreement to be performed or caused to be performed by it on or before the Closing Date.

4.4 *Waiver by 297.* If any of the conditions set forth in Section 4.3 are not fulfilled or waived to the reasonable satisfaction of 297, 297 may terminate this Agreement by notice in writing to Cleghorn. In such event, 297 will be released from all obligations under this Agreement and Cleghorn will also be so released unless it was reasonably capable of causing such condition or conditions to be fulfilled or it has breached any of its representations, warranties, covenants or agreements in this Agreement.

## **5. Closing**

5.1 *Closing.* The closing (the “Closing”) of the sale and purchase of the Property shall take place at the offices of Cleghorn at 152 Chemin de la Mine École, Val-d’Or, Québec, or at such other location as may be mutually agreed upon by the parties in writing, at 10 a.m. on the Closing Date.

5.2 *Closing Deliveries.* At the Closing:

- (a) 297 shall deliver to Cleghorn:
  - (i) a certificate signed on behalf of 297 by its Chief Executive Officer certifying the truth and correctness in all material respects of its representations and warranties provided in this Agreement as though made at and as of the Closing Date and the performance in all material respects of all of its covenants and agreements contained in this Agreement on or before the Closing Date; and

- (ii) all documents required to transfer the legal and beneficial ownership of the Property to Cleghorn free and clear of all liens, charges and encumbrances and any other rights of others other than the Royalty, in form and substance satisfactory to Cleghorn and its counsel acting reasonably; and
- (b) Cleghorn shall deliver to 297:
  - (i) a certificate signed on behalf of Cleghorn by two of its senior officers certifying the truth and correctness in all material respects of its representations and warranties provided in this Agreement as though made at and as of the Closing Date and the performance in all material respects of all of its covenants and agreements contained in this Agreement on or before the Closing Date; and
  - (ii) payment by certified cheque or bank draft in the amount of \$5,000 in accordance with Section 3.2(a).

## **6. Termination**

6.1 *Termination.* This Agreement may be terminated:

- (a) by the mutual consent of the parties in writing;
- (b) by Cleghorn if it is not in material breach of its obligations under this Agreement and:
  - (i) there has been a breach by 297 of any of its representations and warranties such that Section 4.1(d) will not be satisfied; or
  - (ii) there has been a breach by 297 of any of its covenants or agreements contained in this Agreement such that Section 5.1(e) will not be satisfied;
- (c) by 297 if it is not in material breach of its obligations under this Agreement and:
  - (i) there has been a breach by Cleghorn of any of its representations and warranties such that Section 4.3(a) will not be satisfied; or
  - (ii) there has been a breach by Cleghorn of any of its covenants or agreements contained in this Agreement such that Section 4.3(b) will not be satisfied; or
- (d) by either Cleghorn or 297 if the Closing Date is not on or before September 30, 2015.

## **7. Notice**

7.1 *Notice.* Any demand, notice or other communication to be made or given in connection with this Agreement shall be made or given in writing and may be made or given by

personal delivery or facsimile addressed to the recipient at the addresses or facsimile numbers of the parties provided on the first page of this Agreement or such other address or individual as may be designated by notice by any party to the other. Any demand, notice or other communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if made or given by facsimile, on the day, other than a day which is not a Business Day, following the day it was sent.

## **8. General Provisions**

- 8.1 *Public Announcements.* Neither party shall, without the prior consent of the other, make any disclosure regarding the existence, purpose, scope, content, terms or conditions of this Agreement or other agreements relating thereto save to the extent such disclosure comprises information substantially already publicly available or unless it is necessary for such party to make such disclosure in order to comply with a statutory obligation or the requirements of a competent government or statutory agency; provided that, where practicable, a copy of any proposed announcement or statement shall be furnished to the other in advance of the proposed date of publication, and the party making the disclosure shall make every reasonable effort to incorporate the other party's comments prior to dissemination.
- 8.2 *Entire Agreement.* This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes any and all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof except as specifically set forth herein and therein.
- 8.3 *Waiver.* The failure of a party in any one or more instances to insist upon strict performance of any of the terms of this Agreement or to exercise any right or privilege arising under it shall not preclude it from requiring by reasonable notice that any other party duly perform its obligations or preclude it from exercising such a right or privilege under reasonable circumstances, nor shall waiver in any one instance of a breach be construed as an amendment of this Agreement or waiver of any later breach.
- 8.4 *Assignment.* This Agreement shall be binding on the parties and their respective successors and permitted assigns. The rights, duties and obligations of each of the parties under this Agreement may not be assigned in whole or in part by operation of law or otherwise without the prior express written consent of the other party, such consent not to be unreasonably withheld.
- 8.5 *Time.* Time shall be of the essence of this Agreement.
- 8.6 *Expenses.* Each party shall be responsible for its own expenses in connection with negotiating and settling this Agreement.
- 8.7 *Amendment.* This Agreement may be amended or varied only by agreement in writing signed by each of the parties. Unless the context otherwise so requires, a reference to this

Agreement shall include a reference to this Agreement as amended or varied from time to time.

- 8.8 *Governing Law and Attornment.* This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein and the parties hereby irrevocably attorn to the jurisdiction of the Courts of the Province of Québec. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Québec and the courts of the Province of Québec shall have exclusive jurisdiction to entertain any action arising under this Agreement. The parties hereto each hereby attorn to the jurisdiction of the courts of the Province of Québec.
- 8.9 *Language.* It is the express wish of the parties hereto that this Agreement and all documents contemplated hereby shall be drawn up in English. Les parties aux présentes ont convenu et ont accepté que cette entente, ainsi que tous les documents s'y rapportant soient rédigés en anglais.
- 8.10 *Counterparts.* This Agreement may be executed in as many counterparts as are necessary, may be delivered by facsimile or other electronic transmission and shall be binding on each party when each party hereto has signed and delivered one such counterpart. When a counterpart of this Agreement has been executed by each party, all counterparts together shall constitute one agreement.

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

**2973090 CANADA INC.**

By:

(signed) "Authorized Signatory"  
Authorized Signatory

**CLEGHORN MINERALS LTD.**

By:

(signed) "Authorized Signatory"  
Authorized Signatory

**SCHEDULE A**  
**THE PROPERTY**  
**Meech Lake Prospect**

Township/Area	Claim Number	Recording Date	Claim Due Date	Status	Percent Option	Work Required	Total Applied	Total Reserve	Claim Bank
MCNEIL	<a href="#">4272984</a>	2014-Mar-28	2017-Mar-28	A	100 %	\$ 2,400	\$ 2,400	\$ 12,873	\$ 0
ROBERTSON	<a href="#">4245177</a>	2011-Aug-24	2015-Aug-24	A	100 %	\$ 2,400	\$ 4,800	\$ 0	\$ 0
ROBERTSON	<a href="#">4259494</a>	2011-Apr-07	2015-Apr-07	A	100 %	\$ 6,000	\$ 12,000	\$ 30,819	

## SCHEDULE B

### THE ROYALTY

“Net Smelter Returns” means the amount paid or credited by a smelter or other buyer in respect of the sale of ore, ore concentrates, minerals and metals from the Property after deduction of the sum of:

- (a) smelter and/or refining charges;
- (b) government imposed production and value-added taxes (excluding taxes on income);
- (c) ore treatment charges, penalties and any and all charges made by the purchaser of ore or concentrates; and
- (d) all transportation and insurance costs which may be incurred in connection with the transportation of ore or concentrates.

*Payment.* Payment of the Royalty shall be made quarterly within 45 days after the end of each fiscal quarter of Cleghorn in which Net Smelter Returns are received and shall be accompanied by unaudited financial statements pertaining to the operations carried out on the Property. Within 90 days after the end of each fiscal year of Cleghorn, the records relating to the calculation of Net Smelter Returns for such year shall be audited by Cleghorn’s external independent auditor and any resulting adjustments in the payment of Royalty shall be made forthwith. A copy of the auditor's report (the “Report”) and accompanying financial information shall be delivered to 297 within 30 days of the end of such 90-day period.

*Audit.* Each annual audit shall be final and not subject to adjustment unless 297 delivers to Cleghorn written exceptions in reasonable detail within six months after 297 receives the report. 297, or its representative duly authorized in writing, at its expense, shall have the right to audit the books and records of Cleghorn related to Net Smelter Returns to determine the accuracy of the Report, but shall not have access to any other books and records of Cleghorn. The audit shall be conducted by an independent chartered or certified public accountant of recognized standing. Cleghorn shall have the right to condition access to its books and records on execution of a written agreement by the auditor that all information will be held in confidence and used solely for purposes of audit and resolution of any disputes related to the Report. A copy of 297’s report shall be delivered to Cleghorn upon completion, and any discrepancy between the amount actually paid by Cleghorn and the amount which should have been paid according to 297’s report shall be paid forthwith, one party to the other. In the event that the said discrepancy is to the detriment of 297 and exceeds 5% of the amount actually paid by the Cleghorn, then Cleghorn shall pay the entire cost of the audit.

*Registration.* On the request of 297, Cleghorn will execute and deliver such documents as may be necessary to permit 297 to record the Royalty against the Property. The Royalty shall constitute an interest in the Property.