OPTION AGREEMENT

THIS AGREEMENT is executed and made effective the 22nd day of November, 2018.

AMONG:

SPECTRUM MINING CORPORATION

(hereinafter referred to as the "**Optionor**")

OF THE FIRST PART

AND:

FIRST LEGACY MINING CORP.

(hereinafter referred to as the "**Optionee**")

OF THE SECOND PART

AND:

THE UNDERSIGNED SHAREHOLDERS OF THE OPTIONOR,
whose name and addresses are set out in the attached Schedule "D"

(each a "**Vendor**" and collectively, the "**Vendors**")

OF THE THIRD PART

WHEREAS:

A. The Optionor is the legal, beneficial and registered holder of a one hundred percent (100%) interest in and to six (6) mining claims (the "**Mining Claims**") located in the Cariboo Mining Division, British Columbia, as more particularly described in Schedule "A" attached to and made a part of this Agreement (the "**Property**");

B. Each Vendor owns the number of issued and outstanding common shares of the Optionor (the "**Optionor Shares**") set forth opposite such Vendor's name in Schedule "D" attached hereto, representing, in aggregate, all of the issued and outstanding Optionor Shares;

C. The Vendors wish to grant to the Optionee and the Optionor has agreed for the Vendors to grant to the Optionee, the option (the "**Option**") to purchase all of the issued and outstanding Optionor Shares;

D. The Optionee is a publicly listed company with its common shares on the Exchange; and

E. In order to record the terms and conditions of the agreement among them, the parties wish to enter into this Agreement.

NOW THEREFORE, that in consideration of the premises, covenants, terms, conditions, representations and warranties hereinafter set forth, the parties hereto agree each with the other as follows (subject to Exchange approval):

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** In this Agreement terms and expressions given a defined meaning in any Schedule shall have the corresponding meaning in this Agreement unless expressly stated otherwise and:

(a) "**Commercial Production**" means, and is deemed to have been achieved, when the plant processing ores, for other than testing purposes, has operated for a period of 45 consecutive production days at an average rate of not less than 70% of design capacity or, if a concentrator is not erected on the Property, when ores have been produced for a period of 45 consecutive production days at the rate of not less than 70% of the mining rate specified in a feasibility study or any similar study recommending placing the Property in production.

(b) "**Effective Date**" means the date that the Exchange gives notice of its acceptance of this Agreement and the transactions contemplated herein.

(c) "**Exchange**" means the TSX Venture Exchange.

(d) "**Expenditures**" means all paid-up costs, expenses, obligations and liabilities of whatever kind or nature spent or incurred by the Optionee, directly or indirectly, on or in connection with the Property including, without limiting the generality of the foregoing, monies expended in connection with:

(i) prospecting, exploration, evaluation, and development of the Property, including trenching or other surface or near surface sampling, reverse circulation, diamond or other drilling;

(ii) payments of fees, duties, or other charges or deductions to acquire, maintain or as required by any license, permit, or other documents issued by governmental bodies or other persons granting the right to explore for or use mineral resources and surface lands in respect of the Property;

(iii) prospecting, geophysical and geological surveys, mapping, drilling, assaying and metallurgical testing, including costs of assays, geochemical, metallurgical testing and other tests and analyses of water and other material or substances;

(iv) conducting engineering work as required for work programs or preparation of a feasibility study or a report prepared in accordance with National Instrument 43-101 or any other reasonable evaluation of the Property;

(v) carrying out environmental studies and preparing environmental impact assessment reports;

(vi) all restoration and reclamation of the Property;

(vii) in the preparation of work programs and the presentation and reporting of data and the results thereof including any program for the preparation of a feasibility study or other evaluation of the Property;

(viii) salaries and wages, including actual labour, overhead expenses for employees, agents independent contractors and consultants assigned to exploration and development activities;

(ix) travelling expenses of all persons engaged in work with respect to and for the benefit of the Property, including for their food, lodging and other reasonable needs of such persons, including medical;

(x) acquiring, constructing and transporting facilities;

(xi) payments to contractors or consultants for work done, services rendered or materials supplied;

(xii) all taxes levied against or in respect of the Property, or activities thereon, and the cost of insurance premiums and performance bonds or other security;

(xiii) preparing and making submissions to government agencies with respect to substitute or successor title to any of the Property and test and production permits; and

(xiv) all other expenses incurred in connection with the Property, prospecting licenses, mining leases, or this Agreement, including expenses for all permits and documents issued by any government or its authorized agent, environmental and other studies, charges incurred for site preparation, engineering, surveying, permits, equipment rental, third-party contractor services, construction of roads, costs of equipment and supplies, labour costs, legal fees, accounting fees, all fees under any consulting agreement, and all direct salary and field expenses of exploration personnel, and transportation costs.

(e) "**Operator**" means the party permitted to carry out, or cause to carry out, all work in respect of the Property during the Option.

1.2 **Number and gender**. Words importing the singular number shall include the plural and vice versa; words importing gender (or the lack thereof) shall include all genders or lack thereof interchangeably; and words importing persons shall include corporations and other business enterprises and vice versa.

1.3 **Currency**. All references to currency in this Agreement are references to lawful currency of Canada.

1.4 **Headings**. The use of headings in this Agreement and the schedules hereto are solely for ease of reference and shall not affect the interpretation or the construction of any provision hereof.

1.5 **References**. Unless otherwise stated, a reference to an Article, Section or other organizational division shall refer to the respective Article, Section or other organizational division of this Agreement.

ARTICLE 2
GRANT OF OPTION

2.1 **Option grant**. Subject to Article 7, the Optionor hereby grants to the Optionee the Option, which Option is exercisable by the Optionee on the terms and conditions in Section 2.2 hereof.

2.2 **Option terms**.

In order to exercise the Option and to maintain the Option in good standing, the Optionee must:

(a) incur Expenditures totaling $1,930,000 as follows:

(i) $680,000 within 12 months of the Effective Date;

(ii) an additional $625,000 within 24 months of the Effective Date; and

(iii) an additional $625,000 within 36 months of the Effective Date;

(b) pay to Optionor:

(i) $25,000 in cash during the negotiation of this Agreement by the parties hereto, which amount the Optionor acknowledges has been received, such funds to be utilized by the Optionor as provided for in subsection 4.1(a) herein;

(ii) $95,000 in cash within five (5) business days of the Effective Date;

(iii) $50,000 in cash on or before the first anniversary of the Effective Date;

(iv) $100,000 in cash on or before the second anniversary of the Effective Date;

(v) $100,000 in cash on or before the third anniversary of the Effective Date;

(c) issue to Optionor:

(i) 200,000 common shares of Optionee on the Effective Date;

(ii) $50,000 in common shares of Optionee on or before the first anniversary of the Effective Date;

all of which obligations of the Option pursuant to subsections 2(a), 2(b) and (2c) above, may be accelerated at the Optionee's sole discretion.

2.3 **Exercise.** Once Optionee has fulfilled the obligations in Section 2.2, Optionee will have the right for a period of 90 days thereafter, to exercise the Option (the "**Exercise Period**") by written notice to the Optionor within the Exercise Period (the "**Exercise Notice**"). If within the Exercise Period the Optionee delivers the Exercise Notice to the Optionee, the Optionee shall have exercised the Option and subject to the satisfaction of the Purchase Price pursuant to Section 2.4 below, be deemed to have acquired registered and beneficial ownership of all of the Optionor Shares.

2.4 **Purchase Price.** If Optionee fulfills the obligations in Section 2.2, and delivers to the Optionor the Exercise Notice within the Exercise Period, Optionee shall forthwith:

(a) issue to the Vendors on a pro rata basis, such number of common shares of Optionee equal to 49% of the aggregate of the following:

(i) the issued and outstanding common shares of the Optionee at the time of issuance of these common shares pursuant to this Section 2.4; plus

(ii) the common shares of the Optionee to be issued pursuant to this Section 2.4;

which common shares of the Optionee will be issued in accordance with Sections 2.5 and 2.6 below (the "**Payment Shares**"); and

(b) pay to the Vendors on a pro rata basis, a cash payment in the aggregate of $100,000 (the **"Cash Payment"**).

2.5 **Adjustments.** Each of Optionee, Optionor and the Vendors agree and acknowledge that if, during the Option, there is any adjustment in the share capital of Optionee by way of an issuance, subdivision, consolidation or reclassification of its common shares, or exercise of options, warrants or other convertible securities, or any change in share capital, including any adjustment arising from a merger, acquisition or plan of arrangement, such proportionate adjustments, if any, appropriate to reflect such change shall be made by Optionee with respect to the number of Payment Shares issued to the Vendors.

2.6 **Covenant to Perform**. If Optionee fulfills the obligations in Section 2.2 and delivers to the Optionor the Exercise Notice within the Exercise Period, thereby exercising the Option, each of the Vendors, severally (and not jointly) hereby covenants and agrees to sell, transfer and assign to Optionee all of the Optionor Shares held by that Vendor indicated in Schedule "D" in exchange for the prior delivery by Optionee to each such Vendor of the Payment Shares and the Cash Payment on a *pro rata* basis, as determined in accordance with each Vendor's proportionate shareholdings in Optionor indicated in Schedule "D" hereto. Subject to the issuances of the Payment Shares and the making of the Cash Payment to the Vendors in accordance with this Agreement, each of the Vendors (severally, and not jointly), agrees that the assignments and transfers of the Optionor Shares to the Optionee shall occur within five (5) business days of receipt by the Optionor of the Exercise Notice (the "**Time of Closing**").

2.7 **Share Register**. Following the exchange of the Payment Shares and the Cash Payment for the Optionor Shares in accordance with this Agreement, at the Time of Closing, the Vendors shall deliver to Optionee, share certificates representing the Optionor Shares held by them, each duly endorsed for transfer to the Optionee, together with such other documentation as applicable, and the name of each Vendor will be removed from the central securities register of the Optionor. The name of each Vendor or their nominees will be added to the securities register of the common shares of the Optionee. The Optionee will be recorded as the registered holder as such Optionor Shares so exchanged.

2.8 **Exemption**. The sale of the Optionor Shares and the issuance of the Payment Shares to the Vendors will be made in reliance on an exemption from the registration and prospectus filing requirements contained in Section 2.16 of National Instrument 45-106 - *Prospectus Exemptions*. Optionor and Optionee reserve the right to request from Vendors any additional certificates or representations required to establish an exemption from applicable securities legislation prior to the issuance or transfer of any Optionor Shares or Payment Shares, as applicable. Optionor acknowledges that the common shares of the Optionee will be issued under certain exemptions from the registration and prospectus filing requirements otherwise applicable.

2.9 **Resale Restrictions**. Optionor and the Vendors hereby acknowledge and understand that Optionee's ability to issue securities is subject to applicable securities laws and to the rules and policies of the stock exchange on which the common shares of Optionee are listed and that the common shares of the Optionee they receive pursuant to this Agreement may be subject to resale restrictions in accordance with applicable securities laws and the rules and policies of the Exchange or such other principal stock exchange on which the common shares of Optionee are then listed, and that as a result the certificates representing such shares may be affixed with certain legends describing such restrictions, and Optionor and the Vendors covenant and agree with Optionee to abide by all such resale restrictions.

2.10 **Income Tax Act**. It is intended that the share exchange transaction contemplated in this Agreement will generally constitute a transaction in respect of which the Vendors may elect to be treated on a tax deferral basis pursuant to Section 85.1 of the *Income Tax Act* (Canada) by treating the transaction as a rollover in his or her income tax return for the year in which the exchange occurred by not including in income any portion of the gain or loss which would otherwise have arisen on such Vendor's exchanged shares. Each Vendor will bear the full responsibility of treating the transaction as a deferral in his or her income tax return.

2.11 **Royalty**. In the event Optionee exercises the Option and acquires an indirect 100% right, title and interest in and to the Mining Claims, the Vendors shall thereafter be entitled to, on a basis pro rata to their current shareholdings in the Optionor as set forth in Schedule "D" attached hereto, a 2.0% Net Smelter Returns (as defined in Schedule "C") royalty with respect to the Property, on the terms set out in Schedule "C" (the "**NSR Royalty**"), payable upon the commencement of Commercial Production. Optionee shall have the irrevocable right to purchase one-half (1/2) of the NSR Royalty from the Vendors, also on a basis pro rata to their current shareholdings in the Optionor (being 1.0% of Net Smelter Returns) for $1,000,000, leaving the Vendors with an aggregate 1.0% NSR Royalty.

2.12 **Optional.** For greater clarification, save for the obligations of the Optionee under Sections 2.2(b)(i) and (ii) and Section 2.2(c)(i) herein which the Optionee agrees are firm and binding upon it (provided that the parties specifically agree that the cash payment provided for in Section 2.2(b)(ii) and the share issuance provided for in Section 2.2(c)(i) are specifically subject to the Optionee obtaining acceptance from the Exchange for this Agreement and the transactions contemplated herein), the parties agree that the balance of the obligations under Sections 2.2 and 2.4 are optional only (although the Optionee is required to keep the Option in good standing, as applicable) and, accordingly, are not firm and binding commitments of the Optionee.

2.13 **Expenditure Statement and Independent Audit.** An itemized statement of Expenditures completed in any period certified in writing to be correct by an officer of the Optionee will be conclusive evidence of the making of such Expenditures unless within thirty days of receipt of such statement the Optionor delivers an objection to the statement to the Optionee. If the Optionor delivers an objection within such thirty-day period, then the Optionor will be entitled to request that independent auditors, audit the Expenditures provided for in the statement of Expenditures that is the subject of the objection. At the conclusion of such audit:

(a) if the independent auditors determine that the statement of Expenditures exceed the Expenditures actually incurred by more than ten percent of those stated, then the costs of the audit will be borne by the Optionee and only the Expenditures so determined to have been actually made will constitute Expenditures for the purposes of paragraphs 2.2(a)(i), (ii) or (iii);

(b) if the independent auditors determine that the statement of Expenditures was accurate within ten percent of the Expenditures actually incurred or the statement of Expenditures understate the Expenditures actually incurred by greater than a ten percent margin, then the costs of the audit will be borne by the Optionor; and

(c) if any such independent auditors' determination results in a deficiency in the amount of Expenditures obliged to be completed under paragraphs 2.2(a)(i), (ii) or (iii), then the Optionee may pay to the Optionor within forty-five days after such determination the amount equal to the shortfall in Expenditures, and such payment will be deemed to be a payment of cash in lieu of Expenditures made in advance of the relevant due date specified in paragraphs 2.2(a)(i), (ii) or (iii), as applicable.

The independent auditors' determination of Expenditures will be final and determinative of the amounts stated in the statement in question, and will not be subject to arbitration hereunder.

2.14 **Shares of Optionee to be issued pursuant to Section 2.2(c)(ii).** The common shares of the Optionee to be delivered to the Optionor pursuant to Section 2.2(c)(ii) will be issued at a price equal to the volume weighted average price of the common shares of the Optionee on the Exchange for the ten (10) trading days immediately preceding the date of the issuance of such common shares.

2.15 **Operator.** Optionee shall be entitled to be the operator of the Property for the duration of the Option.

2.16 **Director Nominee.** Immediately following the Optionee's next annual general meeting of shareholders, currently scheduled to be held on December 14, 2018, the Optionor shall have the right to appoint a representative to the Optionee's board of directors.

ARTICLE 3
EXERCISE OF OPTION

3.1 **Option Exercise.** Upon the Optionee satisfying the requirements pursuant to Sections 2.2 and 2.4, the Optionee will be deemed to have fully exercised the Option and to have acquired registered and beneficial ownership of all of the Optionor Shares.

3.2 **Ownership of Mining Claims.** Upon the exercise of the Option under Section 3.1 and acquisition of all of the Optionor Shares, the Optionor shall be a wholly-owned subsidiary of the Optionee, and the Optionee shall hold an indirect 100% right, title and interest in and to the Mining Claims.

ARTICLE 4
COVENANTS OF THE OPTIONOR

4.1 **Optionor's covenants.** During the currency of this Agreement, the Optionor will:

(a) expend approximately $70,000 of the $120,000 to be advanced to it by the Optionee as provided for in subsections 2.2(b)(i) and (ii) herein to finance the collection of approximately thirty (30) tonnes of ore from the Property for sampling at the SGS laboratory in Peterborough, Ontario;

(b) not do any other act or thing which would or might in any way adversely affect the rights of the Optionee hereunder;

(c) not agree to transfer or encumber all or any of its right, title or interest in and to the Property, except as provided for in this Agreement;

(d) make available to the Optionee and its representatives all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Mining Claims and the Property in the Optionor's possession or control, including drill core and soil and assay samples, and all records and files relating to the Mining Claims and the Property and permit the Optionee and its representatives at their own expense to take abstracts therefrom and make copies thereof;

(e) except as contemplated by this Agreement or with the prior written consent of Optionee,

    (i) promptly inform Optionee of any facts that come to its attention which would cause any of its representations and warranties in this Agreement to be untrue in any respect;

(ii) promptly inform Optionee in writing of any material adverse change in the condition of Optionor;

(iii) maintain the books, records and accounts of Optionor in the ordinary course and record all transactions on a basis consistent with past practice;

(f) provide access to, and will permit Optionee, through its representatives, to make such investigation of the operations, properties, assets and records of Optionor and of its financial and legal condition as Optionee deems necessary or advisable to familiarize itself with Optionor, and such operations, properties, assets, records and other matters;

(g) promptly provide the Optionee with any and all notices and correspondence received by the Optionor from government agencies or otherwise in respect of the Mining Claims;

(h) cooperate fully with the Optionee in obtaining any permits, surface and other rights on or related to the Mining Claims as the Optionee deems desirable;

(i) use commercially reasonable efforts to take all necessary steps and corporate proceedings to be taken in order to facilitate the transactions contemplated herein, including the issuance of the Optionor Shares to Optionee upon exercise of the Option;

(j) grant to the Optionee, its employees, agents and independent contractors, the sole and exclusive right and option to:

(i) enter upon the Property;

(ii) have exclusive and quiet possession thereof;

(iii) do such prospecting, exploration, development or other mining work thereon and thereunder as the Optionee in its sole discretion may consider advisable;

(iv) bring and erect upon the Property such equipment and facilities as Optionee may consider advisable;

(v) remove from the Property and dispose of any material, ores, minerals and metals for the purpose of obtaining assays or making other tests;

(k) not, unless prior written consent has been obtained from Optionee,

(i) amend any constating document, including, without limitation, its notice of articles or articles or any other organizational document of Optionor, other than for the purpose of amending the notice of articles to effect a resignation or appointment of a director to the Optionor;

(ii) split, consolidate or reclassify any Optionor Shares;

(iii) issue, sell or dispose of any Optionor Shares, or grant any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any Optionor Shares or securities;

(iv) declare or pay any dividends or distributions on or in respect of any Optionor Shares or redeem, retract, purchase or acquire any Optionor Shares, **provided that** the

Optionor shall have the right at any time after the Effective Date to dividend or otherwise distribute any cash or common shares of the Optionee received pursuant to Sections 2.2(b)(ii), (iii), (iv) and (v) or Section 2.2(c) of this Agreement to its shareholders, subject to applicable securities laws and the rules and policies of the Exchange;

(v) negotiate with any third party for the sale of any or all of Optionor's equity interest, assets, securities or real or leased property;

(vi) other than as disclosed to Optionee, enter into any contract that would constitute a material contract;

(vii) incur, assume or guarantee any indebtedness for borrowed money in excess of an aggregate $100,000;

(viii) transfer, assign, sell or otherwise dispose of any of the assets shown or reflected in the Optionor's balance sheet or otherwise disclosed to Optionee as of the date of this Agreement, or cancel any debts or entitlements having a value in excess of an aggregate $100,000;

(ix) receive any capital investment in, or deliver any loan to, any person in excess of an aggregate $100,000;

(x) accelerate, terminate, materially modify or cancel any material contract to which the Optionor is a party or by which it is bound;

(xi) deliver any loan to (or forgive any loan to), or enter into any other transaction with, any of its shareholders or current or former directors, officers and employees;

(xii) purchase, lease or otherwise acquire the right to own, use or lease any property or assets; or

(xiii) acquire by amalgamation or arrangement with, or by purchase of a substantial portion of the assets or shares of, or by any other manner, any business or any person or any division thereof.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE VENDORS

5.1 **Vendors' representations and warranties.** Each Vendor, acting severally but not jointly and only in respect of the Optionor Shares held by such Vendor, represents and warrants to Optionee, and acknowledges that Optionee is relying upon such representations and warranties, that:

(a) the Payment Shares to be issued in accordance with the transactions herein contemplated will be issued to each Vendor as principal for their own account and not for the benefit of any other person;

(b) other than as disclosed to Optionee, the Optionor Shares owned by the Vendors will be owned by each of the Vendors as the beneficial and recorded owner with good and marketable title thereto, free and clear of all mortgages, liens, charges, security interests, adverse claims, pledges, encumbrances and demands whatsoever;

(c) other than as disclosed in this Agreement, no person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase from the Vendors of any of the Optionor Shares held by them;

(d) other than as disclosed in this Agreement, no person, firm or corporation has any agreement or option, including convertible securities, warrants or convertible obligations of any nature, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase from the Vendor of the Optionor Shares held by such Vendor;

(e) the Payment Shares have not been and will not be qualified or registered under the securities laws of the United States or any other jurisdiction and, as such, the Vendors may be restricted from selling or transferring such Payment Shares under applicable law;

(f) the Vendor is resident in the jurisdiction as set forth under such Vendor's address in Schedule "D" hereto; and

(g) the Vendor is not aware of any fact or circumstance which has not been disclosed to the Optionee which should be disclosed in order to prevent the representations and warranties contained in this section from being misleading or which would likely affect the decision of the Optionee to enter into this Agreement.

ARTICLE 6
COVENANTS OF OPTIONEE

6.1 **Optionee's covenants.** During the Option, the Optionee shall:

(a) maintain in good standing the Mining Claims by the doing and filing of assessment work or the making of payments in lieu thereof;

(b) keep the Property free and clear of all liens arising from its operations hereunder (except liens for taxes not yet due, other inchoate liens or liens contested in good faith by the Optionee) and proceed with all diligence to contest or discharge any lien that is filed;

(c) pay or cause to be paid all workers and wage earners employed by it or its contractors on the Property, and pay for all materials, services and supplies purchased or delivered in connection with its activities on or with respect to the Property;

(d) permit the Optionor, or its representatives duly authorized by it in writing, at its own risk and expense, access to the Property at all reasonable times and to all records and reports, if any, prepared by the Optionee in connection with work done on or with respect to the Property, and furnish to the Optionor once each calendar year a report with respect to the work carried out by Optionee on the Property and material results obtained; and

(e) conduct all work on or with respect to the Property in a good and workmanlike manner and in compliance with all applicable federal, provincial and local laws, rules, orders and regulations, and indemnify and save Optionor harmless from any and all claims, suits, demands, losses and expenses including, without limitation, with respect to environmental matters, made or brought against it as a result of work done or any act or thing done or omitted to be done by Optionee on or with respect to the Property.

6.2 **Termination of Option.** In the event of termination of the Option for any reason other than through the exercise thereof, the Optionee will:

(a) ensure the Property is free and clear of all liens;

(b) provide the Optionor with copies of all data and information related to the Property and the Mining Claims that was not provided to the Optionor prior to the termination of the Option, together with, if applicable all drill cores and unprocessed assay samples;

(c) have the right (and, if requested by the Optionor within 90 days of the effective date of termination, the obligation) to remove from the Property within nine months of termination of the Option all facilities erected, installed or brought upon the Property by or at the instance of the Optionee, failing which, the facilities shall become the property of the Optionor; and

(d) perform all reclamation work on the Property required under applicable mining, exploration and environmental laws in the Province of British Columbia, as a result of exploration or operations carried out by or on behalf of Optionee.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 **Optionor's representations and warranties.** The Optionor represents and warrants to the Optionee that:

(a) it is a corporation in good standing duly incorporated and organized and validly existing under the *Business Corporations Act* (British Columbia) and it has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement and is qualified to carry on its business in British Columbia;

(b) it is not a reporting issuer in any jurisdiction and the Optionor Shares are not listed or posted for trading on any stock exchange or quotation system;

(c) the authorized share capital of Optionor consists of an unlimited number of common shares without nominal or par value, of which 27,793,972 common shares are issued and outstanding as at the date of this Agreement as fully paid and non-assessable;

(d) no person, firm or corporation has any agreement or option, including convertible securities, warrants or convertible obligations of any nature, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any of the unissued shares in the capital of Optionor or of any securities of Optionor;

(e) it does not have any agreements of any nature to acquire any subsidiary, or to acquire or lease any other business operations, and will not without the prior written consent of Optionee, prior to the exercise of the Option, acquire, or agree to acquire, any subsidiary or business;

(f) to the best of its knowledge, Optionor is not a party to or bound by any guarantee, warranty, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, firm or corporation;

(g) the books and records of Optionor fairly and correctly set out and disclose, in all material respects, the financial position of Optionor, and all material financial transactions of Optionor relating to it have been accurately recorded in such books and records;

(h) the balance sheet of Optionor as presented to Optionee fairly presents the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of Optionor as at the date thereof and there are no commitments to materially increase such liabilities other than increases arising as a result of carrying on the Optionor's business in the ordinary course, and, other than as disclosed in writing to Optionee, as of the date of this Agreement, Optionor has no assets or liabilities (whether accrued, absolute, contingent or otherwise) not reflected in said balance sheet;

(i) it is not a party to any written or oral employment, service or pension agreements;

(j) it does not have any outstanding bonds, debentures, mortgages, notes or other indebtedness and it is not under any agreement to create or issue any bonds, debentures, mortgages, notes or other indebtedness, except liabilities incurred in the ordinary course of business;

(k) except as disclosed to in writing to Optionee, it does not have any outstanding material agreements, contracts or commitments, whether written or oral, of any nature or kind whatsoever, including, but not limited to, employment agreements, agreements, contracts and commitments other than in the ordinary course of its business;

(l) it has been duly authorized to enter into, and carry out its obligations under, this Agreement and no obligation of it in this Agreement conflicts with or will result in the breach of any term of:

    (i) its notice of articles and articles; or

    (ii) any other agreement to which it is a party;

(m) it has duly executed and delivered this Agreement, which binds it in accordance with its terms;

(n) save and except as set forth in Schedule "D" hereto, each of the Vendors have good and marketable title to and is the legal and beneficial owner of that number of Optionor Shares set forth beside such Vendor's name in Schedule "D" representing, in aggregate, all issued and outstanding Optionor Shares as of the date first written above, and the Optionor Shares are fully paid and non-assessable and are free and clear of liens, charges, encumbrances, pledges, mortgages, hypothecations, security interests and adverse claims of any and all nature whatsoever and including, without limitation, options, pre-emptive rights and other rights of acquisition in favour of any person, whether conditional or absolute;

(o) the Mining Claims are properly and accurately described in Schedule "A" hereto and the Property is properly shown on the map in Schedule "B" hereto;

(p) each of the Vendors have the power and capacity to own and dispose of their respective portion of the Optionor Shares, and the Optionor Shares are not subject to any voting or similar arrangement;

(q) there are no actions, suits, proceedings or investigations (whether or not purportedly against or on behalf of Optionor), pending or threatened against or affecting Optionor or affecting the business of Optionor, at law or in equity, or before or by any federal, state, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, and Optionor is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success, and, without limiting the generality of the foregoing, there are no claims or potential claims under any relevant family relations legislation or other equivalent legislation affecting the Optionor Shares;

(r) to the best of its knowledge, Optionor is conducting and will conduct its business in compliance with all applicable laws, rules and regulations of each jurisdiction in which the Optionor is carrying on or will carry on business, Optionor is not in material breach of any such laws, rules or regulations and is fully licensed, registered or qualified in each jurisdiction in which Optionor carries on or proposes to carry on business to enable the business to be carried on as now conducted and its property and assets to be owned, leased and operated, and all such licenses, registrations and qualifications are or will be upon exercise of the Option valid and subsisting and in good standing and that none of the same contains or will contain any provision, condition or limitation which has or may have a materially adverse effect on the operation of the Optionor's business;

(s) the Optionor owns a 100% beneficial, legal and recorded interest in and to the Mining Claims;

(t) other than its interest in the Mining Claims, Optionor is not the owner, lessee or under any agreement to own, acquire an interest in, or lease any real property or mineral claims;

(u) there are no interests in and to the Property other than the Mining Claims;

(v) all fees, taxes, assessments, rentals, levies or other payments, and all reports and other filings, required to be made relating to the Mining Claims have been made in a timely manner;

(w) the Mining Claims were properly recorded and filed with appropriate governmental agencies, all assessment work required to hold the Mining Claims has been performed, all governmental fees have been paid and all filings required to maintain the Mining Claims in good standing have been properly and timely recorded or filed with appropriate governmental agencies;

(x) the Property is in good standing and the Mining Claims are free and clear of any liens or third party interests and no royalty is payable in respect of any part of the Property (other than the Royalty if and when it becomes due and payable pursuant to this Agreement);

(y) there is no adverse claim or challenge against or to the ownership of or title to any part of the Property, and no party has any right, title, claim or other interest in the Property or the Mining Claims;

(z) the Optionor holds all permits, licenses, consents and authorities issued by any government or governmental authority, which are necessary in connection with the ownership of the Mining Claims;

(aa) there are no outstanding agreements, rights or options, whether or not subject to conditions, to acquire or purchase the Mining Claims or the Property or any portion thereof or any interest therein;

(bb) there are no actions, claims, investigations, suits, proceedings or inquiries (judicial or otherwise) pending or, to the best of the Optionor's knowledge, threatened against or relating to the Property or any portion thereof;

(cc) there has been no known spill, discharge, deposit, leak, emission or other release of any contaminant, pollutant, dangerous or toxic substance, or hazardous waste on, into, under or affecting the Property and no such contaminant, pollutant, dangerous or toxic substance, or hazardous waste is stored in any type of container on, in or under the Property;

(dd) no reclamation, rehabilitation, restoration or abandonment obligations exist with respect to the Property;

(ee) the Optionor has not received from any governmental or regulatory agency or board, any notice of or communication relating to any actual or alleged environmental claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property;

(ff) to the best of the Optionor's knowledge, information and belief, no part of the Property lies within any protected area, rescued area, reserve, reservation or reserved area or other designated area, that would impair the development of a mining project thereon;

(gg) save as otherwise disclosed in writing to the Optionee, no native communities have approached the Optionor or, to the knowledge of the Optionor, any other past owner of any of the claims comprising the Property claiming any ancestral rights to the Property;

(hh) to the knowledge of the Optionor there are no impact and benefits agreements ("**IBA**"), memorandums of understanding ("**MOU**") or any other agreements of the same nature affecting any of claims comprising the Property and no aboriginal councils, individuals or groups have approached the Optionor or, to the knowledge of the Optionor, any past or present owner of any of the claims comprising the Property to set up an IBA, a MOU or any other agreements of the same nature; and

(ii) the Optionor has delivered to the Optionee all information concerning the Property and the Optionor in its possession or control.

7.2 **Optionee's representations and warranties.** The Optionee represents and warrants to the Optionor that:

(a) it is a reporting issuer in the Provinces of British Columbia and Alberta and its common shares are posted and listed for trading on the Exchange. To the best of its knowledge, Optionee is not in material default under the *Securities Act* (British Columbia) or the rules or policies of the Exchange. No orders suspending the sale or ceasing the trading of any securities issued by Optionee have been issued by any regulatory authority, and no proceedings for such purpose are pending or, to the knowledge of Optionee, threatened;

(b) it is a corporation duly incorporated and organised and validly existing under the *Business Corporations Act* (British Columbia) and it has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement and is qualified to carry on business in British Columbia;

(c) it has been duly authorized to enter into, and to carry out its obligations under, this Agreement and no obligation of it in this Agreement conflicts with or will result in the breach of any term in:

(i) its notice of articles or articles; or

(ii) any other agreement to which it is a party;

(d) it has duly executed and delivered this Agreement, which binds it in accordance with its terms;

(e) the authorized capital of Optionee consists of an unlimited number of Common Shares without par value per share and of which 16,250,000 common shares are issued and outstanding as of the date of the signing of this Agreement as fully paid and non-assessable, and no other shares of any other class of Optionee are issued and outstanding;

(f) Computershare Trust Company of Canada is Optionee's duly appointed registrar and transfer agent;

(g) to the best of Optionee's knowledge, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of the common shares of Optionee; and

(h) to the best of Optionee's knowledge, there are no actions, suits or proceedings pending or threatened against or affecting Optionee or affecting Optionee's business, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign and Optionee is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

7.3 **Reliance by other party.** Each party's representations and warranties set out above will be relied on by the other party in entering into this Agreement. Unless expressly stated otherwise, the representations and warranties set out above shall survive the execution and delivery of this Agreement and are deemed remade as of the date on which the Option is exercised in accordance with the terms of this Agreement and, if the Optionee exercises the Option, they shall survive the acquisition of the Optionor by the Optionee indefinitely. Each party shall indemnify and hold harmless the other party for any loss, cost, expense, claim or damage, including legal fees and disbursements, suffered or incurred by the other party at any time as a result of any misrepresentation or breach of warranty arising under this Agreement.

ARTICLE 8
APPROVALS/ACCEPTANCES

8.1 **Approvals.** It shall be a condition precedent to the consummation of the transactions contemplated under this Agreement that all applicable regulatory, stock exchange and shareholder approvals and/or acceptances have been obtained, as applicable. The parties agree to use their commercially reasonable efforts to promptly obtain all required approvals and/or acceptances as necessary.

ARTICLE 9
DEFAULT AND TERMINATION

9.1 **Termination by Optionee.** This Agreement shall forthwith terminate upon the Optionee giving notice of termination in writing to the Optionor at any time prior to the exercise of the Option.

9.2 **Default by Optionee.** Save and except for matters to be completed in accordance with Section 2.3, if at any time prior to the exercise of the Option the Optionee fails to perform any other obligation required to be performed hereunder or is in breach of a warranty given herein, which failure or breach materially interferes with the implementation of this Agreement, the Optionor may terminate this Agreement but only if:

(a) it first gives to the Optionee a notice of default containing particulars of the obligation which the Optionee has not performed, or the warranty breached; and

(b) the Optionee has not, within 21 days after delivery of such notice of default, cured such default or begun proceedings to cure such default by appropriate payment or performance (the Optionee hereby agreeing that should it so begin to cure any default it will prosecute the same to completion without undue delay).

9.3 **Termination by Optionor.** If the Optionee fails to comply with the provisions of Section 9.2(b), the Optionor may thereafter terminate this Agreement, and the provisions of Section 6.2 will then be applicable.

ARTICLE 10
FORCE MAJEURE

10.1 **Force Majeure.** If the Optionee is prevented or delayed in complying with any provisions of this Agreement by reason of strikes, lockouts, labour shortages, power shortages, floods, fires, wars, acts of God, aboriginal land claims, disputes or blockades, governmental regulations restricting normal operations or any other reason or reasons beyond the control of the Optionee, the time limited for the performance of the various provisions of this Agreement as set out above shall be extended by a period of time equal in length to the period of such prevention and delay. The Optionee, insofar as is possible, shall promptly give written notice to the Optionor of the particulars of the reasons for any prevention or delay under this Section 10.1 and shall take all reasonable steps to remove the cause of such prevention or delay as soon as reasonably practicable, and shall give notice to the Optionor as soon as such cause ceases to subsist with particulars of the number of days by which the obligations of the Optionee hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

ARTICLE 11
DISPUTE RESOLUTION

11.1 **Arbitration.** All disputes arising out of or in connection with this Agreement shall be referred to and finally resolved by arbitration under the Arbitration Act (British Columbia) and the rules of the British Columbia International Commercial Arbitration Centre.

11.2 **Appointing Authority.** The appointing authority shall be the British Columbia International Commercial Arbitration Centre and the case shall be administered at Vancouver, British Columbia, by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under the BCICAC Rules".

ARTICLE 12
INDEMNITIES

12.1 **Mutual Indemnity.** Each party hereto shall and does hereby indemnify and save harmless the other, as well as the other's directors, officers, employees, servants, agents, contractors and shareholders, from and against any and all claims, demands, actions, suits, proceedings, liabilities, losses, damages, costs, expenses, fees, fines, penalties, interests and deficiencies of any nature or kind whatsoever arising by virtue of or in respect of any inaccuracy, misstatement, misrepresentation, act or omission made by such party in connection with any matter set out herein, and any and all claims, demands, actions, suits, proceedings, liabilities, losses, damages, costs, expenses, fees, fines, penalties, interests and deficiencies of any nature or kind whatsoever related or incidental thereto.

12.2 **Indemnity.** The Optionee shall indemnify and hold the Optionor and its affiliates and their respective representatives harmless against and in respect of any and all costs, expenses, losses, damages and liabilities suffered or incurred and arising from, relating to or in any way connected with the following:

(a) any loss of life, injury to persons or property, the natural environment or natural resources arising out of work or operations conducted on the Property by the Optionee, or caused by any act or omission on the part of the Optionee, during the period of the Option including, without limitation any environmental claim arising in connection with the Optionee's operations on the Property; and

(b) any clean up and remediation including, without limitation, all studies, tests, reports and investigations associated with the clean up and remediation of hazardous substances released, disposed of or discharged by the Optionee in connection with the Optionee's operations on the Property during the period of the Option.

12.3 **Survival of Indemnities.** Notwithstanding any other provision of this Agreement, the indemnities provided herein shall remain in full force and effect until all possible liabilities of the persons indemnified thereby are extinguished by the operation of law and will not be limited to or affected by any other indemnity obtained by such indemnified persons from any other person.

12.4 **No Waiver.** No investigation made by or on behalf of either of the parties hereto at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by the other party herein or pursuant hereto. No waiver by either of the parties hereto of any provision herein, in whole or in part, shall operate as a waiver of any other provision herein.

ARTICLE 13
LIMITATION OF OBLIGATIONS OF OPTIONEE

13.1 **Limitation.** It is understood and agreed that nothing contained in this Agreement, nor any payment made or incurred by the Optionee on or in connection with the Property or part of it, nor the doing of any act or thing by the Optionee under this Agreement shall obligate the Optionee to do anything else under this Agreement other than to incur Expenditures to the extent that it may have expressly undertaken to do so pursuant to the terms of this Agreement.

ARTICLE 14
GENERAL

14.1 **Notices**. A notice or other communication to a party under this Agreement is valid if (a) it is in writing, and (b) it is delivered by hand, by registered mail, or by any courier service that provides proof of delivery, or (c) it is sent by electronic mail, and (d) it is addressed using the information for that party set out below (or any other information specified by that party in accordance with this section:

(a) in the case of the Optionee:

Address:	Suite 605 – 815 Hornby Street Vancouver, B.C., V6Z 2E6
Attention:	Max Sali, CEO
Email:	[***Redacted for confidentiality***]

(b) in the case of the Optionor:

Address:	[***Redacted for confidentiality***]
Attention:	Christopher W. Graf
Email:	[***Redacted for confidentiality***]

With a copy to:

Address:	Tupper Jonsson & Yeadon Suite 1710 – 1177 West Hastings Street Vancouver, B.C. V6E 2L3
Attention:	Glenn R. Yeadon
Email:	[***Redacted for confidentiality***]

A valid notice or other communication under this Agreement will be effective when the party to which it is addressed receives it. A party is deemed to have received a notice or other communication under this Agreement at the time and date indicated on the signed receipt or in the case of e-mail transmission the day of transmission; and, if the party to which it is addressed rejects or otherwise refuses to accept it, or if it cannot be delivered because of a change in address (including change of an e-mail address) for which no notice was given, then upon that rejection, refusal or inability to deliver.

14.2 **Severability.** If any part of this Agreement is held invalid, illegal or unenforceable by a court of law, then this Agreement shall be read as if such invalid, illegal or unenforceable provision were removed.

14.3 **Expenses.** Each of the Optionor and the Optionee shall be responsible for payment of its own expenses in connection with the transactions contemplated herein, with the exception that the Optionee shall pay for a National Instrument 43-101 technical report if required by the Exchange, and Optionor shall pay for an audit if required by the Exchange.

14.4 **Entire agreement**. This Agreement and the schedules and recitals hereto sets forth the entire agreement between the parties, and any persons who have in the past or who are now representing either of the parties, with respect to the subject matter hereof and supersedes all prior communications, understandings and agreements between the parties or any of them with respect to the subject matter hereof.

14.5 **Amendment**. No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by all of the parties hereto.

14.6 **Further Assurances**. Each of the parties agrees that it shall act in good faith and a reasonable manner with respect to the satisfaction of its obligations under this Agreement, and, at the reasonable request of the other party, shall, at its own expense, take such actions and do such things and, as the case may be, execute and deliver or furnish such additional agreements, documents and instruments as may, from time to time, be necessary or reasonably desirable to better effectuate the transactions contemplated by this Agreement, including amending the terms of this Agreement in order to comply with Exchange policies.

14.7 **Assignment**. Neither party may assign or otherwise transfer all or part of its interest in and to this Agreement to any third party without prior consent of the other party. Any assignment shall be subject to the assignee entering into an agreement, in form and substance satisfactory to counsel for the other party, agreeing to be bound by this Agreement.

14.8 **Encumbrances**. During the currency of the Option, the parties shall not pledge, mortgage, charge or otherwise encumber their rights and obligations under this Agreement or their beneficial interest in and to the Property without the consent of the other party, which consent shall not be unreasonably withheld.

14.9 **Enurement**. This Agreement shall enure to the benefit of and be binding on the parties and their respective successors and permitted assigns.

14.10 **Confidentiality**. The parties agree to maintain the highest level of confidentiality with respect to this Agreement and all matters relating to the Property, except for matters required to be publicly disclosed by law or the rules or policies of any regulatory authority, stock exchange or quotation system.

14.11 **Governing law**. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and applicable laws of Canada. Each party irrevocably agrees to attorn to the exclusive jurisdiction of the courts of Vancouver, British Columbia, with respect to any legal proceedings arising from this Agreement. The parties are committed to the thoughtful resolution of any disputes and issues of concern in a timely and responsible way. The parties also agree not to use technical arguments to impede the resolution process.

14.12 **Construction**. This Agreement has been negotiated and approved by counsel on behalf of each of the parties hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship thereof.

14.13 **Good Faith and Fair Dealing**. In entering into this Agreement the parties recognise that it is practically impossible to make provisions for every contingency which may arise during the validity of this Agreement. Accordingly, parties hereby state and acknowledge their mutual intent that this Agreement shall be enforced and implemented between them with fairness and without detriment to any other party's interest. Each of the parties hereto undertakes with each of the others to do all things reasonably within his or its power which are necessary or desirable to give effect to the spirit and intent of this Agreement during the term of its validity.

14.14 **Independent Legal Advice**. Each of the parties acknowledge that:

(a) legal counsel to Optionee has acted as counsel only to Optionee, that all other parties to this Agreement acknowledge and confirm that they have been advised to seek, and have sought or waived, independent tax and legal advice with respect to this Agreement and the documents delivered pursuant thereto and that legal counsel to Optionee are not protecting the rights and interests of any other party to the Agreement; and

(b) to the extent that any Vendor declines to receive independent legal counsel in respect of this Agreement, such Vendor hereby waives the right, should a dispute later develop, to rely on its lack of independent legal counsel to avoid its obligations, to seek indulgences from the other parties hereto, or to otherwise attack, in whole or in part, the integrity of this Agreement and the documents related thereto;

14.15 **Counterparts and delivery**. The parties may execute this Agreement in counterparts and deliver same by facsimile or e-mail, each facsimile or e-mail being deemed to be an original, and such counterparts, if any, being deemed to form one and the same instrument bearing the date set forth above notwithstanding the date of actual execution.

14.16 **Time**. Time shall be of the essence hereof.

IN WITNESS WHEREOF the Optionor, the Optionee and the Vendors have hereunto executed this Agreement as of the date first above written.

SPECTRUM MINING CORPORATION

Per: "Christopher W. Graf"
Name: Christopher W. Graf
Title: President and Chief Executive Officer

FIRST LEGACY MINING CORP.

Per: "Max Sali"
Name: Max Sali
Title: Chief Executive Officer

SHAREHOLDERS OF SPECTRUM MINING CORPORATION

"Christopher W. Graf"
Name: **Christopher W. Graf**

"Andrew S. Burgess"
Name: **Andrew S. Burgess**

Name: **Active Holdings Inc.**

"Christopher W. Graf"
Authorized Signatory
Name: Christopher W. Graf
Title: President

"Christopher W. Graf"
Name: **Christopher W. Graf ITF Donovan W. C. Graf (including Donovan W. C. Graf)**

"Christopher W. Graf"
Name: **Christopher W. Graf ITF Christopher W. F. Graf (including Christopher W. F. Graf)**

Name: **Carrington International Ltd.**

"George Schnura"
Authorized Signatory
Name: George Schnura

"Timothy A. Young"
Name: **Timothy A. Young**

"Brian Gilson"
Name: **Brian Gilson**

"Paul Gary Paulson"
Name: **Paul Gary Paulson**

"Grant Eric Paulson"
Name: **Grant Eric Paulson**

"Richard Glazier"
Name: **Richard Glazier**

"Pat Glazier"
Name: **Pat Glazier**

Name: **Kastalia Ltd.**

"George Schnura"____________________
Authorized Signatory
Name: George Schnura

"Paul Westley Dylan Paulson"__________
Name: **Paul Westley Dylan Paulson**

"Mike Church"____________________
Name: **Mike Church**

Schedule "A"

Description of the Property

THE WICHEEDA PROPERTY CONSISTS OF THE FOLLOWING SIX MINERAL TENURES SITUATED IN THE CARIBOO MINING DIVISION, BRITISH COLUMBIA

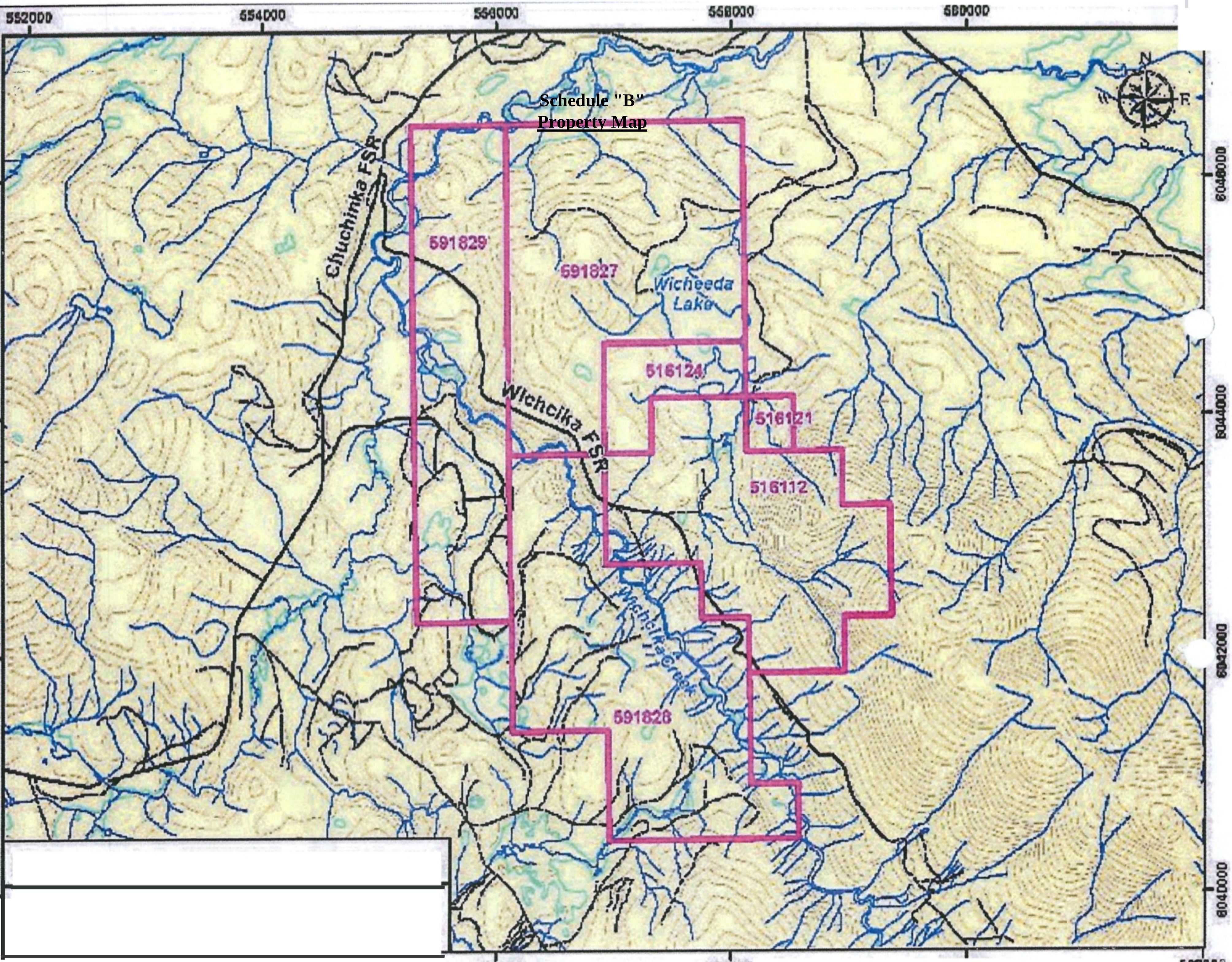
Tenure Number	Claim Name	Expiry Date
516112	unnamed	September 30, 2019
516121	unnamed	September 30,2019
516124	Wicheeda West	September 30, 2019
591827	Wicheeda6	September 23,2019
591828	Wicheeda 7	September 23,2019
591829	Wicheeda 8	September 23,2019

Schedule "B"

Property Map

See attached

Schedule "B"
Property Map



Schedule "C"

Net Smelter Returns Royalty

1. The NSR Royalty described in the option agreement dated November 22, 2018 (the "**Agreement**") to which this Schedule "C" is attached will be such percentage described in the Agreement of the Net Smelter Returns (as determined pursuant to Section 2 below) and will be paid to Vendors, on a pro rata basis, by the operator of the Property in accordance with the terms of this Schedule "C".

2. The "**Net Smelter Returns**" will be calculated on a calendar quarter basis and will be equal to Gross Revenue (as hereinafter defined) less Permissible Deductions (as hereinafter defined) for such quarter.

3. In this Schedule "C", the following words have the following meanings:

    i. "**Gross Revenue"** means the aggregate of the following revenues (without duplication) actually received in each quarterly period:

        A. the revenue from arm's length purchasers of all Mineral Products;

        B. the fair market value of all Mineral Products sold to persons not dealing at arm's length with the owner of the Property from which the Mineral Products are produced; and

        C. any proceeds of insurance on Mineral Products;

    ii. "**Mineral Products**" means all valuable metals, minerals and refined or semi-refined products produced from the Property;

    iii. "**Payor**" means the operator of the Property;

    iv. "**Payee**" means the holder of the NSR Royalty described in the Agreement to which this Schedule "C" is attached and which is entitled to receive payment thereunder;

    v. "**Permissible Deductions**" means the aggregate of the following charges (without duplication) that are paid or accrued with respect to the Mineral Products in each quarterly period:

        A. all costs, expenses, charges and penalties of any nature whatsoever which are paid or incurred in connection with mining, refinement or beneficiation of Mineral Products, including all extraction and mining costs, all processing, minting, smelter, milling and refinery charges and all weighing, sampling, assaying, handling, representation and storage costs, any umpire charges, and any interest, penalties and provisional settlement fees charged by the processor, mint, refinery, mill or smelter;

        B. transportation costs for Mineral Products from the Property to the place of beneficiation, processing, minting, smelting, milling, refining or treatment and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, security, insurance, transaction taxes, port, demurrage, delay, handling and forwarding expenses;

C. all marketing, sales charges and brokerage costs levied by any sales agent on the sale of Mineral Products;

D. all insurance on Mineral Products; and

E. any sales, excise, production, import, export, use, ad valorem, use severance, net proceeds of mine and other taxes and levies, including mining taxes on such Mineral Products (but excluding income taxes);

vi. "**Trading Activities**" shall mean forward sales, futures trading or commodity options trading, and other price hedging, price protection or speculative arrangements that may involve the possible delivery of base or precious metals produced from the Site in question; and

vii. All terms which are defined in the Agreement to which this Schedule "C" is attached and are used herein shall have the same meaning as defined in the Agreement, unless the context expressly requires otherwise.

4. For greater certainty, and without limiting the generality of the foregoing, all charges deducted by an arm's length purchaser of metals or minerals whether for smelting, treatment, handling, refining, milling, minting, processing, storage or any other operation on or service relating to the Mineral Products that occurs after the point of sale shall be considered to be legitimate deductions in arriving at the Net Smelter Returns amount. Similar deductions at their fair market value will be permitted for charges by a non-arm's length purchaser.

5. Payor shall have the right to commingle ore or concentrates produced from the Property with ores or concentrates produced from other mineral properties in which the Payor may have an interest, provided that Payor shall (i) adopt and employ reasonable practices and procedures for weighing, determining moisture content, sampling and assaying such ore or concentrates and recording such data; and (ii) utilize reasonably accurate recovery factors to determine the amount of Mineral Products allocable to the Property. Payee or its authorized representatives shall have the right at all reasonable times during normal business hours to examine and audit from time to time at its own expense the records of the Payor relative to the commingling of ores and concentrates produced from the Property.

6. Payor agrees to maintain up-to-date and complete records for any operations carried out on the Property and in respect of which a NSR Royalty is payable. If treatment and/or smelting of the Mineral Products derived from such operations is performed off the Property, accounts, records, statements and returns relating to such treatment and smelting arrangements shall be maintained by Payor or the owner. Payee or its agents shall have the right at all reasonable times during normal business hours to inspect such accounts, records, statements and returns and make copies thereof at its own expense for the sole purpose of verifying the amount of NSR Royalty payments.

7. The NSR Royalty will be calculated and paid within 90 days after the end of each calendar quarter. Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "**Statement**") must be submitted with the payment.

8. In the event that final amounts required for the calculation of the NSR Royalty are not available within the time period referred to in Section 7 of this Schedule, then provisional amounts will be

estimated and the NSR Royalty paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the NSR Royalty payment of the succeeding quarter.

9. Subject to the adjustment provisions of this Schedule, all NSR Royalty payments will be considered final and in full satisfaction of all obligations of Payor with respect thereto, unless Payee delivers to Payor a written notice ("**Objection Notice**") describing and setting forth a specific objection to the calculation thereof within sixty (60) days after receipt by Payee of this Statement. If Payee objects to a particular Statement as herein provided, Payee will, for a period of sixty (60) days after Payor's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have Payor's accounts and records relating to the calculation of the NSR Royalty in question audited by the auditors of Payee. If such audit determines that there has been a deficiency or an excess in the payment made to Payee such deficiency or excess will be resolved by adjusting the next quarterly NSR Royalty payment due hereunder. Payee will pay all the costs and expenses of such audit unless a deficiency of five (5%) percent or more of the amount due is determined to exist. Payor will pay the costs and expenses of such audit if a deficiency of five (5%) percent or more of the amount due is determined to exist. All books and records used and kept by Payor to calculate the NSR Royalty due hereunder will be kept in accordance with Canadian generally accepted accounting principles. Failure on the part of Payee to make claim against Payor for adjustment in such sixty (60) day period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and NSR Royalty payments for such quarter, and forever preclude the filing of exceptions thereto or making of claims for adjustment thereon by Payee. Nothing herein will limit Payee's rights arising out of fraud.

10. Payor may but need not engage in Trading Activities. Payee shall not be entitled to participate in the proceeds or be obliged to share in any losses generated by Payor's Trading Activities. If valuable metals produced from the Property are actually delivered pursuant to such Trading Activities, such valuable metals shall, for the purposes of calculating the NSR Royalty payable hereunder, be deemed to be sold and delivered at a price equal to the average weekly price (for the week immediately preceding the deemed sale) for the metal contained in such Mineral Products quotes as the "COMEX" price, first position, by *Metals Week* or an authoritative alternative publication reasonably designated by Payor that publishes such prices on a weekly or daily basis. Such sale shall be conclusively deemed to be a sale at a fair market value to an arm's length purchaser FOB the refinery for the Mineral Product.

Schedule "D"

<u>Optionor Shares and Vendors</u>

[***Personal information relating to each of the respective Vendors and ownership of Optionor Shares have been redacted for confidentiality.***]