

SALE AND PURCHASE AGREEMENT

THIS AGREEMENT dated for reference February 18, 2026.

BETWEEN:

USHA RESOURCES LTD., a company incorporated under the laws of British Columbia and having an office at 1575 Kamloops Street, Vancouver, BC V5K 3W1

(“Vendor”)

AND:

PANTHER MINERALS INC., a company incorporated under the laws of British Columbia and having an office at 600-1090 Georgia St W, Vancouver, BC V6E 3V7

(“Acquiror”)

WHEREAS:

- A. The Vendor is the legal and beneficial owner of one hundred percent (100%) of the right, title and interest in and to the mineral claims comprising the “**Rubidium Ridge Property**” located in the Province of Ontario, Canada, and each as more particularly described in **Schedule “A”** attached hereto and forming part hereof (the “**Property**”); and
- B. The Vendor desires to sell, and the Acquiror desires to purchase, all of the Vendor’s right, title, and interest in and to the Property, free and clear of all encumbrances, subject to the Royalty owed to the initial optionors of the Property, 2758145 Ontario Ltd. (20%), Peter Gehrels (40%) and Allan Onchulenko (40%), collectively (the “**Optionors**”) as defined herein and in Schedule “B”.
- C. The parties wish to complete such sale and purchase on the terms and conditions set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants to be performed hereunder, the parties agree as follows:

1. INTERPRETATION

1.1 In this Agreement:

- (a) “**Agreement**” means this agreement, including its recitals, appendices and schedules, as amended from time to time;
- (b) “**Arbitration Act**” means the *Commercial Arbitration Act* (British Columbia);
- (c) “**Business Day**” means any day, other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Vancouver, British Columbia, are not open for business during normal banking hours;

- (d) “**CSE**” means the Canadian Securities Exchange;
- (e) “**Effective Date**” means the date of Exchange Acceptance, or 5 days following the filing of the filing by the Acquiror of a Form 9 with the CSE; or conditional approval of the TSXV;
- (f) “**Environmental Claims**” means any and all administrative, regulatory, or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, or proceedings relating in any way to any Environmental Laws or any permit issued under any Environmental Laws, including, without limitation:
 - i. any and all claims by government or regulatory authorities for enforcement, clean-up, removal, response, remedial, or other actions or damages under any applicable Environmental Law; and
 - ii. any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive or other relief resulting from hazardous materials, including any release of those claims, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment;
- (d) “**Environmental Laws**” means all requirements of the common law, civil code, or of environmental, health, or safety statutes of any agency, board, or governmental authority including, but not limited to, those relating to (i) noise, (ii) pollution or protection of the air, surface water, ground water, or land, (iii) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal, or transportation, (iv) exposure to hazardous or toxic substances, or (v) the closure, decommissioning, dismantling, or abandonment of any facilities, mines, or workings and the reclamation or restoration of lands;
- (e) “**Exchange**” means the Canadian Securities Exchange;
- (f) “**Exchange Acceptance**” and/or “**Regulatory Approval**” means confirmation by Acquiror and or Vendor, that the transaction may proceed with respect to this Agreement;
- (g) “**Fundamental Changes**” has the meaning given to it in Section 5.1 of this Agreement;
- (h) “**Acquiror**” means Panther Minerals Inc.;
- (i) “**Vendor**” means Usha Resources Ltd;
- (j) “**Optionor**” means 2758145 Ontario Ltd. (20%), Peter Gehrels (40%) and Allan Onchulenko (40%);
- (k) “**Notice**” has the meaning given to it in Section 10.1 of this Agreement;
- (l) “**Property**” has the meaning given to it in Recital A of this Agreement;
- (m) “**Property Information**” means, in respect of a particular Property, any agreement relating solely to such Property and all information, data, maps, drill core, results of surveys, drilling

and assays, knowledge and know-how, in whatever form and however communicated (including, without limitation, Confidential Information), developed, conceived, originated, derived or obtained by either party in performing its obligations under this Agreement;

- (n) “**Royalty**” means a royalty to be retained by Optionor on a Transferred Property, which will be equal to two percent (2.0%) of net smelter returns from commercial production of mineral products from the Transferred Property, the principal terms of which are set out in **Schedule “B”** to this Agreement;
- (o) “**Purchase Price**” means the total consideration payable by the Acquiror to the Vendor for the Property, as set out in Section 3.2 of this Agreement.
- (p) “**Shares**” means common shares in the capital of Acquiror;
- (q) “**Transferred Property**” means any of the Property that Acquiror has earned a one hundred percent (100%) right, title and interest in and to, following its acquisition pursuant to Section 3 of this Agreement;
- (r) “**TSXV**” means the TSX Venture Exchange;
- (s) “**Rubidium Ridge Property**” has the meaning given to it in Recital A of this Agreement.
- (t) “**Bonus Payment**” means the payment owed to the Optionors as described as follows: the Optionors will be entitled to a bonus payment of \$1,000,000 in cash should an inferred resource (as such term is used in National Instrument 43-101 - Standards of Disclosure for Mineral Projects), or higher resource classification, totalling at least 10 million tonnes at a minimum grade of 1% Li₂O be delineated at the Property.

1.2 In this Agreement, all dollar amounts are expressed in lawful currency of Canada.

1.3 The headings to the respective Articles and sections in this Agreement will not be deemed part of this Agreement but will be regarded as having been used for convenience only.

1.4 Words importing the singular number will include the plural and vice-versa, and words importing the masculine gender will include the feminine and neuter genders and vice-versa, and words importing persons will include firms, partnerships, and corporations.

2. **REPRESENTATIONS, WARRANTIES AND COVENANTS**

2.1 Acquiror represents and warrants to Vendor that:

- (a) it is a body corporate duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;

- (c) neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated will conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;
- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of Acquiror's charter documents nor the laws of any jurisdiction applicable to Acquiror;
- (e) subject to Exchange Acceptance, Acquiror has completed all necessary corporate acts and procedures for Acquiror to enter into this Agreement and carry out its terms to the full extent;
- (f) this Agreement constitutes a legal, valid and binding obligation of Acquiror;
- (g) no proceedings are pending for, and Acquiror is not aware of any basis for, the institution of any proceedings leading to the dissolution or winding-up of Acquiror or the placing of Acquiror into bankruptcy or subject to any other laws governing the affairs of insolvent persons;
- (h) the Shares are listed for trading on the Exchange and to the knowledge of the Acquiror, the Acquiror is not in default of any of the listing requirements of the Exchange applicable to the Acquiror; and
- (i) the Acquiror is a reporting issuer in British Columbia, Alberta and Ontario and the Acquiror is not in material default of any of the requirements of the applicable securities laws of those provinces or any of the administrative policies or notices of securities commissions of those provinces.

2.2 Vendor represents, warrants and covenants to Acquiror that:

- (a) it is a body corporate duly incorporated, organized and validly subsisting under the laws of its incorporating jurisdiction;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to or contemplated by this Agreement;
- (c) neither the execution and delivery of this Agreement nor any of the agreements referred to in, or contemplated by, this Agreement, nor the consummation of the transactions by contemplated by this Agreement will conflict with, result in the breach of or accelerate the performance required by any agreement to which the Vendor is a party;
- (d) the execution and delivery of this Agreement and the agreements contemplated hereby will not violate or result in the breach of Vendor's charter documents nor the laws of any jurisdiction applicable to Vendor;

- (e) Vendor has completed all necessary corporate acts and procedures for Vendor to enter into this Agreement and carry out its terms to the full extent;
- (f) this Agreement constitutes a legal, valid and binding obligation of Vendor;
- (g) no proceedings are pending for, and Vendor is not aware of any basis for, the institution of any proceedings leading to the dissolution or winding-up of Vendor or the placing of Vendor into bankruptcy or subject to any other laws governing the affairs of insolvent persons;
- (h) the mineral claims comprising the Property have been duly and validly staked and recorded, are accurately described in **Schedule "A"**, are presently in good standing under the laws of the province of Ontario up to and including at least the expiry dates set forth in **Schedule "A"**, and are free and clear of all liens, charges, encumbrances, claims, rights or interest of any person and any statutory encumbrances including but not limited to utility rights of way, municipal easements, and the like;
- (i) Vendor has all licenses, permits and certificates as may be necessary to hold the mineral claims comprising the Property;
- (j) all taxes, assessments, rentals, levies, or other payments relating to the Property required to be made to any federal, provincial, or municipal government instrumentality, have been paid;
- (k) Vendor is the legal and beneficial owner of, and holds good and marketable title to, a one hundred percent (100%) undivided interest in and to the claims comprising the Property;
- (l) Vendor has the exclusive right to enter into this Agreement and all necessary authority to transfer and sell an undivided one hundred percent (100%) interest in and to the Property in accordance with the terms of this Agreement;
- (m) Vendor has the absolute right to enter into this Agreement without first obtaining the consent of any other person or body corporate, and no person, firm or corporation has any proprietary or possessory interest in the Property other than Vendor and no person is entitled to any royalty or other payment in the nature of rent or royalty on any minerals, ores, metals or concentrates or any other such products removed from the Property;
- (n) there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, threatened, or to the best of Vendor's knowledge, pending, which directly or indirectly relate to or affect the Property or the interests of Vendor therein in any material respect nor is Vendor aware of any acts that would lead him to suspect that any actions, suits, investigations or proceedings might be initiated or threatened;
- (o) there is no adverse claim or challenge against or to the ownership of or title to the Property, or any portion thereof, nor any basis for any such claim or challenge, and

there are no outstanding agreements or options to purchase or otherwise acquire the Property or any portion thereof or any interest therein;

- (p) the conditions on and relating to the Property are in all material respects in compliance with all applicable laws, including all Environmental Laws;
- (q) there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumpings, or other releases of any kind of any toxic or hazardous substances in, on, or under the Property or the surrounding environment arising from Vendor's activities on the Property or, to the best of Vendor's knowledge, arising from any other activities on the Property;
- (r) Vendor has not received from any government instrumentality 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 that have been carried out on the Property;
- (s) there are no obligations or commitments for reclamation, closure or other environmental corrective, clean-up or remediation action directly or indirectly relating to operations on the Property;
- (t) there are no pending or ongoing actions taken by or on behalf of any native or indigenous persons pursuant to the assertion of any land claims with respect to lands included in the Property and there are no agreements or understandings with such persons that affect or relate to the Property;
- (u) the Property is free and clear of all unprotected open mine shafts, mine openings or workings; and
- (v) Vendor will take all such actions as are necessary to ensure that the Property is kept in good standing until the Closing Date.

- 2.3 Vendor will within 14 days of the execution and delivery of this Agreement, provide Acquiror all Property Information in Vendor's possession and or under Vendor's control relating to exploration activities on and in the vicinity of each of the Property.
- 2.4 As a condition of Closing, the Vendor shall deliver to the Acquiror a NI 43-101 Technical Report for the Property in the name of the Acquiror.
- 2.5 Each of the parties to this Agreement covenants that its respective representations and warranties set out in this Article 2 will continue to be true and correct on and as of the Closing Date and in the event that any representation or warranty provided hereunder shall become untrue or incorrect prior to the Closing Date, such party will promptly provide to the other party particulars of the nature in which such representation or warranty has become untrue or incorrect.
- 2.6 Each of the parties hereto acknowledges and agrees that the other party has relied upon each of the representations and warranties set forth in this Article 2 in entering into this Agreement and such

representations and warranties will survive the acquisition of any interest in the Properties by Acquiror, and each party will indemnify and save the other party harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by the other party and contained in this Agreement.

3. SALE AND PURCHASE

3.1 On the Closing Date, the Vendor hereby agrees to sell, assign and transfer to the Acquiror, and the Acquiror agrees to purchase from the Vendor, one hundred percent (100%) of the right, title and interest in and to the mineral claims comprising the following Property free and clear of all liens, charges, royalties (other than the Royalty to be granted hereunder), encumbrances and claims, in accordance with the terms of this Agreement, the Property, as described in Schedule "A".

3.2 The Acquiror may purchase one hundred percent (100%) right, title and interest in the Property, by paying and/or issuing (the "**Purchase Price**"):

- (a) \$80,000 to the Vendor within fifteen days of the Exchange Acceptance (if required) of this Agreement;
- (b) 4,150,000 Shares of the Acquiror to the Vendor within fifteen days of Exchange Acceptance (if required) of this Agreement;

Upon completion of the payment described in 3.2, the Acquiror is deemed to have earned an undivided one hundred percent (100%) interest in and to the applicable Property.

The Acquiror shall also pay to the Vendor the Bonus Payment, in the event that the triggers in the Bonus Payment are met.

3.3 Following completion of the payment and transfer described in 3.1 and 3.2, Optionor will retain a Royalty on the applicable Property and the parties hereto shall enter into a royalty agreement in respect of such Royalty, containing the terms set out in Schedule "B" attached hereto and Section 3.3 hereof.

The Acquiror shall have:

- (a) the exclusive right to re-purchase fifty (50%) percent of the Royalty granted pursuant to Section 3.2 hereof in respect of such Property for payment to Optionor in cash of one million dollars (\$1,000,000.00), such re-purchase option to be exercisable at any time by notice in writing to the Optionor accompanied by payment of the re-purchase price therefor; and
- (b) a right of first refusal to re-purchase fifty (50%) percent of the Royalty granted pursuant to Section 3.2 hereof in respect of such Property, the terms of which shall be set out in the royalty agreement to be entered into between the Acquiror and Optionor upon exercise of the Option in respect of the applicable Property.

3.4 All Shares issued to the Vendor pursuant to Section 3.2 shall be subject to escrow for a period of six (6) months from the date of issuance, during which time the Shares may not be sold, traded, assigned, transferred, pledged or otherwise disposed of (collectively, a "**Transfer**"),

directly or indirectly, except (i) as required by applicable law or by order of a governmental authority having jurisdiction, or (ii) with the prior written consent of the Acquiror and subject to compliance with applicable securities laws and the requirements of the CSE requirements. Any permitted Transfer pursuant to this Section 3.4 shall be made subject to the transferee agreeing in writing to be bound by the escrow restrictions set out herein for the balance of the applicable escrow period.

4. **TERMINATION**

- 4.1 This Agreement may be terminated at any time prior to the Closing Date by mutual written agreement of the Vendor and the Acquiror.
- 4.2 Either party may terminate this Agreement prior to Closing if the other party has breached any representation, warranty, covenant, or obligation under this Agreement, and such breach remains uncured for ten (10) Business Days following receipt of written notice thereof.
- 4.3 The Acquiror may terminate this Agreement if any of the Vendor's conditions precedent have not been satisfied or waived by the Closing Date.
- 4.4 The Vendor may terminate this Agreement if any of the Acquiror's conditions precedent have not been satisfied or waived by the Closing Date.
- 4.5 Either party may terminate this Agreement if any governmental authority issues a final order or injunction permanently prohibiting the Closing.
- 4.6 Upon termination of this Agreement prior to Closing, neither party shall have any further liability to the other, except for obligations that expressly survive termination, including confidentiality and costs.

5. **FUNDAMENTAL CHANGES**

- 5.1 In the event of the issue of Shares pursuant to this Agreement after the occurrence of one or more events involving the capital reorganization, reclassification, subdivision or consolidation of the Shares, or the merger, amalgamation or other corporate combination of the Acquiror with one or more other entities, or of any other events in which new securities of any nature are delivered in exchange for the issued Shares and such issued Shares are cancelled ("**Fundamental Changes**"), in lieu of issuing the Shares which, but for such Fundamental Changes and this provision, would have been issued, the Acquiror or its successor shall issue instead such number of new securities as would have been delivered as a result of the Fundamental Changes in exchange for those Shares which the Vendor would have been entitled to receive if such issue had occurred prior to the Fundamental Changes.

6. **NOTICE**

- 6.1 Any notice, direction or other communication (a "**Notice**") required or permitted to be given under this Agreement must be in writing and will be personally delivered or sent by email or some other similar form of electronic communications addressed as follows:
 - (a) if to Vendor:

Usha Resources Ltd.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(b) if to Acquiror:
Panther Minerals Inc.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any Notice given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any Notice knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such Notice may not be mailed but must be given by personal delivery or by electronic communication.

7. **ARBITRATION**

- 7.1 Disputes between the parties arising out of or in connection with this Agreement or its interpretation will be settled in accordance with this Article 7 and will be settled in the first instance available. If amicable settlement cannot be reached within thirty (30) days following written notice by one party to the other party of the existence of any such dispute, the matter will be submitted to binding arbitration in accordance with the provisions of this Article 7.
- 7.2 Following the expiry of the thirty (30) day notice period referred to in Section 7.1, any party may refer any matter to arbitration by written notice to the other and, within fifteen (15) days after receipt of such notice, the parties will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act in such capacity.
- 7.3 If the parties cannot agree on a single arbitrator as provided in section 7.2 either party may submit the matter to arbitration (before a single arbitrator) in accordance with the Arbitration Act.
- 7.4 Except as specifically provided in this Article 11, an arbitration hereunder will be conducted in accordance with the Arbitration Act. The arbitrator will fix a time and place in Vancouver, British Columbia for the purpose of hearing the evidence and representations of the parties and he will preside over the arbitration and determine all questions of procedure not provided for under such Arbitration Act or this Article 11. After hearing any evidence and representations that the parties may submit, the arbitrator will make an award and reduce the

same to writing and deliver one copy thereof to each of the parties. The decision of the arbitrator will be made within thirty (30) days after his or her appointment, subject to any reasonable delay due to unforeseen circumstances. The expense of the arbitration will be paid as specified in the award. The parties agree that the award of the single arbitrator will be final and binding upon each of them and will not be subject to appeal.

8. **FORCE MAJEURE**

- 8.1 No party will be liable for its failure to perform any of its obligations under this Agreement due to a cause beyond its control (except those caused by its own lack of funds) including, but not limited to acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances, laws, rules and regulations or orders of any duly constituted governmental authority or nonavailability of materials or transportation (each an “**Intervening Event**”).
- 8.2 All time limits imposed by this Agreement will be extended by a period equivalent to the period of delay resulting from an Intervening Event.
- 8.3 A party relying on the provisions of this Article 8 will take all reasonable steps to eliminate the effects of an Intervening Event and, if possible, will perform its obligations under this Agreement as far as reasonably practical, provided however that nothing herein will require such party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Agreement if an Intervening Event renders completion impossible.

9. **GENERAL**

9.1 **Further Assurances**

The parties hereto agree to sign all documents and do or cause to be done all acts and things within their respective powers that may be necessary to carry out and implement the provisions or intent of this Agreement.

9.2 **Expenses**

Each party to this Agreement will bear their own expenses, including without limitation legal and accounting expenses, in respect of this Agreement.

9.3 **Payment**

All payments to be made to any party hereunder will be paid in immediately available Canadian funds by bank draft, certified cheque or wire transfer and mailed or delivered or wire transferred to such party at its address for notice purposes as provided herein, or for the account of such party at such bank or banks in Canada as such party may designate from time to time by written notice. Such bank or banks will be deemed the agent of the designating party for the purpose of receiving, collecting and receiving such payment.

9.4 Assignment

Any party may dispose of all or any part of its interest in and to the Property and this Agreement to any third party (the "Assignee") provided that the Assignee shall, prior to and as a condition precedent to such disposition, deliver to the non-assigning party its covenant with and to the non-assigning party that to the extent of the disposition, the Assignee agrees to be bound by the terms and conditions of this letter agreement as if it had been an original party hereto; and it will subject any further disposition of the interest acquired to the restrictions contained in this paragraph.

9.5 Enurement

This Agreement enures to the benefit of and is binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

9.6 Governing Law

The terms and provisions of this Agreement will be governed by and interpreted in accordance with the laws of British Columbia.

9.7 Entire Agreement

This Agreement constitutes the entire agreement between the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether verbal or written, express or implied, statutory or otherwise between the parties with respect to the subject matter herein.

9.8 Time of Essence

Time is of the essence in this Agreement.

9.9 Signature in Counterpart

This Agreement may be signed in as many counterparts as may be necessary, including by facsimile or other electronic means, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and same instrument and, notwithstanding the date of execution, shall be deemed to bear the effective date set forth herein.

9.10 Severability

If any one or more of the provisions or stages contained herein is declared invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

IN WITNESS WHEREOF the Parties hereto have duly executed this Agreement as of the date first above written.

Panther Minerals Inc.

Per:

/s/ Ram Kumar

Name: Ram Kumar

Title: Chief Executive Officer

USHA RESOURCES LTD.

Per:

/s/ Deepak Varshney

Name: Deepak Varshney

Title: Chief Executive Officer

Schedule "A"
Mineral Claims Comprising the Property

840630, 840631, 840632, 840633, 840634, 840635, 840636, 741816, 741817, 741818, 741819, 741820, 741821, 741822, 741823, 741824, 741825, 741830, 812516, 812517, 812518, 812519, 812520, 812521, 812522, 812524, 812527, 812530, 812531, 812534, 812535, 829632, 829633, 829634, 829635, 829719, 829720, 829724, 829725, 829726, 829727, 829728, 829729, 831430, 831431, 831432, 831433, 831434, 831435, 831436, 831437, 831438, 831439, 831440, 831441, 831442, 831491, 831492, 831493, 831494, 831764, 831765, 831766, 833989, 833990, 833991, 833994, 833995, 840637, 840638, 840639, 840640, 840641, 840642, 840643, 840644, 840645, 840646, 840647, 840648, 840649, 840650, 840651, 840652, 840653, 840654, 840655, 840656, 840657, 840658, 840659, 840660, 840661, 840662, 840663, 840664, 840665, 840666, 840667, 840668, 840669, 840670, 840671, 840672, 840673, 840674, 840675, 840676, 840677, 840678

SCHEDULE "B"

PRINCIPAL TERMS OF THE NET SMELTER RETURNS ROYALTY AGREEMENT TO BE ENTERED INTO BY OPTIONEE AND OPTIONOR UPON THE EXERCISE OF AN OPTION

1. Pursuant to the Agreement to which this Schedule "B" is attached, Optionor (the "**Royalty Holder**") may become entitled to receive from the Acquiror (the "**Royalty Payor**") a royalty equal to two percent (2.0%) of the Net Smelter Returns on all Products (as defined below) from a Transferred Property (as defined in the Agreement) sold or deemed to have been sold by or for the Royalty Payor or its successors in interest, to be calculated and paid in accordance with this Schedule "B" (the "**Royalty Interest**").
2. As used in this Schedule "B", the following words and phrases will have the meanings ascribed to them below, unless otherwise stated or the context otherwise requires:
 - (a) "Gross Revenue" means the aggregate of the following revenues (without duplication) received or accrued for Products produced and sold by the Royalty Payor:
 - i. the revenue from arm's length purchasers of all Products;
 - ii. the fair market value of all Products sold to persons not dealing at arm's length with the Royalty Payor; and
 - iii. any proceeds of insurance on Products;
 - (b) "Net Smelter Returns" means the Gross Revenue of Products, less all costs, charges and expenses paid or incurred by the Royalty Payor with respect to such Products after such Products leave a Transferred Property, including, without limitation:
 - i. all costs, expenses and charges of any nature whatsoever for treatment of Products in the smelting and refining processes (including all handling, processing, and provisional settlement fees; all weighing, sampling, assaying, representation and storage costs, any umpire charges; any penalties and other processor deductions; and interest) provided that if such treatment is carried out in facilities owned or controlled, in whole or in part, by the Royalty Payor, then the foregoing charges will be equal to the amount the Royalty Payor would have incurred if such treatment were carried out at facilities not owned or controlled by the Royalty Payor then offering comparable services for comparable products on terms then prevailing in the area;
 - ii. the actual costs of transportation (including shipping, freight, insurance, security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation) of Products from a Transferred Property to the place of refining, beneficiation, processing or treatment and then to the place of delivery of Products to a purchaser thereof; and
 - iii. use, gross receipts, severance, export, and ad valorem taxes and any other tax or government royalty or levy payable by the Royalty Payor and based directly upon and actually assessed against the value or quantity of Product sold or otherwise disposed or deemed disposed of, but excluding any and all taxes:
 - (A) based upon the net or gross income of the Royalty Payor; or

- (B) based upon the value of the Transferred Property, the privilege of doing business and other similarly based taxes;
 - (c) “Ore” means all materials from a Transferred Property, the nature and composition of which, in the sole judgement of the operator of the Transferred Property, justifies either mining or removing from place and shipping and selling such material, or delivering such material to a processing plant for physical or chemical treatment; or leaching such material in place; and
 - (d) “Products” means all Ore shipped and sold prior to treatment, and all concentrates, precipitates, doré, metals and other products produced from Ore.
- 3. For greater certainty, and without limiting the generality of the foregoing, all charges deducted by an arm's length purchaser of Products whether for smelting, treatment, handling, refining, storage or any other operation on or service relating to the Products that occurs after the point of sale will be considered to be legitimate deductions in arriving at the Net Smelter Revenue amount.
- 4. The Royalty Holder acknowledges that the purpose of paragraph 2 above is to pay to the Royalty Holder a Royalty Interest on the basis of value of the refined gold and silver produced from Ores as established by the London Bullion Market Association P.M. Gold Fix for gold, and the New York Silver Price as published by Handy & Harman for silver, regardless of the price or proceeds actually received by the Royalty Payor for or in connection with such metal or the manner in which a sale of refined metal to a third party is made by the Royalty Payor. The Royalty Holder further acknowledges that the Royalty Payor will have the right to market and sell or refrain from selling refined gold, silver and other metals produced from a Transferred Property in any manner it may, in its sole discretion, elect, and that the Royalty Payor will have the right to engage in forward sales, future trading or commodity options trading, and other price hedging, price protection, and speculative arrangements (collectively, “Trading Activities”) which may, but not necessarily, involve the possible delivery of gold, silver or other metals produced from a Transferred Property. The Royalty Holder and the Royalty Payor specifically acknowledge and agree that the Royalty Holder will not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Royalty Payor's actual marketing or sales practices or by its Trading Activities. The Royalty Payor may sell Products to any purchaser it wishes.
- 5. The Royalty Payor may, but is not obligated to, beneficiate, mill, sort, concentrate, refine, smelt or otherwise process and upgrade Products prior to sale, transfer or conveyance to a purchaser, user or consumer other than the Royalty Payor. The Royalty Payor will not be liable for mineral values lost in such processing under sound mineral processing practices.
- 6. All Products for which the Royalty Interest is payable will be weighed or measured, sampled and analysed in accordance with generally accepted mining and metallurgical practices. After such measurement, the Acquiror may mix or commingle such Products with ores, materials, concentrates or other products from other property, provided that the Royalty Payor will keep detailed records to support all determinations as to the quantity and quality of commingled Products and will, upon request, make such information freely available to the Royalty Holder and its representatives.
- 7. Payments on account of the Royalty Interest will become due and payable quarterly within sixty (60) days of the last day of the calendar quarter in which the payments accrued. Payments on account of the Royalty Interest will be accompanied by a statement (a “Statement”) showing in reasonable detail:

- (a) the quantities and grades of the refined metals; doré, concentrates or other Products produced and sold or deemed sold by the Royalty Payor in the preceding calendar quarter;
 - (b) the applicable Monthly Average Gold Prices, Monthly Average Silver Prices, and Monthly Average Metal Prices determined as herein provided for Products on which payments on account of the Royalty Interest are due;
 - (c) all costs and other deductions used in computing the applicable Net Smelter Returns for each Product on which payments on account of the Royalty Interest are due; and
 - (d) other pertinent information in sufficient detail to explain the calculation of the payments on account of the Royalty Interest.
8. All payments on account of the Royalty Interest will be considered final and in full satisfaction of all obligations of the Royalty Payor with respect thereto, unless the Royalty Holder delivers to the Royalty Payor a written notice (“Objection Notice”) describing and setting forth a specific objection to the calculation of such payments within sixty (60) days after receipt by the Royalty Holder of a Statement (the “Objection Period”). If the Royalty Holder duly objects to a particular Statement as herein provided, the Royalty Holder will, for a period commencing on the delivery of such Statement and ending upon the day which is one hundred and twenty (120) days after the end of the fiscal year of the Royalty Payor in which the quarter covered by such Statement falls (the “Audit Period”), have the right, upon reasonable notice and at a reasonable time, to have the Royalty Payor's accounts and records relating to all of the factors involved in the calculation of the payment in question audited by the auditor of the Royalty Payor. The Royalty Payor agrees to grant a reasonable extension of time to the Audit Period provided the audit is commenced but cannot be completed during the Audit Period. If such audit determines that there has been a deficiency or an excess in the payment made to the Royalty Holder, such deficiency or excess will be resolved by adjusting the next quarterly payment due hereunder. The Royalty Holder 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. All books and records used and kept by the Royalty Payor to calculate the payments due hereunder will be kept in accordance with Canadian generally accepted accounting principles. Failure on the part of the Royalty Holder to make claim against the Royalty Payor within the applicable Objection Period for adjustment by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and Royalty payments for such quarter, and forever preclude the filing of exceptions thereto or making of claims for adjustment thereon by the Royalty Holder, except in the case of fraud.
9. Payment of all amounts on account of the Royalty Interest will be made to the Royalty Holder in immediately available Canadian funds by bank draft, certified cheque or wire transfer and will be mailed or delivered or wire transferred to the Royalty Holder at his address for notice purposes as provided in the Agreement to which this Schedule “B” is attached, or for the account of the Royalty Holder at such bank or banks in Canada as the Royalty Holder may specify from time to time by written notice to the Royalty Payor, or at such other place in Canada as the Royalty Holder may specify to the Royalty Payor in writing from time to time, but in any event not later than thirty (30) days prior to the due date of any such payment. Such bank or banks will be deemed the agent of the Royalty Holder for the purpose of receiving, collecting and receiving such payment. Interest will accrue and be payable daily from the date on which any payment on account of the Royalty Interest is required to be made hereunder until payment of such amount at an annual rate equal to the prime rate

of the Royal Bank of Canada (as announced from time to time by the main branch of the Royal Bank of Canada in Vancouver, British Columbia as its “prime rate”).