OPTION AGREEMENT

Highrock Property

Made as of February 7, 2022

Between

FORUM ENERGY METALS CORP.

and

SASSY RESOURCES CORPORATION

OPTION AGREEMENT

THIS AGREEMENT made as of February 7, 2022 (the "**Effective Date**"),

BETWEEN

FORUM ENERGY METALS CORP., a corporation existing under the laws of the Province of British Columbia

(hereinafter referred to as "**OPTIONOR**"),

- and -

SASSY RESOURCES CORPORATION, a corporation existing under the laws of British Columbia

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

RECITALS

A. OPTIONOR owns a 100% undivided beneficial and legal interest (the "**Interest**") in and to that mineral property in Saskatchewan referred to as the Highrock Property as more particularly described in Part I of Schedule A attached hereto (the "**Property**") subject only to the royalties as detailed in Part II of Schedule A attached hereto (the "**Existing Royalties**").

B. OPTIONOR has agreed to grant to OPTIONEE the exclusive and irrevocable right and option to acquire up to a 100% undivided legal and beneficial interest in and to the Property subject to the Existing Royalties and subject to a 1% net smelter returns royalty to be retained by the Optionor (the "**New Royalty**") in accordance with and subject to the terms and conditions of this Agreement (as hereinafter defined).

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the terms and conditions hereinafter contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) and the mutual covenants and agreements hereinafter set forth, the Parties hereto covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions. In this Agreement, the following terms have the meanings set out below.

(a) ***Agreement*** means this Agreement, including the recitals and the Schedules, all as amended in writing, from time to time.

(b) ***Area of Interest*** shall mean anywhere within 2 kilometres of the outermost boundary of any mineral title forming part of the Property.

(c) ***arm's length*** means the relationship between Persons who are not "***related persons***" as defined in subsection 251(2) of the Tax Act.

(d) ***Assessment Work*** means work performed with respect to Mining Operations required to maintain the Property in good standing as prescribed by Law.

(e) ***Business Day*** means any day which is not a Saturday or Sunday on which banks in Toronto, Ontario and Vancouver, BC are open for business.

(f) ***Claim*** means any claim, demand, action, cause of action, damage, loss, cost, liability, obligation or expense, including professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

(g) ***Commercial Production*** means, and is deemed to have been achieved, when the concentrator processing ores from the Property, for other than testing purposes, has operated for a period of thirty (30) consecutive production days at an average rate of not less than 60% of design capacity or, if a concentrator is not erected on the Property, when ores have been produced for a period of thirty (30) consecutive production days at the rate of not less than 60% of the mining rate specified in a feasibility study recommending placing the Property in commercial production.

(h) ***Continuing Obligations*** means obligations or responsibilities that are reasonably expected to continue or arise after Mining Operations on a particular area of the Property have ceased or are suspended, including, but not limited to, Environmental Compliance and Permitted Liens.

(i) ***CSE*** means the Canadian Securities Exchange.

(j) ***Effective Date*** means the effective date of this Agreement being the date first written above.

(k) ***Environmental Compliance*** means actions performed during or after Mining Operations to comply with the requirements of all Environmental Laws or contractual commitments related to reclamation of the Property or other compliance with Environmental Laws.

(l) ***Environmental Laws*** means Laws relating to reclamation or restoration of the Property; abatement of pollution; protection of the environment; monitoring environmental conditions; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural or historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances into the environment, and all other Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

(m) ***Existing Royalties*** means those net smelter royalties on the Property as detailed in Part II of Schedule A hereto.

(n) ***Feasibility Study*** means a study prepared in compliance with the standards set out in NI 43-101 by or in conjunction with a recognized international mining engineering firm (such as Fluor Canada, SNC-Lavalin, SRK Consulting or AMEC, including any successors or assigns of any of the foregoing) reporting that extraction is reasonably justified (economically mineable) and shall include: (a) a description of the proposed mine, (b) an estimate of recoverable mineral reserves, (c) a description of the work, equipment and supplies, environmental studies, mitigation and Property closure plans required to bring the Property into Commercial Production and the estimated cost thereof, (d) a description of the mining methods to be employed, and (e) an economic assessment of the proposed Commercial Production.

(o) ***First Option*** has the meaning assigned to it in Section 3.2.

(p) ***First Option Period*** means the period ending December 31, 2022.

(q) ***Force Majeure*** means an event which, during any period while this Agreement is in effect, prevents or makes unattainable on a practical basis the performance of the obligations required by either Party or the Operator where the cause of such event is reasonably beyond the control of the Party or the Operator and shall include, without limitation: labour disputes (however arising and whether or not employee demands are reasonable or within the power of the Party to grant), acts of God, laws, regulations, orders, proclamations, instructions or requests of any government or governmental entity, judgments or orders of any court; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of federal, provincial or local environmental standards, acts of war or conditions arising out of or attributable to war, whether declared or undeclared, riot, civil strife, insurrection or rebellion, fire, explosion, earthquake, storm, flood, sink holes, drought or other adverse weather conditions; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain labour, transportation, materials, machinery, equipment, supplies, utilities or services; accidents; breakdown of equipment, machinery or facilities, delays relating to claims made by first nations; interference by first nations, first nations’ rights groups, environmentalists or other activists, inability to obtain any license, permit or other authorization that may be required (provided the Party is pursuing such licences, permits or other authorizations diligently); or any other cause whether similar or dissimilar to the foregoing, but for greater certainty shall not include the inability of either Party to raise its own financing to meet its obligations hereunder, nor the willful misconduct or gross negligence of either Party or the Operator.

(r) ***Fourth Option*** has the meaning assigned to it in Section 3.5.

(s) ***Fourth Option Period*** means the period beginning on exercise of the Third Option and ending on December 31, 2025.

(t) ***Government Fees*** means all rentals, holding fees, location fees, maintenance payments or other payments required by any law, rule or regulation to be paid to a federal, provincial or territorial government, in order to locate or maintain any mining leases or surface leases, claims or other tenures included in or comprising the Property.

(u) ***including, includes and include*** mean including, without limitation, includes, without limitation and include, without limitation, and the words following including, includes or include shall not be considered to set forth an exhaustive list.

(v) ***Law*** or ***Laws*** means all federal, provincial, territorial and local laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature, including Environmental Laws, which are applicable to the Parties, Property and Mining Operations, regardless of whether or not in existence or enacted or adopted hereafter; provided, however, nothing in this definition is intended to make laws applicable to the Parties during periods when the laws are not applicable by their terms or the timing of their enactment.

(w) ***Lien*** means any lien, security interest, mortgage, charge, deed of trust, encumbrance, hypothec, pledge, net profits interest, royalty, overriding royalty interest or other claim, whether registered or unregistered, and whether arising by agreement, statute or otherwise, of any and every nature or kind whatsoever.

(x) ***Mining Operations*** means any and every kind of exploration, development, production, reclamation and other work done on or in respect of the Property, by or on behalf of the Operator, including:

(i) carrying out, or causing to be carried out, line cutting, geophysical, geochemical and geological surveys, library research, report preparation, studies, mapping, assaying and metallurgical testing, investigating, drilling, examining, equipping, improving, surveying, trenching, shaft-sinking, raising, crosscutting and drifting the Property, searching for, digging, trucking, sampling, working and procuring ores, bringing mining lands to lease and keeping the same in good standing, obtaining mineral properties or exploration, development, mining or other licenses, permits or mining claims and maintaining same in good standing, and in doing all other exploration, development, pre-production, mining work;

(ii) paying wages, salaries and benefits of individuals engaged in such work and in supplying food, lodging, transportation and other reasonable needs of such individuals;

(iii) paying insurance premiums and assessments or premiums for workers' compensation insurance, contributions for unemployment insurance or other pay allowances or benefits customarily paid in the district to such individuals;

(iv) making payments in respect of exploration permits, leases, licenses, mining claims, taxes, rates, assessments or other governmental charges in connection with the Property and ensuring all Assessment Work is filed in a proper form in a timely basis;

(v) purchasing, leasing or renting plant, buildings, machinery, tools, appliances, equipment or supplies or incurring other capital expenses, and in installing, erecting, detaching or removing any such assets on or from the Property; and

(vi) managing or supervising any work which is done in respect of the Property or in any other respects necessary or desirable.

(y) ***New Royalty*** means that 1% net smelter returns royalty on the Property to be retained by OPTIONOR on the terms detailed in Schedule B hereto.

(z) ***NI 43-101*** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, as may be amended.

(aa) ***Operator*** means the Party responsible for, among other things, defining, preparing, planning, directing and implementing all programs and carrying out, or causing to be carried out, all Mining Operations and other work in respect of the Property.

(bb) ***Options*** means the First Option, the Second Option, the Third Option and the Fourth Option.

(cc) ***Option Period*** means the duration of the Options as set out in Section 3.1 of this Agreement.

(dd) ***Party and Parties*** means the Parties to this Agreement and their respective successors and permitted assigns.

(ee) ***Permitted Lien*** means:

(i) all reservations, limitations, provisos and conditions expressed in the original grant of title of the lands and premises comprising the Property;

(ii) any liens for taxes, levies and assessments not yet due or payable;

(iii) all rights of expropriation of any federal, provincial or municipal authority or agency;

(iv) mechanic's, carrier's, workmen's, repairmen's or other similar liens (inchoate or otherwise) arising or incurred in the ordinary course of business in respect of obligations which are not overdue;

(v) minor title defects or irregularities consisting of minor surveyor exceptions and other unrecorded easements or rights-of-way or other restrictions as to the use of the Property which title defects, irregularities or restrictions do not, either individually or in the aggregate, materially impair the present or proposed use of the Property; and

(vi) any easement or right-of-way to any utility (either municipal, private or public) whether it be for gas, water, electricity and/or telephone for service to the Property.

(ff) ***Person*** means an individual, firm, trust, partnership, association corporation, government or governmental board, department, agency or authority and the heirs, executors, administrators or other legal representatives of an individual.

(gg) ***Products*** means all metals, ores, concentrates, minerals, and mineral resources, including materials derived from the foregoing, produced from the Property under this Agreement.

(hh) ***Program*** means a written description and budget, prepared by the Operator, outlining all Mining Operations and Work Expenditures which the Operator contemplates carrying out or incurring in a specified time period in respect of the Property.

(ii) ***Property*** means the mining claims referred to in the first recital and more particularly described in Part I of Schedule A, as expanded from time to time by the acquisition of additional mining claims within the Area of Interest as contemplated in Section 9.1.

(jj) ***Purpose*** means the overall intent and purpose of this Agreement as acknowledged and agreed to between the Parties pursuant to Section 1.11 of this Agreement.

(kk) ***Royalties*** means the Existing Royalties and the New Royalty.

(ll) ***Second Option*** has the meaning assigned to it in Section 3.3.

(mm) ***Second Option Period*** means the period commencing on the exercise of the First Option and ending on December 31, 2023.

(nn) ***Shares*** has the meaning assigned to it in Section 2.2(e)(v).

(oo) ***Third Option*** has the meaning assigned to it in Section 3.4.

(pp) ***Third Option Period*** means the period commencing on the exercise of the Second Option and ending on December 31, 2024.

(qq) ***Tax Act*** means the *Income Tax Act* (Canada), together with any and all regulations thereto, as amended from time to time.

(rr) ***TSXV*** means the TSX Venture Exchange.

(ss) ***Work Expenditures*** mean all expenses incurred by the Operator associated with the conduct of Mining Operations.

1.2 **Extended Meanings**. Unless otherwise specified, words importing the singular include the plural and vice versa.

1.3 **Headings**. The division of this Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.4 **Severability**. If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Agreement, and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and in no way be affected, impaired or invalidated thereby.

1.5 **Entire Agreement**. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior agreements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.

1.6 **Time**. For every provision in this Agreement, time is of the essence.

1.7 **Governing Law**. This Agreement shall be governed by and shall be construed and interpreted in accordance with the laws of British Columbia and the laws of Canada applicable therein.

1.8 **Statutory References**. Each reference to a statute in this Agreement includes the regulations made under that statute, as amended or re-enacted from time to time.

1.9 **Currency**. All currency amounts in this Agreement are in Canadian dollars, unless specified to the contrary.

1.10 **Schedules**. The following Schedules are attached to and form part of this Agreement:

Schedule	**Description**
Schedule A	Description of the Property
Schedule B	Net Smelter Return Royalty
Schedule C	Terms of Joint Venture Agreement

1.11 **Purpose**. OPTIONOR and OPTIONEE acknowledge and agree that the overall intent and purpose of entering into this Agreement (herein referred to as the "**Purpose**") is to prospect and explore for precious and base metals and/or other minerals on the Property in order to determine whether the Property contains a commercial ore deposit and OPTIONOR and OPTIONEE covenant and agree to do so diligently, in good faith and in accordance with good mining practice subject always to the terms and conditions of this Agreement.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of OPTIONOR. OPTIONOR represents and warrants to OPTIONEE as at the Effective Date as follows:

(a) ***Subsisting Corporation***. OPTIONOR is a corporation duly incorporated and organized and validly existing under the *Business Corporations Act* (British Columbia).

(b) ***Corporate Power***. OPTIONOR has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement.

(c) ***Due Authorization***. No obligation of OPTIONOR in this Agreement conflicts with or will result in the breach of:

(i) the notice of articles or the articles of OPTIONOR; or

(ii) any other agreement or binding commitment of OPTIONOR; or

(iii) any applicable Law.

(d) ***Due Execution***. OPTIONOR has duly executed and delivered this Agreement, which binds OPTIONOR in accordance with its terms.

(e) ***Ownership of Property***. OPTIONOR is the sole legal and beneficial owner of the Property subject only to the Royalties and has full and absolute power and authority to grant the Option to OPTIONEE and otherwise perform its obligations hereunder.

(f) ***Good Standing of Property***. The Property is in good standing under the Laws of Saskatchewan. All Assessment Work and other requirements to be filed or satisfied to keep the Property in good standing until at least May 30, 2022 have been filed or satisfied to the satisfaction of the applicable governmental authority.

(g) ***No Encumbrances***. OPTIONOR has good and marketable title to the Property, free and clear of all Liens with the exception of the Existing Royalties.

(h) ***Third Party Rights***. There are no underlying agreements, or other party rights with respect to the Property with the exception of the Existing Royalties.

(i) ***Payments Current***. All exploration permits, leases, licenses and mining claim payments, rentals, taxes (including realty and mining taxes), rates, assessments, renewal fees and other governmental charges, owing in respect of the Property, or any part of the Property, have been paid in full up to and including the Effective Date.

(j) ***Surface Rights***. OPTIONOR has obtained or acquired all rights or powers necessary in, over or to the surface of the Property to access the Property and to conduct Mining Operations on the Property and OPTIONOR is not aware of any action that has been taken by any owner, tenant, licensor or occupier of any of the surface rights relating to the Property which would in any way encumber, limit, restrict or cause interference with any Mining Operations which the Operator may carry out under this Agreement.

(k) ***No Hazardous Conditions***. There are no unprotected open mine shafts, mine openings or workings, trenches or open pits on the Property that OPTIONOR is responsible for under applicable legislation.

(l) ***Environmental Liabilities***. OPTIONOR has not caused any spill, discharge, deposit, leak, emission or other release of any contaminant, pollutant, dangerous or toxic substance, or hazardous waste or substance on, into, under or affecting the Property. No contaminant, pollutant, dangerous or toxic substance or hazardous waste or substance is stored in any type of container on, in or under the Property. There are no outstanding notices, orders, assessments, directives, rulings or other documents issued in respect of the Property or any part thereof by any governmental authority pursuant to Environmental Laws that have been issued against OPTIONOR. No reclamation, rehabilitation, restoration or abandonment obligations exist with respect to the Property nor is there any basis for such obligations to arise in the future as a result of prior activity by OPTIONOR on the Property.

(m) ***No Litigation***. There are not any suits, actions, prosecutions, investigations or proceedings, actual, pending or threatened, against or affecting OPTIONOR or that relates to or has an adverse effect on the Property nor does there exist any basis in fact or at law for any such suits, actions, prosecutions, investigations or proceedings.

(n) ***Residency***. OPTIONOR is not a non-resident for the purposes of Section 116 of the Tax Act.

(o) ***First Nations***. OPTIONOR has disclosed to OPTIONEE the nature and substance of any engagement undertaken by OPTIONOR with any First Nations groups with respect to the Property and to the knowledge of OPTIONOR there are no First Nations rights or other interests currently asserted in respect of the Property.

(p) ***Mineral Rights***. All of the mineral rights comprising the Property have been validly and properly located, staked, tagged and recorded in accordance with the laws of Saskatchewan and there are no disputes, threatened or now existing of which the OPTIONOR is aware, as to title to or the staking or recording of those mineral rights.

(q) ***Description of Property***. The Property is properly and accurately described in Part I of Schedule A.

(r) ***Location of Property***. The Property does not lie within any protected area, rescued area, reserve, reservation, reserved area or special needs lands as designated by any governmental authority having jurisdiction, that would impair the exploration for Products or the development of a mining project on the Property.

(s) ***Provision of Information***. OPTIONOR has made available to OPTIONEE all material information in its possession or control relating to the Property and throughout the Option Period shall continue to make available OPTIONEE all information in its possession or control relating to the Property.

2.2 Representations and Warranties of OPTIONEE. OPTIONEE represents and warrants to OPTIONOR as at the Effective Date as follows:

(a) ***Subsisting Corporation***. OPTIONEE is a corporation duly incorporated and organized and validly existing under the *Business Corporations Act* (British Columbia).

(b) ***Corporate Power***. OPTIONEE has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. OPTIONEE is qualified to carry on business in Saskatchewan.

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

(i) the notice of articles or articles of OPTIONEE; or

(ii) any other agreement or binding commitment of OPTIONEE.

(d) ***Due Execution***. OPTIONEE has duly executed and delivered this Agreement, which binds OPTIONEE in accordance with its terms.

(e) ***Securities Laws Compliance***.

(i) OPTIONEE is in good standing in accordance with all applicable securities and regulatory authorities to which it is subject;

(ii) OPTIONEE is a reporting issuer under the securities laws of British Columbia and Alberta;

(iii) the common shares of OPTIONEE are listed and posted for trading on the CSE;

(iv) OPTIONEE has filed all reports, schedules, forms, statements and other documents required to be filed by it with the British Columbia Securities Commission (the "**BCSC**") and the other securities regulators in Canada. All such filings required to be publicly available on the SEDAR website are publicly available on the SEDAR website ("**SEDAR Documents**"). As of their respective dates, the SEDAR Documents did not contain any misrepresentations as defined in the *Securities Act* (British Columbia). OPTIONEE has not filed any confidential material change report with the BCSC, any other securities authority or regulator or the TSXV which at the date hereof remains confidential. To the knowledge of OPTIONEE, neither OPTIONEE nor any SEDAR Documents are the subject of an ongoing audit, review, comment or investigation by any securities regulatory authority or the TSXV; and

(v) upon their issuance, the OPTIONEE common shares to be issued hereunder (the "Shares"), will be fully paid and non-assessable common shares of OPTIONEE; and

(vi) all share certificates representing such Shares will bear all restrictive legends required under applicable Law and to give effect to this Agreement.

2.3 **Indemnity**. Each Party's representations and warranties set out in Sections 2.1 and 2.2 above have been relied on by the other Party in entering into this Agreement and shall survive the execution and delivery of this Agreement. Each Party (the "**Indemnifying Party**") shall indemnify and hold harmless the other Party and the other Party's officers, directors, employees and shareholders (collectively, the "**Indemnified Parties**"), from and against any and all Claims suffered or incurred by any Indemnified Party at any time as a result of any misrepresentation or breach of representation, warranty, covenant or obligation contained in this Agreement or arising out of activities by the Indemnifying Party on the Property during the Options Period.

ARTICLE 3
OPTION

3.1 **Grant of Options**. OPTIONOR hereby grants to OPTIONEE the sole, exclusive and irrevocable rights and options during the period commencing on the Effective Date and subject to exercise of the Options in sequence in accordance with their terms ending on December 31, 2025 (said period being referred to herein as the "**Option Period**"), to acquire and become the owner of up to a 100% undivided legal and beneficial interest in and to the Property, free and clear of all Liens with the exception of the Existing Royalties and the New Royalty, all in accordance with and subject to the terms and conditions of this Agreement. As consideration for the grant of the Options to OPTIONEE by OPTIONOR , OPTIONEE has agreed to pay OPTIONOR the sum of $50,000 (paid) the "**Initial Payment**").

3.2 OPTIONEE can acquire a 20% interest in the Property (the "First Option") by:

(a) paying OPTIONOR a further $50,000 cash on or before February 7, 2022;

(b) issuing to OPTIONOR 250,000 Shares (subject to applicable securities, regulatory authorities and stock exchange compliance, which are anticipated to be the statutory hold period of 4 months and one day) of OPTIONEE on or before February 7, 2022; and

(c) providing up to $1,000,000 to fund Mining Operations for 2022, such funding is to be provided based upon bona fide cash calls received from time to time by OPTIONOR as Operator pursuant to a Program previously approved in writing by OPTIONEE.

3.3 If OPTIONEE exercises the First Option it may acquire an additional 31% interest in the Property (51% total) (the “Second Option”) by:

(a) paying OPTIONOR a further $50,000 cash on or before January 2, 2023;

(b) issuing OPTIONOR a further 250,000 Shares (subject to a statutory 4 month hold) of OPTIONEE on or before January 2, 2023; and

(c) providing up to a further $1,000,000 to fund Mining Operations for 2023, such funding to be provided based upon bona fide cash calls received from time to time by OPTIONOR as Operator pursuant to a Program previously approved in writing by OPTIONEE.

3.4 If OPTIONEE exercises the Second Option it may acquire an additional 19% interest in the Property (70% total) (the “Third Option”) by:

(a) paying OPTIONOR a further $50,000 cash on or before January 2, 2024;

(b) issuing OPTIONOR a further 250,000 Shares (subject to a statutory 4 month hold) of OPTIONEE on or before January 2, 2024; and

(c) providing up to a further $1,500,000 to fund Mining Operations for 2024, such funding to be provided based upon bona fide cash calls received from time to time by the Operator pursuant to a Program previously approved in writing by OPTIONEE.

3.5 If OPTIONEE exercises the Third Option it may acquire an additional 30% interest in the Property (100% total) (the “Fourth Option”) by paying OPTIONOR a further $150,000 in cash on or before December 31, 2025 and issuing OPTIONOR a further 3,000,000 Shares (subject to a statutory 4 month hold) on or before December 31, 2025.

ARTICLE 4
ADDITIONAL TERMS RELATED TO THE OPTIONS

4.1 Upon exercise of the First Option, the Second Option or the Third Option, as the case may be, OPTIONEE shall have 90 days following such exercise to advise OPTIONOR in writing of its intention to proceed further with the Options, failing which the parties shall proceed to enter into a joint venture agreement for the further exploration and development of the Property substantially in the form published by the Rocky Mountain Minerals Law Foundation, modified as appropriate (the “Joint Venture Agreement”). Notwithstanding the generality of the foregoing, the Joint Venture Agreement shall include the terms set out in Schedule C hereto. Similarly the parties shall proceed to enter into a Joint Venture Agreement in circumstances where, having exercised the First Option, OPTIONEE fails to exercise the Second Option by the end of the Second Option Period or, having exercised the Second Option OPTIONEE fails to exercise the Third Option by the end of the Third Option Period or, having exercised the Third Option OPTIONEE fails to exercise the Fourth Option by the end of the Fourth Option Period. In this regard the parties’ initial interests in the Joint Venture Agreement shall be OPTIONEE 20%/OPTIONOR 80% if the Joint Venture Agreement is entered into following exercise of the First Option but prior to the exercise of the Second Option but prior to exercise of the Third Option; OPTIONEE 51%/OPTIONOR 49% if the Joint Venture Agreement is entered into following the exercise of the Second Option; and OPTIONEE 70%/OPTIONOR 30% if the Joint Venture Agreement is entered into following the exercise of the Third Option but prior to the exercise of the Fourth Option;

4.2 OPTIONOR shall act as Operator in connection with the Mining Operations carried out in connection with the First Option and the Second Option (and the Third Option if OPTIONEE so elects) and as Operator OPTIONOR shall be entitled to charge a 10% management fee on all expenditures incurred in connection with the Mining Operations, which fee shall be included in the calculation of the exploration funding incurred by OPTIONEE in connection with the exercise of the Options;

4.3 OPTIONEE may satisfy any of its obligations to fund Mining Operations by paying the cash equivalent of such amount to OPTIONOR;

4.4 any exploration funding incurred by OPTIONEE in connection with Mining Operations related to the exercise of an Option which is in excess of the amount required to exercise such Option will, at OPTIONEE's election be (i) credited towards the exploration funding required to exercise the ensuing Option, or (ii) credited towards an advance contribution under the Joint Venture Agreement, or (iii) returned to OPTIONEE;

4.5 in circumstances where, at any time prior to that date which is two years from the date of issuance of the Shares in connection with the Fourth Option, OPTIONOR wishes to sell any Shares (the "**Shares for Sale**") it shall first give notice in writing (the "**Selling Notice**") to OPTIONEE detailing the number of Shares to be sold and the minimum price at which such Shares are to be sold (the "Selling Price") and OPTIONEE shall have 10 days in which to place the Shares for Sale with a bona fide purchaser and in such case the parties shall take such steps as shall be reasonably necessary to facilitate the sale. In circumstances where OPTIONEE is unable to place the Shares for Sale as provided for herein OPTIONOR may sell such Shares without notice to OPTIONEE during the next 30 days at a price no lower than the Selling Price.

Notwithstanding the generality of the foregoing, the above requirements shall not apply to ordinary course sales by OPTIONOR through the facilities of the CSE up to a maximum of 100,000 Shares in any five trading day period.

4.6 During the period that OPTIONOR acts as Operator, OPTIONOR shall carry out exploration activity on the Property pursuant to a Program approved by OPTIONEE acting reasonably, and in this regard such Programs shall be generated at least annually and shall be provided to OPTIONEE at least 30 days prior to the commencement of such Program.

ARTICLE 5
MILESTONE PAYMENTS

5.1 **Milestone Payments**. If OPTIONEE exercises the Fourth Option, OPTIONEE shall:

(a) Pay OPTIONOR $1,000,000 upon the completion of a Feasibility Study on the Property.

(b) Pay OPTIONOR $3,000,000 forthwith upon commencement of Commercial Production on the Property.

ARTICLE 6
TITLE

6.1 Upon OPTIONEE acquiring a 51% interest in the Property OPTIONOR will transfer a 100% interest in the Property to OPTIONEE, it being understood that such transfer is for administrative purposes only. Until OPTIONEE exercises the Option in full it will, from time to time, hold title to the Property for and on behalf of OPTIONOR as to its then percentage interest in the Property. Upon exercise of the Option in full by OPTIONEE, OPTIONEE shall register and/or record its 100% beneficial interest in the Property at the appropriate land registry and/or mining recorder office. If OPTIONEE does not exercise the Option in full, then title to the Property will be dealt with under the Joint Venture Agreement.

ARTICLE 7
CLOSING CONDITIONS

7.1 **Closing Conditions.** The obligations of the parties to proceed with the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions:

(a) all approvals, consents and waivers required so that the Agreement will not:

(i) conflict with or result in a breach of any material contract (including any license) to which either OPTIONOR or OPTIONEE is party or subject or of which either Party has any benefit or advantage or any applicable Law;

(ii) result or possibly result in the termination, cancellation, acceleration, modification or suspension with respect to any such contract or any permit, license or the like held by OPTIONOR in respect of the Property; or

(iii) violate any governmental restrictions;

having been obtained; including but not limited to acceptance of the Agreement by the TSXV and the CSE;

7.2 OPTIONOR shall confirm title to the Property to the satisfaction of OPTIONEE, acting reasonably and shall confirm that the only royalties on the Property are the Royalties.

7.3 OPTIONOR shall provide OPTIONEE with any net smelter royalty agreements or other agreements respecting the Property and, without limiting the generality of the foregoing, OPTIONOR will provide the terms of the New Royalty for the right of OPTIONEE to purchase one-half of the New Royalty (0.5%) at any time following exercise of the Fourth Option but prior to the commencement of Commercial Production on the Property for $1,000,000 and will provide an agreement with the holders of the Existing Royalties on claim S-113362 providing for the right of OPTIONEE, at any time following exercise of the Fourth Option, to acquire one-half of such Existing Royalties (0.5%) for $1,000,000;

7.4 OPTIONOR shall have secured the necessary permits to conduct an exploratory drill program on the Property in 2022, approved by OPTIONEE, acting reasonably and shall have engaged a drilling contractor to carry out such drill program;

ARTICLE 8
CONFIDENTIALITY

8.1 **Confidentiality.** The Parties hereto agree to hold in confidence all information obtained in confidence in respect of the Property or otherwise in connection with this Agreement other than in circumstances where a Party has an obligation to disclose such information in accordance with applicable Law (including applicable securities legislation) or the order of a court of competent authority or regulatory body, in which case such disclosure shall only be made after reasonable efforts in the circumstances at consultation with the other Party. Each Party shall provide the other Party with any news release or public announcement concerning the Property or this Agreement not less than two days prior to public announcement or dissemination and will incorporate any reasonable changes to such news release or public announcement made by the other Party within a reasonable time.

ARTICLE 9
AREA OF INTEREST

9.1 **Area of Interest**. During the Option Period, if OPTIONEE or any affiliate of OPTIONEE stakes or otherwise acquires, directly or indirectly, any interest in any mining claim, lease, grant, concession, permit or other mineral property or tenure to minerals located wholly or partly within the Area of Interest, such interest shall thereupon, without any further act or formality, be included in and form part of the Property for the purposes of this Agreement and the costs of acquiring such interest shall be counted as Work Expenditure. If OPTIONOR stakes or otherwise acquires, directly or indirectly, any interest in any mining claim, lease, grant, concession, permit or other mineral property or tenure to minerals located wholly or partly within the Area of Interest, OPTIONEE may, at its election, include such interest in the Property for the purposes of this Agreement by reimbursing OPTIONOR for the cost of acquiring such interest. Any such reimbursements by OPTIONEE shall, on a dollar for dollar basis, be counted as Work Expenditures. For greater certainty, those mining claims held by OPTIONEE more particularly described in Part II of Schedule A attached hereto shall become part of the Property by operation of the Area of Interest following the Effective Date and the cost of acquiring such mining claims shall be counted as Work Expenditures.

ARTICLE 10
GENERAL

10.1 **Regulatory Approval**. This Agreement is subject to regulatory approvals by the TSXV and the CSE, as required, such approvals to be obtained on or before five (5) days from the date of this Agreement. In the event such approvals are not obtained by that date the Parties may mutually agree to extend the time for approval for an additional period. If approvals are not obtained, this Agreement will be of no further effect.

10.2 **Assignment and Enurement**. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

10.3 **Further Assurances**. Each Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or desirable to give effect to the terms and intent of this Agreement.

10.4 **Waivers**. No waiver of any term of this Agreement by a Party is binding unless such waiver is in writing and signed by the Party entitled to grant such waiver. No failure to exercise, and no delay in exercising, any right or remedy under this Agreement shall be deemed to be a waiver of that right or remedy. No waiver of any breach of any term of this Agreement shall be deemed to be a waiver of any subsequent breach of that term.

10.5 **Amendments**. No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by each Party.

10.6 **Effect of Force Majeure**. Notwithstanding any term in this Agreement, if a Party is at any time delayed from carrying out any action under this Agreement due to circumstances of Force Majeure (which for greater certainty excludes circumstances arising from the financial difficulty of such Party), the period of any such delay shall be excluded in computing, and shall extend, the time within which such Party may exercise its rights and/or perform its obligations under this Agreement, provided that the Party must (a) remedy the Force Majeure to the extent reasonably practicable and resume performance of its obligations as soon as reasonably possible; and (b) take all action reasonably practicable to mitigate any liability suffered by the other Party as a result of its failure to carry out its obligation under this Agreement.

10.7 **Notice**. Any notice or other communication required or permitted to be given under this Agreement must be in writing and shall be effectively given if delivered personally or by overnight courier or if sent by fax, addressed in the case of notice to OPTIONOR or OPTIONEE, as the case may be, as follows:

OPTIONOR :

Forum Energy Metals Corp.
#615, 800 West Pender Street
Vancouver, BC V6N 2H2
Tel : 604 630 1585
Attention : Richard Mazur, CEO
mazur@forumenergymetals.com

With a copy to :

David J. Cowan
3426 West 33rd Avenue
Vancouver, BC V6N 2H2
Tel : 604 306 0251
dzc@shaw.ca

OPTIONEE :

Sassy Resources Corporation
Suite 400, 1681 Chestnut Street
Vancouver, BC V6J 4M6
Attention : Mark Scott, President & CEO
Tel : (204) 939-1957
mark.scott@sassyresources.ca

With a copy to (via email):

Sassy Resources Corporation
Suite 400, 1681 Chestnut Street
Vancouver, BC V6J 4M6
Attention: Sean McGrath, CFO
Tel: (604) 787-3671
Email: sean.mcgrath@sassyresources.com

and (via email):

Fasken Martineau Dumoulin LLP
Attention: Bill deJong
bdejong@fasken.com
tel: 403 680 2455

Any notice or other communication so given is deemed conclusively to have been given and received on the day of delivery when so personally delivered, on the day following the sending thereof by overnight courier, and on the same date when faxed (unless the notice is sent after 5:00 p.m. (Vancouver time) or on a day which is not a Business Day, in which case the fax will be deemed to have been given and received on the business day after transmission. Either Party may change any particulars of its name, address, contact individual or fax number for notice by notice to the other Party in the manner set out in this Section 11.8. Neither Party shall prevent, hinder or delay or attempt to prevent, hinder or delay the service on that Party of a notice or other communication relating to this Agreement.

10.8 Payments. Any payment made under this Agreement from one Party to the other may be made by cheque, electronic funds transfer, wire transfer or by personal delivery or overnight courier to the appropriate address set out in Section 10.7 above.

10.9 **Further Assurances**. The Parties shall do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such assurances, as may be reasonably necessary to give effect to this Agreement from time to time.

10.10 **Facsimile and Counterparts**. This Agreement may be executed by the Parties and transmitted by telecopy and by counterpart and if so executed and transmitted, this Agreement shall be for all purposes as effective as if the Parties had delivered an executed original Agreement and all counterparts shall together constitute one and same Agreement.

10.11 **Costs and Expenses**. Each Party shall be responsible for the payment of its own costs and expenses, including legal fees and disbursements, incurred by it in connection with the negotiation and execution of this Agreement.

10.12 Dispute Resolution.

(a) Either Party may refer a dispute between the Parties arising under this Agreement to an arbitrator for resolution pursuant to this Section 10.12 by written notice to the other Party. Within 10 days after receipt of such notice, the Parties, acting reasonably will jointly appoint one arbitrator who shall be experienced and knowledgeable in the mining industry.

(b) Except as specifically provided in this Section 10.12, an arbitration under this Section 10.12 will be conducted in accordance with the *Arbitration Act, 2020* (BC). 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 or she will preside over the arbitration and determine all questions of procedure not provided for under the Act or this Section 10.12. After hearing evidence and representations that the Parties may submit, the arbitrator will make an award and reduce the award to writing and deliver one copy of the award to each of the Parties. The decision of the arbitrator will be made within 45 days after the appointment of the arbitrator, subject to any reasonable delay due to unforeseen circumstances. The decision of the arbitrator may be entered into any court. The expense of the arbitration, including travel costs and solicitor's fees and costs of the prevailing Party, will be paid as specified in the award. The award of the arbitrator will be final and binding upon each of the Parties.

IN WITNESS WHEREOF the Parties have duly executed this Agreement effective as of the Effective Date.

FORUM ENERGY METALS CORP.

By: *"David Cowan"*
Name: David Cowan
Title: Director

SASSY RESOURCES CORPORATION

By: *"Mark Scott"*
Name: Mark Scott
Title: President & CEO

SCHEDULE A - DESCRIPTION OF THE PROPERTY

PART I DESCRIPTION OF PROPERTY

Mineral claims S-113362 and MC00013262 in the Province of Saskatchewan, subject to an Area of Influence of 2km from any claim boundary.

PART II EXISTING ROYALTIES

(c) 1% net smelter returns royalty on claim S-113362 in favour of Seagrove Capital Corporation and A Resource Management Inc., each as to a 50% interest.

(d) 2% net smelter returns royalty on claim mc00013262 in favour of Ryan Kalt.

SCHEDULE "B"

NET SMELTER RETURN ROYALTY TERMS

This Schedule B to that Option Agreement dated February 7, 2022 (the "Option Agreement") between Forum Energy Metals Corp. ("OPTIONOR") and Sassy Resources Corporation ("OPTIONEE") sets out the terms and conditions (the "Terms") whereby OPTIONOR retains a royalty on the Property.

1.0 DEFINITIONS

1.1 All capitalized terms set out in these Terms have the meaning given to them in the Option Agreement otherwise, except as expressly provided or as the context otherwise requires:

"**Gross Revenue**" means the aggregate of the following amounts (without duplication) accruing in each calendar quarterly period following exercise of the Fourth Option under the Option Agreement:

(a) the revenue received by the Owner from arm's length purchasers of all Mineral Products;

(b) the fair market value of all Mineral Products sold by the Owner in such period to persons not dealing at arm's length with the Owner; and

(c) any proceeds of insurance on Mineral Products;

"**Mineral Products**" mean all precious and base metals and minerals, non-metallic minerals, industrial minerals, ores (and concentrates derived therefrom), precipitates, beneficiated products, and refined or semi-refined products, produced from the Property, including Precious Metals and Other Minerals.

"**Net Smelter Returns**" has the meaning ascribed to such term in Section 2.3.

"**Other Minerals**" means all minerals other than Precious Metals and the beneficiated products thereof.

"**Owner**" means the Owner of the Property from time to time.

"**Permissible Deductions**" means the aggregate of the following charges (to the extent that they are not deducted by any purchaser in computing payment) that are incurred with respect to the Property in each calendar quarterly period:

(a) sales charges levied by any sales agent on the sale of Mineral Products;

(b) transportation costs for Mineral Products from the Property to the place of beneficiation, processing or treatment (other than a mill or concentrator) and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, handling, loading, port, demurrage and forwarding expenses;

(c) all costs, expenses and charges of any nature whatsoever which are either paid or incurred by the Owner in connection with mining, refinement or beneficiation of Mineral Products before or after leaving the Property, including all smelter and refinery charges and all weighing, sampling, assaying, representation and storage costs, umpire charges, and any penalties charged by the processor, refinery or smelter; and

(d) all insurance costs on Mineral Products and any government royalties as required by statute, production taxes, severance taxes and sales and other taxes levied on Mineral Products or on the production value thereof (other than income taxes of the Owner).

It being understood that all such costs and charges in (a) through (d) above will not be in excess of those that would be incurred on an arm's length basis on market terms between legitimate parties.

"**Precious Metals**" means gold, silver and platinum group metals, including palladium, rhodium, iridium, osmium, rhenium and ruthenium.

"**Royalty**" has the meaning ascribed to such term in Section 2.1.

"**Royaltyholder**" means the holder of the Royalty from time to time.

1.2 The headings are for convenience only and are not intended as a guide to interpretation of this Agreement or any portion thereof.

1.3 The word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

1.4 All accounting terms not otherwise defined herein have the meanings assigned to them, and all calculations to be made hereunder are to be made, in accordance with Canadian generally accepted accounting principles applied on a consistent basis.

1.5 A reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

1.6 A reference to an entity includes any successor to that entity.

1.7 Words importing the masculine gender include the feminine or neutral, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

1.8 A reference to "approval", "authorization" or "consent" means written approval, authorization or consent.

2.0 RETENTION OF ROYALTY

2.1 Effective on exercise of the Fourth Option under the Option Agreement, OPTIONOR hereby retains a royalty (the "**Royalty**") of 1.0% of the Net Smelter Returns with respect to Mineral Products derived from the Property.

2.2 Interest in Land

It is intended that the Royalty, to the extent permissible under applicable laws, constitutes an interest in the Property and, accordingly agree that:

(a) the Royalty will run with the land comprising the Property, and every interest in the Property; and

(b) the Owner will upon request sign and deliver to the Royaltyholder, and the Royaltyholder may register or otherwise record against titles to the Property, the form of notice or other document or documents as the Royaltyholder may reasonably request to give notice of the existence of the Royalty to third parties, to secure payment of the Royalty and protect the Royaltyholder's rights to receive the Royalty as contemplated by this Agreement.

2.3 Calculation of Net Smelter Return

The net smelter returns (the "**Net Smelter Returns**") will be calculated on a calendar quarterly basis and will be equal to:

(a) in the case of Precious Metals, the Gross Revenue with respect to such Precious Metals less the Permissible Deductions with respect to such Precious Metals, for such calendar quarter; and

(b) in the case of Other Minerals, the Gross Revenue with respect to such Other Minerals less the Permissible Deductions with respect to such Other Minerals, for such calendar quarter.

2.4 Trading Activities

The Owner may, but will not be under any duty to, engage in price protection (hedging) or speculative transactions such as futures contracts and commodity options in its sole discretion covering all or part of production from the Property. None of the revenues, costs, profits or losses from such transactions will be taken into account in calculating Net Smelter Returns.

2.5 Additional Permitted Deductions

For greater certainty, and without limiting the generality of the foregoing, all charges deducted by an arm's length purchaser of ores or concentrates whether for smelting, treatment, handling, refining, storage or any other operation (other than milling or concentrating of primary ore) on or service relating to the Precious Metals and/or Other Minerals, that occurs after the point of sale shall be considered to be legitimate deductions in arriving at the Net Smelter Return amount.

2.6 Calculation and Payment

The Royalty will be calculated and paid within 60 days after the end of each calendar quarter. All receipts and major disbursements in a currency other than Canadian currency must be converted into Canadian currency on the day of receipt or disbursement, as the case may be, and all other disbursements in a currency other than Canadian currency must be converted into Canadian currency at the average rate for the month of disbursement determined using the Bank of Canada noon rates. 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 made by the Owner to the Royaltyholder.

2.7 Provisional Payments

In the event that final amounts required for the calculation of the Royalty is not available within the time period referred to in Section 2.6 of this Agreement, then provisional amounts will be estimated and the Royalty shall be paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the Royalty payment of the succeeding calendar quarter.

2.8 Audit

The Royaltyholder may request an audit of the sales and related financial records maintained by the Owner be conducted to verify the calculation of the Royalty for a particular calendar quarter within 30 days following receipt of the Statement for that calendar quarter by the Royaltyholder. The audit shall be conducted by an independent auditor acceptable to the parties. The Royaltyholder shall bear the full cost and expense of the audit unless it is determined that the Royalty calculated by the Owner understated the actual amount due by more than 10%, in which case the Owner shall pay all costs and expenses of the audit. The Owner shall forthwith pay any deficiency to the Royaltyholder and the Royaltyholder shall forthwith repay any overpayment to the Owner. If no request for an audit is made by the Royaltyholder within the period specified above, such Statement will be conclusively deemed to be correct and such Royalty payment sufficient and complete, and no exception or claim for adjustment will thereafter by permitted.

2.9 Buy Back Option

At any time following exercise of the Fourth Option until the Commencement of Commercial Production, OPTIONEE under the Option Agreement shall have the exclusive and irrevocable right and option to purchase one-half (0.5%) percent of the Royalty (the "**Royalty Buy Back Option**") by making a payment in cash, by wire transfer or certified cheque to the Royaltyholder in the amount of $1,000,000 (the "**Royalty Buy Back Option Purchase Price**"). In exchange for the payment of the Royalty Buy Back Option Purchase Price, the Royaltyholder shall deliver to the OPTIONEE an executed quitclaim or deed of release in respect of the amount reduced from the Royalty payable to the Royaltyholder pursuant to the Royalty Buy Back Option, in form and substance satisfactory to the OPTIONEE.

3.0 OPERATIONS ON THE PROPERTY

3.1 The Owner to Determine Operations

3.1.1 The Owner may, but will not be obligated to, treat, mill, heap leach, sort, concentrate, refine, smelt, or otherwise process, beneficiate or upgrade the ores, concentrates, and other products at sites located on or off the Property, prior to sale, transfer, or conveyance to a purchaser, user, or consumer. The Owner will not be liable for mineral values lost in processing under sound practices and procedures, and no Royalty will be due on any such lost mineral values.

3.1.2 Subject to the Option Agreement, the Owner will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Property and may suspend operations and production on the Property at any time it considers prudent or appropriate to do so.

3.1.3 Except as expressly set out in these Terms, raw mineral stockpiles are not subject to Royalty until treated and the Mineral Products are delivered and sold. The Owner will have no obligation to sell any Mineral Products at any time. The Owner may stockpile any ores, minerals or materials or other products from the Property at such place or places as the Owner may elect.

3.2 Sales to Related Parties

The Owner will be permitted to sell the Mineral Products in the form of raw ore, doré, or concentrates to an Affiliate of the Owner, provided that such sales will be deemed, for the purposes of this Agreement, to have been sold at prices and on terms no less favourable to the Owner than those which would be extended by an unaffiliated third party in an arm's length transaction under similar circumstances.

3.3 Commingling

Commingling of the Mineral Products from the Property with other ores, doré, concentrates, mineral products, metals and minerals produced elsewhere is permitted, provided that reasonable and customary procedures are established for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained in such minerals and in the ores, doré, concentrates, mineral products, metals and minerals.

4.0 <u>Other obligations</u>

4.1 <u>Title Maintenance and Taxes</u>

The Owner shall:

(a) not do or permit to be done, anything that may render the Property liable for forfeiture;

(b) maintain title to the Property, including without limitation, paying when due all taxes, duties or other payments on or with respect to the Property and doing all things and making any payments required by applicable Law or appropriate to maintain the right, title and interest of the Owner and the Royaltyholder, respectively, in the Property and under these Terms;

(c) perform all required assessment work (whether statutory or contractual), pay all maintenance fees and make such filings and recordings on the Property as are necessary to maintain title in the Property in accordance with applicable Law; and

(d) maintain in good standing any policies of insurance maintained by the Owner in respect of the Property and present all claims under such policies in a due and timely manner.

5.0 <u>ASSIGNMENT</u>

5.1 <u>Assignment by the Royaltyholder</u>

The Royaltyholder may convey or assign all or any undivided portion of the Royalty payable either for a stated term of years or up to a specified dollar amount, provided that such assignment will not be effective against the Owner until the assignee has delivered to the Owner a written and enforceable undertaking, in which the assignee agrees to be bound, to the extent of the interest assigned, by all of the terms and conditions of this Agreement.

5.2 <u>Multiple Parties</u>

Notwithstanding that more than one person may in future comprise the Royaltyholder, the Owner will not be or become liable to make payments in respect of the Royalty to, or to otherwise deal in respect of this Agreement with, more than one person. If the interests of the Royaltyholder under this Agreement is at any time owned by more than one person, such owners must, as a condition of receiving payment of the Royalty, nominate one person to act as agent and common trustee for receipt of monies payable under this Agreement and to otherwise deal with the Owner in respect of such interest (including, without limitation, the giving of notice to take or cease taking in kind) and no royalty holders will be entitled to administer or enforce any provisions of this Agreement except through such agent and trustee. In such event, the Owner will, after receipt of notice respecting the nomination of such agent and trustee, make and be entitled to make payments due under this Agreement in respect of the Royalty to such agent and trustee and to otherwise deal with such agent and trustee as if it were the sole royalty holder under this Agreement.

5.3 Assignment by the Owner

The Owner may transfer, sell, assign or otherwise dispose of all or any portion of its interest in the Property provided that such disposition will not be effective as against the Royaltyholder until the purchaser has delivered to the Royaltyholder a written and enforceable undertaking agreeing to be bound, to the extent of the interest disposed of, by all of these Terms.

6.0 DISPUTE RESOLUTION

6.1 Resolution Process

Either the Owner or the Royaltyholder may refer a dispute between the parties arising under these Terms to an arbitrator for resolution pursuant to this Section 6.0 by written notice to the other party. Within 10 days after receipt of such notice, the parties, acting reasonably, will jointly appoint one arbitrator who shall be experienced and knowledgeable in the mining industry.

6.2 Conduct of Arbitration

Except as specifically provided in this Section 6.0, an arbitration under this Section 6.0 will be conducted in accordance with the *Arbitration Act, 2020* (BC). 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 or she will preside over the arbitration and determine all questions of procedure not provided for under the Act or this Section 6.0. After hearing any evidence and representations that the parties may submit, the arbitrator will make an award and reduce the award to writing and deliver one copy of the award to each of the parties. The decision of the arbitrator will be made within 45 days after the appointment of the arbitrator, subject to any reasonable delay due to unforeseen circumstances. The decision of the arbitrator may be entered into any court. The expense of the arbitration, including travel costs and solicitor's fees and costs of the prevailing party, will be paid as specified in the award. The award of the arbitrator will be final and binding upon each of the parties.

7.0 MISCELLANEOUS

7.1 Confidentiality

All information, data, reports, records, feasibility studies and test results relating to the Property and the activities of the Owner or any other party on the Property and these Terms, all of which will from here on be referred to as "confidential information", will be treated by the Royaltyholder as confidential and will not be disclosed to any person, except in the following circumstances:

(a) to an affiliate, consultant, contractor, or subcontractor of the Royaltyholder that has a *bona fide* need to be informed;

(b) reasonably required by a third party or parties in connection with negotiations for a permitted transfer of the Royalty or an interest therein, or the acquisition of an equity or other interest in a party to such third party or parties;

(c) to a governmental agency or to the public which the disclosing party believes in good faith is required by pertinent law or regulation or the rules or policies of any stock exchange or securities regulatory authority;

(d) reasonably required by a party in the prosecution or defense of a lawsuit or other proceeding;

(e) as reasonably required by a financial institution or other similar entity in connection with any financing being undertaken by a party hereto for purposes of this Agreement;

(f) information which is or becomes part of the public domain other than through a breach of this Agreement;

(g) information already in the possession of a party or its affiliate prior to receipt thereof from any other party or its affiliates or development of such information under this Agreement or otherwise;

(h) information lawfully received by a party or an affiliate from a third party not under an obligation of secrecy to the other party; or

(i) with the written consent of the Owner.

7.2 Notice

7.2.1 Any notice, election, proposal, objection or other document required or permitted to be given under these Terms ("**Notices**") will be in writing addressed to the Owner and the Royaltyholder at such addresses as they may advise.

SCHEDULE "C"
TERMS OF JOINT VENTURE AGREEMENT

The Joint Venture Agreement shall include, but not be limited to, the following terms:

1. The party with the largest participating interest in the joint venture shall be the Manager of the joint venture who shall propose Programs as budgets for approval of the Management Committee.

2. The Manager of the joint venture shall be entitled to incur a cost overrun of up to 10% of an approved Program without the consent of the Management Committee.

3. The joint venture shall be managed by a Management Committee comprised of two members appointed by each participant in the joint venture. Each participant has a vote equal to its participating interest in the joint venture and all decisions of the Management Committee are to be decided by a simple majority vote.

4. If the Manager does not propose a Program for approval by the Management Committee within the time provided in the joint venture agreement, the non-Manager may prepare a proposed Program and in such case the Manager’s representatives on the Management Committee will not vote on such Program.

5. The initial participating contributions of the parties in the joint venture will, as to OPTIONEE, be an amount equal to the amount incurred by OPTIONEE to fund Mining Operations in connection with the exercise of the Options and, as to OPTIONOR, its pro rata share of contributions equal to its initial participating interest in the joint venture.

6. If a party elects not to contribute to an approved program, its participating interest will be diluted based on the amount such party’s contributions are as a percentage of the total contributions incurred by both parties and the non-diluted party’s participating interest will be increased accordingly.

7. The Manager shall hold title to the Property in trust for the parties in the joint venture in proportion to their interest from time to time in the joint venture.

8. If a party’s participating interest is diluted below 10%, then its participating interest will be cancelled.