



This is the 2nd affidavit of
J. Alambre in this case and was
made on May 18, 2023

No. S-228723
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

- AND -

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

- AND -

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF
PURE GOLD MINING INC.

PETITIONER


AFFIDAVIT

I, JENNIFER ALAMBRE, of 2600 – 595 Burrard Street, Vancouver, legal assistant, AFFIRM THAT:


1. I am the legal assistant to Peter Rubin of Blake, Cassels & Graydon LLP, counsel to Pure Gold Mining Inc. and as such I have personal knowledge of the matters deposed to in this affidavit except where I depose to a matter based on information from an informant I identify in which case I believe that both the information from the informant and the resulting statement are true.
2. Attached to this affidavit and marked as Exhibit "A" are copies of a Purchase and Sale Agreement and a Royalty Agreement between Newmont Canada Limited and Wolfden Resources Inc. dated September 30, 2002.
3. Attached to this affidavit and marked as Exhibit "B" is a copy of a Purchase and Sale Agreement between Premier Gold Mines Limited and Sabina Gold & Silver Corp. dated January 16, 2012.
4. Attached to this affidavit and marked as Exhibit "C" are copies of an original Mining Option Agreement between Micon Gold Inc. and Fечи Inc. dated January 19, 2012, a Notice from Fечи Inc. to Micon Gold Inc. dated March 22, 2012, and Amended Mining Option Agreements between Micon Gold Inc. and Fечи Inc. dated between January 17, 2014, and August 18, 2015.

5. Attached to this affidavit and marked as Exhibit "D" is a copy of a Royalty Assignment between New Klondike Exploration Ltd. and Franco-Nevada Corporation dated February 23, 2015.

AFFIRMED BEFORE ME at Vancouver,
British Columbia on May 18, 2023


A Commissioner for taking Affidavits for British
Columbia

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JENNIFER ALAMBRE

MITCH BRINGELAND
Barrister & Solicitor
BLAKE, CASSELS & GRAYDON LLP
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595 Burrard St., P.O. Box 49314
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(604) 631-4160

This is **Exhibit "A"** referred to in the Affidavit of Jennifer Alambre made before me at Vancouver, British Columbia, this 18th day of May, 2023.



A Commissioner for the taking of Affidavits for
British Columbia

THIS PURCHASE AND SALE AGREEMENT ("AGREEMENT") effective September 30, 2002 (the "Effective Date")

BETWEEN:

NEWMONT CANADA LIMITED

a corporation incorporated under the laws of the Province of Ontario
20 Eglinton Avenue West, Suite 1900
Toronto, Ontario M4R 1K8 CANADA
Facsimile: 416.488.6598

(hereinafter "**NEWMONT**")

and

WOLFDEN RESOURCES INC.

a corporation incorporated under the laws of the Province of Ontario
4283 Loch Lomond Road
Thunder Bay, Ontario P7J 1H1 CANADA
Facsimile: 807.345.0284

(hereinafter "**BUYER**")

NEWMONT - WOLF
AGMT -

JM HAS
NEWMONT - HEYSON

RECITALS

WHEREAS BUYER is interested in acquiring all right, title, interest and obligations of NEWMONT in and to the Property and NEWMONT is interested in selling to BUYER all right, title, interest and obligations of NEWMONT in and to the Property, subject to a net smelter returns royalty to be paid by BUYER to NEWMONT with respect to the Property.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained, the Parties hereto hereby agree as follows:

1. **Definitions.** In this Agreement and the Schedule(s) attached to this Agreement the following terms shall have the following meanings:

"**Additional Cash Payment**" means the payment described in **section 3**.

"**Affiliate**" shall have the meaning ascribed to that term by the Canada Business Corporations Act on the date hereof.

"**Agreement**" means this Purchase and Sale Agreement.

"**Business Day**" means any calendar day other than a Saturday or Sunday or any statutory holiday or civic holiday in the Province of Ontario.

"**BUYER**" shall include, to the extent applicable in the circumstances, all of BUYER's successors-in-interest, including without limitation assignees, partners, joint venture partners, lessees, and when applicable mortgagees and Affiliates having or claiming an interest in the Property.

"**Closing**" means the completion on the Closing Date of the transfer from NEWMONT to BUYER of the Property as contemplated in this Agreement.

"**Closing Date**" means such date that the Closing Documents are delivered to the Parties, which date shall be no later than September 30, 2002.

3. Purchase Price. As consideration for the purchase and sale of the Property and the Records and Data, BUYER agrees to deliver to NEWMONT at Closing (a) cash or a certified check in the amount of Sixty Thousand Canadian Dollars (CAD\$60,000); (b) One Hundred Fifty Thousand (150,000) common shares in the capital stock of WOLFEN RESOURCES INC. (CDNX: WVO); and (c) One Hundred Fifty Thousand (150,000) warrants to purchase One Hundred Fifty Thousand (150,000) common shares in the capital stock of WOLFEN RESOURCES INC. at an exercise price of CAD\$1.15 per share, exercisable by NEWMONT for a period of two (2) years from and after the Effective Date free and clear of any sale, transfer or other like value added taxes; (d) the Royalty

2. Purchase and Sale. (a) NEWMONT shall and hereby covenants to sell, transfer and assign to BUYER all of its right, title, interest and obligations in and to the Property and the Records and Data; BUYER shall and hereby covenants to purchase all of NEWMONT's right, title, interest and obligations in and to the Property and the Records and Data. Commencing from and after the Effective Date BUYER shall be solely responsible for its own account all costs and obligations pertaining to or associated with the Property.

"Transmission" means as described in section 18.

"Royalty Agreement" means the Royalty Agreement stipulated in section 3 in the form attached as Schedule "B".

"Royalty" means the net smelter returns royalty stipulated in section 3 and further described in the Royalty Agreement.

"Records and Data" means all books, contracts, documents, technical information and data (in paper or electronic form), maps, surveys, drill core samples and assays owned by NEWMONT related to the Property.

"Rate of Exchange" means the spot rate at which NEWMONT is able on the relevant date to purchase Original Currency with judgment Currency and includes any premium and costs of exchange.

"Purchase Price" means the consideration stipulated in section 3.

"Purchase and Sale Agreement" means this Purchase and Sale Agreement and all amendments, modifications and supplements thereto.

"Property" means all right, title and interest of NEWMONT now held or hereinafter acquired by BUYER in and to the property described in attached Schedule "A" including without limitation any amendments, supplements, renewals and replacements thereof.

"Party" means either of the Parties individually.

"Parties" means NEWMONT and BUYER collectively.

"Original Currency" means United States Currency.

"notice" means as described in section 18.

"NEWMONT" shall include, to the extent applicable in the circumstances, all of NEWMONT's successors-in-interest, including without limitation assignees, partners, joint venture partners, lessees, and when applicable mortgagees and Affiliates having or claiming an interest in the Property.

"Judgment Currency" means Canadian currency.

"Effective Date" means the date specified on the top of page one of this Agreement.

"Closing Documents" means the documents described in section 7.

Agreement executed by the BUYER agreeing to pay NEWMONT a perpetual production royalty in the amount of the applicable percentage net smelter returns as determined in accordance with the following schedule from the sale or other disposition of all Minerals produced from the Property, determined in accordance with the provisions of the Royalty Agreement (the "Royalty"). For purposes of this Agreement, the term "Minerals" shall mean any and all metals, minerals and mineral rights of whatever kind and nature in, under or upon the surface or subsurface of the Property (including, without limitation metals, precious metals, base metals, industrial minerals, gems, diamonds, commercially valuable rock, aggregate, clays and diatomaceous earth, hydrocarbons, and oil and gas, and other minerals which are mined, excavated, extracted or otherwise recovered).

The Royalty percentage for all Minerals shall be based in accordance with the following schedule. For determination of gold equivalent the Royalty payable on Minerals other than gold shall be converted to gold equivalent by using the average monthly spot prices reported as determined in the Royalty Agreement.

<u>Net Smelter Returns Percentage</u>	<u>Production Equivalent</u>
One and One-Half Percent (1.5%)	Until such time as One Million (1,000,000) ounces of gold or gold equivalent has been produced from the Property
Two Percent (2.0%)	From and after such time as One Million (1,000,000) ounces of gold or gold equivalent has been produced from the Property

(e) BUYER additionally agrees to pay to NEWMONT a further sum of One Hundred Fifty Thousand Canadian Dollars (CAD\$150,000) within ten (10) days following the date on which BUYER (or any Affiliate or successor or assignee of it) makes a decision to initiate a feasibility study to consider the economic feasibility of constructing and operating a commercial mining operation on or with respect to the Property (the "Additional Cash Payment"). BUYER agrees to give notice to NEWMONT immediately upon such decision. **Section 3(a) through section 3(e)** inclusive are collectively referred to as the "Purchase Price". (f) Should default be made in any Royalty payment when due under the Royalty Agreement and such default still exists ten (10) days following notice of non-payment, then the entire unpaid balance under the Royalty Agreement shall bear interest at the rate of fifteen (15%) percent per annum commencing from and after such payment due date until paid. (g) Should default be made in the Additional Cash Payment when due and such default still exists ten (10) days following notice of non-payment, then such Additional Cash Payment shall become immediately due and such unpaid amount shall bear interest at the rate of fifteen percent (15%) per annum commencing from and after such payment due date until paid.

4. Registration on Title. The Parties agree that following Closing (a) BUYER shall immediately undertake all acts required to register title to the Property in BUYER's name by filing an appropriate statutory form of transfer document(s) executed by NEWMONT; and (b) NEWMONT may register or record against title to the Property the Royalty Agreement and such form of notice, caution or other document(s) including, without limitation, this Agreement, a conditional payment note and collateral charge/mortgage of land or other security instruments as it considers appropriate to secure payment from time to time and protect NEWMONT's right to receive the Royalty or other sums due under this Agreement and the Royalty Agreement. The Parties hereby consent to such registering or recording and agree to co-operate with such other Party to accomplish the same.

5. After-Acquired Interest. If at any time BUYER or any Affiliate or successor or assignee of it stakes, applies for, and obtains or otherwise acquires, directly or indirectly, any right to or interest in any mining claim, license, lease, grant, concession, permit, patent, or other mineral property or other rights or interests located wholly or partly within the exterior boundaries of the Property, such rights or interests shall thereafter become part of the Property. In the event BUYER or any Affiliate or successor or assignee of it surrenders, allows to lapse or otherwise terminates its interest in any portion or all the Property and within a period of five (5) years from the date of such surrender, lapse

or other termination, reacquires a direct or indirect interest in respect of the land covered by the former Property, then the Royalty shall apply to such interest so acquired. BUYER shall give written notice to NEWMONT within ten (10) days of any acquisition or reacquisition of the Property.

6. Term. The Royalty (and the obligation to pay the Additional Cash Payment) shall be perpetual, it being the intent of the Parties hereto that, to the extent allowed by law, the Royalty (and the obligation to pay the Additional Cash Payment) shall constitute a vested interest in and a covenant running with the land affecting the Property and all successions thereof whether created privately or through governmental action and, subject to the provisions of section 19, shall inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors and assigns so long as BUYER or any successor or assignee of BUYER holds any rights or interests in the Property. In the event a court of competent jurisdiction determines that any right, power or interest of any Party under this agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the Effective Date of this Agreement. This Agreement shall not be terminated solely as a result of a violation of the rule against perpetuities.

7. Closing Documents. At Closing (a) BUYER shall deliver to NEWMONT (i) the cash or certified check described in section 3(a); (ii) a share certificate representing the shares described in section 3(b); (iii) a warrant certificate representing the warrants described in section 3(c), (iv) the executed Royalty Agreement; and (v) the executed conditional payment note and collateral charge/mortgage of land and (b) NEWMONT shall deliver to BUYER (i) a duly executed statutory form of transfer document with respect to the Property. The documents described in this section are collectively referred to as the "Closing Documents". Upon Closing NEWMONT shall deliver to BUYER the original Records and Data in NEWMONT's possession.

8. Property Sold and Purchased on an "As-is, Where-is" Basis. Except for the representations and warranties provided for in this Agreement, the Parties agree that the purchase and sale of the Property shall be on an "As-is, Where-is" basis. BUYER acknowledges that it has conducted such examinations of the Property and the Records and Data related to it as it has deemed necessary or appropriate and that it is not relying upon any assurances or statements of NEWMONT, other than those provided in this Agreement.

9. Taxes, Transfer Fees. BUYER shall pay directly to or make the appropriate filings with the appropriate taxing authorities in respect of all sales and transfer taxes (including land transfer taxes), registration charges and transfer fees and GST or other value added taxes applicable in respect of its purchase of the Property under this Agreement.

10. Representations and Warranties.

(a) Representations and Warranties of NEWMONT. NEWMONT represents and warrants to BUYER that: (i) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation; (ii) all requisite corporate acts and proceedings have been done and taken by it with respect to entering into this Agreement and the transactions contemplated herein and therein; (iii) it has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder; (iv) it has all necessary corporate power to own or lease the Property and is registered as required and in good standing with respect to the filing of returns under the laws of all jurisdictions in which the failure to so register or file would have a material adverse effect on it or its properties, including the Property; (v) the execution and delivery of this Agreement and the performance and consummation of the transactions contemplated hereby, do not and will not result in a default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party and by which it is bound to which the Property is subject, nor will such action conflict with or result in any violation of the provisions of its charter documents; (vi) no consent, approval or authorization of its shareholders in respect of the transactions contemplated herein is required by it for the consummation of the transactions contemplated herein; (vii) this Agreement, and the transactions contemplated herein have been duly authorized, executed and delivered by NEWMONT and this Agreement constitutes legal, valid and binding obligations of NEWMONT;

enforceable against it in accordance with the terms herein and all third party consents and regulatory, governmental and stock exchange approvals required to be obtained by NEWMONT in respect of this Agreement and the transactions contemplated hereby, have been obtained in respect thereof, including from all governmental authorities having jurisdiction, and in respect of the transactions contemplated herein; (viii) NEWMONT is not and will not be on the Closing Date a non-resident of Canada for the purposes of the Income Tax Act (Canada); (ix) NEWMONT is not a party to any actions, suits or proceedings which could materially affect its business or financial condition with respect to the Property, and to the best knowledge of NEWMONT no such actions, suits or proceedings are contemplated or have been threatened; (x) to the best knowledge of NEWMONT, NEWMONT is the legal and beneficial owner of the entire right, title and interest in and to the Property, free and clear of all liens, mortgages, charges, pledges, security interests, encumbrances, equities or claims, created by, through or under NEWMONT, save and except a fifteen percent (15%) net carried interest payable to the Estate of Harry A. Newman pursuant to that certain agreement dated January 1, 1980, and such rights, titles and interests of NEWMONT are in good standing in accordance with and pursuant to applicable law; (xi) no representation or warranty is given as to the existence or non-existence of Aboriginal rights or interests in or with respect to the Property or the land subject to the Property or as to the existence or non-existence of rights of third parties acquired from the Crown to use the land subject to the Property for uses that may compete with mineral exploration, development or mining; and (xii) NEWMONT makes no representations or warranties to BUYER concerning the Records and Data and BUYER agrees that if it elects to rely on any such Records and Data, it does so at its sole risk.

(b) Representations and Warranties of BUYER. BUYER represents and warrants to NEWMONT that: (i) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation; (ii) all requisite corporate acts and proceedings have been done and taken by it with respect to entering into this Agreement and the transactions contemplated herein and therein; (iii) it has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder; (iv) it has all necessary corporate power to own or lease the Property and is registered as required and in good standing with respect to the filing of returns under the laws of all jurisdictions in which the failure to so register or file would have a material adverse effect on its title to the Property; (v) the execution and delivery of this Agreement and the performance and consummation of the transactions contemplated hereby, do not and will not result in a default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party and by which it is bound to which the Property is subject, nor will such action conflict with or result in any violation of the provisions of its charter documents; (vi) no consent, approval or authorization of its shareholders in respect of the transactions contemplated herein is required by it for the consummation of the transactions contemplated herein; (vii) this Agreement, and the transactions contemplated herein have been duly authorized by BUYER and this Agreement has been duly executed and delivered by BUYER and constitutes legal, valid and binding obligations of BUYER, enforceable against it in accordance with the terms herein and all third party consents and regulatory, governmental and stock exchange approvals required to be obtained by BUYER in respect of this Agreement and the transactions contemplated hereby, have been obtained in respect thereof, including from all governmental authorities having jurisdiction, and in respect of the transactions contemplated herein; (viii) BUYER is not and will not be on the Closing Date a non-resident of Canada for the purposes of the Income Tax Act (Canada); (ix) BUYER is not a party to any actions, suits or proceedings which could materially affect its business or financial condition with respect to the Property, and to the best knowledge of BUYER no such actions, suits or proceedings are contemplated or have been threatened; (x) BUYER, during its due diligence on and with respect to the Property, has not become aware of any violations of any past or present applicable federal, provincial or local laws, statutes rules, regulations, permits, ordinances, certificates, licenses, closure plans and other regulatory requirements, policies or guidelines respecting the Property; (xi) The authorized capital of WOLF DEN RESOURCES INC. consists of an unlimited number of common shares without par value of which 15,504,421 shares are validly issued and outstanding as of the Effective Date; (xii) The common shares of WOLF DEN RESOURCES INC. are listed and posted for trading only on the TSX Venture Exchange; (xiii) WOLF DEN RESOURCES INC. is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and is not in default of any filings under any applicable provincial securities rules, acts, laws or regulations; (xiv) the sale and delivery of the shares and warrants to NEWMONT are conditional upon such sale being exempt from the

requirement to file a prospectus under any applicable statute relating to the sale of the shares or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus; (xv) upon consummation of the purchase contemplated hereby and upon receipt by WOLF DEN RESOURCES INC. of payment therefor, NEWMONT will have acquired from WOLF DEN RESOURCES INC. validly issued, fully paid and non-assessable common shares of WOLF DEN RESOURCES INC., free and clear of all covenants, conditions, restrictions, voting trust arrangements, liens, charges, encumbrances, options and adverse claims or rights whatsoever on the part of WOLF DEN RESOURCES INC. (other than pursuant to this Agreement, as contemplated hereby, or pursuant to applicable securities laws, regulations, rules, instruments and policies); and (xvi) WOLF DEN RESOURCES INC. is in receipt of the requisite conditional approval from the TSX Venture Exchange and subject to compliance with the terms of the conditional acceptance; on the closing date, the common shares shall be conditionally listed and posted for trading through the facilities of the TSX Venture Exchange and shall not, as at such date, be subject to any restrictions on trading through the facilities of the TSX Venture Exchange other than as contemplated hereby, by the applicable rules, policies and by-laws of the TSX Venture Exchange generally in effect and by applicable securities laws, regulations, rules, instruments and policies.

(c) Survival of Representations and Warranties. For a term of two (2) years from and after the Effective Date, (i) the representations and warranties contained herein shall survive the Closing and shall continue in full force and effect; and (ii) NEWMONT and BUYER each hereby covenant to and in favor of each other to indemnify and save the other harmless from and against all claims, demands, actions, causes of action, damages, losses, costs, liabilities and expenses which may be incurred by or brought against the other Party and/or which the other Party may suffer or incur as a result of, in respect of, or arising out of any breach of any representation or warranty made by it or any non-fulfillment of any covenant or obligation of it under this Agreement or the Royalty Agreement.

11. Other Covenants of NEWMONT. Except as otherwise contemplated or permitted by this Agreement, NEWMONT shall, prior to the completion of the transactions contemplated in this Agreement: (a) use commercially reasonable efforts to preserve and protect or cause to be preserved and protected all of its right, title and interest in and to the Property, until Closing; and (b) not make any modification of its ordinary course business practices in respect of its interest in the Property nor make any commitments in respect of the Property, or its right, title and interest in and to the Property.

12. Encumbrances. During the time period between the Effective Date and the Closing Date, NEWMONT shall not suffer or permit any encumbrance, created by, through or under NEWMONT, to attach to or affect the Property or its right, title and interest therein.

13. Other Business. NEWMONT and BUYER shall have the right without consulting or notifying the other to engage in and receive full benefits from other and independent business activities, whether or not competitive or in conflict with the transactions contemplated in this Agreement. The doctrine of "corporate opportunity" or "business opportunity" shall not be applied to any other transaction, activity, venture or operation of NEWMONT or BUYER not within the boundaries or in respect of the Property, and, except as otherwise expressly provided in other agreements between NEWMONT and BUYER, if any, neither of NEWMONT or BUYER shall have any duty to the other with respect to any opportunity to acquire property outside of the boundaries of the Property.

14. Assumption of Liabilities; Indemnifications by BUYER. BUYER hereby assumes all right, title, interest and liabilities of NEWMONT in, to and under the Property, including but not limited to any and all environmental liabilities. BUYER shall be responsible for all costs, fines, damages, judgments, penalties or responsibilities (environmental and otherwise) in connection with the Property, its ownership and use of the Property and for any and all work performed in and on the Property, whether arising prior to or subsequent to the Closing Date. BUYER hereby indemnifies and saves harmless NEWMONT from any loss, cost or liability (including reasonable legal fees) arising from a claim against NEWMONT in respect of: (a) any failure by BUYER to timely and fully perform all reclamation, restoration, waste disposal or other closure obligations required by law or regulation, the terms and conditions of applicable licenses or by governmental authorities or otherwise to prevent liability in respect of all activities on the Property, whether arising prior to or subsequent to the Closing

Date; (b) any failure or omission by BUYER which results in a violation of or liability under any present or future applicable federal, provincial, territorial or local environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licenses and other regulatory requirements, policies or guidelines in respect of all activities on the Property, whether arising prior to or subsequent to the Closing Date; and (c) any claims by third parties against NEWMONT in respect of property damage or injury or death to persons arising out of the activities on or with respect to the Property whether arising prior to or subsequent to the Closing Date. The foregoing expressly includes all right, title, interest and liabilities in any way related to that certain agreement dated January 1, 1980 by and between The Estate of Harry A. Newman and Noranda Exploration Company Limited (No Personal Liability) with respect to the Property. In the event NEWMONT elects to and does reacquire the Property upon (i) a default by BUYER in accordance with the conditional payment note and/or collateral charge/mortgage of land, or (ii) abandonment by BUYER in accordance with section 21 of this Agreement, BUYER shall be released from the foregoing liabilities and indemnifications, except for those related to activities on or with respect to the Property by or on behalf of BUYER arising prior to the effective date of such reacquisition.

15. Dispute Resolution. (a) Any dispute, controversy or claim arising out of, in relation to or in connection with this Agreement, including any dispute as to the validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled by binding arbitration before a single qualified arbitrator appointed upon the unanimous agreement of the Parties and conducted in accordance with the Arbitration Act, 1991 (Ontario). The arbitrator shall be knowledgeable about the matter being arbitrated. The decision rendered by the arbitrator may be entered into any court. Each Party shall pay their own fees and expenses (and shall pay their own attorneys' fees and expenses) related to the arbitration, regardless of how the arbitrated issue is decided. The Parties covenant that they shall conduct all aspects of such arbitration having regard at all times to minimizing the cost and expediting the final resolution of such arbitration. Arbitration shall be conducted in English, in Toronto, Canada. (b) If, for the purposes of obtaining judgment in any court in Canada, it becomes necessary to convert into Canadian dollars ("Judgment Currency") an amount due in United States dollars hereunder ("Original Currency") then the conversion shall be made at the Rate of Exchange prevailing on the business day before the day on which the judgment is given. If there is a change in the Rate of Exchange prevailing between the business day before the day on which the judgment is due, the paying Party will pay such additional amounts (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency when converted at the Rate of Exchange prevailing on the date of payment will produce the amount then due under this Agreement in the Original Currency and such additional amount shall bear interest, from the date same become due, at the rate of fifteen percent (15%) per annum. "Rate of Exchange" means the spot rate at which the Party who is the payee is able on the relevant date to purchase Original Currency with Judgment Currency and includes any premium and costs of exchange.

16. Expenses. Each Party shall pay all expenses it incurs in authorizing, preparing, executing and performing this Agreement and the transactions contemplated hereunder and thereunder, whether or not the Closing occurs, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

17. Time. Time is of the essence of each provision of this Agreement.

18. Notices. (a) Any notice, demand or other communication (in this section, a "notice") required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made if: (i) delivered in person during normal business hours of the recipient on a Business Day and left with a receptionist or other responsible employee of the recipient at the applicable address first set forth in this Agreement; or (ii) sent by facsimile transmission (a "Transmission") during normal business hours on a Business Day charges prepaid and confirmed by regular mail at the address first set forth in this Agreement; and (b) each notice sent in accordance with this section shall be deemed to have been received: (i) on the day it was delivered; or on the same day that it was sent by fax transmission, or (ii) on the first Business Day thereafter if the day on which it was sent by fax transmission was not a Business Day. The notice addresses for the Parties are set out on page one of this Agreement. A Party may change its address for notice by giving notice to the other Party in accordance with this section. Notice to NEWMONT shall additionally be sent to Newmont Mining

Corporation, 1700 Lincoln Street, Denver, Colorado 80203 U.S.A., ATTN: Land Dept., Facsimile: 303.837.5851.

19. Assignment. Except as otherwise provided in this Agreement, BUYER may assign, transfer, convey or otherwise dispose of its rights and interests under this Agreement or the Royalty Agreement; provided, however, any option, joint-venture, assignment, transfer, conveyance or other disposition by BUYER of any of its rights, interests and obligations in or with respect to this Agreement, the Property or the Royalty Agreement shall be void unless the proposed assignee has first agreed in writing with NEWMONT to observe and be bound by all of the provisions of this Agreement and the Royalty Agreement with respect to the rights, interests and obligations being assigned to or assumed by the assignee in the place and stead of BUYER and only subsequent to the signing of a definitive agreement as between such assignee and NEWMONT, shall BUYER be relieved or discharged from this Agreement and the Royalty Agreement in respect thereof. BUYER shall not be relieved or discharged from this Agreement and the Royalty Agreement in respect any rights, interests or obligations of BUYER in or with respect to this Agreement, the Property or the Royalty Agreement which are not assigned or assumed in accordance with the foregoing and NEWMONT may continue to look to BUYER for performance with respect thereto. NEWMONT shall have the unrestricted right, in its sole and absolute discretion, to assign, transfer, convey, or relinquish any of its rights or interests with respect to the Property, including the Royalty at any time.

20. Reporting. No later than March 1 of each year, BUYER shall provide NEWMONT with an annual report of activities and operations conducted with respect to the Property during the preceding calendar year, and from time to time such additional information as NEWMONT may reasonably request.

21. Maintenance of the Property. Subsequent to Closing, BUYER shall pay all governmental taxes, duties or other payments, make any minimum investments required by law, perform all acts and comply with all obligations under applicable law required to maintain the Property (excluding those portions of the Property previously abandoned by it as provided in this section) in good standing. At any time and from time to time, BUYER may elect to abandon any part or parts of the Property by giving notice to NEWMONT of such election not less than thirty (30) days prior to the proposed date of abandonment. The notice shall identify the portion(s) of the Property which are proposed to be abandoned. Upon expiry of such thirty (30) day period, BUYER's obligations hereunder in respect of such abandoned interests (subject to section 5) shall terminate and thereafter the term "Property" as used in this Agreement will apply to those interests comprising the Property which have not been abandoned by BUYER. In such event, if requested by NEWMONT, BUYER shall execute documents transferring to NEWMONT title to any part or parts of the Property which BUYER is abandoning for and in consideration of the sum of One Dollar (CAD\$1.00). If BUYER elects to not pay any governmental taxes, duties or other payments or make any minimum investments required by law or perform all acts and comply with all obligations under applicable law required to maintain the Property (excluding those portions of the Property previously abandoned by it as provided in this section) in good standing, BUYER shall give notice to NEWMONT of such election not less than thirty (30) days prior to any due date. In such event, if requested by NEWMONT, BUYER shall execute documents transferring to NEWMONT title to any part or parts of the Property affected by such election by BUYER for and in consideration of the sum of One Dollar (CAD\$1.00).

22. Further Assurances. The Parties shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and other instruments, and will cause the doing of such acts and will cause the execution of such further documents as are within its power as any other Party may in writing at any time and from time to time reasonably request be done and or executed, in order to give full effect to the provisions of this Agreement, the Royalty Agreement and the Closing Documents.

23. Public Announcements. Prior to Closing, a Party desiring to make a disclosure, statement or press release concerning this Agreement or the Royalty Agreement shall first consult with the other Party prior to making such disclosure, statement or press release, and the Parties shall use all reasonable efforts, acting expediently and in good faith, to agree upon a text for such statement or press release which is satisfactory to the Parties.

24. Number and Gender. In this Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders.

25. Entire Agreement. This Agreement together with the Royalty Agreement and the Closing Documents constitute the entire agreement between the Parties pertaining to the subject matter hereof and supercedes all prior agreements, negotiations, discussions and understandings, written or oral, between the Parties. Except as may be specifically set forth in this Agreement, the Royalty Agreement and the Closing Documents, there are no representations, warranties, conditions or other agreements or acknowledgments, whether direct or collateral, express or implied, that form part of or affect this Agreement, or which induced a Party to enter into this Agreement or on which reliance is placed by a Party.

26. Survival. The following sections shall survive the date of Closing: 2, 3, 4, 5, 6, 7, 8, 9, 10 (as limited by section 10(d), 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29, 30, 31 and 32.

27. Amendment. This Agreement may be amended, modified or supplemented only by a written agreement signed by each Party.

28. Waiver of Rights. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

29. Applicable Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

30. Currency. Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to lawful money of Canada.

31. Performance on Holidays. If any action is required to be taken pursuant to this Agreement on or by a specified date, which is not a Business Day, then such action shall be valid if taken on or by the next succeeding Business Day.

32. English Language. The Parties hereto expressly declare that they require this Agreement, and all documents and notices relating thereto, to be drafted and written solely in the English language. Les Parties déclarent expressément qu'elles exigent que ce contrat, ainsi que tous les documents et avis s'y rapportant, soient rédigés et écrits exclusivement en anglais.

33. Counterparts. This Agreement may be executed in any number of counterparts, and it shall not be necessary that the signatures of all Parties be contained on any counterpart. Each counterpart shall be deemed an original, but all counterparts together shall constitute one and the same instrument.

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

NEWMONT CANADA LIMITED

WOLF DEN RESOURCES INC.

By: *Donald Stancos*

By: *[Signature]*

Title: VICE PRESIDENT

Title: PRESIDENT

Date: Sept 30, 2002

Date: OCT. 11/02

Its Authorized Representative

Its Authorized Representative

[SEAL]

[SEAL]



SCHEDULE "A" TO THE PURCHASE AND SALE AGREEMENT
(Description of the "Property")

Heyson & Baird Townships, Larder Lake Mining Division, Ontario, Canada

Parcel 1515 Freehold Patricia	<u>Mining Claim</u> KRL 13060 Township of Heyson, District of Kenora (Patricia portion)
Parcel 1516 Freehold Patricia	<u>Mining Claim</u> KRL 13061 Township of Heyson, District of Kenora (Patricia portion)
Parcel 1517 Freehold Patricia	<u>Mining Claim</u> KRL 13062 Township of Heyson, District of Kenora (Patricia portion)
Parcel 1519 Freehold Patricia	<u>Mining Claims</u> KRL 13069 KRL 13241 KRL 13242 KRL 13243 KRL 13244 KRL 13255 KRL 13554 KRL 13659 KRL 13660 KRL 13068 Township of Heyson, District of Kenora (Patricia portion)
Parcel 3518 Freehold Patricia	<u>Mining Claims</u> KRL 13082 KRL 13083 KRL 13084 KRL 13254 KRL 13475 KRL 13476 KRL 13477 Township of Baird and Heyson, District of Kenora (Patricia portion)

License of Occupation 10670

License of Occupation 10671

SCHEDULE "B"
to the Option Agreement dated October 30, 2004 between
WOLFDEN RESOURCES INC. and SABINA RESOURCES LIMITED

Agreement dated December 19, 2002 with Explorers Alliance Corporation dated
respecting the My-Ritt Property

ROYALTY AGREEMENT

THIS ROYALTY AGREEMENT ("Agreement") is effective September 30, 2002 (the "Effective Date")

BETWEEN:

WOLF DEN RESOURCES INC.

a corporation incorporated under the laws of the Province of Ontario
4283 Loch Lomond Road
Thunder Bay, Ontario P7J 1H1 CANADA
Facsimile: 807.345.0284

(hereinafter "GRANTOR")

and

NEWMONT CANADA LIMITED

a corporation incorporated under the laws of the Province of Ontario
20 Eglinton Avenue West, Suite 1900
Toronto, Ontario M4R 1K8 CANADA
Facsimile: 416.488.6598

(hereinafter "NEWMONT")

RECITALS

A. Pursuant to the terms and conditions of that certain Agreement by and between Perry English (as the vendor) and Wolf den Resources Inc. dated December 3, 2001, as amended, Wolf den Resources was granted the option to acquire a 100% interest in the Property;

B. Pursuant to the terms and conditions of that certain Skinner Property Option Agreement by and between Wolf den Resources Inc. and Newmont Canada Limited dated February 1, 2002, Newmont Canada Limited was granted the option to acquire up to a 75% interest in the Property;

C. Pursuant to the terms and conditions of that certain Notice of Termination dated effective September 16, 2002 NEWMONT has agreed to terminate the Skinner Property Option Agreement and GRANTOR has agreed to grant to NEWMONT a Royalty (as hereinafter defined) with respect to the Property, provided Grantor or any Affiliate or successor or assignee of Wolf den Resources Inc. acquires or holds any interest in or with respect to the Property.

NOW, THEREFORE, in consideration of the premises and the covenants and conditions set forth in the Purchase and Sale Agreement and this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

AGREEMENT

1. Royalty

1.1 Provided GRANTOR or any Affiliate or successor or assignee of GRANTOR acquires or holds any interest in or with respect to the Property, GRANTOR shall pay to NEWMONT a perpetual production royalty in the amount of a One Percent (1.0%) Net Smelter Returns (as hereinafter defined) from the sale or other disposition of all Minerals produced from the Property, determined in accordance with the provisions of this Agreement (the "Royalty"). For purposes of this Agreement, the term "Minerals" shall mean any and all metals, minerals and mineral rights of whatever kind and nature in, under or upon the surface or subsurface of the Property (including, without limitation

metals, precious metals, base metals, industrial minerals, gems, diamonds, commercially valuable rock, aggregate, clays and diatomaceous earth, hydrocarbons, and oil and gas, and other minerals which are mined, excavated, extracted or otherwise recovered).

1.2 For Precious Metals. "Net Smelter Returns", in the case of gold, silver, and platinum group metals ("Precious Metals"), shall be determined by multiplying (a) the gross number of troy ounces of Precious Metals recovered from production from the Property during the preceding calendar month ("Monthly Production") delivered to the smelter, refiner, processor, purchaser or other recipient of such production, or an insurer as a result of casualty to such production (collectively, "Payor"), by (b) for gold, the average of the London Bullion Market, Afternoon Fix, spot prices reported for the preceding calendar month (the "Applicable Spot Price"), and for all other Precious Metals, the average of the New York Commodities Exchange final spot prices reported for the preceding calendar month for the particular Mineral for which the price is being determined, and subtracting from the product of 1.2(a) and 1.2(b) only the following if actually incurred: (i) charges imposed by the Payor for refining bullion from doré or concentrates of Precious Metals ("Beneficiated Precious Metals") produced by GRANTOR's final mill or other final processing plant; however, charges imposed by the Payor for smelting or refining of raw or crushed ore containing Precious Metals or other preliminarily processed Precious Metals shall not be subtracted in determining Net Smelter Returns; (ii) penalty substance, assaying, and sampling charges imposed by the Payor for refining Beneficiated Precious Metals contained in such production; and (iii) charges and costs, if any, for transportation and insurance of Beneficiated Precious Metals from GRANTOR's final mill or other final processing plant to places where such Beneficiated Precious Metals are smelted, refined and/or sold or otherwise disposed of.

1.3 In the event the refining of bullion from the Beneficiated Precious Metals contained in such production is carried out in custom toll facilities owned or controlled, in whole or in part, by GRANTOR, which facilities were not constructed solely for the purpose of refining Beneficiated Precious Metals or Other Minerals from the Property, then charges, costs and penalties for such refining shall mean the amount GRANTOR would have incurred if such refining were carried out at facilities not owned or controlled by GRANTOR then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by GRANTOR with respect to such refining. In the event GRANTOR receives insurance proceeds for loss of production of Precious Metals, GRANTOR shall pay to NEWMONT the Royalty percentage of any such insurance proceeds which are received by GRANTOR for such loss of production.

1.4 For Other Minerals. "Net Smelter Returns", in the case of all Minerals other than Precious Metals and the beneficiated products thereof ("Other Minerals"), shall be determined by multiplying (a) the gross amount of the particular Other Mineral contained in the Monthly Production delivered to the Payor during the preceding calendar month by (b) the average of the New York Commodities Exchange final daily spot prices reported for the preceding calendar month of the appropriate Other Mineral, and subtracting from the product of sections 1.4(a) and 1.4(b) only the following if actually incurred: (i) charges imposed by the Payor for smelting, refining or processing Other Minerals contained in such production, but excluding any and all charges and costs related to GRANTOR's mills or other processing plants constructed for the purpose of milling or processing Other Minerals, in whole or in part; (ii) penalty substance, assaying, and sampling charges imposed by the Payor for smelting, refining, or processing Other Minerals contained in such production, but excluding any and all charges and costs of or related to GRANTOR's mills or other processing plants constructed for the purpose of milling or processing Other Minerals, in whole or in part; and (iii) charges and costs, if any, for transportation and insurance of Other Minerals and the beneficiated products thereof from GRANTOR's final mill or other final processing plant to places where such Beneficiated Precious Metals are smelted, refined and/or sold or otherwise disposed of, if for any reason the New York Commodities Exchange does not report spot pricing for a particular Other Mineral, then the Parties shall mutually agree upon an appropriate pricing entity or mechanism that accurately reflects the market value of any such Other Mineral.

1.5 In the event smelting, refining, or processing of Other Minerals are carried out in custom toll facilities owned or controlled, in whole or in part, by GRANTOR, which facilities were not constructed solely for the purpose of milling or processing Other Minerals from the Property, then charges, costs

and penalties for such smelting, refining or processing shall mean the amount GRANTOR would have incurred if such smelting, refining or processing were carried out at facilities not owned or controlled by GRANTOR then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by GRANTOR with respect to such smelting and refining. In the event GRANTOR receives insurance proceeds for loss of production of Other Minerals, GRANTOR shall pay to NEWMONT the Royalty percentage of any such insurance proceeds which are received by GRANTOR for such loss of production.

1.6 Payments of Royalty In Cash or In Kind. Royalty payments shall be made to NEWMONT as follows:

(a) **Royalty In Kind.** NEWMONT may elect to receive its Royalty on Precious Metals from the Property "in cash" or "in kind" as refined bullion. The elections may be exercised once per year on a calendar year basis during the life of production from the Property. Notice of election to receive the following year's Royalty for Precious Metals "in cash" or "in kind" shall be made in writing by NEWMONT and delivered to GRANTOR on or before November 1 of each year. In the event no written election is made, the Royalty for Precious Metals will continue to be paid to NEWMONT as it is then being paid. As of the Effective Date of this Agreement, NEWMONT elects to receive its Royalty on Precious Metals "in kind". Royalties on Other Minerals shall not be payable "in kind". (i) If NEWMONT elects to receive its Royalty for Precious Metals in "in kind", NEWMONT shall open a bullion storage account at each refinery or mint designated by GRANTOR as a possible recipient of refined bullion in which NEWMONT owns an interest. NEWMONT shall be solely responsible for all costs and liabilities associated with maintenance of such account or accounts, and GRANTOR shall not be required to bear any additional expense with respect to such "in-kind" payments. (ii) Royalty will be paid by the deposit of refined bullion into NEWMONT's account. On or before the 25th day of each calendar month following a calendar month during which production and sale or other disposition occurred, GRANTOR shall deliver written instructions to the mint or refinery, with a copy to NEWMONT directing the mint or refinery to deliver refined bullion due to NEWMONT in respect of the Royalty, by crediting to NEWMONT's account the number of ounces of refined bullion for which Royalty is due; provided, however, that the words "other disposition" as used in this Agreement shall not include processing, milling, beneficiation or refining losses of Precious Metals. The number of ounces of refined bullion to be credited will be based upon NEWMONT's share of the previous month's production and sale or other disposition as calculated pursuant to the commingling provisions of section 1.9. (iii) Royalty payable "in kind" on silver or platinum group metals shall be converted to the gold equivalent of such silver or platinum group metals by using the average monthly spot prices reported for Precious Metals described in section 1.2. (iv) Title to refined bullion delivered to NEWMONT under this Agreement shall pass to NEWMONT at the time such bullion is credited to NEWMONT at the mint or refinery. (v) NEWMONT agrees to hold harmless GRANTOR from any liability imposed as a result of the election of NEWMONT to receive Royalty "in kind" and from any losses incurred as a result of NEWMONT's trading and hedging activities. NEWMONT assumes all responsibility for any shortages which occur as a result of NEWMONT's anticipation of credits to its account in advance of an actual deposit or credit to its account by a refiner or mint. (vi) When royalties are paid in "in kind", they will not reflect the costs deductible in calculating Net Smelter Returns under this Agreement. Within thirty (30) days of the receipt of a statement showing charges incurred by GRANTOR for transportation, smelting or other deductible costs, NEWMONT shall remit to GRANTOR full payment for such charges. If NEWMONT does not pay such charges when due, GRANTOR shall have the right, at its election, with NEWMONT's consent, such consent not to be unreasonably withheld, to deduct the gold equivalent of such charges from the ounces of gold bullion to be credited to NEWMONT in the following month.

(b) **In Cash.** If NEWMONT elects to receive its Royalty for Precious Metals in cash, and as to Royalty payable on Other Minerals, payments shall be payable on or before the twenty-fifth (25th) day of the month following the calendar month in which the minerals subject to the Royalty were shipped to the Payor by GRANTOR. For purposes of calculating the cash amount due to NEWMONT, Precious Metals and Other Minerals will be deemed to have been sold or otherwise disposed of at the time refined production from the Property is delivered, made available, or credited to GRANTOR by a mint or refiner. The price used for calculating the cash amount due for Royalty on Precious Metals or Other Minerals shall be determined in accordance with section 1.2 and section 1.4 as applicable.

GRANTOR shall make each Royalty payment to be paid in cash by delivery of a check payable to NEWMONT and delivering such check to NEWMONT at the address listed in this Agreement, or to such other address as NEWMONT may direct or by direct bank deposit to NEWMONT's account as NEWMONT shall designate. Should default be made in any cash payment when due for Royalty and such default still exists ten (10) days following notice of non-payment, then all unpaid amounts shall bear interest at the rate of fifteen percent (15%) per annum commencing from and after such payment due date until paid.

(c) Detailed Statement. All Royalty payments or credits shall be accompanied by a detailed statement explaining the calculation thereof together with any available settlement sheets from the Payor.

1.7 Monthly Reconciliation. (a) On or before the twenty-fifth (25th) day of the month, GRANTOR shall make an interim settlement based on the information then available of such Royalty for the prior calendar month, either "in cash" or "in kind", whichever is applicable, by paying (i) not less than one hundred percent (100%) of the anticipated final settlement of Precious Metals "in kind" Royalty payments and (ii) not less than ninety-five percent (95%) of the anticipated final settlement of cash Royalty payments. (b) The Parties recognize that a period of time exists between the production of ore, the production of doré or concentrates from ore, the production of refined or finished product from doré or concentrates, and the receipt of Payor's statements for refined or finished product. As a result, the payment of Royalty will not coincide exactly with the actual amount of refined or finished product produced from the Property for the previous month. GRANTOR will provide final reconciliation promptly after settlement is reached with the Payor for all lots sold or subject to other disposition in any particular month. (c) In the event that NEWMONT has been underpaid for any provisional payment (whether "in cash" or "in kind"), GRANTOR shall pay the difference "in cash" by check and not "in kind" with such payment being made at the time of the final reconciliation. If NEWMONT has been overpaid in the previous calendar month, NEWMONT shall make a payment to GRANTOR of the difference by check. Reconciliation payments shall be made on the same basis as used for the payment in cash pursuant to section 1.6(b) hereof.

1.8 Hedging Transactions. All profits and losses resulting from GRANTOR's sales of Precious Metals or Other Minerals, or GRANTOR's engaging in any commodity futures trading, option trading, or metals trading, or any combination thereof, and any other hedging transactions including trading transactions designed to avoid losses and obtain possible gains due to metal price fluctuations (collectively, "Hedging Transactions") are specifically excluded from Royalty calculations pursuant to this Agreement. All Hedging Transactions by GRANTOR and all profits or losses associated therewith, if any, shall be solely for GRANTOR's account. The Royalty payable on Precious Metals or Other Minerals subject to Hedging Transactions shall be determined as follows: (a) Affecting Precious Metals. The amount of Royalty to be paid on all Precious Metals subject to Hedging Transactions by GRANTOR shall be determined in the same manner as provided in section 1.2, with the understanding and agreement that the average monthly spot price shall be for the calendar month preceding the calendar month during which Precious Metals subject to Hedging Transactions are shipped by GRANTOR to the Payor. (b) Affecting Other Minerals. The amount of Royalty to be paid on all Other Minerals subject to Hedging Transactions by GRANTOR shall be determined in the same manner as provided in section 1.4, with the understanding and agreement that the average monthly spot price shall be for the calendar month preceding the calendar month during which Other Minerals subject to Hedging Transactions are shipped by GRANTOR to the Payor.

1.9 Commingling. GRANTOR shall have the right to commingle Precious Metals and Other Minerals from the Property with minerals from other properties. Before any Precious Metals or Other Minerals produced from the Property are commingled with minerals from other properties, the Precious Metals or Other Minerals produced from the Property shall be measured and sampled in accordance with sound mining and metallurgical practices for moisture, metal, commercial minerals and other appropriate content, applied on a consistent basis. Representative samples of the Precious Metals or Other Minerals shall be retained by GRANTOR and assays (including moisture and penalty substances) and other appropriate analyses of these samples shall be made before commingling to determine gross metal content of Precious Metals or gross metal or mineral content of Other Minerals. GRANTOR shall retain such analyses for a reasonable amount of time, but not less than

twenty four (24) months, after receipt by NEWMONT of the Royalty paid with respect to such commingled Minerals from the Property, and shall retain such samples taken from the Property for not less than thirty (30) days after collection.

2. Stockpiles and Tailings. All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively "Materials") resulting from GRANTOR's operations and activities on the Property shall be the sole property of GRANTOR, but shall remain subject to the Royalty should the Materials be processed or reprocessed, as the case may be, in the future and result in the production and sale or other disposition of Precious Metals or Other Minerals. Notwithstanding the foregoing, GRANTOR shall have the right to dispose of Materials from the Property on or off of the Property and to commingle the same (as provided herein) with materials from other properties. In the event Materials from the Property are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined on a pro rata basis as determined by using the best engineering and technical practices then available.

3. Term. The Royalty created hereby shall be perpetual, it being the intent of the Parties hereto that, to the extent allowed by law, the Royalty shall constitute a vested interest in and a covenant running with the land affecting the Property and all successions thereof whether created privately or through governmental action and shall, subject to the provisions of section 8.12, inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors and assigns so long as GRANTOR or any successor or assign of GRANTOR holds any rights or interests in the Property. In the event a court of competent jurisdiction determines that any right, power or interest of any Party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of twenty (20) years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the Effective Date of this Agreement. This Agreement shall not be terminated solely as a result of a violation of the rule against perpetuities.

4. After-Acquired Interest. If at any time GRANTOR or any Affiliate or successor or assignee of it stakes, applies for, and obtains or otherwise acquires, directly or indirectly, any right to or interest in any mining claim, license, lease, grant, concession, permit, patent, or other mineral property or other rights or interests located wholly or partly within the boundaries of the Property, such rights or interests shall thereafter become part of the Property. In the event GRANTOR or any Affiliate or any successor or assign of it surrenders, allows to lapse or otherwise terminates its interest in any portion or all the Property and within a period of five (5) years from the date of such surrender, lapse or other termination, reacquires a direct or indirect interest in respect of the land covered by the former Property, then the Royalty shall apply to such interest so acquired. GRANTOR shall give written notice to NEWMONT within ten (10) days of any acquisition or reacquisition of the Property.

6. Assumption of Liabilities; Indemnifications by GRANTOR. GRANTOR hereby assumes all right, title, interest and liabilities of NEWMONT in, to and under the Property, including but not limited to any and all environmental liabilities. Accordingly, GRANTOR shall be responsible for all costs, fines, damages, judgments, penalties or responsibilities (environmental and otherwise) in connection with the Property, its ownership and use of the Property and for any and all work performed in and on the Property, whether arising prior to or subsequent to the Effective Date. GRANTOR hereby indemnifies and saves harmless NEWMONT from any loss, cost or liability (including reasonable legal fees) arising from a claim against NEWMONT in respect of: (a) any failure by GRANTOR to timely and fully perform all reclamation, restoration, waste disposal or other closure obligations required by law or regulation, the terms and conditions of applicable licenses or by governmental authorities or otherwise to prevent liability in respect of all activities on the Property, whether arising prior to or subsequent to the Effective Date; (b) any failure or omission by GRANTOR which results in a violation of or liability under any present or future applicable federal, provincial, territorial or local environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licenses and other regulatory requirements, policies or guidelines in respect of all activities on the Property, whether arising prior to or subsequent to the Effective Date; and (c) any claims by third parties against NEWMONT in respect of property damage or injury or death to persons arising out of the activities on or with respect to the Property whether arising prior to or subsequent to the Effective Date.

6. Registration on Title. The Parties agree that following the Effective Date (a) NEWMONT may register or record against title to the Property this Agreement and such form of notice, caution or other document(s) including, without limitation, a collateral/mortgage of land or other security instruments as it considers appropriate to secure payment from time to time and protect NEWMONT's right to receive the Royalty or other sums due under this Agreement. The Parties hereby consent to such registering or recording and agree to co-operate with such Party to accomplish the same.

7. Reporting, Records and Audits, Inspections, New Resources or Reserves, Confidentiality and Press Releases.

7.1 Reporting. No later than March 1 of each year, GRANTOR shall provide to NEWMONT with an annual report of activities and operations conducted with respect to the Property during the preceding calendar year, and from time to time shall provide such additional information as NEWMONT may reasonably request. Such annual report shall include details of: (a) the preceding year's activities with respect to the Property; (b) ore reserve data for the calendar year just ended; and (c) estimates of anticipated production and estimated remaining ore reserves with respect to proposed activities for the Property for the current calendar year.

7.2 Records and Audits. NEWMONT shall have the right, upon reasonable notice to GRANTOR, to inspect and copy all books, records, technical data, information and materials (the "Data") pertaining to GRANTOR's activities with respect to the Property; provided that such inspections shall not unreasonably interfere with GRANTOR's activities with respect to the Property. GRANTOR makes no representations or warranties to NEWMONT concerning any of the Data or any information contained in the annual reports, and NEWMONT agrees that if it elects to rely on any such Data or information, it does so at its sole risk. If any such audit or inspection reveals that Royalty payments for any calendar year are underpaid by more than four percent (4%), GRANTOR shall reimburse NEWMONT for its reasonable costs incurred in such audit or inspection. NEWMONT shall be entitled to enter the mine workings and structures on the Property at reasonable times upon reasonable advance notice for inspection thereof, but NEWMONT shall so enter at its own risk and shall indemnify and hold GRANTOR and its Affiliates harmless against and from any and all loss, costs, damage, liability and expense (including but not limited to reasonable attorneys' fees and costs) by reason of injury to NEWMONT or its agents or representatives or damage to or destruction of any property of NEWMONT or its agents or representatives while on the Property on or in such mine workings and structures, unless such injury, damage, or destruction is a result, in whole or in part, of the negligence of GRANTOR.

7.3 New Resources or Reserves. If GRANTOR establishes a mineral resource or mineral reserve on any of the Property, GRANTOR shall provide to NEWMONT the amount of such resource or reserve as soon as practicable after GRANTOR makes a public declaration with respect to the establishment thereof.

7.4 Confidentiality. NEWMONT shall not, without the prior written consent of GRANTOR, which shall not be unreasonably delayed or withheld, knowingly disclose to any third party data or information obtained pursuant to this Agreement which is not generally available to the public; provided, however, NEWMONT may disclose data or information so obtained without the consent of GRANTOR: (a) if required for compliance with laws, rules, regulations or orders of a governmental agency or stock exchange; (b) to any of NEWMONT's consultants or advisors; (c) to any third party to whom NEWMONT, in good faith, anticipates selling or assigning NEWMONT's interest in the Property; and (d) to a prospective lender, provided that such consultants, third parties or lenders first sign a confidentiality agreement with NEWMONT; or (e) to a third party to which a Party or its parent company contemplates a transfer to, or a merger, amalgamation or other corporate reorganization with, provided however, that any such third party to whom disclosure is made has a legitimate business need to know the disclosed information, and shall first agree in writing to protect the confidential nature of such information to the same extent NEWMONT is obligated under this section.

7.5 Press Releases. A Party desiring to make a disclosure, statement or press release concerning this Agreement or the Purchase and Sale Agreement shall first consult with the other Party prior to

making such disclosure, statement or press release, and the Parties shall use all reasonable efforts, acting expediently and in good faith, to agree upon a text for such statement or press release which is satisfactory to all Parties. Subject to its rights and obligations regarding confidentiality under section 7.4, NEWMONT shall not issue any press release containing technical information relating to the Property except upon giving GRANTOR two (2) days advance written notice of the contents thereof, and NEWMONT shall make any reasonable changes to such proposed press release as such changes may be timely requested by GRANTOR, provided, however, NEWMONT may include in any press release without notice any information previously reported by GRANTOR or NEWMONT. A Party shall not, without the consent of the other Party, issue any press release that implies or infers that the non-issuing Party endorses or joins the issuing Party in statements or representations contained in any press release.

8. General Provisions.

8.1 Amendment. This Agreement may be amended, modified or supplemented only by a written agreement signed by each Party.

8.2 Waiver of Rights. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

8.3 Applicable Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario, Canada and the federal laws of Canada applicable therein.

8.4 Dispute Resolution. (a) Any dispute, controversy or claim arising out of, in relation to or in connection with this Agreement, including any dispute as to the validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled by binding arbitration before a single qualified arbitrator appointed upon the unanimous agreement of the Parties and conducted in accordance with the Arbitration Act, 1991 (Ontario). The arbitrator shall be knowledgeable about the matter being arbitrated. The decision rendered by the arbitrator may be entered into any court. Each Party shall pay their own fees and expenses (and shall pay their own attorneys' fees and expenses) related to the arbitration, regardless of how the arbitrated issue is decided. The Parties covenant that they shall conduct all aspects of such arbitration having regard at all times to minimizing the cost and expediting the final resolution of such arbitration. Arbitration shall be conducted in English, in Toronto, Canada. (b) If, for the purposes of obtaining judgment in any court in Canada, it becomes necessary to convert into Canadian dollars ("Judgment Currency") an amount due in United States dollars hereunder ("Original Currency") then the conversion shall be made at the Rate of Exchange prevailing on the business day before the day on which the judgment is given. If there is a change in the Rate of Exchange prevailing between the business day before the day on which the judgment is due, the paying Party will pay such additional amounts (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency when converted at the Rate of Exchange prevailing on the date of payment will produce the amount then due under this Agreement in the Original Currency and such additional amount shall bear interest, from the date same become due, at the rate of fifteen percent (15%) per annum. "Rate of Exchange" means the spot rate at which the Party who is the payee is able on the relevant date to purchase Original Currency with Judgment Currency and includes any premium and costs of exchange.

8.5 Compliance with Laws. GRANTOR shall at all times comply with all applicable federal, provincial, and local laws, statutes, rules, regulations, permits, ordinances, certificates, licenses and other regulatory requirements, policies and guidelines relating to operations and activities on or with respect to the Property; provided, however, GRANTOR shall have the right to contest any of the same if such contest does not jeopardize the Property or NEWMONT's rights thereto or under this Agreement.

8.6 GRANTOR to Bear Solely All Costs and Obligations. Commencing from and after the Effective Date GRANTOR has agreed to be solely responsible for its own account all costs and obligations pertaining to or associated with the Property.

8.7 Currency. Unless specified otherwise, all statements of or references to dollar amounts in this Agreement are to lawful money of Canada.

8.8 No Joint Venture, Mining Partnership, Commercial Partnership. This Agreement shall not be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between or among GRANTOR and NEWMONT.

8.9 Time. Time is of the essence of each provision of this Agreement.

8.10 Definitions. In this Agreement and the Schedule(s) attached to this Agreement the following terms shall have the following meanings:

"**Affiliate**" shall have the meaning ascribed to that term by the Canada Business Corporations Act on the date hereof.

"**Agreement**" means this Royalty Agreement.

"**Applicable Spot Price**" means as described in section 1.2.

"**Beneficiated Precious Metals**" means as described in section 1.2.

"**Business Day**" means any calendar day other than a Saturday or Sunday or any statutory holiday or civic holiday in the Province of Ontario.

"**Data**" means as described in section 7.2.

"**Effective Date**" means the date specified on the top of page one of this Agreement.

"**GRANTOR**" shall include, to the extent applicable in the circumstances, all of GRANTOR's successors-in-interest, including without limitation assignees, partners, joint venture partners, lessees, and when applicable mortgagees and Affiliates having or claiming an interest in the Property.

"**Hedging Transactions**" means as described in section 1.8.

"**Judgment Currency**" means Canadian currency.

"**Materials**" means as described in section 2.

"**Minerals**" means as described in section 1.1.

"**Monthly Production**" means as described in section 1.2.

"**NEWMONT**" shall include, to the extent applicable in the circumstances, all of NEWMONT's successors-in-interest, including without limitation assignees, partners, joint venture partners, lessees, and when applicable mortgagees and Affiliates having or claiming an interest in the Property.

"**Net Smelter Returns**" means as described in section 1.2 and section 1.4, as applicable.

"**notice**" means as described in section 8.11.

"**Original Currency**" means United States currency.

"**Other Mineral(s)**" means as described in section 1.4.

"Parties" means NEWMONT and GRANTOR collectively.

"Party" means either of the Parties individually.

"Payer" means as described in section 1.2.

"Precious Metals" means as described in section 1.2.

"Property" means all right, title and interest of NEWMONT now held or hereinafter acquired by GRANTOR in and to the property described in attached Schedule "A" including without limitation any amendments, supplements, renewals and replacements thereof.

"Rate of Exchange" means the spot rate at which a Party is able on the relevant date to purchase Original Currency with Judgment Currency and includes any premium and costs of exchange as described in section 8.4.

"Royalty" means the Net Smelter Returns royalty stipulated in section 1.1.

"Royalty Agreement" means this Agreement and all amendments, modifications and supplements thereto.

"Transmission" means as described in section 8.11.

8.11 Notices. (a) Any notice, demand or other communication (in this section, a "notice") required or permitted to be given or made hereunder shall be in writing and shall be sufficiently given or made if: (i) delivered in person during normal business hours of the recipient on a Business Day and left with a receptionist or other responsible employee of the recipient at the applicable address first set forth in this Agreement; or (ii) sent by facsimile transmission (a "Transmission") during normal business hours on a Business Day charges prepaid and confirmed by regular mail at the address first set forth in this Agreement; and (b) each notice sent in accordance with this section shall be deemed to have been received: (i) on the day it was delivered; or on the same day that it was sent by fax transmission, or (ii) on the first Business Day thereafter if the day on which it was sent by fax transmission was not a Business Day. The notice addresses for the Parties are set out on page one of this Agreement. A Party may change its address for notice by giving notice to the other Party in accordance with this section. Notice to NEWMONT shall additionally be sent to Newmont Mining Corporation, 1700 Lincoln Street, Denver, Colorado 80203 U.S.A., Attention: Land Dept., Facsimile: 303.837.5851.

8.12 Assignment. Except as otherwise provided in this Agreement, GRANTOR may assign, transfer, convey or otherwise dispose of its rights, interests and obligations under this Agreement; provided, however, any option, joint-venture, assignment, transfer, conveyance or other disposition by GRANTOR of its rights and interests in or with respect to the Property or this Agreement shall be void unless the proposed assignee has first agreed in writing with NEWMONT to observe and be bound by all of the provisions of this Agreement with respect to the rights, interests and obligations being assigned to or assumed by the assignee in the place and stead of GRANTOR and only subsequent to the signing of a definitive agreement as between such assignee and NEWMONT shall GRANTOR be relieved or discharged from the Purchase and Sale Agreement and this Agreement in respect thereof. GRANTOR shall not be relieved or discharged from this Agreement and the Purchase and Sale Agreement in respect of any rights, interests or obligations of GRANTOR in or with respect to this Agreement or the Purchase and Sale Agreement which are not assigned or assumed in accordance with the foregoing and NEWMONT may continue to look to GRANTOR for performance with respect thereto. NEWMONT shall have the unrestricted right, in its sole and absolute discretion, to assign, transfer, convey, or relinquish any of its rights or interests with respect to the Property, including the Royalty at any time.

8.13 Maintenance of the Property. GRANTOR shall pay all governmental taxes, duties or other payments, make any minimum investments required by law, perform all acts and comply with all

obligations under applicable law required to maintain the Property (excluding those portions of the Property previously abandoned by it as provided in this section) in good standing. At any time and from time to time, GRANTOR may elect to abandon any part or parts of the Property by giving notice to NEWMONT of such election not less than thirty (30) days prior to the proposed date of abandonment. The notice shall identify the portion of the Property which is proposed to be abandoned. Upon expiry of such thirty (30) day period, GRANTOR's obligations hereunder in respect of such abandoned interests shall terminate and thereafter the term "Property" as used in this Agreement will apply to those interests comprising the Property which have not been abandoned by GRANTOR. If requested by NEWMONT GRANTOR shall execute documents transferring to NEWMONT title to any part or parts of the Property which GRANTOR is abandoning.

8.14 Further Assurances. The Parties promptly shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the purposes of this Agreement.

8.15 Entire Agreement. This Agreement together with the corresponding Purchase and Sale Agreement and the Closing Documents (as described in the Purchase and Sale Agreement) constitute the entire agreement between the Parties with respect to the subject matter hereof.

8.16 English Language. The Parties hereto expressly declare that they require this Agreement, and all documents and notices relating thereto, to be drafted and written solely in the English language. Les Parties déclarent expressément qu'elles exigent que ce contrat, ainsi que tous les documents et avis s'y rapportant, soient rédigés et écrits exclusivement en anglais.

8.17 Counterparts. This Agreement may be executed in any number of counterparts, and it shall not be necessary that the signatures of the Parties be contained on any counterpart. Each counterpart shall be deemed an original, but all counterparts together shall constitute one and the same instrument.

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

WOLF DEN RESOURCES INC.
By: [Signature]
Title: PRESIDENT
Date: Nov. 7 / 02
Its Authorized Representative
[SEAL]

NEWMONT CANADA LIMITED
By: [Signature]
Title: Vice President
Date: SEPT 30, 2002
Its Authorized Representative
[SEAL]



SCHEDULE "C"

Net Profits Royalty Interest

Calculation and Payment of Net Profits Royalty Interest

- I. Upon the commencement of Commercial Production (as hereinafter defined), Wolfden shall receive 7.5% of the Net Profits (as hereinafter calculated) from the sale of ores, minerals and materials mined and marketed by the Operator, as hereinafter defined, from the Property.
 - a. "Commercial Production" shall mean the milling, or leaching, and sale of ores and concentrates which result from ore extracted from the Property, but will not include milling or leaching for the purpose of testing by a pilot plant or during an initial tune up period of a plant. The Property or any part thereof will be deemed, for all purposes of this Agreement, to have been placed in Commercial Production when, if there is a concentrator or other mill ("Concentrator") on the Property, or any part thereof, such Concentrator has for the first time operated at 60% of its rated concentrating capacity for 30 out of 40 consecutive days, or if there is no such concentrator, Ore from the Property or any part thereof has been shipped therefrom on a reasonably regular basis for a 30 day period for the purpose of earning revenues, but in any event the Property will be deemed to have been placed in Commercial Production 90 days after Ore has first been shipped from the Property for the purpose of earning revenues.
 - b. "Gross Revenue" for any period shall mean the revenue received by the Operator in the particular period from the Sale of Product.
 - c. "Net Profit Interest" shall mean the Gross Revenue received in that period less the cumulative costs paid by the Operator (excluding exploration and development expenses incurred pursuant to this Agreement), its successors and assigns in the exploration, development and operation of the Property. Such costs which may have been incurred prior to or subsequent to the date of commencement of Commercial Production shall, without limiting the generality of the foregoing, include:
 - i. all capital costs associated with the bringing in Commercial Production of the Property;
 - ii. custom smelting costs, treatment charges and penalties including, but not

This is **Exhibit "B"** referred to in the Affidavit of Jennifer Alambre made before me at Vancouver, British Columbia, this 18th day of May, 2023.



A Commissioner for the taking of Affidavits for
British Columbia

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made effective the 16 day of January, 2012 (the "Effective Date")

BETWEEN:

PREMIER GOLD MINES LIMITED, a corporation validly existing under the laws of Ontario and having an office at Suite 401 - 1113 Jads Court, Thunder Bay, Ontario P7B 6M7

("Premier")

AND:

SABINA GOLD & SILVER CORP., a company validly existing under the laws of British Columbia and having an office at Suite 202, 930 West 1st Street, North Vancouver, British Columbia V7P 3N4

("Sabina")

WITNESSES THAT WHEREAS:

A. Sabina and Premier are parties to a joint venture (the "Joint Venture") pursuant to a joint venture agreement dated June 8, 2010 (the "JV Agreement") in respect of the Properties (as such term is defined in the JV Agreement) and as more particularly described in Schedule "B" attached hereto (the "Properties");

B. By a Letter of Offer dated October 4, 2011, Mega Precious Metals Inc. ("Mega") offered to purchase all of Premier's interest in and to the Joint Venture (the "Mega Offer") and Premier has advised Sabina of its intention to accept the Mega Offer subject to the requirements of the JV Agreement;

C. Pursuant to Article 19 of the JV Agreement, Sabina has exercised its right of first refusal in respect of the Mega Offer and to acquire the entire right, title and interest of Premier in, to and under the JV Agreement including the Interest (as such term is defined in the JV Agreement) of Premier (collectively, "Premier's Interest") pursuant to the terms of this Agreement; and

D. As at the Effective Date, Premier holds a 50% interest in the Joint Venture.

NOW THEREFORE IN CONSIDERATION of this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. INTERPRETATION

1.1 Unless otherwise defined herein, each capitalized term used herein has the meaning ascribed to it in the JV Agreement.

1.2 In this Agreement the following words have the meanings indicated:

- (a) "Agreement" means this agreement, including its recitals and schedules, as the same may be amended, supplemented or replaced from time to time;
- (b) "Applicable Law" means any federal, provincial or municipal statute, law (including the common law), ordinance, rule, regulation, restriction, regulatory policy or guideline, by-

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law (zoning or otherwise), or order, or any consent, exemption, approval or licence of any Governmental Authority, that applies in whole or in part to Premier Sabina, the business of the Joint Venture or the way such business is carried on, or to the Properties, and includes Environmental Laws;

- (c) "Closing" means the completion of the transaction that is the subject of this Agreement;
- (d) "Closing Date" means the second business day after the satisfaction of the conditions precedent in Article 5, or such earlier or later date to which the parties may agree in writing;
- (e) "Encumbrance" means any mortgage, lien, pledge, charge, encumbrance, royalty, hypothecation, assignment, licence, option or right to acquire or any other third person claim or security interest of any nature, regardless of the form, whether or not negotiated or registrable and whether or not consensual or arising by law (statutory or otherwise) or any other right or claim of others of any kind whatever affecting Premier's Interest, or the use thereof and any rights or privileges capable of becoming any of the foregoing;
- (f) "Environmental Laws" means any law with respect to environmental protection or regulating Hazardous Materials or which regulates or provides for liabilities with respect to pollution, the release into the environment of, or the exposure to, Hazardous Materials as such laws existed from time to time at the applicable time, that applies in whole or in part to Sabina, Premier, the business of the Joint Venture or the way such business is conducted, or to any of the permits that constitute the Properties;
- (g) "Governmental Authority" means any federal, provincial or municipal government and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever;
- (h) "Hazardous Materials" means any explosive, radioactive materials, asbestos material, urea formaldehyde, hydrocarbon contaminants, underground tanks, pollutants, contaminants, hazardous, corrosive or toxic substance or special waste of any kind, including without limitation, compounds known as chlorobiphenyls, and any substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is prohibited, regulated or licensed under any Environmental Laws;
- (i) "Mega Agreement" means the definitive acquisition agreement made as of May 22, 2009 among Skybridge Development Corp. (now Mega), Premier and Sabina;
- (j) "Mega NSR" means the aggregate 1% net smelter return royalty granted by Mega to Premier and Sabina on certain of the Properties on the terms and conditions set out in the Mega Agreement, which is payable 50% to Sabina and 50% to Premier;
- (k) "Person" includes an individual, a partnership, a corporation, a joint venture, a trust, an unincorporated association or governmental agency or political subdivision thereof or any other legal entity or form of association; and
- (l) "Purchase Price" has the meaning set out in Section 2.2.

1.3. Each capitalized term not defined in Section 1.1 has the meaning ascribed to that term elsewhere in this Agreement.

1.4. In this Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

- (a) words in the singular include the plural and vice versa and words in a particular gender include all genders;
- (b) all references to "Sections", "subsections", "subparagraphs" and "Schedules" are to the sections, subsections and subparagraphs contained in, and schedules attached to and forming part of, this Agreement;
- (c) all references to currency, "\$" or "dollars" are references to Canadian dollars; and
- (d) a business day is any day that is not a Saturday, Sunday or a statutory holiday in British Columbia or Ontario.

1.5. The following attached schedules are part of this Agreement:

Schedule "A" Form of Royalty Agreement.

Schedule "B" Properties.

2. PURCHASE AND SALE, AND PURCHASE PRICE

2.1. **Purchase and Sale.** Upon and subject to the terms and conditions of this Agreement, effective on and as of the Closing, Premier hereby sells, grants, assigns and conveys to Sabina, and Sabina hereby purchases Premier's interest free and clear of all Encumbrances, in consideration for the payment of the Purchase Price by Sabina to Premier. On Closing, upon payment of the Purchase Price by Sabina to Premier, the purchase of Premier's Interest will be deemed to have been completed and all right, title, benefit and interest, both at law and equity, in and to Premier's Interest, will be conclusively deemed to have been transferred to and become vested in Sabina and Premier shall have no further right, title, benefit and interest, both at law and in equity, in and to Premier's Interest, the Joint Venture and the Properties other than the Royalty (as hereinafter defined) granted to Premier pursuant to Section 3.2 and 50% of the Mega NSR.

2.2. **Payment of Purchase Price.** On Closing Sabina shall:

- (a) pay to Premier a total of \$500,000 (which amount shall include the Deposit (as defined in Section 2.4) paid by Sabina pursuant to Section 2.4) subject to the usual and customary adjustments (the "Cash Portion of the Purchase Price"); and
- (b) grant to Premier a 0.50% net smelter return royalty (the "Royalty") on the Properties on the terms and conditions set out in the Royalty Agreement attached as Schedule "A" hereto;

(collectively the "Purchase Price").

2.3. Following Closing, Sabina will have a 100% Interest under the JV Agreement and consequently, the JV Agreement will terminate in accordance with Section 24.1 of the JV Agreement, except for such provisions of or obligations under the JV Agreement that were intended to continue after such termination, including, without limitation, the indemnities in Section 25.2 of the JV Agreement.

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2.4. No later than five calendar days after Premier's execution and delivery of this Agreement to Sabina, Sabina shall deliver to Fraser Milner Casgrain LLP, legal counsel to Premier, in trust, by wire transfer the amount of \$50,000 to serve as earnest money under this Agreement (the "Deposit"). The Deposit shall be applied to the Cash Portion of the Purchase Price to be paid by Sabina pursuant to Section 2.2 and will be released to Premier at the Closing or will become (i) the property of Sabina if the conditions precedent set forth in Section 5.1 are not satisfied or waived by the Drop Date (as defined in Section 6.1), or (ii) the property of Premier if the conditions precedent set forth in Section 5.2 are not satisfied or waived by the Drop Date.

2.5. From the Closing, Sabina shall assume and be bound by and liable and responsible for, and undertake to discharge, perform and fulfill, all liabilities, duties and obligations of Premier relating to the Properties in each case irrespective of whether they exist or arise prior to or on or after the Closing (collectively the "Assumed Liabilities"), except for the Excluded Liabilities (as defined in Section 4.1).

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1. **Representations and Warranties of Premier.** Premier hereby represents and warrants to, and covenants with, Sabina (and acknowledges that Sabina is relying on such representations, warranties and covenants in entering into this Agreement and in performing its obligations hereunder) that on the Effective Date and as at the Closing Date:

- (a) Premier is a validly existing corporation and is in good standing under the laws of Ontario;
- (b) Premier has full power, capacity and authority to enter into and to perform its obligations under this Agreement and has taken all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement;
- (c) Premier has duly executed and delivered this Agreement, and this Agreement is valid and binding upon Premier, and enforceable in accordance with its terms, except to the extent that such enforcement may be limited by laws pertaining to debtors' and creditors' remedies generally and by the discretionary nature of equitable remedies;
- (d) to the best of its knowledge, after due inquiry, the execution and delivery of this Agreement and the performance of its obligations under this Agreement will not:
 - (i) conflict with, or result in the breach of, or constitute a default under, the constituting documents of Premier or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever (including the Mega Offer) to which Premier is a party or by which it is bound; or
 - (ii) result in the violation of any Applicable Law by Premier;
- (e) Premier is the sole legal and beneficial owner of Premier's Interest free and clear of all Encumbrances which is as set out in Recital D and Schedule "B" hereto;
- (f) Premier is not a party to any outstanding agreement or option whereby a third party could acquire or purchase, in whole or in part, Premier's Interest;
- (g) other than as disclosed in this Agreement, no Person has any proprietary or possessory interest in Premier's Interest;

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- (h) Premier has not alienated Premier's Interest or any portion thereof or, to the knowledge of Premier, has Premier committed any act or omission whereby Premier's Interest may be cancelled, terminated, surrendered, forfeited, alienated, or otherwise subject to reduction of penalty;
- (i) Premier is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (j) to the knowledge of Premier there is no:
- (i) claim, demand, suit, action, cause of action, dispute, proceeding, litigation, investigation, grievance, arbitration, governmental proceeding or other proceeding including appeals and applications for review, in progress against, by or relating to Premier affecting Premier's Interest or, to Premier's knowledge, are any of the same pending; or
 - (ii) order of any Governmental Authority against Premier at present outstanding or pending that materially and adversely affects Premier's Interest in any way or that in any way relates to this Agreement or Premier's capacity to consummate the transactions contemplated hereby;
- (k) Premier has not entered into any material agreements in connection with the Properties, other than the Mega Agreement, (and for greater certainty, after the Effective Date Premier will have no right, title or interest in any consideration to be paid or issued by Mega, if any, under the Mega Agreement after the Effective Date, all of which will be payable or issuable to Sabina, other than the Mega NSR which shall be payable 50% to Sabina and 50% to Premier), and has not made any material commitment in respect to the Properties; and
- (l) Premier is not aware of any material fact or circumstance which has not been disclosed to Sabina that should be disclosed in order to prevent the representations and warranties in this Section 3.1 from being misleading.

3.2 **Representations and Warranties of Sabina.** Sabina hereby represents and warrants to, and covenants with Premier (and acknowledges that Premier is relying on such representations, warranties and covenants in entering into this Agreement and in performing its obligations hereunder) that on the Effective Date and at the Closing Date:

- (a) Sabina is a validly existing corporation and is in good standing under the laws of British Columbia;
- (b) Sabina has full power, capacity and authority to enter into and to perform its obligations under this Agreement and has taken all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement;
- (c) Sabina will not breach any other agreement or obligation by entering into or performing its obligations under this Agreement;
- (d) Sabina has duly executed and delivered this Agreement and this Agreement is valid and binding upon Sabina, and enforceable in accordance with its terms, save as such enforcement may be limited by laws pertaining to debtors' and creditors' remedies generally and the discretionary nature of equitable remedies;

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- (e) to the best of its knowledge, after due inquiry, the execution and delivery of this Agreement and the performance of its obligations under this Agreement will not:
- (i) conflict with, or result in the breach of, or constitute a default under, the constating documents of Sabina or any indenture, mortgage, agreement, lease, license or other instrument of any kind whatsoever to which Sabina is a party or by which it is bound; or
 - (ii) result in the violation of any Applicable Laws by Sabina; and
- (f) Sabina is not aware of any material fact or circumstance which has not been disclosed to Premier which should be disclosed in order to prevent the representations and warranties in this Section 3.2 from being misleading or which may be material in Premier's decision to enter this Agreement.

3.3 Survival of Representations and Warranties. Notwithstanding anything to the contrary contained in this Agreement, the representations and warranties contained herein, including Sections 3.1 and 3.2, and the indemnities contained in Article 4, to the extent such indemnities relate to such representations and warranties, shall continue and remain in full force and effect and shall survive until the second anniversary of the Closing Date.

3.4 Premier's Internal Covenants. Except to the extent otherwise provided for in this Agreement, Premier hereby covenants with and in favour of Sabina that Premier will (and to the extent that Premier has heretofore done so, Premier will continue to):

- (a) other than as contemplated by this Agreement or as Sabina first approves in writing, not:
 - (i) sell, dispose of, transfer, convey, surrender, release, abandon, alienate or create any Encumbrance on or in respect of the whole or any part of Premier's Interest; or
 - (ii) perform any acts or enter into any transaction or negotiation which interferes with or is inconsistent with the completion of the transaction contemplated hereby;
- (b) not do any act or thing that would render any representation or warranty of Premier contained in this Agreement, or any certificates or documents delivered by Premier pursuant to this Agreement, untrue or incorrect;
- (c) not enter into any agreement or arrangement, including but without limitation any lease, joint venture, or option, related to Premier's Interest;
- (d) obtain all necessary consents and approvals to carry out the transfer of Premier's Interest to Sabina as contemplated in this Agreement;
- (e) use its commercially reasonable efforts to provide to Sabina all such further documents, instruments and materials and do all such reasonable acts and things as may reasonably be required by Sabina to obtain all permits and approvals necessary for the completion of this Agreement; and
- (f) use its commercially reasonable efforts to do all such other acts and things within its control as may be reasonably necessary or required of it in order to give effect to the

transactions contemplated by this Agreement, including taking all such actions required to comply with the relevant corporate and securities laws applicable to it.

3.5 **Sabina's Interim Covenants.** Except to the extent otherwise provided for in this Agreement, Sabina hereby covenants with and in favour of Premier that Sabina will (and to the extent that Sabina has heretofore done so, Sabina will continue to):

- (a) other than as contemplated by this Agreement or as Premier first approves in writing, not perform any acts or enter into any transaction or negotiation which interferes with or is inconsistent with the completion of the transaction contemplated hereby;
- (b) not do any act or thing that would render any representation or warranty of Sabina contained in this Agreement, or any certificates or documents delivered by Sabina pursuant to this Agreement, untrue or incorrect;
- (c) use its commercially reasonable efforts to obtain on or before the Closing Date an acknowledgement from Mega regarding the right of Premier to receive 50% of the Mega NSR; and
- (d) use its commercially reasonable efforts to do all such acts and things within its control as may be reasonably necessary or required of it in order to give effect to the transactions contemplated by this Agreement, including taking all such actions required to comply with the relevant corporate and securities laws applicable to it.

4. INDEMNITIES

4.1 **Indemnification by Premier.** Subject to Section 4.3, Premier agrees from and after the Closing Date to indemnify and save harmless Sabina and its directors, officers, employees and agents from and against any and all claims, judgments, liabilities, loss, cost, expense or damage of any kind or nature whatsoever (including reasonable legal costs on a solicitor and client basis) that Sabina suffers or incurs as a result of:

- (a) subject to Section 3.3, any misrepresentation or breach of any representation or warranty made or given by Premier in Section 3.1;
- (b) any failure by Premier to observe or perform any covenant or obligation to be performed by Premier contained in this Agreement; and
- (c) third party claims, including from any Governmental Authority, that relate directly or indirectly to Premier's Interest and that arise from or relate to acts, omissions, events or circumstances, including claims for breach of Environmental Laws, occurring during the period of October 31, 2004 to June 8, 2010. For greater certainty, this subsection 4.1(c) only applies to third party claims that relate to Premier's Interest that are commenced after the Closing Date but which arise from or relate to acts, omissions, events or circumstances that occurred during the period of October 31, 2004 to June 8, 2010;

all such claims, judgments, liabilities, loss, cost, expense or damage, collectively, the "Excluded Liabilities";

4.2 **Indemnification by Sabina.** Subject to Section 4.3, Sabina agrees from and after the Closing Date to indemnify and save harmless Premier and its directors, officers, employees and agents from and against any and all claims, judgments, liabilities, loss, cost, expense or damage, of any kind or

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nature whatsoever (including reasonable legal costs on a solicitor and client basis), that are suffered or incurred by Premier as a result of:

- (a) Subject to Section 3.1, any misrepresentation or breach of any representation or warranty made or given by Sabina in Section 3.2;
- (b) any failure by Sabina to observe or perform any covenant or obligation to be performed by Sabina contained in this Agreement;
- (c) any failure to assume or discharge, perform or fulfill any of the Assumed Liabilities; and
- (d) third party claims, including from any Governmental Authority, that relate directly or indirectly to the Properties (including Premier's Interest) and that arise from or relate to acts, omissions, events or circumstances, including claims for breach of Environmental Laws, occurring at any time before or after the Closing Date, other than any third party claim that relates to Premier's Interest that arises from or relates to acts, omissions, events or circumstances that occurred during the period of October 31, 2004 to June 8, 2010. For greater certainty, this subsection 4.2(d) does not apply to third party claims that relate to Premier's Interest that are commenced after the Closing Date but which arise from or relate to acts, omissions, events or circumstances that occurred during the period of October 31, 2004 to June 8, 2010.

4.3 Limitations. Except in respect of the indemnities set forth in subsections 4.1(c) and 4.2(d), no party shall have any obligation to indemnify the other party or parties to this Agreement for breach of a representation or warranty given in Article 3 or breach of a covenant given hereunder unless written notice of any such claims for indemnification with reasonable particulars shall have been provided to the indemnifying Party within 24 months from the Closing Date. The parties acknowledge and agree that an obligation under this Agreement to provide written notice of a claim for indemnification within 24 months from the Closing Date and in a manner specified under this Agreement is intended by the parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each party has agreed to assume in connection with the subject matter hereof.

5. CONDITIONS PRECEDENT

5.1 Conditions Precedent of Sabina:

- (a) The obligation of Sabina to purchase Premier's Interest as herein contemplated is subject to and conditional upon the following, any of which may be waived by Sabina:
 - (i) except as otherwise permitted or contemplated by this Agreement:
 - (A) all representations and warranties of Premier contained in this Agreement shall be true and correct on and as of the Closing Date in all material respects as if made as of the Closing Date; and
 - (B) Premier shall have performed all covenants and obligations and made all closing deliveries under subsections 6.3 and 6.5 required to be performed by it in the manner required hereunder on or prior to the Closing Date;
 - (ii) Sabina shall have satisfied itself as to the title to the Properties;

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- (iii) on the Closing Date, no suit, action or other proceeding shall be pending or threatened before any court or other governmental agency seeking to restrain or enjoin the consummation of the transactions contemplated hereby;
 - (iv) on the Closing Date, Premier shall not have received any notice of default in respect of the JV Agreement that has not been fully resolved;
 - (v) no law (whether by statute, regulation, by-law, rule or policy or otherwise) shall have been enacted or introduced which materially adversely affects or may materially adversely affect the right of Sabina to purchase Premier's Interest or the right of Sabina to enjoy the full benefit of ownership of Premier's Interest; and
 - (vi) all approvals, consents, exemptions and other authorizations and orders including, without limitation, the approval of any necessary Governmental Authority, with respect to the transfer of the Properties to Sabina and that are reasonably necessary for the purchase and sale of Premier's Interest, shall have been received on terms and conditions acceptable to Sabina, acting reasonably.
- (b) The conditions precedent in this Section 5.1 may be waived in whole or in part at the discretion of Sabina by delivering written notice thereof to Premier at or before the Closing. If any of such conditions precedent shall not be complied with or waived by Sabina at or before the Closing Date, Sabina may terminate this Agreement by written notice delivered to Premier at or prior to the Closing Date.

5.2

Conditions Precedent of Premier

- (a) The obligation of Premier to sell Premier's Interest as herein contemplated is subject to and conditional upon the following conditions, any of which may be waived by Premier:
 - (i) except as otherwise permitted or contemplated by this Agreement,
 - (A) all representations and warranties of Sabina contained in this Agreement shall be true and correct on and as of the Closing Date in all material respects as if made as of the Closing Date; and
 - (B) Sabina shall have performed all covenants and obligations and made all closing deliveries under subsections 6.4 and 6.5 required to be performed by it in the manner required hereunder on or prior to the Closing Date;
 - (ii) on the Closing Date, Premier shall not have received any notice of default in respect of the JV Agreement that has not been fully resolved;
 - (iii) on the Closing Date, no suit, action or other proceeding shall be pending or threatened before any court or other governmental agency seeking to restrain or enjoin the consummation of the transactions contemplated hereby;
 - (iv) no law (whether by statute, regulation, by-law, rule or policy or otherwise) shall have been enacted or introduced which materially adversely affects or may materially adversely affect the right of Premier to sell Premier's Interest; and

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- (v) all approvals, consents, exemptions and other authorizations and orders including, without limitation, the approval of any necessary Governmental Authority, with respect to the transfer of the Properties to Sabina and that are reasonably necessary for the purchase and sale of Premier's Interest, shall have been received on terms and conditions acceptable to Premier, acting reasonably.
- (b) The conditions precedent in this Section 5.2 may be waived in whole or in part at the discretion of Premier by delivering written notice thereof to Sabina at or before the Closing. If any of such conditions precedent shall not be complied with or waived by Premier at or before the Closing Date, Premier may terminate this Agreement by written notice delivered to each of Sabina at or prior to the Closing Date.

6. CLOSING AND CLOSING DELIVERIES:

6.1 **Deadline for Closing.** If the conditions precedent set forth in Sections 5.1 and 5.2 are not satisfied or waived on or before such date which is 30 days from the Effective Date (the "Drop Date"), or such other date as the parties may mutually agree to in writing, this Agreement shall terminate on written notice by either party to the other party, in which case this Agreement will be of no further force or effect.

6.2 **Closing.** If the conditions precedent set forth in subsection 5.1(a) have been complied with or duly waived by Sabina and the conditions precedent set forth in subsection 5.1(b) have been complied with or duly waived by Premier, the Closing shall take place at the offices of counsel to Sabina in Vancouver, British Columbia, or such other place as the parties may mutually agree, at 10:00 a.m. (Vancouver time) or such other time as the parties may mutually agree, on the Closing Date.

6.3 **Premier's Closing Deliveries.** At the Closing, Premier shall deliver or cause to be delivered to Sabina:

- (a) a certificate signed by a senior officer of Premier confirming that Premier's representations and warranties in Section 3.1 are true on Closing and all covenants and obligations of Premier have been complied with;
- (b) a statement of adjustments and undertaking to readjust;
- (c) evidence, satisfactory to Sabina, acting reasonably, of the approval of any necessary Governmental Authority to the transfer of Premier's Interest;
- (d) documents and instruments of transfer through the Teraview System as may be required to effectively transfer and register the transfer of Premier's Interest from Premier to Sabina;
- (e) a release by Premier of Sabina in connection with the liabilities, duties and obligations in connection with the operation of the Joint Venture and the ownership of the Properties (other than the Assumed Liabilities), in a form acceptable to Sabina; and
- (f) such documents as may be reasonably requested by Sabina or its legal representatives and can be reasonably delivered by Premier in connection with this Agreement.

6.4 **Sabina's Closing Deliveries.** At the Closing, Sabina shall deliver or cause to be delivered to Premier:

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- (a) a certificate signed by a senior officer of Sabina confirming that Sabina's representations and warranties in Section 3.2 are true on Closing;
- (b) a statement of adjustments and undertaking to readjust;
- (c) the Cash Portion of the Purchase Price (less the Deposit) in the form of cash, certified cheque, wire transfer, or in such other form as the parties may agree;
- (d) a release by Sabina of Premier in connection with the liabilities, duties and obligations in connection with the operation of the Joint Venture and the ownership of the Properties (other than the Excluded Liabilities), in a form acceptable to Premier;
- (e) an acknowledgement from Sabina regarding the right of Premier to receive 50% of the Mega NSR and, if Sabina is unable to obtain the acknowledgement from Mega pursuant to Section 3.5(c) hereof, confirming that if Sabina receives any payment from Mega representing 100% of the Mega NSR, 50% of such payment will be received in trust for, and will be paid over to, Premier forthwith upon receipt; and
- (f) such documents as may be reasonably requested by Premier or their legal representatives and can be reasonably delivered by Sabina in connection with this Agreement.

6.5 Joint Delivery. At the Closing, Sabina and Premier shall execute and deliver or cause to be delivered the Royalty Agreement, in substantially the form attached hereto as Schedule "A".

6.6 Judgment Award. Any judgment awarded as a result of any proceedings may be enforced in any court having jurisdiction over the parties or their assets.

6.7 Escrow. The Purchase Price and executed Royalty Agreement will be held in escrow pending the registration of the transfer of Premier's interest from Premier to Sabina in accordance with customary arrangements for real property transactions in Ontario.

7. CONFIDENTIAL NATURE OF INFORMATION

7.1 Reporting Issuers. The parties acknowledge that each of the parties is a reporting issuer, which is required by law and regulatory policy to disclose material changes in its affairs.

7.2 Public Statements. From the Effective Date until Closing the text of any voluntary public statements which a party wishes to make with respect to this Agreement, the Joint Venture or the Properties will be made available to the other party by notice at least 48 hours prior to release and the other party will have the right during such 48 hour period to make suggestions for changes therein. However, the text of any press release or other public statement which a party considers it is required by law to make with respect to this Agreement, the Joint Venture or the Properties or which is contained in any prospectus, statement of material facts, registration statement, management information circular or other similar document will be provided to the other party by notice at the time of or prior to publication or filing with the securities regulatory authorities or stock exchanges. No party will utilize the name of any other party in any press release without the consent of that party unless required by law.

8. NOTICE

8.1 Addresses for Notice. Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by the delivery of the same or by

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sending the same by facsimile, telecommunication or other similar form of communication, in each case addressed as follows:

(a) if to Sabina, at:

Sabina Gold & Silver Corporation
Suite 202, 930 West 1st Street
North Vancouver, British Columbia V7P 3N4
Fax No.: 604-998-4175
Attention: Chief Financial Officer

(b) if to Premier, at:

Premier Gold Mines Limited
Suite 401 - 1113 Jade Court
Thunder Bay, Ontario P7B 6M7
Fax No.: 807-346-0100
Attention: President

8.2 **Deemed Delivery.** Any notice, direction or other instrument aforesaid will, if delivered, be deemed to have been given and received on the day it was delivered and, if sent by facsimile or other form of telecommunication, be deemed to have been given or received on the day it was so sent.

9. GENERAL

9.1 **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.

9.2 **Further Assurances.** Each of the parties hereby agrees that it will execute all documents and do all acts and things within its reasonable power to carry out, implement and give effect to the provisions or intent of this Agreement.

9.3 **Time of Essence.** Time is of the essence of this Agreement.

9.4 **Expenses.** Each party shall bear its own expenses in connection with this Agreement.

9.5 **Enurement.** This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

9.6 **Governing Law.** This Agreement will be governed and interpreted in accordance with the laws of Ontario (except for its conflict of laws provisions) and the laws of Canada applicable therein. All actions arising from this Agreement will be commenced and prosecuted in the courts of Ontario, and the parties hereby attain to the jurisdiction thereof.

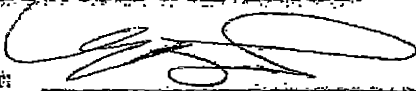
9.7 **Execution in Counterparts.** This Agreement may be signed by fax or electronic copy and in counterpart, and each copy so signed shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

9.8 **Planning Act.** This Agreement shall only create a binding agreement between the parties to the extent that the *Planning Act* (Ontario) has been complied with.

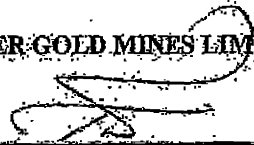
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IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

SABINA GOLD & SILVER CORP.


Per: _____
Authorized Signatory

PREMIER GOLD MINES LIMITED


Per: _____
Authorized Signatory

SCHEDULE "A"
FORM OF ROYALTY AGREEMENT

Claim Number	Pin Number
KRL 13060 - MR & SR	42010-0059
KRL 13061 - MR & SR	42010-0088
KRL 13062 - MR & SR	42010-0084
KRL 13069 - MR & SR	42010-0094
KRL 13241 - MR & SR	42010-0094
KRL 13242 - MR & SR	42010-0094
KRL 13243 - MR & SR	42010-0094
KRL 13244 - MR & SR	42010-0094
KRL 13255 - MR & SR	42010-0094
KRL 13554 - MR & SR	42010-0094
KRL 13659 - MR & SR	42010-0094
KRL 13660 - MR & SR	42010-0094
KRL 13068 - MR & SR	42010-0094
KRL 13062 - MR & SR	42010-0058
KRL 13083 - MR & SR	42010-0058
KRL 13084 - MR & SR	42010-0058
KRL 13254 - MR & SR	42010-0058
KRL 13275 - MR & SR	42010-0058
KRL 13476 - MR & SR	42010-0058
KRL 13477 - MR & SR	42010-0058
KRL 408 - MRO	42010-0023
KRL 409 - MR & SR	42010-0023
KRL 457 - MR & SR	42010-0023
KRL 458 - MRO	42010-0023
KRL 459 - MRO	42010-0023
KRL 460 - MRO	42010-0023
KRL 461 - MRO	42010-0023
KRL 1442 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1443 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1444 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1445 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1446 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1447 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1448 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1449 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1450 - MR & SR	(SR) 42010-0061 (MR) 42010-0060

SCHEDULE B
PROPERTIES

KRL 1451 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1452 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1476 - MR & SR	(SR) 42010-0061 (MR) 42010-0060

NOTES:

1. The following My-Rift claims are subject to a 3% NSR in favour of My-Rift Red Lake Gold Mines Ltd.: Patent #s KRL 403-410 and 456-461.

2. The following East My-Rift claims are subject to an option agreement in favour of Mega Precious Metals (formerly Skybridge Development Corp.) dated May 22, 2009 to acquire 100% of such properties: Patent #s KRL 403-406, 409, 410 and K1442 and 1443.

3. The following Nova-Co claims are subject to a 3% NSR in favour of Camp McManis Red Lake Gold Mine Ltd.: Patent #s K1444-1452 and K1476.

4. The following Newman Madsen claims are subject to a NSR in favour of Newmont Canada Ltd. of 1.3% up to the first 1 million ounces of equivalent gold production and 2% from and after 1 million ounces of gold equivalent production; Patent #s KRL 13060-13062, 13068, 13069, 13082-13084, 13241-13244, 13254, 13255, 13475-13477, 13554, 13659 and 13660.

- (b) "Commercial Production" means the commercial exploitation of Mineral Products from the Property, or any part, as a mine, but does not include milling for the purpose of testing or milling by a pilot plant, and Commercial Production shall be deemed to have commenced;
- (a) "Affiliate" has the meaning given to that term in the National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Regulators;

For the purposes of this Agreement

1. DEFINITIONS

NOW THEREFORE in consideration of the mutual promises and other good and valuable consideration (the receipt and sufficiency of which each party hereby acknowledges), the parties covenant and agree as follows:

Pursuant to the acquisition, Sabina has agreed to grant to Premier a 0.50% net smelter returns royalty (the "Royalty") in respect of the Properties (as defined in the JV Agreement) of the Joint Venture as at the date hereof as set out in Schedule "A" (the "Property") on the terms and conditions of this Agreement.

This Agreement is being entered into in connection with the acquisition (the "Acquisition") by Sabina of 100% of Premier's interest in and to a joint venture between Sabina and Premier pursuant to a joint venture agreement between Sabina and Premier dated June 8, 2010 (the "JV Agreement") including Premier's Interest (as defined in the JV Agreement).

WITNESSES THAT WHEREAS:

(hereinafter referred to as "Premier")

PREMIER GOLD MINES LIMITED, a corporation, validly existing under the laws of Ontario and having an office at Suite 401 - 1113 Jade Court, Thunder Bay, Ontario P7B 6M7

AND:

(hereinafter referred to as "Sabina")

SABINA GOLD & SILVER CORP., a company validly existing under the laws of British Columbia and having an office at Suite 202, 930 West 1st Street, North Vancouver, British Columbia V7P 3N4

BETWEEN:

THIS AGREEMENT made the _____ day of _____ 2012 (the "Agreement")

ROYALTY AGREEMENT

Schedule "A"
 (Purchase and Sale Agreement dated the 1st day of January, 2012)

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- (i) if a plant is located on the Property, on the first day following the first period of 30 consecutive days during which Mineral Products have been produced from the Property at an average rate not less than 70% of the initial design rated capacity of the Facilities; or
- (ii) if no plant is located on the Property, on the first day of the month following the first period of 15 consecutive days during which Mineral Products have been shipped from the Property on a reasonably regular basis for the purpose of earning revenue;
- (c) "Facilities" means all mines, plants and facilities including, without limitation, all pits, shafts, haulageways, and other underground workings, and all buildings, plants, facilities and other structures, fixtures and improvements, and all other property, whether fixed or moveable, as the same may exist at any time in, or on the Property and relating to the operation of the Property as a mine or outside the Property if for the exclusive benefit of the Property only;
- (d) "Gross Revenue" means the aggregate of the following amounts (without duplication) accruing in each quarterly period following commencement of Commercial Production:
- (i) subject to section 3.1, the actual revenue received by Sabina from arm's length purchasers of all Mineral Products;
- (ii) the fair market value of all Mineral Products sold by Sabina in such period to persons not dealing at arm's length with Sabina; and
- (iii) any proceeds of insurance on Mineral Products;
- (e) "Mineral Products" means ores, metals (metals shall include bullion or concentrates) derived from operating the Property as a mine to which has been applied the least number of treatments or processes necessary to render the minerals into a substance or state for which there is a commercially significant market of arm's length sales or purchases between unrelated parties;
- (f) "Net Smelter Returns" means the returns realized by Sabina as a result of the Property having been put into Commercial Production, calculated in accordance with section 2.2 hereof;
- (g) "operating the Property as a mine" or "operation of the Property as a mine" means any or all of the mining, milling, leaching, smelting, and refining of ores, minerals, metals or concentrates derived from the Property after commencement of Commercial Production; and
- (h) "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 Mineral Products from the Property in each quarterly period:
- (i) sales charges levied by any sales agent on the sale of Mineral Products;
- (ii) transportation costs for Mineral Products from the Property to the place of beneficiation, processing or treatment and thence to the place of delivery of

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Mineral Products to a purchaser thereof, including shipping, freight, handling and forwarding expenses;

- (iii) all costs, expenses, charges and penalties, if any, which are either paid or incurred by Sabina in connection with handling, storage, refinement or beneficiation of Mineral Products after leaving the Property, including all smelter and refinery charges and all weighing, sampling, assaying, representation and storage costs, metal losses and unripe charges, and any charges made by the purchaser of Mineral Products; and
- (iv) all insurance costs in accordance with industry standards on Mineral Products and any government royalties, production taxes, severance taxes and sales and other taxes levied on Mineral Products or on the production value thereof (other than income taxes of Sabina);

and, with respect to paragraph 1.1(b)(iii), in the event that refining or beneficiation is carried out in facilities owned or controlled, in whole or in part, by Sabina, then charges, costs and penalties for such refining or beneficiation shall mean the amount Sabina would have incurred if such refining or beneficiation were carried out at facilities not owned or controlled by Sabina, then offering comparable services for comparable products on prevailing terms, but in no event greater than actual costs incurred by Sabina with respect to such refining or beneficiation.

2. ROYALTY

- 2.1 If the Property is put into Commercial Production Sabina agrees, subject to the terms and conditions herein, to pay to Premier a royalty equal to 0.56% of Net Smelter Returns (the "Net Smelter Returns Royalty") as calculated in accordance with section 2.2 hereof. For greater certainty, Premier acknowledges and agrees that certain of the Properties are subject to an agreement dated May 22, 2009 among Skybridge Development Corp. (now Mega Precious Metals Inc.) ("Mega"), Sabina and Premier (the "Mega Agreement") pursuant to which Mega has an option to acquire 100% of such Properties and to the extent that Mega or its successors or assigns acquires any of the Properties pursuant to the Mega Agreement, such Properties shall not be subject to the Net Smelter Returns Royalty.
- 2.2 The Net Smelter Returns for the Property will be calculated on a calendar quarter basis and will be equal to Gross Revenue from the Property less Permissible Deductions for such quarter.
- 2.3 The Net Smelter Returns Royalty will be calculated and paid within 45 days after the end of each calendar quarter. Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "Statement") shall be submitted with the payment.
- 2.4 In the event that final information required for the calculation of the Net Smelter Returns Royalty is not available within the time period referred to in section 2.3, then provisional amounts will be estimated and the Net Smelter Returns Royalty paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the Net Smelter Returns Royalty payment of the succeeding quarter once a final calculation is completed.
- 2.5 Subject to the adjustment provisions above, all Net Smelter Returns Royalty payments will be considered final and in full satisfaction of all obligations of Sabina with respect thereto, unless Premier delivers to Sabina a written notice (an "Objection Notice") describing and setting forth a specific objection to the calculation thereof within sixty (60) days after receipt by Premier of a

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Statement or an adjustment to a Statement. If Premier objects to a particular Statement as herein provided, Premier will, for a period of sixty (60) days after Sabina's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have Sabina's accounts and records relating to the calculation of the Net Smelter Returns and the Net Smelter Returns Royalty in question audited. If such audit determines that there has been a deficiency or an excess in the payment made to Premier, such deficiency or excess will be resolved by adjusting the next quarterly Net Smelter Returns Royalty payment due hereunder. Premier will pay all the costs and expenses of such audit unless a deficiency of three (3%) percent or more of the amount due is determined to exist. Sabina will pay the costs and expenses of such audit if a deficiency of three (3%) percent or more of the amount due is determined to exist. All books and records used and kept by Sabina to calculate the Net Smelter Returns Royalty due hereunder will be kept in accordance with Canadian generally accepted accounting principles applicable to Sabina. Failure on the part of Premier to make a claim against Sabina in such sixty (60) day period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the statement and Net Smelter Returns Royalty payments for such quarter, and forever preclude the filing of exceptions thereto or making of claims thereon by Premier, provided that nothing herein will limit Premier's rights arising out of fraud or negligence of Sabina.

3. HEDGING

3.1 All profits and losses resulting from Sabina engaging in or entering into any off-take agreements, commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions, with respect to Mineral Products (collectively, "Hedging Transactions") are specifically excluded from calculations of the payments on account of the Net Smelter Returns Royalty pursuant to this Agreement (it being the intent of the parties that Sabina may engage in marketing activities in any manner it chooses and that Premier will not have any right to participate in such marketing activities or to share in any profits or losses therefrom). All Hedging Transactions by Sabina and all profits or losses associated therewith, if any, will be solely for Sabina's account. The amount of Gross Revenue derived from all Mineral Products subject to Hedging Transactions by Sabina will be determined pursuant to the provisions of this Section 3.1 and not Section 1.1(d)(i). As to Mineral Products subject to Hedging Transactions by Sabina, Gross Revenue will be determined without reference to Hedging Transactions and will be determined by using, (i) for gold, the quarterly average price of gold, which will be calculated by dividing the sum of all London Bullion Market Association P.M. Gold Fix prices reported for the calendar quarter in question by the number of days for which such prices were quoted, and (ii) for all other Mineral Products, the spot price or average price or a valuation, as applicable, estimated by a mutually agreeable trade association or marketing group or entity recognized within the applicable industry as being knowledgeable with respect to current marketing conditions for the applicable Mineral Products, less an amount reasonably equivalent to the Permissible Deductions. Any Mineral Products subject to Hedging Transactions will be deemed to be sold, and revenues received therefrom, only on the date of final settlement of the amount of refined Mineral Products allocated to the account of Sabina by a third party refinery in respect of such transactions. Furthermore, Sabina will have no obligation to fulfil any futures, contracts, forward sales, gold loans or other Hedging Transactions which Sabina or any of its Affiliates may hold with respect to Mineral Products.

4. COMINGLING

4.1 Sabina shall have the right to commingle for purposes of mining, milling, processing, storing, transporting, or selling any minerals produced from the Property or any portion thereof with any minerals produced from any other lands or units, provided that such commingling is accomplished only after the quantity, character and mineral content of such minerals have been

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determined or ascertained by sound assaying or engineering principles, consistently applied. An accurate record of the tonnage or volume of products and the analysis of minerals from each property going into such mixture shall be kept and made available to Premier at all reasonable times. The tonnage or volume of minerals produced, together with the analysis thereof, shall be used as the basis for computation of the Net Smelter Returns Royalty to be paid to Premier hereunder.

5. WITHHOLDING TAXES

- 5.1 Premier hereby authorizes Sabina, if necessary, to withhold from each and every payment of the Net Smelter Returns Royalty, all amounts as may be required to be withheld pursuant to applicable taxation legislation, provided that Sabina and Premier will co-operate as necessary to minimize any such required withholding. All amounts withheld and remitted by Sabina will be deemed to have been paid to Premier on account of the Net Smelter Returns Royalty payable.

6. CONDUCT OF OPERATIONS.

- 6.1 All decisions concerning methods, the extent, times, procedures and techniques of any exploration, development, mining, leaching, milling, processing, extraction, treatment, if any, and the materials to be introduced into the Property or produced therefrom, and all decisions concerning the sale or other disposition of Mineral Products (including, without limitation, decisions as to buyers, times of sale, whether to store or stockpile Mineral Products for a reasonable length of time without selling the same) shall be made exclusively by Sabina, acting reasonably and in accordance with good mining and engineering practices in the circumstances.
- 6.2 Sabina shall not be responsible for or obliged to make any Net Smelter Returns Royalty payments for Mineral Product values lost in any mining or processing of the Mineral Products conducted pursuant to customary mining practices. Sabina shall not be required to mine or to preserve or protect the Mineral Products which under customary mining practices cannot be mined or shipped at a reasonable profit by Sabina at the time mined.
- 6.3 Notwithstanding anything in this Agreement, Sabina will be under no obligation whatsoever to place the Property into Commercial Production and, if the Property is placed into Commercial Production, Sabina will have the unfettered right at any time to cease, curtail, suspend or terminate Commercial Production as Sabina in its sole discretion deems advisable.
- 6.4 Upon the reasonable request of Premier from time to time, Sabina shall provide Premier with copies of all relevant data and other information relating to the Net Smelter Returns Royalty and the Property.
- 6.5 Notwithstanding anything in this Agreement, at any time and from time to time, Sabina may in its sole and unfettered discretion elect to surrender, abandon or let lapse all or any part or parts of the Property that it no longer desires to maintain and upon doing so will have no further obligations under this Agreement to Premier in respect of the portions of the Property that have been surrendered, abandoned or let lapse.
- ## 7. RESTRICTIONS ON ALIENATION
- 7.1 Other than pursuant to the Mega Agreement, Sabina agrees that it shall not transfer or otherwise dispose of its interest in the Property to a third party without first causing the transferee to enter into an agreement, whereby the transferee agrees to assume all of the obligations of Sabina

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hereunder and Sabina agrees to provide to Premier notice of such transfer or disposition as soon as possible following such transfer or disposition of the Property as the case may be.

- 7.2 Premier shall have the unrestricted right, in its sole and absolute discretion, to assign, transfer, convey, or relinquish all, but not less than all, of its rights or interests under this Agreement with respect to the Net Smelter Returns Royalty at any time. Any such assignment shall be effective upon written notice thereof to Sabina.

8. NO JOINT VENTURE OR PARTNERSHIP AND NATURE OF ROYALTY

- 8.1 This Agreement shall not be construed to create, expressly or by implication, a joint venture, joint partnership, commercial partnership, or other partnership relationship between or among Sabina and Premier.

- 8.2 The parties agree that the right to receive the Net Smelter Returns Royalty is intended to run with and form part of the land and not be merely contractual in nature.

9. RULE AGAINST PERPETUITIES

- 9.1 If any right, power or interest of either party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

10. NOTICE

- 10.1 Any notice, direction or other instrument required or permitted to be given under this Agreement shall be in writing and may be given by the delivery of the same or by sending the same by telecommunication, facsimile or other similar form of written communication, in each case addressed as follows:

If to Sabina at:

Sabina Gold & Silver Corporation
 Suite 202, 930 West 1st Street
 North Vancouver, British Columbia, V7P 3N4
 Fax No.: 604-998-4175
 Attention: President

If to Premier at:

Premier Gold Mines Ltd.
 Suite 401 - 1113 Jade Court
 Thunder Bay, Ontario, P7B 6M7
 Fax No.: 807-346-0100
 Attention: President

- 10.2 Any notice, direction or other instrument will, if delivered on a regular business day, be deemed to have been given and received on the day it was delivered and otherwise on the next business day, and if sent by telecommunication, facsimile or other similar form of communication on a regular business day, be deemed to have been given or received on the day it was so sent and otherwise on the next business day.

10.3 Either party may at any time give to the other party notice in writing of any change of address of the party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

11. REPRESENTATIONS AND WARRANTIES

11.1 Premier represents, warrants and covenants to and with Sabina that:

- (a) it is duly incorporated and in good standing under the laws under which it was formed and is qualified to carry on business in the jurisdiction in which the Property is situated;
- (b) it has full power, capacity and authority to carry on its business and to enter into and to perform its obligations under this Agreement and has taken all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement;
- (c) it will not breach any other agreement or obligation by entering into or performing its obligations under this Agreement; and
- (d) it has duly executed and delivered this Agreement and this Agreement is valid and binding upon it, and enforceable in accordance with its terms, save as such enforcement may be limited by laws pertaining to debtors' and creditors' remedies generally and the discretionary nature of equitable remedies.

11.2 Sabina represents, warrants and covenants to and with Premier that:

- (a) it is duly incorporated and in good standing under the laws under which it was formed and is qualified to carry on business in the jurisdiction in which the Property is situated;
- (b) it has full power, capacity and authority to carry on its business and to enter into and to perform its obligations under this Agreement and has taken all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement;
- (c) it will not breach any other agreement or obligation by entering into or performing its obligations under this Agreement;
- (d) it has duly executed and delivered this Agreement and this Agreement is valid and binding upon it, and enforceable in accordance with its terms, save as such enforcement may be limited by laws pertaining to debtors' and creditors' remedies generally and the discretionary nature of equitable remedies;
- (e) to the best of its knowledge, after due inquiry, the execution and delivery of this Agreement and the performance of its obligations under this Agreement will not
 - (i) conflict with, or result in the breach of its constituting documents; and
 - (ii) result in the violation of any law or regulation of any kind whatsoever by it
- (f) there are no consents, approvals or conditions precedent to its performance under this Agreement which have not been obtained; and

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- (g) it is not aware of any material fact or circumstance which has not been disclosed to Premier which should be disclosed in order to prevent the representations and warranties in this section from being misleading or which may be material in Premier's decision to enter into this Agreement.

11.3 The representations and warranties hereinbefore set out are conditions on which the parties have relied in entering into this Agreement and each of the Parties will indemnify and save the other 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 it and contained in this Agreement.

12. GENERAL

12.1 Additional Acts

The parties shall do or cause to be done all such further acts and things and shall execute or cause to be executed all such further deeds, documents, and instruments as may be reasonably necessary to give effect to this Agreement. Sabina agrees to cooperate in all commercially reasonable respects in order to permit Premier, at Premier's cost, to register this Agreement against title to the Property to the extent that registration of this Agreement is permitted.

12.2 Payment

All references to monies hereunder shall be in Canadian funds. All payments to be made to any party hereunder may be made by cheque or bank draft mailed or delivered to such party at its address for notice purposes as provided herein, or deposited for the account of such party at such bank or banks as such party may designate from time to time by written notice.

12.3 Binding Effect

This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

12.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. The courts of the Province of Ontario shall have exclusive jurisdiction to entertain and determine all disputes and claims arising out of or in any way in connection with the construction, threatened or anticipated breach of this Agreement, and shall have jurisdiction to hear and determine all questions as to the validity, existence, or unenforceability thereof.

12.5 Entire Agreement

This Agreement evidences the entire agreement among the parties hereto and cannot be changed, modified or supplemented except by a supplementary agreement executed by all parties hereto.

12.6 Severability

If any term of this Agreement is determined to be invalid or unenforceable, in whole or in part, that invalidity or unenforceability will attach only to such term or part term, and the remaining part of the term and all other terms of this Agreement will continue in full force and effect. The invalidity or unenforceability of any term in any particular jurisdiction will not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.

12.7 Headings

The heading of all sections in this Agreement are inserted for convenience of reference only and shall not affect the construction thereof.

12.8 Counterparts.

This Agreement may be executed and delivered in separate counterparts and delivered by any party to the other parties by facsimile, each of which when so executed and delivered shall be deemed an original and all such counterparts shall together constitute one and the same agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

PREMIER GOLD MINES LIMITED

SABINA GOLD & SILVER CORP.

Per:



Authorized Signatory

Per:

Authorized Signatory

SCHEDULE "A"

THE PROPERTY

Claim Number-	PIN Number
KRL 13060 - MR & SR	42010-0059
KRL 13061 - MR & SR	42010-0063
KRL 13062 - MR & SR	42010-0064
KRL 13069 - MR & SR	42010-0094
KRL 13241 - MR & SR	42010-0094
KRL 13242 - MR & SR	42010-0094
KRL 13243 - MR & SR	42010-0094
KRL 13244 - MR & SR	42010-0094
KRL 13255 - MR & SR	42010-0094
KRL 13554 - MR & SR	42010-0094
KRL 13659 - MR & SR	42010-0094
KRL 13660 - MR & SR	42010-0094
KRL 13068 - MR & SR	42010-0094
KRL 13082 - MR & SR	42010-0058
KRL 13083 - MR & SR	42010-0058
KRL 13084 - MR & SR	42010-0058
KRL 13254 - MR & SR	42010-0058
KRL 13475 - MR & SR	42010-0058
KRL 13476 - MR & SR	42010-0058
KRL 13477 - MR & SR	42010-0058
KRL 403 - MR & SR	42010-0023
KRL 404 - MR & SR	42010-0023
KRL 405 - MR & SR	42010-0023
KRL 406 - MR & SR	42010-0023
KRL 410 - MR & SR	42010-0023
KRL 407 - MR & SR	42010-0023
KRL 408 - MRO	42010-0023
KRL 409 - MR & SR	42010-0023
KRL 457 - MR & SR	42010-0023
KRL 458 - MRO	42010-0023
KRL 459 - MRO	42010-0023
KRL 460 - MRO	42010-0023
KRL 461 - MRO	42010-0023
KRL 1442 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1443 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1444 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1445 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1446 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1447 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1448 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1449 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1450 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1451 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1452 - MR & SR	(SR) 42010-0061 (MR) 42010-0060
KRL 1476 - MR & SR	(SR) 42010-0061 (MR) 42010-0060

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NOTES:

1. The following My-Ritt claims are subject to a 3% NSR in favour of My-Ritt Red Lake Gold Mines Ltd.: Patent #s KRL 403-410 and 456-461.

2. The following East My-Ritt claims are subject to an option agreement in favour of Mega Precious Metals (formerly Skybridge Development Corp.) dated May 22, 2009 to acquire 100% of such properties: Patent #s KRL 403-406, 409, 410 and K1442 and 1443.

3. The following Nova-Co claims are subject to a 3% NSR in favour of Camp McMann Red Lake Gold Mine Ltd.: Patent #s K1444-1452 and K1476.

4. The following Newman-Madsen claims are subject to a NSR in favour of Newmont Canada Ltd. of 1.5% up to the first 1 million ounces of equivalent gold production and 2% from and after 1 million ounces of gold equivalent production: Patent #s KRL 13060-13062, 13068, 13069, 13082-13084, 13241-13244, 13254, 13255, 13475-13477, 13554, 13659 and 13660.

DOCUMENTATION NOT RECEIVED

DOCUMENTATION NOT RECEIVED

This is **Exhibit "C"** referred to in the Affidavit of Jennifer Alambre made before me at Vancouver, British Columbia, this 18th day of May, 2023.



A Commissioner for the taking of Affidavits for
British Columbia

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J. BLAKE
604-855-5956

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MINING OPTION AGREEMENT

THIS AGREEMENT (the "Agreement") is made as of the ^{19th} day of January, 2012

BETWEEN:

Miron Gold Inc., a corporation incorporated under the laws of Ontario (herein referred to as the "Optionor")

and

Fechi Inc., a corporation incorporated under the laws of Ontario (herein referred to as the "Optionee", and such term shall include all of Fechi Inc.'s successors and assigns, specifically including Publico).

WHEREAS the Optionor is the registered and beneficial owner, without lien or encumbrance, of the mining claims (a) set out in Schedule "A" hereto (referred to as the "Mirado Project") located in Catherine and McKelroy Townships, in the Province of Ontario, and (b) set out in Schedule "B" hereto (referred to as the "Red Lake Project") located in Baird and Hayson Townships, in the Province of Ontario, which are collectively hereinafter sometimes referred to as the "Projects" or the "Properties";

NOW THEREFORE in consideration of the promises and the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually admitted, the parties hereto agree as follows:

1. **Grant of Option.** The Optionor hereby grants to the Optionee the sole and exclusive right and option (the "Option") to acquire a 100% interest in the Projects free and clear of all liens, charges, encumbrances, claims, and rights, save and except the NSR as defined and provided for in Section 3 below (the "Interest"). The consideration for the grant of the Option is (i) an initial payment by the Optionee to the Optionor of \$25,000 in cash in respect of the Mirado Project and \$10,000 in cash in respect of the Red Lake Project, in each case on the date of execution of this Agreement; (ii) the payment by the Optionee to the Optionor of a further \$125,000 in Cash Payments in respect of the Mirado Project and a further \$50,000 in Cash Payments in respect of the Red Lake Project as set out in Section 2(a) below; (iii) the carrying out of the Work Obligations of \$2,000,000 on the Mirado Project and \$1,000,000 on the Red Lake Project as set out in Section 2(b) below; and (iv) the issuance to the Optionor of that number of shares and warrants as is provided for and in accordance with Section 4 hereof.

2. **Cash Payments and Work Obligations.** In order to maintain the Option granted hereunder in good standing the Optionee shall, on or before the indicated anniversary dates of the signing of this Agreement:

- (a) make the following payments to the Optionor (the "Cash Payments"):
 - (i) in respect of the Mirado Project, \$50,000 on or before the first anniversary and \$75,000 on or before the second anniversary; and

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- (ii) in respect of the Red Lake Project, \$20,000 on or before the first anniversary and \$30,000 on or before the second anniversary; and
- (b) incur the following work obligations by carrying out exploration and development work on, or in respect of, the Projects (the "Work Obligations"):
 - (i) on the Mirado Project, \$300,000 on or before the first anniversary, a further \$500,000 on or before the second anniversary and a further \$1,200,000 on or before the third anniversary; and
 - (ii) on the Red Lake Project, \$200,000 on or before the first anniversary, a further \$300,000 on or before the second anniversary and a further \$500,000 on or before the third anniversary.

Excess expenditures incurred in any year may be applied to the following year or years.

Subject to the provisions of Section 14(b), if in respect of any anniversary date the Optionee fails to incur the required amount in Work Obligations in accordance with this Section 2(b), then the Option granted hereunder shall lapse and this Agreement shall terminate, unless the Optionee, to the extent that it fails to incur the Work Obligations required by Section 2(b) on or before any applicable anniversary date, pays to the Optionor in cash any shortfall by the applicable anniversary date. Any such payment shall be counted towards the Work Obligations required pursuant to Section 2(b), in which case this Agreement shall not terminate and the Option granted under the Agreement shall continue under the terms hereof.

3. **Net Smelter Royalties.** The Optionor and the Optionee agree and acknowledge that the Optionor shall retain a Net Smelter Royalty ("NSR") on each of the Projects, which the Optionee can buy back for cancellation at any time or times before the commencement of commercial production from the Project in question, as follows:

- (a) On the Mirado Project, a 3% NSR of which one percentage point can be bought back for \$1,000,000, a second percentage point for \$2,000,000 and the last percentage point for \$3,000,000; and
- (b) On the Red Lake Project, a 3% NSR of which only one percentage point can be bought back for \$1,000,000.

Further details applicable to the NSR are set out in Schedule "C" to this Agreement. The Optionor will not be entitled to an NSR on any adjoining or other properties that the Optionee may acquire and operate as part of the Projects. Each NSR will be registered against title to the applicable Project and parties shall execute, deliver and register all such documents as may be necessary to effect such registration.

4. **Going Public Transaction and Exercise of Option.** The Optionee is arranging a going public transaction for the Projects with the shares of the entity acquiring the Projects to be listed on the TSX Venture Exchange or other recognized exchange (the "Exchange"). This may be accomplished by the Optionee assigning this Agreement to a new company (herein referred to as "Publico") or the Optionee may be acquired by Publico which will then do a direct listing or merge with an existing Capital Pool Company or other listed vehicle. On listing, or any time prior thereto, Publico will complete one or more financings to raise gross equity proceeds of at

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least \$5,000,000 in the aggregate. The Optionee agrees that the going public transaction and completion of such financings to a total of \$5,000,000 will occur not later than one year from the signing of this Agreement. At such time, the Optionee shall cause Publico to issue to the Optionor (a) that number of shares which will result in the Optionor owning 30% of the issued shares of Publico calculated after completing the issuance of shares to the Optionor, (b) warrants of Publico (containing the same terms and conditions as the then existing warrants) which will result in the Optionor owning 30% of the issued warrants of Publico calculated after completing the issuance of warrants to the Optionor, and (c) that number of a special class of warrants of Publico as will be equal to 30% of that number which is equal to (i) the number of options to be issued to the directors and officers of Publico under its stock option plan immediately post listing plus (ii) the number of such special class of warrants to be issued immediately post listing. The special class of warrants shall have the same exercise prices and periods for exercise as the stock options. Once the listing and the \$5,000,000 financings have occurred and Publico has completed the Cash Payments and Work Obligations as outlined hereunder, the Optionor shall transfer to Publico its 100% interest in the title to the Projects free and clear of all liens and encumbrances, save and except for the NSRs as set out herein. The Optionor will not encumber the title to the Projects pending its obligation to transfer title to Publico.

5. **Permitted Dilution.** At or prior to the going public transaction the Optionee may cause Publico to issue or commit to issue additional shares of Publico to acquire or option other properties abutting or near to the Projects. The Optionee may do this where it feels that such properties are along strike to the Projects' prospective ore bodies or that such properties will enhance the value of the Projects. Except in circumstances where such shares are issued to non-arm's length parties, the shares issuable under this Section 5 will dilute all shareholders proportionately and will not be included for the purpose of calculating the 30% of shares to which the Optionor is entitled under Section 4(a) above. Where shares are issued to non-arm's length parties pursuant to this Section 5, such shares will be included for the purpose of calculating the 30% of shares to which the Optionor is entitled under Section 4(a) above.

6. **Initial Work Program.** As soon as is feasible after execution of this Agreement, the Optionee will commence a work program on the Properties of at least \$100,000 to enable completion of a technical report in compliance with NI 43-101 to be completed to support the intended listing application of Publico.

7. **Maintenance.** The Optionee shall be responsible for the costs of maintaining the mining claims forming part of the Projects in good standing commencing from and including the date of execution of this Agreement and for the duration of the term of this Agreement and shall provide to the Optionor all necessary information and data to enable it to complete and file all assessment work required, if any, to maintain any unpatented claims in good standing. All technical work will be submitted to the government for assessment credits. At any time after the listing, Publico may, by notice to the Optionor, elect to terminate its option to acquire an interest in one of the Projects (a "Surrendered Project") in which case the Optionee will be obliged to ensure that sufficient assessment work has been done and taxes paid and filed on the mining claims that are subject to the Surrendered Project to keep them in good standing for at least two (2) years from the date of the notice and will be obliged to surrender the use of the Property subject to such Surrendered Project to the Optionor. The Optionee shall comply with all laws with respect to clean-up of its work on the Surrendered Project and in doing so will comply with all directives and regulations of governmental authorities. The Optionee will be liable for 100% of all costs

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and expenses owing to third parties, whether it accrues before or after terminating its option to acquire the Surrendered Project, if it arises out of or respecting exploration activities by or on behalf of the Optionee during the term of this Agreement and the Optionee shall be solely and exclusively responsible for all liabilities, including but not limited to environmental liabilities, incurred on or in respect of the Surrendered Project during the term of this Agreement.

8. **Access to Property.** The Optionee shall have the non-exclusive right to enter the Properties and commence exploration work at any time after the execution of this Agreement. For the duration of this Agreement, the Optionor and its agents and representatives shall, upon two business days' notice, have the right to enter the Properties and inspect the Optionee's activities thereon at reasonable times, at the sole risk and expense of the Optionor.

9. **Work and Maintenance.** The Optionee agrees to conduct all of its activities for or on the Projects in a good and workmanlike manner in accordance with good mining and engineering practices and in compliance with all applicable laws and regulations and shall provide to the Optionor digital and paper copies on a quarterly basis of all technical and financial data generated from work related to exploration and/or mineral production from the Projects including all reports from mineral processing facilities.

10. **Representations, Warranties and Covenants of the Optionor.** The Optionor hereby represents, warrants and covenants to the Optionee as follows, and acknowledges that the Optionee is relying on these representations and warranties in entering into this Agreement:

- (a) this Agreement constitutes a valid and binding obligation of the Optionor enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws relating to or affecting the enforcement of creditors' rights generally and principles of equity;
- (b) the Optionor is the sole beneficial and recorded owner of the mining claims as set out in Schedules "A" and "B" affixed hereto which have been properly staked and registered pursuant to the relevant laws and act, at the time of execution of this Agreement, in good standing;
- (c) except as disclosed herein, there are no outstanding agreements, rights or options, liens or charges in favour of any third party to acquire or purchase an interest in the Projects, and no person has any royalty or other interest with respect to the Projects;
- (d) as at the time of execution of this Agreement, the mining claims comprised within the Projects are in good standing with respect to all filings, fees, taxes, assessments, work commitments and other matters; there is no adverse claim or challenge pending against the owner's right and title thereto; and the Properties are free of all liens, charges, claims, security interests, encroachments or other survey or title defects, easements or other restrictions or limitations;
- (e) no governmental or regulatory authorization, approval, order, consent or filing is currently required on the part of the Optionor in connection with the execution, delivery and performance of this Agreement and the performance of the Optionor's obligations under this Agreement;

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- (f) no proceedings have been taken, are pending or authorized by the Optionee or by any other person in respect to the bankruptcy or insolvency of the Optionee;
- (g) there are no judgments, decrees, injunctions, rulings or orders of any court, governmental authority or arbitration, or any actions, suits, grievances or proceedings (whether or not on behalf of the Optionee) pending or threatened against the Optionee which may have an adverse effect on the Projects or the title therein; and
- (h) to the Optionee's knowledge, there have been no past violations by it of any environmental laws affecting or pertaining to the Projects, nor any past creation of damage or threatened damage to the air, soil, surface waters, groundwater, flora, fauna, or other natural resources on, about or in the general vicinity of the Projects; and the Optionee has not received any enquiry from or notice of a pending investigation from any governmental agency or of any administrative or judicial proceeding concerning the violation of any environmental laws.

11. Representations and Warranties of Optionee. The Optionee hereby represents and warrants to the Optionor as follows, and acknowledges that the Optionor is relying on these representations and warranties in entering into this Agreement:

- (a) the Optionee has been duly incorporated under the laws of Ontario and has the necessary power and authority to enter into this Agreement and to complete the transactions contemplated herein;
- (b) the execution of this Agreement and the performance of the transactions contemplated herein have been duly authorized by all necessary corporate action on the Optionee's part;
- (c) this Agreement constitutes a valid and binding obligation of the Optionee enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws relating to or affecting the enforcement of creditors' rights generally and principles of equity; and
- (d) the execution of this Agreement and the performance of the transactions contemplated herein will not conflict with, violate or result in any breach of any provisions of the existing documents or by-laws of the Optionee, any agreements or undertakings to which the Optionee is a party, or any orders of a court or other tribunal relating to the Optionee.

12. Survival of Representations and Warranties. The representations and warranties of the parties made herein shall survive the completion of this Agreement for a period of two (2) years.

13. Indemnity. Each party shall indemnify each other party, its officers, directors, agents, employees and its affiliates (collectively, the "Indemnified Party") from and against any Material Loss. A "Material Loss" shall mean all costs, expenses, losses, claims, demands, damages or liabilities, of any nature or kind including attorneys' fees and other costs of litigation (either threatened or pending) arising out of or based on a breach by a party ("Indemnifying Party") of

- 6 -

any representation, warranty or covenant contained in this Agreement and any and all actions, suits or proceedings, claims, legal and other expenses related or incidental thereto. A Material Loss shall be deemed to have occurred if, in the aggregate, an Indemnified Party incurs losses, costs, damages or liabilities in excess of five thousand dollars (\$5,000.00) relating to breaches of the warranties, representations and covenants by the Indemnifying Party set out in this Agreement.

14. Termination. This Agreement may be terminated:

- (a) by the mutual written agreement of the parties;
- (b) by the Optionor, if the Optionee is in default under any of the terms of this Agreement or under any of the payments and Work Obligations required to maintain the Option in good standing, provided that the Optionor shall first have given written notice to the Optionee specifying such default and have given the Optionee fifteen (15) days from receipt of the notice to rectify such default; or
- (c) by the Optionee, upon written notice to the Optionor, provided that the Optionee shall be obliged to ensure that sufficient assessment work has been done and fees paid and filed on the Properties to keep them in good standing for at least two (2) years from the date of the notice.

If this Agreement is terminated prior to exercise of the Option, the Optionee shall surrender the use of the Properties to the Optionor. The Optionee shall comply with all laws with respect to clean-up of its work on the Projects and in doing so will comply with all directives and regulations of governmental authorities. The Optionee will be liable for 100% of all costs and expenses owing to third parties, whether it accrues before or after termination of the Option, if it arises out of or respecting exploration activities by or on behalf of the Optionee during the term of this Agreement and the Optionee shall be solely and exclusively responsible for all liabilities, including but not limited to environmental liabilities, incurred on or in respect of the Projects during the term of this Agreement which are determined to be existing or incurred at the Projects as a result of activities or operations of the Optionee, on or in respect of the Projects.

15. Arbitration. In the event that any disagreement arises between any of the parties with reference to this Agreement or any matter arising hereunder and upon which the parties cannot agree, then every such disagreement shall be referred to arbitration pursuant to the provisions of the *Arbitration Act, 1991*, (Ontario) and in accordance with the provisions of this section. The decision of the arbitrator(s) shall be final, binding and without appeal.

16. Assignment. Except as set out below and in Section 4 above, neither party may assign its rights nor its obligations under this Agreement to a third party without the prior written consent of the other party, such consent not to be withheld unreasonably. No such assignment shall be valid unless such third party assignee acknowledges in writing the terms of this Agreement and agrees in writing to be bound by the same as if it were an original party thereto. The parties confirm their consent to the Optionor's assignment of this Agreement to Publico in accordance with the terms of this Agreement upon notice to the Optionor.

17. Area of Interest. There shall be no area of interest around the Projects except for such properties that may be acquired by the Optionee as contemplated in Section 5 above.

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18. **Notice.** Any notice required or permitted by this Agreement shall be given in Canada by delivery, by prepaid registered mail or by facsimile to the parties at the co-ordinates set out below or as may be changed by notice from time to time. Notices given by delivery or facsimile shall be deemed given and received on the day of delivery or transmission by facsimile. Notices sent by prepaid registered mail shall be deemed given and received on the third business day following the day of posting. Until changed by notice, the co-ordinates for notice shall be:

(a) To the Optionor at

605-80 Richmond St. West
Toronto, Ontario
M5H 2B9
Fax 416-364-2630

(b) To the Optionee at

120 Adelaide St. West, Suite 2500
Toronto, Ontario
M5H 1T1
Fax 416-367-1954

19. **Time of Essence.** Time shall be of the essence of this Agreement.

20. **Headings.** The headings are inserted for convenience only and are to be disregarded in construing this Agreement.

21. **Further Assurances.** The parties hereby agree to execute and deliver all such further documents and do all acts as may reasonably be required to carry out the intent of this Agreement.

22. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

23. **Currency.** All references to currency in this Agreement are to Canadian currency.

24. **Independent Legal Advice.** The parties hereby acknowledge that each has been advised to seek independent legal advice in respect of the Agreement and the matters contemplated herein. To the extent that a party declines to receive independent legal advice in respect of the Agreement, that party waives the right, should a dispute later develop, to rely on its lack of independent legal advice to avoid its obligations, to seek indulgences from the other party or to otherwise attack the integrity of the Agreement and the provisions thereof, in whole or in part.

25. **Counterparts and Facsimile.** This Agreement may be executed by the parties in one or more counterparts by original or facsimile signature, each of which when so executed and delivered shall be an original and such counterparts shall together constitute one and the same instrument.

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26. Right to Subscribe. The Optionor and persons related to the Optionor will have the right to purchase up to an aggregate of 1,500,000 common shares of Publico ("seed shares") for each forthcoming seed share offering effected prior to the going public event, it being anticipated that each such seed share will be sold at \$0.10 per seed share. Any such persons must qualify as being exempt from the prospectus requirements under applicable securities laws.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

MICON GOLD INC.

Per: 

Name: Jeffrey Becker

Title: President

I have authority to bind the Corporation

FECHE INC.

Per: 

Name: Alexander Stewart

Title: President

I have authority to bind the Corporation



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Schedule "A"

Patented mining claims for the Micon Gold Inc. Mirado Gold Mine Property

The property consists of 12 contiguous patented mining claims straddling the border between McElroy and Catherine Townships southwest of the town of Larder Lake, Ontario, covering a total surface area of 432.52 acres. Micon Gold Inc. has the mineral rights to these claims while the Crown has the surface rights. The following 12 patented mining claims are involved:

L 24960 - Catherine Twp - 40.00 Acres
 L 24961 - Catherine Twp - 40.00 Acres
 L 34750 - Catherine Twp - 40.00 Acres
 L 34751 - Catherine Twp - 40.00 Acres
 L 26272 - McElroy Twp - 38.14 Acres
 L 26273 - McElroy Twp - 46.18 Acres
 L 27303* - McElroy Twp - 26.50 Acres
 L 31238 - McElroy Twp - 26.33 Acres
 L 31257 - McElroy Twp - 37.54 Acres
 L 31749 - McElroy Twp - 29.75 Acres
 L 31377 - McElroy Twp - 35.69 Acres
 L 31378 - McElroy Twp - 32.37 Acres

* 3.3 acres of L 27303 is covered by occupation number 1265.

Schedule "B"

Patented mining claims for the Micon Gold Inc. Red Lake Property (formerly known as the Derlak - Red Lake Property)

The property consists of 11 contiguous patented mining claims straddling the border between Heyson and Baird Townships 1.6 kilometres northeast of the town of Madsen, Ontario covering a total surface area of 542.10 acres. Micon Gold Inc. has the mineral rights to these claims while the Crown has the surface rights. The following 11 patented mining claims are involved:

- KRL 12746 - Baird/Heyson Twp's - 37.8 Acres
- KRL 12747 - Baird Twp - 36.0 Acres
- KRL 12748 - Baird Twp - 53.1 Acres
- KRL 12749 - Baird/Heyson Twp's - 45.3 Acres
- KRL 12750 - Heyson Twp - 49.8 Acres
- KRL 12751 - Heyson Twp - 63.3 Acres
- KRL 12752 - Heyson Twp - 56.9 Acres
- KRL 12753 - Heyson Twp - 44.6 Acres
- KRL 12754 - Heyson Twp - 42.9 Acres
- KRL 12755 - Heyson Twp - 56.9 Acres
- KRL 12756 - Heyson Twp - 55.3 Acres



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Schedule "C"

Net Smelter Royalty

1. For the purpose of calculating, determining and paying the Net Smelter Royalty contemplated by Section 3 of the Agreement (the "NSR"), such NSR shall be calculated on a calendar quarterly basis and will be equal to 3% of the Gross Revenue (as hereinafter defined) of the applicable Project less Permissible Deductions of the applicable Project (as hereinafter defined) for such quarter.
2. Unless otherwise specified herein, a word or expression in this Schedule shall have the same meaning as the same word or expression in the annexed Agreement.
3. In this Schedule the following words have the following meanings:
 - a. "Gross Revenue" for a particular Project means the aggregate of the following revenues (without duplication) received or accrued in each quarterly period for the Project:
 - (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 Optionee,
 - (iii) any proceeds of insurance on Products;
 - b. "Products" means all ores, concentrates, minerals and refined or semi-refined products produced from the Project in question;
 - c. "Permissible Deductions" for a particular Project means the aggregate of the following charges (without duplication) that are paid or accrued with respect to the Project in each quarterly period:
 - (i) sales charges levied by any sales agent on the sale of Products,
 - (ii) transportation costs for Products from the Project to the place of beneficiation, processing or treatment and thence to the place of delivery of Products to a purchaser thereof, including shipping, freight, handling and forwarding expenses,
 - (iii) all costs, expenses and charges of any nature whatsoever which are either paid or incurred in connection with refinement or beneficiation of Products, including all smelter and refinery charges and all weighing, sampling, assaying, and representation costs, any impure charges, and any penalties charged by the processor, refinery or smelter, but not including mining, milling or concentration charges paid or incurred with respect to Products, and

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- (iv) all insurance on Products;
 - d. "Projects" means the Projects described in the first recital to the Agreement and "Project", depending on context, means either the Mirado Project or the Red Lake Project as applicable; and
 - e. "Net Smelter Revenue" means Gross Revenue less Permissible Deductions.
4. 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 sorting, treatment, handling, refining or any other operation or service relating to the Products that occurs after the point of sale shall be considered to be legitimate deductions in arriving at the Net Smelter Revenue amount.
 5. The Optionee may commingle the Products with other ores and minerals. Before such commingling, the Optionee shall weigh (or calculate by volume), sample and assay such Products in accordance with sound mining and metallurgical practices for moisture and payable content. The Optionee shall provide records of such determination to the Optionor after the end of the applicable financial year in which such determinations are made.
 6. The NSR will be calculated using the applicable percentages as set out in Section 3 of the Agreement and shall be paid within 60 days after the end of each calendar quarter. Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "Statement") must be submitted with the payment.
 7. In the event that final amounts required for the calculation of the Net Smelter Revenue are not available within the time period referred to in Section 5 of this Schedule "C", then provisional amounts will be estimated and the NSR paid on the basis of this provisional calculation. Positive or negative adjustments will be made to the NSR payment of the succeeding quarter.
 8. Subject to the adjustment provisions of this Schedule "C", all NSR payments will be considered final and in full satisfaction of all obligations of the Optionee with respect thereto, unless the Optionor delivers to the Optionee a written notice ("Objection Notice") describing and setting forth a specific objection to the calculation thereof within 60 days after receipt by Optionee of this Statement. If Optionor objects to a particular Statement as herein provided, Optionor will, for a period of 60 days after the Optionee's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have the Optionee's accounts and records relating to the calculation of the NSR in question audited by the auditors of the Optionee. If such audit determines that there has been a deficiency in the payment made to Optionor, such deficiency will be resolved by adjusting the next quarterly NSR payment due hereunder. Optionor will pay all the costs and expenses of such audit where a deficiency of 1.99% or less of the amount due is determined to exist. The Optionee will pay the costs and expenses of such audit if a deficiency of 2% or more of the amount due is determined to exist. All books and records used and kept by the Optionee to calculate the NSR due hereunder will be kept in accordance with Canadian generally accepted accounting principles. Failure to

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the part of Optionor to make claim against the Optionee for adjustment in such 60 day period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and NSR payments for such quarter, and forever preclude the filing of exceptions thereto or making of claims for adjustment thereon by Optionor. Nothing herein will limit Optionor's rights arising out of fraud by the Optionee or its representatives and agents.

NOTICE

To: Micon Gold Inc.

From: Fechi Inc

Re: Mining Option Agreement of January 19, 2012 ("Agreement") – Mirado and Red Lake Projects

This is notice pursuant to sections 4 and 16 of the Agreement that same has been assigned, without amendment, to Orefinders Inc. (Publico as referred to in the Agreement), effective January 25, 2012.

Pursuant to the aforesaid sections, consent is already given in the Agreement, and only this Notice is now required.

Dated at Toronto this 22nd day of March, 2012.

Fechi Inc

Per: A. Stewart, President

The undersigned acknowledges receipt of the assignment and agrees to be bound by the terms of the Agreement as if it were an original party thereto.

Orefinders Inc.

Per: A. Stewart, Executive Chairman

AMENDED - MINING OPTION AGREEMENT

THIS AGREEMENT is made for reference and effective the 17th day of January, 2014.

BETWEEN:

JUBILEE GOLD EXPLORATION LTD. (formerly Micon Gold Inc.), of
Suite 605 – 80 Richmond Street West, Toronto, Ontario, M5H 2S9
(herein referred to "Jubilee")

OF THE FIRST PART

AND:

OREFINDERS RESOURCES INC., of 2300 – 1066 West Hastings
Street, Vancouver, British Columbia, Canada, V6E 3X2
(herein referred to as "Orefinders")

OF THE SECOND PART

WHEREAS:

A. Jubilee entered into a mining option agreement (the "Mining Option Agreement") dated January 19, 2012 with Fechi Inc. ("Fechi");

B. Fechi and Orefinders entered into an amended and restated assignment agreement (the "Assignment Agreement") dated for reference January 25, 2012, as amended November 19, 2012, pursuant to the terms of which Fechi assigned all its right, title, interest and obligations in the Mining Option Agreement to Orefinders in accordance with the terms and conditions of the Assignment Agreement;

C. The Mining Option Agreement provides that Orefinders is required to make certain cash payments and incur work obligations by specified dates;

D. Jubilee and Orefinders have agreed to amend the terms of the Mining Option Agreement on the following terms.

NOW THEREFORE in consideration of the promises and the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually admitted, the parties hereto agree as follows:


1. Paragraph 2(b)(ii) of the Mining Option Agreement is hereby deleted and replaced by the following:

"(b) (ii) on the Red Lake Project, \$200,000 on or before the first anniversary, a further \$300,000 on or before the second anniversary, and a further \$500,000 on or before January 19, 2016."

2. All other terms and provisions of the Mining Option Agreement shall remain unchanged, except as provided herein.

IN WITNESS WHEREOF the parties have executed this effective Agreement as of the day and year first above written.

JUBILEE GOLD EXPLORATION LTD.

Per: 
Jeffrey Becker,
President.

OREFINDERS RESOURCES INC.

Per: 
William Yesmans,
Chief Executive Officer



AMENDED - MINING OPTION AGREEMENT

THIS AGREEMENT is made for reference and effective the 23rd day of October, 2014.

BETWEEN:

JUBILEE GOLD EXPLORATION LTD., (formerly Micon Gold Inc.), of
Suite 605 – 80 Richmond Street West, Toronto, Ontario, M5H 2S9
(herein referred to "Jubilee")

OF THE FIRST PART

AND:

OREFINDERS RESOURCES INC., of 2300 – 1066 West Hastings
Street, Vancouver, British Columbia, Canada, V6E 3X2
(herein referred to as "Orefinders")

OF THE SECOND PART

WHEREAS:

- A. Jubilee entered into a mining option agreement (the "Mining Option Agreement") dated January 19, 2012 with Fечи Inc. ("Fечи");
- B. Fечи and Orefinders entered into an amended and restated assignment agreement (the "Assignment Agreement") dated for reference January 25, 2012, as amended November 19, 2012, pursuant to the terms of which Fечи assigned all its right, title, interest and obligations in the Mining Option Agreement to Orefinders in accordance with the terms and conditions of the Assignment Agreement;
- C. The Mining Option Agreement provides that Orefinders is required to make certain cash payments and incur work obligations by specified dates;
- D. Jubilee and Orefinders entered into an Amended Mining Option Agreement (the "Amended Mining Option Agreement") dated January 17, 2014 pursuant to the terms of which Jubilee agreed to extend the work obligations;
- E. Jubilee and Orefinders have agreed to amend the terms of the Mining Option Agreement and the Amended Mining Option Agreement on the following terms.

NOW THEREFORE in consideration of the promises and the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually admitted, the parties hereto agree as follows:

- I. Paragraph 2(b)(ii) of the Mining Option Agreement is hereby deleted and replaced by the following:

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“(b) (ii) on the Red Lake Project, \$200,000 on or before the first anniversary, a further \$300,000 on or before the second anniversary, and a further \$500,000 on or before January 19, 2017.”

2. All other terms and provisions of the Mining Option Agreement shall remain unchanged, except as provided herein.

IN WITNESS WHEREOF the parties have executed this effective Agreement as of the day and year first above written.

JUBILEE GOLD EXPLORATION LTD.

Per:

Jeffrey Becker,
President

OREFINDERS RESOURCES INC.

Per:

William Yeoman

William Yeoman,
Chief Executive Officer

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AMENDED - MINING OPTION AGREEMENT

THIS AGREEMENT is made for reference and effective the 18th day of August, 2015.

BETWEEN:

JUBILEE GOLD EXPLORATION LTD., (formerly Micon Gold Inc.), of
Suite 605 – 80 Richmond Street West, Toronto, Ontario, M5H 2S9

(herein referred to "Jubilee")

OF THE FIRST PART

AND:

OREFINDERS RESOURCES INC., of 2500 – 120 Adelaide Street West,
Toronto, Ontario, M5H 1T1

(herein referred to as "Orefinders")

OF THE SECOND PART

WHEREAS:

A. Jubilee entered into a mining option agreement (the "Mining Option Agreement") dated January 19, 2012 with Fечи Inc. ("Fечи");

B. Fечи and Orefinders entered into an amended and restated assignment agreement (the "Assignment Agreement") dated for reference January 25, 2012, as amended November 19, 2012, pursuant to the terms of which Fечи assigned all its right, title, interest and obligations in the Mining Option Agreement to Orefinders in accordance with the terms and conditions of the Assignment Agreement;

C. The Mining Option Agreement provides that Orefinders is required to make certain cash payments and incur work obligations by specified dates;

D. Jubilee and Orefinders entered into an Amended Mining Option Agreement dated January 17, 2014 and an Amended Mining Option Agreement dated October 23, 2014 (collectively, the "Amended Mining Option Agreements"), pursuant to the terms of which Jubilee agreed to extend the work obligations;

E. Jubilee and Orefinders have agreed to further amend the terms of the Mining Option Agreement and the Amended Mining Option Agreements on the following terms.

NOW THEREFORE in consideration of the promises and the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually admitted, the parties hereto agree as follows:

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1. Paragraph 2(b)(ii) of the Mining Option Agreement is hereby deleted. Jubilee hereby acknowledges it has waived the requirement for Orefinders to incur any further exploration and development work on the Red Lake Project and, subject to the 3%NSR, Orefinders has exercised the option to acquire a 100% interest in and to the Red Lake Project. Jubilee hereby agrees to forthwith execute such documents as prepared by Orefinders to transfer a 100% interest in the Red Lake Project from Jubilee to Orefinders.

2. Paragraph 3 of the Mining Option Agreement is hereby deleted and replaced by the following:

"3. **Net Smelter Royalties.** The Optionor and the Optionee agree and acknowledge that the Optionor shall retain a Net Smelter Royalty ("NSR") on each of the Projects, which the Optionee can buy back a portion thereof for cancelation at any time or times before the commencement of commercial production from the Project in question, as follows:


- a. On the Mirado Project, a 3% NSR of which only one percentage point can be bought back for \$1,000,000; and
- b. On the Red Lake Project, a 3% NSR of which only one percentage point can be bought back for \$1,000,000."

Further details applicable to the NSR are set out in Schedule "C" to this Agreement. The Optionor will not be entitled to an NSR on any abutting or other properties that the Optionee may acquire and operate as part of the Projects. Each NSR will be registered against title to the applicable Project and parties shall execute, deliver and register all such documents as may be necessary to effect such registration."

3. All other terms and provisions of the Mining Option Agreement shall remain unchanged, except as provided herein.

IN WITNESS WHEREOF the parties have executed this effective Agreement as of the day and year first above written.

JUBILEE GOLD EXPLORATION LTD.

Per: 
Jeffrey Becker
President

OREFINDERS RESOURCES INC.

Per: 
Stephen Stewart
Chief Executive Officer

This is **Exhibit "D"** referred to in the Affidavit of Jennifer Alambre made before me at Vancouver, British Columbia, this 18th day of May, 2023.



A Commissioner for the taking of Affidavits for
British Columbia

ROYALTY ASSIGNMENT

This Assignment is made as of the 23rd day of February, 2015.

BETWEEN:

NEW KLONDIKE EXPLORATION LTD.
(the "Assignor")

AND:

FRANCO-NEVADA CORPORATION
(the "Assignee")

WHEREAS:

- A. By the instrument attached as Exhibit 1 (the "**Royalty Agreement**"), the royalty defined, calculated and payable in accordance with the Royalty Agreement (the "**Royalty**") was granted to the Assignor (formerly United Reef Limited) in connection with the mineral properties represented by the mining claims more particularly described in Schedule "A" hereto (the "**Property**").
- B. By the instrument attached as Exhibit 2 (the "**Security Agreement**"), the security interest defined in accordance with the Security Agreement was granted to the Assignor in connection with the Property.
- C. The Assignor has agreed to sell, assign and transfer to the Assignee all of its right, title and interest in the Royalty, the Royalty Agreement and the Security Agreement (the "**Assigned Interest**") and this Assignment is being entered into so as to effect such sale, assignment and transfer.

NOW THEREFORE this Assignment witnesses that in consideration of the mutual covenants and agreements the parties agree as follows:

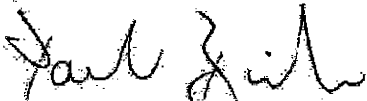
1. The Assignor hereby sells, assigns and transfers to the Assignee the entire right, title and interest of the Assignor in and to the Assigned Interest (the "**Assignment**") effective as of the date hereof (the "**Effective Date**"), with the intent that the Assignee shall assume and be entitled to all rights, benefits, payments and privileges with respect to the Assigned Interest at all times on and after the Effective Date.
2. The Assignee hereby assumes and agrees to be responsible for the observance, performance and payment of all obligations and liabilities of the Assignor under the Royalty as of the Effective Date, to the extent of the Assigned Interest, and the Assignee shall indemnify and save the Assignor harmless from and against any claims, demands, actions, suits, causes of action, losses, damages, costs and expenses whatsoever, including legal fees, suffered or incurred by the Assignor by reason of the failure of the

Assignee to perform its obligations and liabilities referred to in this Section 2. For certainty, such indemnity shall not include any obligation to indemnify Madsen Gold Corp. (or its successors and assigns) in accordance with the Indemnification Agreement between Madsen Gold Corp., the Assignor (formerly United Reef Limited) and Canhorn Mining Corporation dated February 10, 1994.

3. This Assignment will be governed by and interpreted in accordance with the laws of Ontario and laws of Canada generally applicable therein.
4. This Assignment shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
5. This Assignment may be signed by the parties in as many counterparts or facsimile counterparts as may be deemed necessary, each of which so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have caused this Assignment to be executed as of the date and year first above written.

FRANCO-NEVADA CORPORATION

Per: 
Authorized Signatory

NEW KLONDIKE EXPLORATION LTD.

Per: _____
Authorized Signatory

IN WITNESS WHEREOF the parties hereto have caused this Assignment to be executed as of the date and year first above written.

FRANCO-NEVADA CORPORATION

Per: _____
Authorized Signatory

NEW KLONDIKE EXPLORATION LTD.

Per: _____
Authorized Signatory

SCHEDULE "A"

PROPERTY DESCRIPTION

Patented mining claims located in the Township of Baird, Province of Ontario, more particularly described below:

PIN	Parcel	Mining Claim
PIN 42005-0117 (LT)	Parcel 1496 SEC DPF	Mining Claim KRL 12728
PIN 42005-0278 (LT)	Parcel 1497 SEC DPF	Mining Claim KRL 12820
PIN 42005-0280 (LT)	Parcel 1498 SEC DPF	Mining Claim KRL 12821
PIN 42005-0277 (LT)	Parcel 1499 SEC DPF	Mining Claim KRL 12822
PIN 42005-0279 (LT)	Parcel 1500 SEC DPF	Mining Claim KRL 12823
PIN 42005-0281 (LT)	Parcel 1501 SEC DPF	Mining Claim KRL 12824
PIN 42005-0101 (LT)	Parcel 1513 SEC DPF	Mining Claim KRL 12726
PIN 42005-0116 (LT)	Parcel 1514 SEC DPF	Mining Claim KRL 12727
PIN 42005-0087 (LT)	Parcel 1907 SEC DPF	Mining Claim KRL 19236
PIN 42005-0088 (LT)	Parcel 1908 SEC DPF	Mining Claim KRL 19237
PIN 42005-0115 (LT)	Parcel 1909 SEC DPF	Mining Claim KRL 19181
PIN 42005-0276 (LT)	Parcel 1910 SEC DPF	Mining Claim KRL 19182
PIN 42005-0099 (LT)	Parcel 1911 SEC DPF	Mining Claim KRL 19235
PIN 42005-0100 (LT)	Parcel 1912 SEC DPF	Mining Claim KRL 19238
PIN 42005-0078 (LT)	Parcel 2239 SEC DPF	Mining Claim KRL 19687
PIN 42005-0084 (LT)	Parcel 2240 SEC DPF	Mining Claim KRL 19688
PIN 42005-0059 (LT)	Parcel 2241 SEC DPF	Mining Claim KRL 20170
PIN 42005-0066 (LT)	Parcel 2242 SEC DPF	Mining Claim KRL 20171
PIN 42005-0086 (LT)	Parcel 2243 SEC DPF	Mining Claim KRL 19685
PIN 42005-0079 (LT)	Parcel 2248 SEC DPF	Mining Claim KRL 18728
PIN 42005-0085 (LT)	Parcel 2249 SEC DPF	Mining Claim KRL 18729
PIN 42005-0097 (LT)	Parcel 2250 SEC DPF	Mining Claim KRL 18778
PIN 42005-0053 (LT)	Parcel 2251 SEC DPF	Mining Claim KRL 19278
PIN 42005-0062 (LT)	Parcel 2252 SEC DPF	Mining Claim KRL 19279

PIN 42005-0052 (LT)	Parcel 2253 SEC DPF	Mining Claim KRL 19280
PIN 42005-0061 (LT)	Parcel 2254 SEC DPF	Mining Claim KRL 19281
PIN 42005-0051 (LT)	Parcel 2255 SEC DPF	Mining Claim KRL 19367
PIN 42005-0044 (LT)	Parcel 2256 SEC DPF	Mining Claim KRL 19368
PIN 42005-0080 (LT)	Parcel 2257 SEC DPF	Mining Claim KRL 19686
PIN 42005-0068 (LT)	Parcel 2258 SEC DPF	Mining Claim KRL 19719
PIN 42005-0067 (LT)	Parcel 2259 SEC DPF	Mining Claim KRL 19720
PIN 42005-0060 (LT)	Parcel 2260 SEC DPF	Mining Claim KRL 20169
PIN 42005-0058 (LT)	Parcel 2261 SEC DPF	Mining Claim KRL 20585/ 20585A
PIN 42005-0065 (LT)	Parcel 2262 SEC DPF	Mining Claim KRL 20586/ 20586A
PIN 42005-0077 (LT)	Parcel 2263 SEC DPF	Mining Claim KRL 20587/ 20587A
PIN 42005-0043 (LT)	Parcel 2264 SEC DPF	Mining Claim KRL 20588
PIN 42005-0076 (LT)	Parcel 2265 SEC DPF	Mining Claim KRL 21273
PIN 42005-0075 (LT)	Parcel 2266 SEC DPF	Mining Claim KRL 21274
PIN 42005-0064 (LT)	Parcel 2267 SEC DPF	Mining Claim KRL 21275
PIN 42005-0063 (LT)	Parcel 2268 SEC DPF	Mining Claim KRL 21276
PIN 42005-0057 (LT)	Parcel 2269 SEC DPF	Mining Claim KRL 21277
PIN 42005-0056 (LT)	Parcel 2270 SEC DPF	Mining Claim KRL 21278
PIN 42005-0042 (LT)	Parcel 2271 SEC DPF	Mining Claim KRL 21280
PIN 42005-0041 (LT)	Parcel 2272 SEC DPF	Mining Claim KRL 21281
PIN 42005-0112 (LT)	Parcel 2273 SEC DPF	Mining Claim KRL 21316/ 21316A
PIN 42005-0095 (LT)	Parcel 2274 SEC DPF	Mining Claim KRL 21317
PIN 42005-0096 (LT)	Parcel 2275 SEC DPF	Mining Claim KRL 21318
PIN 42005-0083 (LT)	Parcel 2276 SEC DPF	Mining Claim KRL 21378
PIN 42005-0098 (LT)	Parcel 2434 SEC DPF	Mining Claim KRL 19684
PIN 42005-0113 (LT)	Parcel 2435 SEC DPF	Mining Claim KRL 19788

EXHIBIT 1
ROYALTY AGREEMENT

This Agreement is made this 2nd day of December, 1993.

BETWEEN:

MADSEN GOLD CORP., a corporation duly incorporated under the laws of Ontario and maintaining its registered office at 500-1 Richmond Street West in the City of Toronto, Province of Ontario;

(hereinafter called the "Purchaser");

OF THE FIRST PART

AND:

UNITED REEF LIMITED, a corporation duly incorporated under the laws of Ontario and maintaining its registered office at 600-15 Toronto Street, in the City of Toronto, Province of Ontario (hereinafter individually called "UR"; and **CANHORN MINING CORPORATION**, a corporation incorporated under the laws of Ontario and maintaining its registered office at 600-15 Toronto Street, in the City of Toronto, Province of Ontario (hereinafter individually called "Canhorn");

(UR and Canhorn are hereinafter sometimes collectively called the "Vendors");

OF THE SECOND PART

WHEREAS each of the Vendors owns an undivided fifty percent (50%) beneficial interest in those patented mining claims described in Schedule "A" (hereinafter called the "Patented Claims") and in those unpatented mining claims described in Schedule "B" (hereinafter called the "Unpatented Claims". The Patented Claims and the Unpatented Claims are hereinafter sometimes collectively called the "Mining Properties", all of which are registered and recorded in the name of Canhorn;

AND WHEREAS the Vendors have agreed to sell and the Purchaser has agreed to purchase the Mining Properties upon the terms and conditions hereinafter set out.

NOW THEREFORE, this agreement witnesseth that in consideration of the premises and of the mutual covenants and agreements hereinafter contained, each of the Purchaser, UR and Canhorn do hereby agree as follows:

1. The Vendors shall and do hereby sell, assign and transfer to the Purchaser all right, title and interest in and to the Mining Properties in consideration for:

- (i) The allotment and the issue by the Purchaser of 100,000 common shares of its capital stock to the Vendors (50,000 common shares to UR and 50,000 common shares to Canhorn), provided the 100,000 common shares when issued shall be subject to a hold period of one (1) year from the date of issue; and
- (ii) In the event of commercial production from the Mining Properties the Purchaser will pay an aggregate two percent (2%) Net Smelter Return ("NSR") royalty (one percent (1%) NSR royalty to each of UR and Canhorn), provided the Net Smelter Return royalty shall cease and terminate upon payment of an aggregate sum of two million dollars (\$2,000,000). The NSR shall be payable half yearly on May 31 and November 30 in each year and the Purchaser will provide with each payment, statements setting forth the calculation of the amount paid.

2. Net Smelter Return or NSR shall mean the amount payable by the mint, smelter or refinery to the Purchaser for bullion, concentrates or products, less the charges for transportation to such facility and insurance and all charges imposed by such facility including without limitation all costs of treatment, sampling, marketing, handling, weighing, refining and penalties, that is to say, the net amount received by the Purchaser from the sale of products from the Mining Properties.

3. The mutual obligations of the Purchaser and the Vendors to complete the transactions herein contemplated shall be conditional upon compliance in all respects by each of the parties with all applicable requirements of all regulatory authorities having jurisdiction, including, without limitation, acceptance of this transaction by The Toronto Stock Exchange and satisfaction of any conditions to such acceptance which may be imposed by The Toronto Stock Exchange. It is also a condition precedent of the obligations of the Purchaser that the Purchaser's Board of Directors approve this transaction and allot and issue the 100,000 common shares.

4. The Vendors hereby covenant, represent and warrant to the Purchaser as follows:

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- (a) each of UR and Canhorn is a corporation duly incorporated and validly subsisting under the laws of Ontario with all necessary corporate power and capacity to enter into and perform its obligations under this agreement and all necessary corporate steps and proceedings have been taken to authorize the execution and delivery of this agreement and to deliver title to the Mining Properties;
- (b) Canhorn is the registered owner of the Patented Claims forming part of the Mining Properties and the recorded holder of the Unpatented Claims forming the balance of the Mining Properties, free and clear of any liens, charges and encumbrances;
- (c) each of the Patented Claims forming part of the Mining Properties is in good standing under the applicable laws and will continue to be so up to at least the date shown opposite each such Patented Claim described in Schedule "A", and that all applicable taxes and other levies charged against or in respect of the Patented Claims have been paid in full to the end of the 1993 year;
- (d) the Unpatented Claims have been properly and legally staked, tagged, recorded, and sufficient work has been performed, recorded and accepted such that they are in good standing under the laws of the Province of Ontario, without the doing of any work or the payment of any monies, until at least October 19, 1995;
- (e) each of the unpatented mining claims forming the Unpatented Claims are contiguous with each other and each of the patented mining claims forming the Patented Claims are contiguous with each other; and
- (f) to the best of the Vendors' knowledge, information and belief there are no outstanding obligations or liabilities, contingent or otherwise, related to environmental, mining or other applicable laws, including reclamation or rehabilitation work associated with the Mining Properties or arising out of any past exploration, development or mining activities carried out thereon and including, without limitation, the provisions of Part VII of the Mining Act (Ontario) and the Regulations thereunder.

5. The Vendors shall be liable and shall indemnify and save the Purchaser 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 Vendors and contained in this agreement. The Vendors will provide the Purchaser with an indemnification agreement in respect of the above. The Vendors acknowledge

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and agree that the Purchaser has entered into this agreement relying on the warranties and representations and other terms and conditions of this agreement.

6. On closing, the Vendors shall deliver the following:

- (a) all such assignments, conveyances, instruments or other writings as the Purchaser's counsel may deem necessary or advisable in order to effectually transfer to and vest in the Purchaser all of the Vendors' right, title and interest to the Mining Properties free and clear of all liens, charges and encumbrances;
- (b) a certificate of an authorized signing officer of each of UR and Canhorn, certifying that all of the covenants, representations and warranties set forth in paragraph 4 of this agreement are correct as at the Closing Date and of the same force and effect as if made on the Closing Date;
- (c) all drill logs, drill core, plans, maps, reports and all other documents which the Vendors may have in their possession relating to the Mining Properties;
- (d) an indemnification agreement, satisfactory in form and content to the Purchaser, saving the Purchaser 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 Vendors and contained in this agreement; and
- (e) a confirmation satisfactory in form and content to the Purchaser that the agreement between Robert W. Metcalfe and Canhorn, dated October 28, 1988, as recorded on the Unpatented Claims, has terminated and there are no ongoing obligations or rights affecting the Unpatented Claims.

7. On Closing the Purchaser shall deliver the following:

- (a) a certified resolution of the Purchaser's Board of Directors authorizing the allotment and issue of 100,000 common shares to the Vendors;
- (b) a share certificate for 50,000 common shares, registered in the name of UR and a share certificate for 50,000 common shares, registered in the name of Canhorn, which said certificates shall be held in safe keeping until the registration and recording of the Mining Properties in the name of the Purchaser has been effected;

- (c) an executed acknowledgement and agreement that the Purchaser shall assume all costs for the storage of the drill core and rock samples stored in premises owned by a Mr. Andrew Hager of Red Lake, Ontario, provided the rental arrangement is a month to month arrangement which does not exceed one hundred dollars (\$100.00) per month and the hydro charges are approximately twenty dollars (\$20.00) per month, and further provided all charges payable in respect of the foregoing have been paid to December 31, 1993; and
- (d) an undertaking to forthwith register and record the Mining Properties in the Purchaser's name provided title to the Mining Properties shall be free and clear of all liens, charges and encumbrances.
8. (a) "Closing" means the completion of the transaction herein contemplated to take place on the Closing Date commencing at 10:00 a.m. (Toronto time) at 500-1 Richmond St. West, or at such other place or time as the parties may mutually agree; and
- (b) "Closing Date" means the 7th day of January, 1994, provided that all applicable requirements of any regulatory body or authority having jurisdiction shall have been satisfied. In the event all such requirements have not or cannot be satisfied on such date the Closing Date shall be extended to the business day next following the date all such requirements shall have been satisfied.
9. The parties hereto agree that for the purposes of this transaction, the fair value for the purchase consideration of the 100,000 common shares received by the Vendors is equal to seventy thousand dollars (\$70,000).
10. The parties hereto each covenant with the other to do such things, execute such documents and take such steps as may be required to carry out the terms of this agreement.
11. The parties hereto agree that this agreement shall be governed and construed in accordance with the laws from time to time in force in the Province of Ontario.
12. This agreement shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors, heirs and assigns.

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

MADSEN GOLD CORP
The Purchaser

Per: *J. Morlock* s/s
James H. Morlock - President

Witness

UNITED REEF LIMITED
The Vendor

Per: *[Signature]* s/s

Witness

CANBORN MINING CORPORATION
The Vendor

Per: *[Signature]* s/s

Witness

SCHEDULE "A"

Patented mining claims registered in the name of Canhorn, located in the Township of Baird, Province of Ontario, more particularly described by the following claim numbers:

DESCRIPTION	NO. OF HECTARES	TAXES PAID TO	DESCRIPTION	NO. OF HECTARES	TAXES PAID TO
KRL 18728	27.652	Dec. 31/93	KRL 21273	7.232	Dec. 31/93
KRL 18729	30.574	Dec. 31/93	KRL 21274	7.086	Dec. 31/93
KRL 18778	23.294	Dec. 31/93	KRL 21275	7.572	Dec. 31/93
KRL 19278	26.535	Dec. 31/93	KRL 21276	9.781	Dec. 31/93
KRL 19279	18.308	Dec. 31/93	KRL 21277	8.478	Dec. 31/93
KRL 19280	26.564	Dec. 31/93	KRL 21278	10.748	Dec. 31/93
KRL 19281	20.335	Dec. 31/93	KRL 21280	10.688	Dec. 31/93
KRL 19367	18.470	Dec. 31/93	KRL 21281	14.253	Dec. 31/93
KRL 19368	14.115	Dec. 31/93	KRL 21316	50.857	Dec. 31/93
KRL 19684	18.450	Dec. 31/93	KRL 21317	17.669	Dec. 31/93
KRL 19685	18.231	Dec. 31/93	KRL 21378	23.071	Dec. 31/93
KRL 19686	15.046	Dec. 31/93	KRL 21318	12.335	Dec. 31/93
KRL 19687	27.078	Dec. 31/93	KRL 12726	22.189	Dec. 31/93
KRL 19688	15.111	Dec. 31/93	KRL 12727	20.453	Dec. 31/93
KRL 19719	14.184	Dec. 31/93	KRL 12728	20.825	Dec. 31/93
KRL 19720	19.834	Dec. 31/93	KRL 12820	11.938	Dec. 31/93
KRL 19788	6.718	Dec. 31/93	KRL 12821	13.185	Dec. 31/93
KRL 20169	22.590	Dec. 31/93	KRL 12822	11.226	Dec. 31/93
KRL 20170	23.188	Dec. 31/93	KRL 12823	17.365	Dec. 31/93
KRL 20171	20.805	Dec. 31/93	KRL 12824	18.879	Dec. 31/93
KRL20585A/	46.057	Dec. 31/93	KRL 19181	20.910	Dec. 31/93
KRL 20585			KRL 19182	21.493	Dec. 31/93
KRL20586A/	38.619	Dec. 31/93	KRL 19235	24.803	Dec. 31/93
KRL 20586			KRL 19236	15.888	Dec. 31/93
KRL20587A/	41.019	Dec. 31/93	KRL 19237	13.606	Dec. 31/93
KRL 20587			KRL 19238	24.556	Dec. 31/93
KRL 20588	24.868				

SCHEDULE "B"

Unpatented mining claims, recorded in the name of Canhorn, located in the Township of Baird, Province of Ontario, more particularly described by the following claim numbers:

DESCRIPTION	DATE RECORDED	ASSESSMENT WORK DUE
KRL 621882	Oct. 20/83	Oct. 19/95
KRL 697013	Oct. 20/83	Oct. 19/95
KRL 697122	Oct. 20/83	Oct. 19/95
KRL 697123	Oct. 20/83	Oct. 19/95
KRL 697125	Oct. 20/83	Oct. 19/95
KRL 697126	Oct. 20/83	Oct. 19/95
KRL 697127	Oct. 20/83	Oct. 19/95

EXHIBIT 2
SECURITY AGREEMENT



THIS AGREEMENT made the 11th day of February, 1994,

BETWEEN:

MADSEN GOLD CORP., a corporation duly incorporated under the laws of the Province of Ontario and maintaining its registered office at 1 Richmond Street West, Suite 500, in the City of Toronto, Province of Ontario;

(hereinafter called "Madsen")

OF THE FIRST PART

- AND -

UNITED REEF LIMITED, a corporation duly incorporated under the laws of the Province of Ontario and maintaining its registered office at 15 Toronto Street, Suite 600, in the City of Toronto, Province of Ontario (hereinafter individually called "UR"); and **CANBORN MINING CORPORATION**, a corporation duly incorporated under the laws of the Province of Ontario and maintaining its registered office at 15 Toronto Street, Suite 600, in the City of Toronto, Province of Ontario (hereinafter individually called "Canborn");

OF THE SECOND PART

WHEREAS the Parties have entered into an agreement dated the 2nd day of December, 1993 and accepted on December 9, 1993 and as amended (the "Agreement") and part of the purchase consideration is a Net Smelter Return ("NSR") royalty (all of which capitalized terms are defined in the Agreement);

AND WHEREAS the Parties have agreed that as security therefore, UR and Canborn shall be entitled to register notices of their interest in such NSR upon the Mining Properties acquired by Madsen under the said Agreement of Purchase and Sale.

NOW THEREFORE in consideration of closing of the Agreement of Purchase and Sale referred to above and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Parties hereto agree as follows:

1. Madsen grants, assigns and transfers to UR and Canborn a security interest in all amounts, sums and monies paid to or to be paid by any mill, smelter, refinery or mine of two

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per cent (2%) of the value of all precious metals mined and processed (which shall include re-processing of the tailings from the Mining Properties as described in the Agreement, provided that the maximum payable hereunder in respect of the NSR shall not exceed in the aggregate \$2,000,000 Canadian dollars.

2. The security interest granted herein secures payment in satisfaction of any and all obligations, indebtedness and liability of Madsen to UR and Canhorn, present and future, direct or indirect, absolute or contingent, matured or not extended or renewed in respect of such NSR.

3. This assignment shall be continuing collateral security to UR and Canhorn for the payment of all and every present and future indebtedness and liability, direct and indirect of Madsen to UR and Canhorn but only in respect of the NSR and any unpaid balance thereunder.

4. In the event Madsen defaults in the payment of the NSR to UR and Canhorn, UR and Canhorn may take possession of, collect, demand, sue on, enforce, recover and receive any and all amounts, sums and monies representing same from such mills, smelters, refineries or mines as the case may be to the extent of the NSR then owing.

5. No delay or omission by UR and Canhorn in exercising any right or remedy hereunder or with respect to its rights under the NSR shall operate as a waiver thereof or any other right or remedy and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Further, UR and Canhorn may remedy any default by Madsen hereunder or with respect to monies owing to it in a reasonable manner without waiving the default remedy and without waiving any other prior or subsequent default by Madsen. All rights and remedies of UR and Canhorn granted or recognized herein are cumulative and may be exercised any time and from time to time, independently or in combination.

6. This agreement shall ensure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

7. UR and Canhorn may register notice of their security interest hereunder in respect of the NSR to the title of the lands described in the Agreement. In the event that this agreement violates the provisions of the Planning Act (Ontario) as amended, the term of this agreement shall be for twenty years less one day from the date of execution, however, this will in no way affect Madsen's obligations with respect to the NSR entitlement granted to UR and Canhorn, if at the end of the term of this agreement, UR and Canhorn are still entitled to NSR payments.

IN WITNESS WHEREOF the Parties hereto have executed this agreement the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of

MADSEN GOLD CORP.

Per: [Signature] c/s
President

UNITED REEF LIMITED

Per: [Signature] c/s

CANBORN MINING CORPORATION

Per: [Signature] c/s

CONFIDENTIAL