

## SILVERKNIFE OPTION AGREEMENT

This agreement (the “Agreement”) is made as of the 6<sup>th</sup> day of November, 2024 (the “Effective Date”) between Coeur Silvertip Holdings Ltd. (“Optionee” or “Coeur”), a British Columbia corporation, having a place of business at Suite 740, 1111 Melville Street, Vancouver, B.C. V6E 3L2, Canada and CMC Metals Ltd. (“Optionor”), a British Columbia corporation, having a place of business at Suite 1000, 409 Granville Street, United Kingdom Building, Vancouver, B.C. V6C 1T2, Canada. “Parties” means the Optionee and the Optionor and “Party” means any one of them, as the context dictates

WHEREAS, the Optionor has certain rights in respect of the Assets, including title to the mining concessions that comprise the Property; and

WHEREAS, in accordance with the terms of this Agreement, the Optionor has agreed to grant to the Optionee an option to acquire up to an 75% undivided right, title and ownership interest (“Interest”) in the Assets, and following such exercise of the Option, additional rights to acquire all remaining interests in the Assets.

NOW, THEREFORE, in consideration of good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

### 1. Definitions

- a) **“Applicable Laws”** means any municipal, provincial, territorial, and federal laws, regulations, rules, and orders of any governmental authority, as the same may be amended from time to time, including, without limitation, the following laws and implementing regulations: US Foreign Corrupt Practices Act, Canada Criminal Code, and the Corruption of Foreign Public Officials Act
- b) **“Assets”** means:
  - i. the Property, including all legal rights held to the Property, and all surface improvements related thereto;
  - ii. any maps, drill core, samples, assays, geological and other technical reports, studies, designs, plans and financial or other records (whether in tangible or electronic form) related to the Property in the possession or under the control of the Optionor as at the Effective Date or thereafter acquired by any Party or its Affiliates with respect to the Property;
  - iii. any exploration tools, plant, supplies, equipment and infrastructure for or in connection with the Property by a Party or its Affiliates if the costs of any such acquisition are included in Expenditures made under this Agreement. For purposes of clarity, the existing CMC exploration camp is located outside of the geographic description of the Property and is therefore not an Asset;
  - iv. all inventories relating to the Property and the business carried on in respect thereof; and
  - v. all Governmental Authority approvals, licenses, consents, Mineral Rights and Permits or authorizations related to the Property and the business carried on in respect thereof.

- c) **“Claim”** means any claim, action, damage, loss (including loss arising from a withheld or abated payment under this Agreement), liability, cost, charge, expense, outgoing, payment or demand of any nature and whether present or future, fixed or unascertained, actual or contingent and whether at law, in equity, under statute, contract or otherwise, including without limitation, reasonable professional fees and all reasonable costs incurred in investigating or pursuing any of the foregoing, or any proceeding, arbitration, mediation or other dispute resolution procedure relating to any of the foregoing.
- d) **“Confidential Information”** means: all non-public, confidential, or proprietary information respecting the business interests and operations of a Party (a “Disclosing Party”) that is disclosed to the other Party or its Affiliates (a “Recipient”), or to any of such Recipient’s or its Affiliates’ employees, officers, directors, partners, agents, attorneys, accountants or advisors (collectively, “Representatives”): (i) that is labeled or otherwise designated in writing as confidential; (ii) which the Recipient or its Representatives are advised verbally is confidential; or (iii) which, in view of the nature of such information and/or the circumstances of its disclosure, Recipient knows or reasonably should know is confidential. For illustrative purposes, Confidential Information shall include, but not limited to, past, present and future commercial, technical, legal and financial information and materials, including: results of operations; forecasts and budgets; business and strategic plans; mine plans; legal information; environmental, social, and governance information; information pertaining to employees, consultants and other personnel; policies, procedures, processes, and methodologies; formulations, trade secrets, intellectual property, ideas, discoveries, and know-how; information about suppliers and customers; all technical information, including geological, geophysical, magnetic, electromagnetic, radiometric, and engineering data, surveys, notes, reports, maps, and diagrams; maps and lists of properties; data regarding the quality and extent of mineralization; and photographs, documents, notes, interpretations, plans, maps, drawings, writings, papers, and other materials pertaining to any properties of the Disclosing Party or its Affiliates. The term “Confidential Information” as used in this Agreement shall not include information that the other Party can demonstrate: (a) at the time of disclosure is, or thereafter becomes, generally available in the public domain other than as a result of, directly or indirectly, any violation of this Agreement by the Recipient, its Affiliates, or Recipient’s Representatives; (b) at the time of disclosure is, or thereafter becomes, available to the Recipient on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information to the Recipient by any legal, fiduciary or contractual obligation; (c) was known by or in the possession of the Recipient, as established by documentary evidence, prior to being disclosed by or on behalf of the Disclosing Party pursuant to this Agreement; or (d) was or is independently developed by the Recipient, as established by documentary evidence, without reference to or use of, in whole or in part, any of the Disclosing Party’s Confidential Information.
- e) **“Encumbrances”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, option, license or license fee, royalty (with the Parties expressly excluding the Royalty as defined below with respect to the Option Property and ROFR Property),

streaming or similar transaction, production payment, restrictive covenant or other encumbrance of any nature or any agreement to give or create any of the foregoing.

- f) **“Expenditures”** means: all costs and expenses of whatever kind or nature spent or incurred in the conduct of Operations on, or in relation to, the Property in any given year, including:
- i. In holding the Property in good standing (including land maintenance costs and any monies expended as required to comply with Applicable Law and regulations), in curing title defects and in acquiring and maintaining surface and other ancillary rights;
  - ii. In preparing for and in the application for and acquisition of environmental and other Permits necessary or desirable to commence and complete exploration and development activities;
  - iii. In undertaking drilling and assaying on or in respect of the Property;
  - iv. In undertaking geochemical, geophysical, geological surveys and airborne surveys and metallurgical testing in, on or in respect of the Property, including costs of surface access, establishment of grids, assays, metallurgical testing and other tests and analyses to determine the quantity and quality of minerals, water and other materials or substances;
  - v. In the preparation of work programs and the presentation and reporting of data and other results obtained from those work programs including any evaluation of the Property;
  - vi. For environmental remediation and rehabilitation;
  - vii. In acquiring or obtaining the use of facilities, infrastructure, equipment or machinery, and for all parts, supplies and consumables;
  - viii. For salaries and wages for employees assigned to exploration and development activities;
  - ix. Travelling expenses of all persons engaged in work with respect to and for the benefit of the Property, including for their food, lodging and other reasonable needs;
  - x. Payments to contractors or consultants for work done, services rendered, or materials supplied;
  - xi. The cost of insurance premiums and performance bonds or other security; and
  - xii. All taxes or government payments levied against or in respect of the Property, or activities on the Property, excluding value added tax or goods and services tax.
- g) **“Governmental Authority”** means any authorization, approval, order, license, permit or consent of any federal, provincial, territorial, regional, municipal or local government or authority, quasi-governmental authority, fiscal or judicial body, government or self-regulatory organization, commission, board, tribunal, organization or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction or authority over the Parties or the subject matter of this Agreement.
- h) **“Mineral Rights and Permits”** means prospecting licenses, exploration licenses, mining or mineral leases, mining licenses, mineral and exploitation concessions and other forms of mineral tenure or other rights to minerals (including mineral claims as defined by the British Columbia Mines Act and all regulations thereunder, as may be amended) or rights to work upon or occupy lands, and all material permits, agreements, approvals, consents,

certificates, docket, proceedings, registrations and authorizations granting such licenses, rights or easements and provincially issued permits for the purposes of searching for, developing or extracting minerals under any form of mineral tenure or right, whether contractual, statutory, regulatory or otherwise or any interest therein.

- i) **“Operations”** means to conduct work on or in respect of the Property to explore for minerals including investigating, prospecting, exploring, analyzing, property maintenance, sampling, assaying, preparation of reports, estimates and studies, filing assessment work, surveying, exploitation, extraction, rehabilitation, reclamation and environmental protection, and any management and administration necessary to conduct the foregoing work or activities.
- j) **“Personnel”** means:
  - a) In relation to a Party, any of its or its Affiliates’ directors, officers, employees, agents, consultants, invitees, subcontractors (including subcontractors’ Personnel) and representatives involved either directly or indirectly in the performance of a Party’s obligations under this Agreement; and
  - b) In relation to a subcontractor, any of its directors, officers, employees, agents, consultants, invitees, subcontractors or representatives involved either directly or indirectly in the performance of a Party’s obligations under this Agreement.
- k) **“Property”** means those lands set forth and described in Schedules 1 and 2 in so far as those lands are held pursuant to the tenures issued by the Province of British Columbia and any present or future confirmation, renewal, extension, modification, substitution, amalgamation or variation of any of those Mineral Rights and Permits or other rights that derive directly from those Mineral Rights or other rights (whether granting or conferring the same, similar or any greater rights and whether extending over the same or a greater or lesser domain), and includes Mineral Rights and Permits.
- l) **“Royalty”** means two percent (2.0%) of Net Smelter Returns, subject to a payment of \$1,000,000 for a 1% interest of the Royalty that can be exercised at any time by CMC Metals Ltd. with Mr. Stephen Scott, related to Mineral Products from any and all conventional mining carried out at, in or under the Option Property and ROFR Property, the calculation and payment of which shall be completed in accordance with Schedule 6 to this Agreement.

## 2. Schedules

The following Schedules are attached to and incorporated in this Agreement:

- (a) Schedule 1, which is the Option Property – Silverknife.
- (b) Schedule 2, which is the ROFR Property – Amy.
- (c) Schedule 3, which are the Mineral Rights and Permits relating to Schedule 1 – Silverknife.

- (d) Schedule 4, which are the Buyout Agreement Terms.
- (e) Schedule 5, which are the JV Agreement Terms.
- (f) Schedule 6, which is the Conventional Royalty.

**3. Mutual Representations and Warranties.** Each Party represents and warrants to the other Party that:

- a. Organization and Good Standing. It is duly formed in its place of organization and has full legal capacity and power to carry on its current business.
- b. Authority. It has full legal capacity and power and has taken all corporate action necessary to authorize its entry into this Agreement and to perform its obligations under this Agreement.
- c. No Conflict. The execution and delivery of, as well as performance under, this Agreement does not and will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under:
  - i. any material term or provision of any security arrangement, undertaking, agreement or deed; or
  - ii. any writ, order or injunction, judgment, law, rule or regulation to which it is a party or is subject to or by which it or any of its property is bound.
- d. Compliance with Applicable Laws. This Agreement constitutes a legal, valid and binding obligation, enforceable in accordance with the terms set forth herein and by appropriate legal remedy under all Applicable Law(s) and principles of equity.
- e. No Materially Adverse Events. To the best of its knowledge, no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or, to the best of its knowledge, threatened against it which if adversely decided could, in the reasonable opinion of the Party's management, have a material adverse effect on the Party's business, assets or financial condition that would materially impair its ability to perform its obligations under this Agreement.
- f. No Bankruptcy. No liquidator, trustee in bankruptcy, receiver or other external administrator is currently appointed in relation to it or any of its property or assets, and to the best of its knowledge, there are no facts, matters or circumstances which give any person the right to appoint or to apply to appoint a liquidator, trustee in bankruptcy, receiver or other external administrator with authority over any of its property or assets.
- g. Disclosure of Material Facts. To the best of its knowledge, there are no material facts or circumstances that have not been disclosed in this Agreement, which should be disclosed to the other Party to prevent the representations and warranties in this Section 3 from being materially misleading.

4. **Optionor's Representations and Warranties.** In addition to those made elsewhere in the Agreement, Optionor further represents and warrants to the Optionee that:
- a. **Governmental Authority:** No registration, declaration or filing by the Optionor with any such Governmental Authority is required in order for the Optionor enter into and perform its obligations under this Agreement.
  - b. **Sole Owner:** Optionor is the sole legal, beneficial, registered or recorded owner of all right, title and interest to the Assets, specifically including, the Property.
  - c. **No Encumbrances:** The Property, in each case, is free and clear of any Encumbrance, and the Mineral Rights comprising the Property are properly and accurately described in Schedule 1 and Schedule 2.
  - d. **Mineral Rights.** All of the Mineral Rights and Permits comprising the Property have been validly and properly located, staked, tagged and recorded in accordance with the laws of the jurisdiction in which Property is located.
  - e. **Authority to Conduct Operations.** The Optionor has obtained or acquired all rights or powers necessary in, over or to the surface area of the Property to access the Property and to conduct the Operations on the Property necessary to be obtained or acquired as at the Effective Date.
  - f. **Non-Protected Area.** The Property does not lie within any protected area, rescued area, reserve, reservation, reserved area or special needs lands as designated by any Governmental Authority having jurisdiction, that would materially impair the exploration for minerals or the development of a mining project on the Property.
  - g. **Compliance with Environmental Laws.** There are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property or the conduct of the business related to the Property, nor has any activity on the Property been in violation of any applicable environmental law, regulations or regulatory prohibition or order and relating to the Property are in compliance with those laws, regulations, prohibitions and orders.
  - h. **No Hazardous Substances.** There has been no spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance, waste or contaminants by the Optionor (as defined by any Applicable Law) from, on, in or under the Property or into the environment, except releases expressly permitted or otherwise authorized by Applicable Law and, to the best of the Optionor's knowledge, there exists no toxic or hazardous substance, waste or contaminated sites on the Property that could give rise to any Claim.
  - i. **No Storage of Hazardous Substances.** To the best of the Optionor's knowledge and except as is expressly permitted by the terms of the Mineral Rights and Permits associated with the Property, no toxic or hazardous substance, waste or contaminants has been treated, disposed of or is located or stored on the Property as a result of activities of the Optionor or its predecessors in title or interest.

- j. Compliance with Anti-Corruption Laws. The Optionor, including any person, partnership, limited liability company, joint venture, corporation, or other form of enterprise, which, directly or indirectly, controls, is controlled by, or is under common control with a Optionor (each an “Affiliate”), are in compliance, and shall remain compliant during the Term of this Agreement, with the anti-corruption requirements set forth in Section 31.
  - k. Compliance with Extractive Sector Transparency Measures Act. The Optionor and its Affiliates have complied with all reporting requirements under the Extractive Sector Transparency Measures Act.
  - l. Continuing Representations; Notice of Change of Circumstances. All the representations and warranties contained in this Section 4 will be continuing for the life of the Agreement and will survive the termination of the Agreement and any change of circumstances rendering them inaccurate or incomplete prior to the Effective Date which has not been communicated to Optionee will constitute a material breach of the Agreement. Optionor agrees to provide prior written notice of such change and will cooperate as requested by Optionee in providing information about such change.
5. **Grant of Option, Option Payments and Expenditures.** In consideration of the covenants and agreements of the Optionee set forth herein, the Optionor hereby grants to the Optionee the sole, exclusive and irrevocable right for the Optionee to acquire up to an undivided 75% Interest in the Assets, free and clear of any Encumbrances (the “Option”). Optionee must, if it wishes to maintain the Option in good standing fund the minimum “Expenditures” amount specified in respect of the relevant period in the following table, and make each “Option Payment” to the Optionor, each in the amount and by the date specified in the following table:

Item	Date/Period	Expenditures	Option Payments
1	Within ten (10) business days of the Effective Date	--	\$100,000
2	On or before December 31, 2024	\$150,000	--
3	On or before March 31, 2025	--	\$100,000
4	On or before December 31, 2025	\$550,000	--
5	On or before March 31, 2026	--	\$100,000
6	On or before December 31, 2026	\$800,000	--
7	On or before March 31, 2027	--	\$100,000
8	On or before December 31, 2027	\$950,000	--
9	On or before March 31, 2028	--	\$100,000
10	On or before December 31, 2028	\$1,100,000	--
<b>Cumulative Total</b>		<b>\$3,550,000</b>	<b>\$500,000</b>

- a. Excess Option Payments or Expenditures. If Optionee incurs Expenditures or makes Option Payments in excess of the amount stipulated to be due by the corresponding dates in the table above, then such excess amounts shall be brought forward as having satisfied that portion of the Expenditures or Option Payments due on the immediately subsequent date or dates. In the event the Expenditures incurred by

Optionee exceeds the Cumulative Total amounts set forth in the table above, then such excess amounts shall be credited towards Optionee's right to a Buyout (as defined below) or, if Optionee elects not to exercise its right to a Buyout, Optionee's proportionate interest in the Joint Venture which shall be increased in accordance with the terms set forth in Schedule 5 attached hereto and incorporated herein as the "JV Agreement Terms".

- b. **Access to ROFR Property.** Optionee agrees to make a good faith effort to provide Optionor with reasonable access to the ROFR Property (as defined in Schedule 2) for the purpose of accessing and conducting its business on the ROFR Property during the Option Period, provided such access is permitted under Applicable Law and Permits and such access does not impede or restrict Optionee's work, pose any significant safety issues or create undue hardship to the Optionee.
6. **Maintaining Option in Good Standing.** The Parties acknowledge and agree that Section 5 of this Agreement obliges the Optionee to make certain Option Payments and to fund certain Expenditures, subject to the terms and conditions set forth herein, including Optionee's sole discretion to maintain the Option in good standing. The Parties further acknowledge and agree that the Option Payments and the Expenditures in excess of those outlined in Section 5 of this Agreement are not obligations and are at the sole discretion of the Optionee. The Optionor further acknowledges and agrees that the Option Payments and Expenditures (i) are inclusive of any and all taxes imposed by a Governmental Authority on those payments or amounts; and (ii) if any tax is imposed by a Governmental Authority on the Option Payments Expenditures funded by the Optionee, the Optionor indemnifies the Optionee and its Personnel against any Claim sustained or incurred by the Optionee or its Personnel as a result of the Optionor's failure to do so.
7. **Suspension of Option Period.** At the election of the Optionee, the performance of the Optionee's obligations under Section 5 of this Agreement shall be suspended and the time for performance of such obligations shall extend for an equivalent period to account for any laps in necessary Permits to be obtained and maintained in good standing by Optionor. Such election shall be in addition to Optionee's termination rights under this Agreement.
8. **Exercise of Option.** Upon satisfaction of the Option Payment and Expenditure obligations specified in Section 5, and unless Optionee provides prior written notice to the Optionor stating otherwise, the Optionee shall automatically be deemed to have earned and be the beneficial owner of a 75% Interest in the Assets, and the Optionor shall thereafter have a 25% Interest (the date of such being the "Option Exercise Date").
9. **Buyout of Interest.** Provided the Optionee has earned its 75% interest in the Option, then for a period of sixty (60) calendar days beginning on the Option Exercise Date ("Buyout Option Period"), Optionee shall have the right, but not the obligation, in its sole discretion to purchase Optionor's remaining 25% Interest in the Assets in accordance with the terms set forth in this Section (the "Buyout Option"). If Optionee wishes to exercise its Buyout Option, it shall provide written notice to Optionor of such intent during the Buyout Option Period. Within fifteen (15) calendar days of such notice, the Parties agree that they will execute or otherwise cause to be



executed a buyout agreement with key terms and provisions as set forth in Schedule 4 (“Buyout Agreement Terms”) to effectuate the transfer of Optionor’s then-remaining entire Interest in the Assets on the terms set forth in Schedule 4, which form an essential part of this Agreement and are explicitly incorporated herein. In the event Optionee exercises its Buyout Option, at the time such Buyout Option becomes effective, the Optionor shall have performed the actions necessary to comply with Applicable Laws to effectively convey, register, provide, or otherwise transfer all Permits, rights, records, licenses, titles, certificates or other required documentation related to the Assets, including the Property, to Optionee.

**10. Joint Venture.** If Optionee does not exercise its Buyout Option as set forth in Section 9, then Optionee and Optionor shall use reasonable commercial efforts to negotiate, complete, execute and deliver a formal joint venture agreement (the “JV Agreement”) within sixty (60) calendar days of the expiration of the Buyout Option period. Such JV Agreement shall incorporate the key terms and provisions set forth in Schedule 5 (“JV Agreement Terms”) attached hereto to reasonably detail the operation of such joint venture in accordance with the Parties’ proportional Interests in the Assets.

**11. Rights and Obligations of Parties.**

- a. Operator. During the Option Period, and provided that all Expenditures and Option Payments are made timely, the Optionee will have full rights and obligations as the operator of the Property (the “Operator”).
- b. Rights of Operator. Subject to this Agreement, the Parties agree that as between themselves, the Operator shall have:
  - i. physical possession and control of the Property and all powers and authorities necessary or desirable to enable it to carry out or procure the carrying out of all Operations, and any Party that is not the Operator that may have possession or control of the Property will use its commercially reasonable efforts to provide the Operator with such possession and control; and
  - ii. the sole and exclusive right to:
    1. enter in, under or upon the Property and to conduct the Operations and related activities on the Property;
    2. bring upon and erect upon the Property buildings, plant, machinery and equipment as it may deem advisable;
    3. remove from the Property and dispose of, reasonable quantities of minerals for the purpose of obtaining assays or making other tests; and
    4. do such prospecting, exploration, development or other mining work on and under the Property as considered necessary or desirable.
- c. Obligations of Operator. During the Option Period, the Operator will:
  - i. conduct all Operations in a manner consistent with reasonable exploration, engineering and mining practices, and in compliance with all Applicable Laws, as well as maintaining all licenses or permits required for Operations, except for a violation that is not reasonably expected to have a material adverse effect on the Property, Mineral Rights and Permits or any interest in real property, whether freehold, leasehold, license, right of way, easement,

- any other surface, access or other right in relation to real property, and any right, license or permit in relation to the use or diversion of water, but excluding any Mineral Rights (collectively "Other Rights"), or Optionor's interest in the Property, Mineral Rights or Other Rights;
- ii. provide annual updates with representatives of Indigenous Governments who have certain rights in the Property, as required under law;
  - iii. keep the Property free and clear of all Encumbrances (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by the Optionee or the Optionor) and proceed with all diligence to contest and discharge any such Encumbrance that is filed;
  - iv. subject to Section 11(d), permit any Personnel of the Optionor, at their own expense and risk, reasonable access to the Property upon being provided with reasonable advance notice;
  - v. during the Option Period and for a period of 1 year after the expiry or termination of this Agreement and as otherwise required by United States generally accepted accounting principles ("GAAP"), maintain true and correct books, accounts and records of Expenditures and Option Payments; and
  - vi. within forty-five (45) calendar days after the end of each fiscal quarter of Optionee, deliver a report to Optionor summarizing any significant Operations conducted on the Property, during the fiscal quarter, including any relevant technical findings, and providing a reasonable breakdown of Expenditures incurred in carrying out the Operations during the fiscal quarter.
  - vii. Any new Permits or changes to the permit surety bond required during the Option Period, shall be the sole responsibility of the Optionee, with reasonable administrative support to be provided by Optionor, with both Parties to agree upon such addition or change, and with such consent not to be unreasonably withheld.
- d. Obligations of Optionor. During the Option Period, the Optionor shall, at its expense, obtain and maintain the existing Permits as per Schedule 3 or other legal rights related to the Assets, including keeping the Property in good standing as required by Applicable Law. Further, during the Option Period, the Optionor shall refrain from abandoning any portion of the Property, Mineral Rights and/or the Other Rights comprising the Assets without the prior written consent of Optionee. Optionor shall promptly deliver to Optionee any notice, demand or other material communication relating to the Permits, or upon discovery of a deficiency with the Permits or maintaining the Property, or any other Assets, in good standing.
- e. Property Maintenance. During the Option Period, as part of its Expenditures, the Optionee shall, at the Optionor's election, pay directly or provide the Optionor with funds (in each case up to the amount of annual Expenditures for each applicable year period as set forth in Section 5 above) sufficient to maintain the Property in good standing with all applicable governmental entities, including performing all required assessment work and making such filings and recordings on the Property as are necessary to maintain title, provided that:
- i. if the Optionee believes it appropriate to allow to lapse, abandon or surrender any part of the Property, it shall give notice of such determination to the

- Optionor and the Optionor may decide for itself what to do with such part of the Property;
- ii. if the Optionor intends to allow to lapse, abandon or surrender any part of the Property during the Option Period, it shall give notice of such intention to the Optionee at least sixty (60) days in advance of the applicable date of expiration or the proposed date of abandonment and the Optionee shall have a period of ten (10) days within which to advise the Optionor that it desires to acquire such part of the Property for \$10; the Optionor shall thereafter do all such acts and things or shall cause all such acts and things to be done, at the Optionor's sole cost and expense, to assign or convey, as appropriate, such part of the Property to the Optionee and to have such part of the Property recorded or registered into the name of the Optionee and provided that Optionee shall assume all liabilities and obligations with respect to such part of the Property from and after the date of such conveyance; and
  - iii. if the Optionee terminates this Agreement, the Optionee will maintain the Property in good standing for a period of sixty (60) days from the effective date of the Termination of the Agreement.
- f. Registration and Transfer of Title. At the written request of the Optionee, this Agreement will be recorded in the records of the British Columbia Department of Energy, Mines and Carbon Innovation (or any other applicable government authority or a solicitor identified in the written request of the Optionee), in order to give notice to third persons under Applicable Law of the interests of the Optionee under this Agreement. The Optionee and the Optionor agree to promptly execute those documents that may be necessary to perfect such recording. On the Option Exercise Date, the Optionor agrees to sign and deliver to the Optionee an assignment of rights agreement in a form reasonably satisfactory to Optionee's legal counsel and such other applicable conveyancing documentation sufficient to effect the transfer of an 75% Interest, and exercise Optionee's rights under Section 8, in and to the Assets under Applicable Laws in the name of the Optionee or, at Optionee's election, an Affiliate of the Optionee.
- g. Remedies for Optionor's Breach of Obligations. Any failure by Optionor to meet and/or provide any of its obligations set forth in Section 11 shall be considered a material breach of the Agreement. If Optionor does not correct such failure within a commercially reasonable amount of time, the Optionee shall have the ability to terminate the Agreement with immediate effect in accordance with Section 17(a)(iv). Further, the Parties each acknowledge and agree that money damages alone may not be a sufficient remedy for a material breach of this Agreement by Optionor or its Affiliates. Therefore, in addition to all other remedies available at law (which the Optionee does not waive by the exercise of any rights hereunder), the Optionee shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any material breach or threatened breach of this Agreement, and the Parties hereby waive any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such claim.

## **12. Indemnity.**

- a. Optionor Indemnification Obligations. Optionor will indemnify and hold Optionee and its shareholders, officers, directors, employees, agents, successors and permitted assigns (the "Optionee Indemnified Parties") harmless from and against any Claim which Optionee Indemnified Parties suffer, sustain or incur arising out of or in connection with: (i) the breach of any representation or warranty given or made by Optionor under this Agreement; (ii) the breach of, or failure by, Optionor or its Personnel to perform any covenant or obligation under this Agreement; or (iii) unless caused by gross negligence or willful misconduct of the Optionee, any injury (including injury causing death) to any person while such person is in or on the Property to the extent such injury was caused by the Optionor.
- b. Optionee Indemnification Obligations. Optionee shall hold Optionor and its shareholders, officers, directors, employees, agents, successors and permitted assigns (the "Optionor Indemnified Parties") harmless from and against any Claim which Optionor Indemnified Parties suffer, sustain or incur arising out of or in connection with: (i) the breach of any representation or warranty given or made by Optionee under this Agreement; (ii) breach of, or failure by, Optionee or its Personnel to perform any covenant or obligation under this Agreement; or (iii) unless caused by gross negligence or willful misconduct of the Optionor, any injury (including injury causing death) to any person while such person is in or on the Property to the extent such injury was caused by the Optionee.
- c. Indemnity Notice. Promptly after the incurrence of any losses incurred by an Optionee Indemnified Party or an Optionor Indemnified Party, as applicable (the "Indemnified Party"), which might give rise to indemnification hereunder, the Indemnified Party shall deliver written notice to the other Party (the "Indemnifying Party") that states that the Indemnified Party has paid or properly accrued losses or anticipates that it will incur liability for losses for which the Indemnified Party is or shall be entitled to indemnification pursuant to this Agreement ("Indemnity Notice"). The Indemnity Notice shall specify in reasonable detail the losses, including the basis for each anticipated liability and the computation of the amount to which the Indemnified Party claims to be entitled hereunder.
- d. Disputed Claims for Indemnification. If the Indemnifying Party shall object to the indemnification of the Indemnified Party in respect of any Claim or Claims specified in any Indemnity Notice, within twenty (20) days after receipt of such Indemnity Notice, the Indemnifying Party shall deliver to the Indemnified Party a notice to such effect and within the 30-day period beginning on the date of receipt by the Indemnified Party of such objection, the Indemnified Party and the Indemnifying Party shall enter into good faith discussions as set forth in Section 16(c) to resolve such objection. If the Parties resolve such objection, the Parties shall promptly sign a memorandum setting forth such agreement. If the Parties are unable to resolve the objection, the Parties agree to comply with the dispute resolution requirements set forth in Section 16. The Party which receives a final judgment in such dispute shall be indemnified and held harmless for all reasonable legal and consultant's fees or expenses by the other Party.

- e. Cumulative Rights and Remedies. The rights of indemnification contained in this Section 12 are cumulative and are in addition to every other right or remedy of the Indemnified Party contained in this Agreement or otherwise.
- f. Defense. Subject to the Indemnified Party's approval, which shall not be unreasonably withheld, the Indemnifying Party shall retain legal counsel for the purpose of defending the Indemnified Party in any suit or action covered by the obligations set forth in this Section. The Indemnified Party shall have the right to retain separate legal counsel, at its own expense, to participate in the defense of any such suit or action. No such suit or action covered by this Section shall be settled, discontinued, nor shall judgment of such be permitted to be entered without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld.

13. **Right of First Refusal.** Provided Optionee has satisfied all Option Payment and Expenditure obligations as set forth in Section 5, Optionee shall automatically receive a right of first refusal ("ROFR") on Schedule 2 ("ROFR Property - Amy").

- a. ROFR Offer. Under the ROFR, if the Optionor: (i) receives a bona fide offer from an independent third party dealing at arm's length with the Optionor to purchase all or any part of the ROFR Property (either directly or indirectly); or (ii) intends to sell, assign or transfer (either directly or indirectly) all or any part of the ROFR Property to any person, then Optionor must first offer ("ROFR Offer") its corresponding interests in the ROFR Property to the Optionee in writing upon terms identical to those offered by the proposed purchaser ("Proposed Purchaser") or intended to be offered by the Optionor, as the case may be. The ROFR Offer must be certified by an officer or legal representative of Optionor and specify the price and terms and conditions of such sale including, if the offer received by the Optionor from the Proposed Purchaser provides for any consideration payable to the Optionor other than in cash, then the ROFR Offer must include the name of such Proposed Purchaser.
- b. Exercise of ROFR Offer. If within a period of thirty (30) days of the receipt of the ROFR Offer, the Optionee notifies the Optionor in writing that it or its nominee will accept the same, then the Optionor will be bound to sell its interests in the ROFR Property to the Optionee or its nominee (as the case may be) and the Optionee or its nominee (as the case may be) will be bound to purchase such ROFR Property on the terms and conditions of the ROFR Offer.
- c. Sale of ROFR Property to Proposed Purchaser. If the Optionee fails to notify the Optionor before the expiration of the period specified in Section 13(b) that it or its nominee will exercise its ROFR rights, then the Optionor may sell and transfer the ROFR Property to the Proposed Purchaser at the price and on the terms and conditions specified in the ROFR Offer for a period of one hundred and eighty (180) days from the expiration of the period specified in Section 13(b). If the sale of the ROFR Property is not completed within one hundred and eighty (180) days from the expiration of the period specified in Section 13(b), the terms of this Section 13(c) will apply afresh as if the original ROFR Offer had not been previously made.

14. **Force Majeure.** Neither Party shall be liable for any delay in performing its obligations under this Agreement to the extent that such delay is caused by acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, terrorist acts, riots, strike, or embargoes that are beyond the reasonable control of such Party, without such Party's fault or negligence, and which by its nature could not have reasonably been foreseen and prevented by such Party (a "Force Majeure Event"), provided that the Party suffering such delay timely provides written notice to the other Party of the expected delay or impact of the Force Majeure Event. For the avoidance of doubt, a Force Majeure Event shall specifically exclude economic hardship and changes in market conditions. A Party experiencing a Force Majeure Event shall use all diligent efforts to ensure that the effects of any Force Majeure Event are minimized and resolved as quickly as possible. If at any time before the Option Exercise Date a Force Majeure Event arises, then from the date that the Force Majeure Event arises until the Force Majeure Event is remedied or abates the Optionee will not be obliged to make any further Option Payments or incur any Expenditures. Further, during the period of a Force Majeure Event the Optionor must make such Expenditures as is necessary to pay any maintenance, rental, holding fee, or other payment required to maintain the Assets in good standing. If the Optionee elects not to terminate this Agreement under Section 17 then the Optionee will not be required to incur any Expenditures that, but for the Force Majeure Event, the Optionee would have been required to incur under this Agreement until such time as the Force Majeure Event is remedied or abates. Notwithstanding the foregoing, during the period of the Force Majeure Event, the Optionor must make such Expenditures as is necessary to pay any maintenance, rental, holding fee, or other payment required to maintain the Assets in good standing.
15. **Confidentiality.** The Parties acknowledge and agree that they may each gain access to or become familiar with the other Party's Confidential Information.
- a. **Confidentiality Obligations.** Except as required by Applicable Law or otherwise as mutually agreed to in writing by the Parties, Recipient shall during the term of this Agreement, and for a period of two (2) years following the end of the term of this Agreement: (i) protect and safeguard the confidentiality of Disclosing Party's Confidential Information with at least the same degree of care as the Recipient would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to perform its obligations under this Agreement; (iii) not disclose any such Confidential Information to any person or entity, except to Recipient's Representatives who: (a) need to know the Confidential Information to assist Recipient, or act on its behalf, in exercising its rights or performing its obligations under this Agreement; (b) are informed by Recipient of the confidential nature of the Confidential Information; and (c) are subject to Recipient's confidentiality duties or obligations that are no less restrictive than the terms and conditions of this Agreement; (iv) promptly notify Disclosing Party of any unauthorized disclosure of Confidential Information or other breaches of this Agreement by Recipient or its Representatives of which the Recipient has knowledge; (v) fully cooperate with Disclosing Party in any effort undertaken to enforce its rights related to any such unauthorized disclosure; and (vi) be responsible for any breach of this Section 15(b) caused by any of Recipient's Representatives, Affiliates or other third parties to whom it discloses Confidential

Information. Recipient agrees that a breach of this Section 15(b) by Recipient or its Representatives shall be deemed a material breach of this Agreement by Recipient.

- b. Required Disclosure. If, in the opinion of Recipient's legal counsel, Recipient is required to disclose any of Disclosing Party's Confidential Information pursuant to applicable federal, state or local law, regulation, rules of a securities exchange, or a valid order issued by a court or governmental agency of competent jurisdiction (a "Legal Order"), such disclosure shall be permitted, provided that prior to making any such disclosure, Recipient shall provide Disclosing Party with: (a) prompt written notice of such requirement, if legally permitted to do so, to permit the Disclosing Party to seek, at its sole cost and expense, a protective order or other remedy; and (b) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance as required herein, Recipient remains subject to a Legal Order to disclose any Confidential Information, Recipient shall disclose only that portion of the Confidential Information which, on the advice of the Recipient's legal counsel, such Legal Order specifically requires Recipient to disclose and, upon Disclosing Party's written request, shall use commercially reasonable efforts to obtain assurances from the applicable court or agency that such Confidential Information will be afforded confidential treatment. In connection with any legal proceeding arising in connection with this Agreement, any such disclosure shall be subject to such confidentiality procedures as may be reasonably requested by the Disclosing Party and approved by the court.
- c. Return of Confidential Information. Each Party acknowledges and agrees that any and all Confidential Information disclosed by the Disclosing Party under this Agreement is and shall remain the exclusive property of the Disclosing Party and that no license or other interest in the Confidential Information shall vest with the Recipient. At any time during or after the term of this Agreement, at the Disclosing Party's written request, the Recipient shall promptly – and in no event more than ten (10) business days from such request – return or destroy all originals and copies, whether in written, electronic or other form or media of the Disclosing Party's Confidential Information, as well as any related notes or other records containing the Confidential Information, and shall certify in writing to the Disclosing Party that such Confidential Information has been destroyed. Notwithstanding the return or destruction of the Confidential Information, Recipient and Recipient's Representatives shall continue to be bound by the obligations under this Section 15.
- d. Remedies for Breach of Confidentiality. Each Party acknowledges and agrees that money damages may not be a sufficient remedy for any breach or threatened breach of this Section 15 by the Recipient or the Recipient's Representatives. Therefore, in addition to all other remedies available at law (which the Disclosing Party does not waive by the exercise of any rights hereunder), the Disclosing Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any breach or threatened breach of this Section 15, and the Parties hereby waive any requirement for the securing or posting of any bond or the showing of actual monetary damages in connection with such claim.

**16. Dispute Resolution.** Any dispute, question or disagreement between the Parties in respect of this Agreement (each a “Dispute”), whether arising before or after the expiration of this Agreement shall be resolved in accordance with the terms set forth in this Section 16.

- a. Dispute Notice. A Party raising a Dispute shall submit a written notice to the other Party reasonably detailing the nature of the Dispute (“Dispute Notice”). Such Dispute Notice shall conform with the Notice requirements set forth in Section 18.
- b. Commercial Discussions. Within ten (10) business days of receipt of a Dispute Notice, if the Dispute remains unresolved, the Parties shall convene to engage in good-faith discussions in an attempt to reach a commercially reasonable solution to resolve the Dispute.
- c. Mediation. If the Parties are not able to resolve the Dispute through such commercial discussions within thirty (30) days of receipt of a Dispute Notice, either party may elect to engage an independent, mutually agreed upon mediator to help facilitate further discussions between the Parties. Alternatively, or if the Parties cannot agree upon a mediator to engage, either Party may elect to advance the Dispute to arbitration in accordance with the provisions set forth below in this Section 16.
- d. Arbitration. If the Parties are unable to resolve a Dispute within thirty (30) days of a Party’s receipt of a Dispute Notice through discussions or mediation, the Parties agree to submit the Dispute to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be administered by the American Arbitration Association. Unless otherwise agreed by the Parties, there shall be one (1) arbitrator who shall be a person with an expertise or background in the subject matter of the Dispute. If the Parties are unable to select the arbitrator within thirty (30) days of the notice of arbitration, the arbitrator will be selected under the procedures established by the American Arbitration Association. The place of arbitration shall be Vancouver, British Columbia, Canada, or another location mutually agreed upon by the Parties. The arbitrator shall render a decision in writing not more than six (6) months after the appointment of the arbitrator. The arbitrator’s decision shall be final and binding on the Parties and not subject to appeal or review. The prevailing Party shall be entitled to an award of costs and attorneys’ fees unless the arbitrator determines that each Party should bear its own costs and share the common costs of arbitration.
- e. Costs of Arbitration. The costs of any arbitration must be borne by the Parties in the manner specified by the arbitrator in their determination, and until such determination is made by the arbitrator any expenses incurred by a Party in seeking resolution of a Dispute will be for its own account.
- f. Performance of Obligations During Dispute. During the existence of any Dispute and efforts to resolve such Dispute, and unless otherwise agreed to by mutual agreement of the Parties, the Parties must continue to perform all of their obligations under this Agreement without prejudice to their position in respect of such Dispute.

**17. Termination.**



- a. Termination Rights. The Option and this Agreement shall terminate and be of no further force and effect if:
    - i. the Optionee and Optionor shall negotiate in good faith to terminate this Agreement as agreed to in writing duly signed by both Parties;
    - ii. the Optionee provides sixty (60) days' written notice of termination to the Optionor at any time;
    - iii. the Optionee fails to satisfy any of its obligations under Section 3. and the Optionor delivers notice of an intention to terminate, and the Optionee does not cure such failure within sixty (60) days of such notice;
    - iv. If at any time during the Option Period a Force Majeure Event arises and if the Force Majeure Event has not been remedied or abated at any time by the expiration of 1 year from the date on which the Force Majeure Event first arose, then the Optionee must, within fourteen (14) days after the expiration of 1 year from the date on which the Force Majeure Event first arose, by notice in writing to the Optionor terminate this Agreement; or
    - v. the Optionor materially breaches and fails to cure within a reasonable amount of time, any of its obligations set forth in this Agreement, specifically including, but not limited to, the Optionor Obligations set forth in Section 11, and the Representations and Warranties set forth in Sections 3 and 4.
  - b. Pre-Termination Obligations. Any termination of this Agreement shall not relieve either Party of any obligations arising hereunder prior to such termination and shall be without prejudice to any future rights of the Parties against each other that may arise from any breach or non-observance of such obligations that arose prior to the time of termination. Further, in addition to the rights of the Parties to terminate this Agreement as provided in this Section 17, the non-breaching Party may concurrently exercise any rights and remedies provided by this Agreement, at law or in equity.
  - c. Post-Termination Obligations. If the Option is terminated pursuant to Section 17, then each Party will be released from further performance of its obligations under this Agreement as of the effective date of such termination.
18. **Notice.** All notices, consents, claims, demands, waivers, permissions, and other communications required or permitted under this Agreement, including but not limited to, any Indemnity Notice (each a "Notice") must reference this Agreement and shall be made in writing addressed to the receiving Party at the address set forth below or to such other address as the receiving Party may designate in writing. Notices will be deemed delivered: (i) upon actual delivery when delivered in person; (ii) upon receipt when sent by e-mail or similar electronic transmission if sent during recipient's normal business hours or on the next Business Day if sent outside of recipient's normal business hours, as may be evidenced with confirmation of delivery or read receipt; or (iii) upon verified receipt when sent by a recognized commercial express courier, as may be evidenced by written verification of receipt or certified mail return receipt. Any Notice given or made under this Agreement must be delivered to the intended recipient at the address below:
- a. If to the Optionee:

Coeur Mining, Inc.

Attn: Aoife McGrath, Senior Vice President, Exploration  
200 S. Wacker Drive, Suite 2100  
Chicago, Illinois 60606  
Email: [amcgrath@coeur.com](mailto:amcgrath@coeur.com)

with a copy (not to constitute notice) to:

Coeur Mining, Inc.  
Attn: Casey M. Nault, Senior Vice President, General Counsel  
200 S. Wacker Drive, Suite 2100  
Chicago, Illinois 60606  
Email: [cnault@coeur.com](mailto:cnault@coeur.com)

b. If to the Optionor:

CMC Metals Ltd.  
Attn: Kevin Brewer,  
President, CEO and Director  
Suite 1000 – 409 Granville Street  
Vancouver, BC. V6C 1T2  
Email: [kbrewer80@hotmail.com](mailto:kbrewer80@hotmail.com)

with a copy (not to constitute notice) to:

Segev LLP.  
Attn: Aadam Tejpar, Solicitor  
6<sup>th</sup> flr, 905 West Pender Street  
Vancouver, B.C.  
V6C 1L6  
[a.tejpar@segevllp.com](mailto:a.tejpar@segevllp.com)

19. **Relationship of Parties.** The Parties agree and declare that this Agreement is not and must not be construed as constituting an association, corporation, mining partnership or any other kind of partnership and, except as expressly provided otherwise in this Agreement, nothing in this Agreement will be deemed to create a fiduciary relationship between the Parties or constitute a Party as a partner, agent, or legal representative of any other Party for any purpose whatsoever. The rights and obligations of the Parties under this Agreement are strictly limited to the Assets, including the Property, set forth herein. Each Party may enter into, conduct and benefit from any business venture of any kind whatsoever, whether or not competitive with the activities undertaken under this Agreement, without disclosing those activities to the other Party or inviting or allowing the other Party to participate in that business venture.

20. **Waiver.** No waiver of any kind to the provisions of this Agreement shall be effective unless explicitly set forth in a writing signed by the Party so waiving, and even then, shall be effective only to the extent set forth in such writing and shall not operate or be construed as a waiver of any subsequent breach. No delay or omission in exercising any right, remedy, power or privilege arising under this Agreement shall operate or be construed as a waiver thereof, nor

shall any single or partial exercise of any such right, remedy, power or privilege impair any additional or future right, remedy, power or privilege that a Party may have.

21. **Survival.** Sections 9, 10, 11, 12, 13, 14, 17, 18, 19, 27 and 31 and all limitations of liability and rights accrued prior to completion, termination, or expiration of this Agreement will not merge on completion, termination, or expiration of this Agreement, but will continue in full force and effect after any termination or expiration of this Agreement as will any other provision of this Agreement which expressly or by implication from its nature is intended to survive the termination or expiration of this Agreement.
22. **Governing Law and Venue.** All matters arising out of or relating to this Agreement shall be governed by the internal laws of the Province of British Columbia and Applicable Laws of Canada, without giving effect to the conflict or choice of law rules thereof. Each Party irrevocably and unconditionally submits to non-exclusive jurisdiction of the courts of Canada or the courts of the Province of British Columbia and the appropriate court of appeal therefrom and waives any objection based on improper venue or forum non conveniens. Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. If this Agreement is intended to be performed in more than one jurisdiction, and its performance would be a violation of the Applicable Law of a jurisdiction where it is intended to be performed, this Agreement is binding in those jurisdictions in which it is valid and the Parties will use their reasonable efforts to re-negotiate and amend this Agreement so that its performance does not involve a violation of the Applicable Law of the jurisdiction where its performance would be a violation.
23. **Severability.** If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, such provision shall be enforced to the fullest extent permitted by Applicable Law and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Upon any determination that a provision of this Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend this Agreement to affect the original intent and economic effect of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.
24. **Cumulative Rights.** The warranties, assurances, rights and remedies provided to each Party in this Agreement are cumulative and in addition to any other rights and remedies available at law, in equity or otherwise, which may be exercised independently or concurrently.
25. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Except as otherwise provided herein, neither Party may assign this Agreement without the express written consent of the other Party, and any attempted assignment prohibited hereunder shall be null and void. Notwithstanding the foregoing, Coeur may assign this Agreement to any Affiliate of Coeur, or as part of a change in control or sale of substantially all of Coeur's assets located in Canada. No assignment shall relieve the assigning Party of any of its obligations herein. An assignee of a Party's interest in this Agreement shall agree, in writing, to undertake and perform all obligations of the assignor from and after the date of such assignment.

26. **Interpretation.** Unless the context otherwise expressly requires, in this Agreement: (i) the singular includes the plural and conversely and a gender includes all genders; (ii) if a word or phrase is defined, its other grammatical forms have a corresponding meaning; (iii) a reference to a person (including a Party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Governmental Authority; (iv) a reference to a section or schedule is a reference to a section of or a schedule to this Agreement; (v) a reference to any Party includes that Party's executors, administrators, substitutes (including, but not limited to, persons taking by novation), successors and permitted assigns; (vi) a reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Agreement or that other agreement or document; (vii) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it; (viii) a reference to writing includes a facsimile or electronic mail transmission and any means of reproducing words in a tangible and permanently visible form; (ix) a reference to "\$" is to currency of Canada; (x) the word "including" means "including without limitation" and "include" and, "includes" will be construed similarly; (xi) the word "controls" means, in relation to any person, possession, directly or indirectly, of the power to direct or cause direction of management and policies of that person through ownership of voting securities, contract, voting trust or otherwise; (xii) headings are for convenience only and do not form part of this Agreement or affect its interpretation; (xiii) a provision of this Agreement may not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement; (xiv) if an act is prescribed to be done on a specified day which is not a Business Day, it must be done instead on the next Business Day; for purposes of clarity, "Business Day" means any day other than a Saturday, Sunday or a public or statutory holiday in Chicago, Illinois; and (xv) a reference to a thing (including a right, obligation or concept) includes a part of that thing but nothing in this Section 26 implies that performance of part of an obligation constitutes performance of the obligation.
27. **Entire Agreement.** This Agreement, together with all Schedules hereto and any other documents incorporated by reference herein, constitutes the sole and entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, discussions, and negotiations between the Parties relating to the subject matter contained herein.
28. **Amendment.** No modification, alteration, or amendment of this Agreement shall be binding unless agreed to in a written amendment duly signed by both Parties, and this Agreement shall not be supplemented or modified by any course of dealing or performance.
29. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall be deemed to be one and the same document. Each of the Parties agree that this Agreement may be electronically signed (including electronically imaged signatures provided by DocuSign or any other similar digital signature provider). A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

30. **Costs and Outlays.** Each Party must pay its own costs and expenses connected with the preparation, negotiation and execution of this Agreement including all legal, accounting and broker's or finder's fees and disbursements relating to this Agreement.

31. **Conflicts of Interest and Corrupt Practices.** Neither Party nor any person acting on behalf of a Party has made, committed, or offered to make nor shall they make, commit, or offer any payment of money, any gift of anything of value, or employ or offer to employ, directly or indirectly, any official, agent, or employee of the government, any political party or an official thereof, any candidate for political office, any official or employee of any public international organization, or any immediate relative (spouse, son, daughter, or parent) of any of the foregoing ("Government Official") in an attempt to obtain, retain, or direct business or to secure any improper advantage for any person in connection with this Agreement or otherwise in violation of any other applicable anti-corruption laws or regulations.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date by their respective duly authorized representatives.

**OPTIONOR:**  
**CMC METALS LTD.**

Signature: /s/Kevin Brewer

Name: Kevin Brewer

Title: President, CEO and Director

Date: 11/6/2024

**OPTIONEE:**  
**COEUR SILVERTIP HOLDINGS LTD.**

Signature: /s/Aoire McGrath

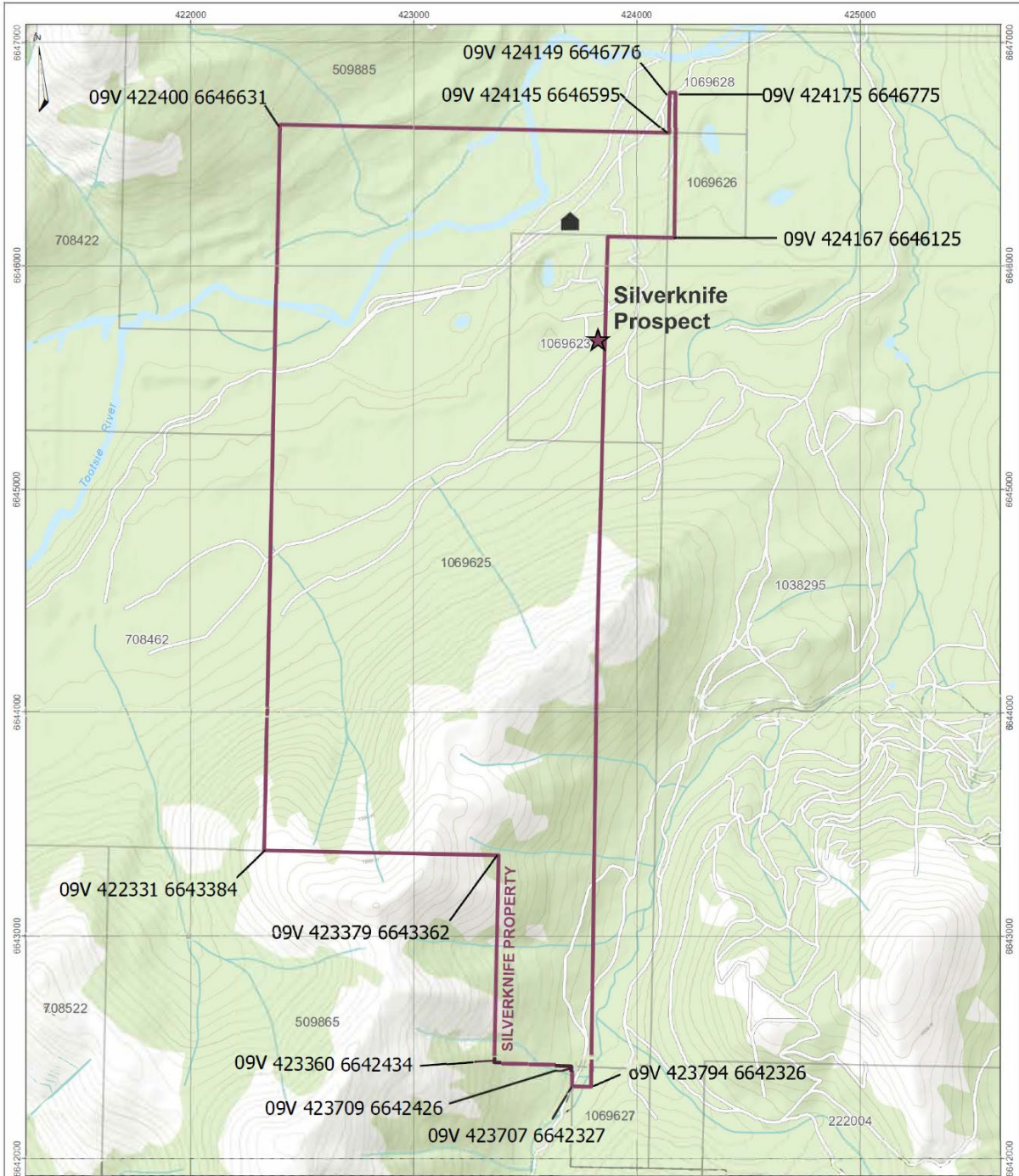
Name: Aoife McGrath

Title: SVT Exploration





Date: 11/6/2024

**SCHEDULE 1**  
**OPTION PROPERTY DESCRIPTION - SILVERKNIFE**

Claim (Tenure) Number	NTS Map No.
1069623	104O
1069625	104O
1069626	104O
1069627	104O
1069628	104O



**SILVERKNIFE PROSPECT: COORDINATES**

-  Potential Camp Location
-  Access Road/Trail
-  Silverknife Property
-  Surrounding Claims

Data sources:  
 Topographic spatial data provided by GeoBC, GeoYukon and Esri. Basemap provided by Esri: World Topographic Canadian Style.  
 Potential camp locations provided by CMC (November 2022)

Project data displayed is site specific. This document is not an official land survey and the spatial data presented is subject to change.

0 250 500 1,000 m

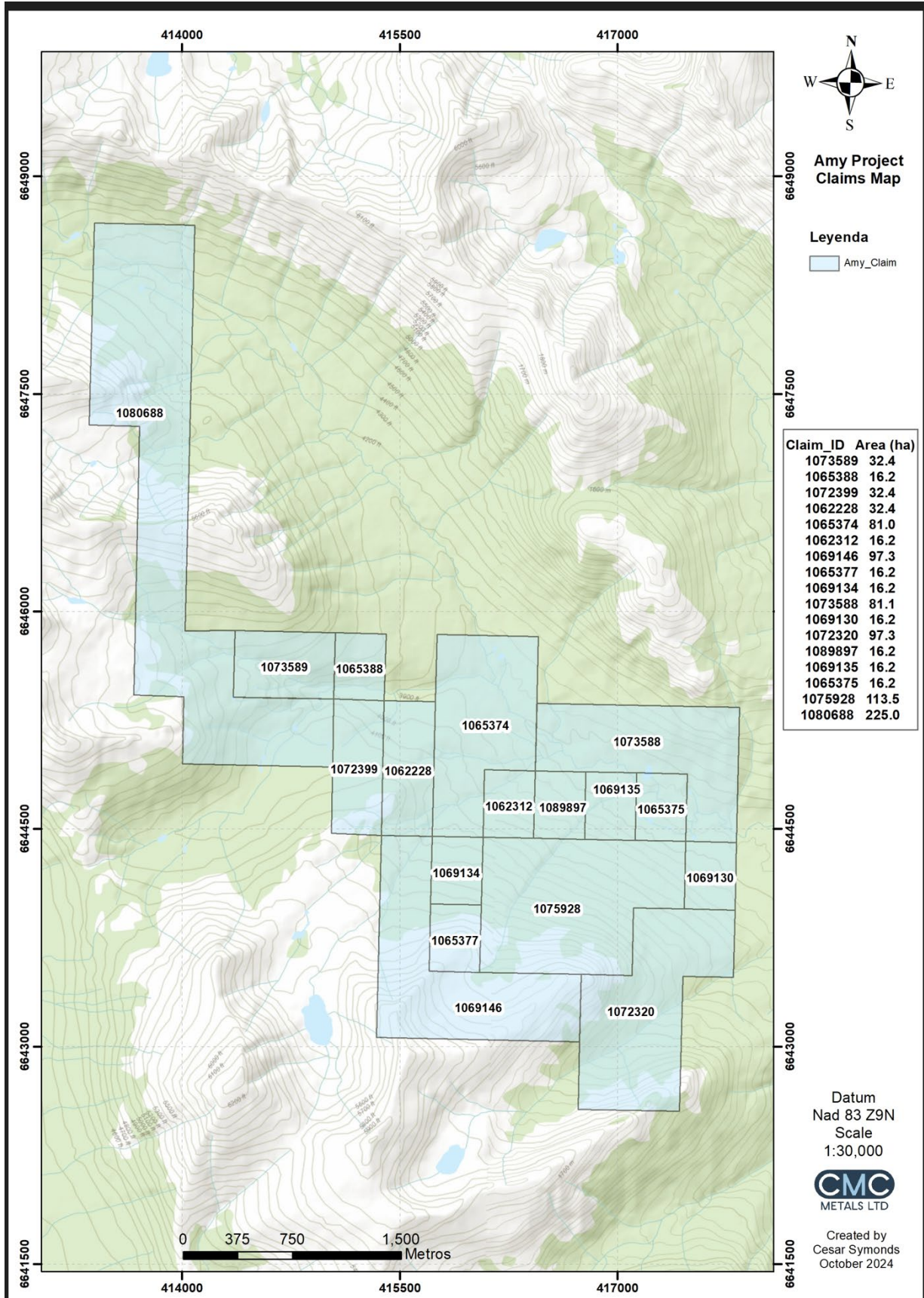
Map scale: 1:24,000 (printed at 8.5x11)  
 Map Projection: NAD 1983 UTM Zone 9N  
 Date: 09/11/2022

Map For: **CMC METALS LTD**  
 Map By: **ASPECTNORTH**



**SCHEDULE 2**  
**ROFR PROPERTY DESCRIPTION - AMY**

Claim (Tenure) Number	NTS Map No.
1062228	104O
1062312	104O
1065374	104O
1065375	104O
1065377	104O
1065388	104O
1069310	104O
1069134	104O
1069135	104O
1069146	104O
1072320	104O
1072399	104O
1073588	104O
1073589	104O
1080688	104O
1075928	104O
1089897	104O



**SCHEDULE 3**  
**MINERAL RIGHTS AND PERMITS RELATING TO SILVERKNIFE**

**See attached.**



Ministry of  
Energy, Mines and  
Low Carbon Innovation

**Mines Act Permit  
Mineral**

**Page 1 of 10**

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Permit Number: **MX-100000340**

Mine Number: **1650643**

Permittee: **CMC Metals Ltd  
615-800 West Pender Street  
Vancouver, British Columbia BC V6C2V6**

Name of Property: **Silverknife**

Reclamation Liability Amount: **\$26,100.00**

Map Reference: **Lat: 59.5600000 Long: -130.2200000**

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**Date of Issuance: Jun 15 2023**

**Approval End Date: Mar 31 2028**

A handwritten signature in blue ink, appearing to read "Anastasia Ledwon".

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Anastasia Ledwon  
Inspector of Mines – Permitting



## **PREAMBLE**

Notice Of Work for the Silverknife Mineral project was filed with the Chief Permitting Officer, submitted on Jan 09 2023 and last updated on Mar 14 2023. The application included a plan of the proposed work system ("Mine Plan") and a program for the protection and reclamation of the surface of the land and watercourses ("Reclamation Program"), affected by the Notice of Work.

The Mines Act, the Health, Safety and Reclamation Code for Mines in British Columbia ("Code" or "HSRC"), and this Mines Act Permit contain the requirements of the Chief Permitting Officer for the execution of the Mine Plan and Reclamation Program, including the deposit of reclamation securities. Nothing in this permit limits the authority of other government agencies to set additional requirements or to act independently under their respective authorizations and legislation.

## **THE MINE PLAN AND RECLAMATION PROGRAM**

The Chief Permitting Officer considered the following Mine Plan and Reclamation Program(s) for the stated period(s):

- 1. Notice of Work Mine Plan and Reclamation Program**
  - 1.1.** Notice of Work **1650643-2023-01** tracking number **100402464** submitted **Jan 09 2023** and last updated on **Mar 14 2023**
  - 1.2.** Archaeological Chance Find Procedure, dated May 25 2010, prepared by CMC Metals Ltd.
  - 1.3.** TCG Archaeological Chance Find Procedure, dated Mar 13 2023, prepared by Tahltan Central Government
  - 1.4.** Archaeological Overview Assessment, dated Apr 30 2023, prepared by H3M Environmental Ltd.
  - 1.5.** Location Map, dated Mar 03 2023, prepared by Cindy Barden
  - 1.6.** Permit Area Map, dated Mar 03 2023, prepared by Cindy Barden
  - 1.7.** Biogeoclimatic Zone Map, dated Mar 03 2023, prepared by Cindy Barden
  - 1.8.** Wildlife Attractant Management Plan, dated Mar 05 2020, prepared by CMC Metals Ltd.
  - 1.9.** Spill Contingency Plan, dated Jan 11 2022, prepared by Kevin Brewer
  - 1.10.** Proposed Drill Hole Locations, Access, Water Sources & Fuel Storage, dated Jan 07 2023, prepared by AspectNorth



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## PERMIT CONDITIONS

The Chief Permitting Officer hereby issues this permit subject to the following conditions that the permittee must comply with:

### A. General

1. Approval - This permit authorizes only the following mining activities as outlined in the Mine Plan and Reclamation Program. Mining activities conducted that are not listed below are considered to be undertaken without a permit as required by Mines Act 10(1):
  - a. Approved Activities:
    - i. Staging Areas: 2 sites, 10 m x 20 m each [0.04 ha]
    - ii. Surface Drilling: 15 ground-supported drill sites [0.23 ha]
    - iii. Exploration Access Construction/Modification:
      1. Exploration Trail (new): up to 4 km [2.0 ha]
      2. Temporary Road (new): up to 1.5 km [0.75 ha]
    - iv. For a total disturbance area of 3.10 ha.
  - b. Approved activities must be conducted as outlined in Document 1.1, Description of Work Program.
  - c. Activities must be conducted within the permit area illustrated by Document 1.6 [Permit Area Map]. Roads, trails, and staging areas must be constructed only in the locations shown in Document 1.10 [Proposed Infrastructure].
  - d. Only reclamation activities may occur after March 28, 2028.
  - e. The use of all-terrain vehicles (ATVs) and utility task vehicles (UTVs) is restricted to authorized exploration access.
2. Definitions
  - a. Unless otherwise specified, the definitions in the Mines Act, the regulations and the Code apply to the use of the terms in this permit.
3. Documentation
  - a. A completed Annual Summary of Exploration Activities (ASEA) form must be submitted to [mmd-smithers@gov.bc.ca](mailto:mmd-smithers@gov.bc.ca) prior to March 31 annually and must be accompanied by:
    - i. spatial data of the as-built disturbances which includes attribution data for the status of reclamation.
  - b. For Multi-Year Area-Based (MYAB) work programs, a MYAB annual update form must be submitted annually to [mmd-smithers@gov.bc.ca](mailto:mmd-smithers@gov.bc.ca). The MYAB update must be submitted at least two (2) weeks prior to the anticipated commencement of exploration activities in a new calendar year, or no later than March 31 for every year the MYAB approval is in effect. In addition to the required mapping, the Permittee must submit spatial files of current and proposed disturbances.



- c. The forms required under condition A.3.a and A.3.b must be submitted to the following First Nations prior to March 31 annually: Kaska Nation, Liard First Nation, and Tahltan Central Government.

## **B. Health and Safety**

1. Mine Emergency Response Plan (MERP)
  - a. The MERP required under 3.7.1 of the Code must be maintained on the mine site and made available to an inspector upon request.
2. Fuels and Lubricant Handling, Transportation and Storage
  - a. Handling, transportation and storage of fuels and lubricants must conform to the requirements of the document: BC Fuel Guidelines, 11th Edition, January 2, 2022 (NorthWest Response Ltd), or most recent version thereof.

## **C. Geotechnical**

1. Reporting
  - a. The Chief Inspector must be advised in writing upon discovery of any unforeseen conditions that could adversely affect the extraction of materials, site stability, erosion control or the reclamation of the site.
  - b. An Advice of Geotechnical Incident form must be submitted to the Chief Inspector for any geotechnical incident that:
    - i. is classified as a reportable incident,
    - ii. requires changes to an existing standard operating procedure or the creation of a site-specific safe work plan.
2. Site Stability
  - a. Stockpiles of waste, overburden or soil must not be placed in areas identified as Terrain Class IV or V.
3. Design
  - a. Prior to initiating road or trail construction, a qualified person must determine the terrain stability classification for all areas where roads and trails are to be constructed.
  - b. All access roads, drill sites, equipment laydowns and trenches on terrain Class IV or V must be constructed, maintained and operated per the written recommendations of a qualified professional. The signed and sealed design reports must be maintained on site and made available to an Inspector upon request.

## **D. Environmental Land and Watercourses**

1. Cultural Heritage Resources



- a. The Archaeological Chance Find Procedure (CFP) (Document 1.2) must be implemented prior to commencement of work. All employees and contractors at the mine site must be trained on the CFP. The plan must be maintained onsite and available to an Inspector upon request.
- b. In addition to Document 1.2, Tahltan's CFP (Document 1.3) must be implemented prior to commencement of work. All employees and contractors at the mine site must be trained on Tahltan's CFP.
- c. The recommendations provided in Document 1.4 [Archaeological Overview Assessment] must be implemented.

## 2. Environmental Protection

- a. Garbage and other animal attractants must be removed from work sites daily or stored in a secure and airtight container until removed from the mine site.
- b. Water intakes must comply with the Freshwater Intake End-of-Pipe Fish Screen Guideline, 1995 (Department of Fisheries and Oceans), or most recent version thereof.
- c. Erosion and sediment must be effectively controlled on the mine site. Sediment laden water must be suitably contained on the mine site and not be allowed access to any watercourse.
- d. Dust originating from the mine site must be controlled at the source.
- e. Document 1.9 [Spill Response Plan] must be implemented on site and updated to include British Columbia contacts and spill response requirements.
- f. Authorized activities in areas of overlap with Thinhorn Sheep winter habitat are restricted to the period from July 16th – October 31st, unless a wildlife management plan is developed and submitted to [mmd-smithers@gov.bc.ca](mailto:mmd-smithers@gov.bc.ca) for the approval of the Chief Permitting Officer. Document 1.8 [Attractant Management Plan] must be implemented upon commencement of work. An updated plan based on the observations from the 2023 field season is required to be submitted to [mmd-smithers@gov.bc.ca](mailto:mmd-smithers@gov.bc.ca) by December 31, 2023.
- g. All flight paths must be recorded using a spatial recording system and the raw data must be available upon request to an inspector at the end of each field season.
- h. For any discharge of sediment laden water originating from the mine site, immediate measures must be taken to prevent further and future discharges.
  - i. Discharge that reaches a surface water body must be documented with estimates on flow rate and photographs and reported to the Chief Inspector at [mmd-smithers@gov.bc.ca](mailto:mmd-smithers@gov.bc.ca) within 24 hours of discovery.

## 3. Invasive Plants

- a. Invasive plants on the site must be identified, monitored, controlled and documented. Monitoring and treatment records must be made available to an Inspector upon request.
- b. Reasonable efforts must be taken to ensure that invasive plants do not migrate from the site to adjacent areas.
- c. The control of invasive plants must consider using non-toxic means for invasive plant control.

## 4. Works in and about a Stream:





a. Timing:

- i. If works are proposed on a stream that contains fish (fish-bearing), all works must be completed during the applicable timing window to protect fish, wildlife or the aquatic ecosystem within that stream. Timing windows represent periods during which works can occur to ensure the lowest risk to environmental and fisheries values.
- ii. If any of the following conditions are met, the timing window is not applicable:
  1. If the stream channel is naturally dry (no flow) or frozen to the bottom at the worksite and the instream activity will not adversely impact fish habitat (e.g. result in the introduction of sediment into fish habitat).
  2. If construction of a winter crossing is proposed and such works does not adversely impact the stream channel (including stream banks), fish habitat or fish passage.
  3. The structure does not encroach below the high-water mark, no work is proposed below the high-water mark of a fish stream, and measures will be taken to prevent the delivery of sediments or contaminants into fish habitat.
  4. Work is in a non-fish stream and measures will be taken to prevent the delivery of sediments into downstream fish habitat or the stream is not fish-bearing and discontinuous with no connection to downstream fish habitat.

b. Design requirements:

- i. The original rate of water flow in the stream (existing prior to commencing work) must be maintained upstream and downstream of the worksite during all phases of instream activity associated with the work;
- ii. If the stream is fish-bearing, the culvert allows fish in the stream to pass up or down stream under all flow conditions;
- iii. Debris can pass through the culvert;
- iv. The culvert and its approach roads do not produce a backwater effect or increase the head of the stream;
- v. The culvert is installed in a manner that permits the removal of obstacles and debris within the culvert and at the culvert ends;
- vi. Embankment fill materials do not, and are unlikely to, encroach on culvert inlets and outlets;
- vii. The culvert has a depth of fill cover that is at least 300 mm or as required by the culvert manufacturers specifications;
- viii. The culvert is made of materials that meet the applicable standards of the Canadian Standards Association;
- ix. The culvert has a minimum equivalent diameter of 600 mm;
- x. Any stream within the mine site must be assumed to be fish bearing unless determined otherwise by a qualified professional.

c. Construction:



- i. The equipment used for site preparation, or for installation, construction, maintenance or removal of the culvert, is situated in a dry stream channel or operated from the top of the bank;
  - ii. The stream channel width must not change as a result of the work.
  - iii. The permanent removal of stable, naturally occurring material from the stream or stream channel must be minimized and completed only as necessary;
  - iv. All activities in and about streams must be conducted in a manner that does not cause harm to fish or fish habitat and species at risk or their habitat;
  - v. The removal of material must not lead to stream channel instability or increase the risk of sedimentation into the watercourse immediately downstream of the worksite;
  - vi. Any spoil materials must be deposited in a stable area and in such a way that the excavated material will not contribute sediment or debris to the stream or adversely impact riparian habitats or species at risk and their habitats;
  - vii. A qualified person must supervise installation of all stream crossings.
- d. Erosion and Sediment Control:
- i. The culvert inlet and outlet incorporate measures to protect the structure and the stream channel against erosion;
  - ii. Any work associated with the proposed changes in and about a stream must not cause stream channel instability or increase the risk of sedimentation into the stream;
  - iii. Measures must be taken to ensure that no deleterious substances (e.g. fuel and other hydrocarbons, soil, road fill, or sediment), which could adversely impact water quality, fish and fish habitat and other aquatic life, can enter the stream channel. Equipment used in close proximity to the stream must be free of exposed deleterious substances;
  - iv. During works, erosion and sediment control materials must be available onsite at all times and must be installed if sedimentation is likely to occur into the stream (e.g. silt fences, straw bale dikes, settling basins, ditch blocks, or filter cloth). A contingency plan must be developed outlining the measures to be taken by workers when carrying out any work to control erosion and sediment. All erosion and sediment control devices must be regularly inspected and maintained to remain functional during works. These devices and any accumulated sediment must be removed from the site after the completion of works;
  - v. Soil disturbance must not occur in heavy rain conditions and any soil removed must be placed in a location that ensures that sediment or debris does not enter the stream;
  - vi. Work must be suspended if the sediment control measures are ineffective and result in the introduction of sediment into the stream. In the event of sediment release into a stream, permittees are directed to immediately stabilize and mitigate the release, and then notify the Inspector of Mines.
  - vii. During periods of heavy or persistent precipitation, work must stop if continuing the work will result in sediment delivery downstream of the immediate worksite. Measures must be taken to minimize the risk of on-going sediment delivery to the stream during the shutdown period;



e. Protection of fish or Wildlife:

- i. Open bottom structures such as clear span bridges or open bottom culverts are preferred on all fish bearing streams. If permittees wish to install a closed bottom culvert (e.g. round or elliptical) on a fish bearing stream, they must ensure that upstream fish passage through the culvert is maintained. In addition, closed bottom culverts must be embedded in order to provide a natural substrate such that there is no net loss of fish habitat. To achieve this, permittees must comply with the requirements detailed in Section 3.2 of the 2012 Fish-Stream Crossing Guidebook.

f. Riparian Vegetation and Habitat:

- i. Damage above the high water mark to values such as banks and stream side (riparian) vegetation in the vicinity of the work area must be minimized. Unavoidable impacts that occur must be remedied as per the reclamation section below;
- ii. Any trees at the work site or within the clearing width area adjacent to streams that must be removed must be felled away from the stream to the fullest extent possible. Where this is not possible, the tree(s) and all resultant debris must be removed from the stream channel as soon as possible after felling, or at most, within the same workday by means that avoid machinery being placed within the stream channel;
- iii. Minimize disturbance to natural materials, including but not necessarily limited to embedded logs and boulders, as well as vegetation that contribute to fish and wildlife habitat or stream channel stability;

g. Site Reclamation:

- i. Complete required reclamation works on disturbed areas must be conducted according to the site-specific reclamation plans that will ensure function as close as possible to natural pre-disturbance conditions;
- ii. Soils exposed as a result of work activities that have the potential for sediment delivery to the stream must be promptly re-vegetated. All disturbed soils adjacent to the stream must be re-vegetated with a certified weed free mix of native species grasses, and suitable seedlings for the BEC zone if necessary, as soon as works are completed or as soon as site conditions are conducive to growth; if seedlings are included in reclamation plans, they will be planted when material is available.
- iii. Any materials, such as riprap or gabion rock, used for stream bank armouring must be clean and not contain substances that could be harmful to fish, wildlife or the aquatic ecosystem of the stream.

h. The construction of a temporary ford for vehicular traffic across a stream, is approved subject to the following conditions:

- i. the construction occurs at a time in the year during which the construction can occur without causing a risk of significant harm to fish, wildlife or the aquatic ecosystem of the stream,
- ii. the 1 in 10 year maximum daily flow over the ford is accommodated without the loss of the ford and without eroding the stream channel,
- iii. any culvert is designed and installed to pass the average low flow for the period of use,



- iv. the stream channel is protected against any anticipated erosion
  1. for the period of construction and use of the ford, and
  2. after the ford is removed,
- v. sediment from approach ditches does not enter the stream,
- vi. the driveable running surface is erosion-free,
- vii. the stream remains in its channel,
- viii. channel debris will pass over the ford, and
- ix. the ford is removed at the end of the period of use at a time when the removal can proceed without causing a risk of significant harm to fish, wildlife or the aquatic ecosystem of the stream;

#### 5. Inter-seasonal Condition of the Land

- a. At the end of each field season, no more than three (3) drill sites are to be left un-reclaimed.
- b. At the end of each season, drill site timbers not in use must either be removed from site or neatly stockpiled in one location in the permit area such that they will not be scattered by weather effects.
- c. All equipment brought on to the site must be removed from the permitted mine site at the end of each field season.
- d. Derelict or damaged equipment, supplies, or materials must not be stored or otherwise left or abandoned anywhere on the permitted mine site.
- e. At the end of each field season, disturbed areas are to be left in a condition that is neat, clean and safe.

### **E. Reclamation and Closure Program**

#### 1. Reclamation Security

- a. Twenty-six thousand one hundred dollars (\$26,100.00) in security must be maintained with the Minister of Finance.

#### 2. Obligation to Reclaim

- a. Reclamation of the surface of the land affected by the operations must be conducted in accordance with the approved work program. The surface of the land and watercourses must be reclaimed to the following end land use: wildlife.

#### 3. Reclamation

- a. All available topsoil, overburden, and organic material including large woody debris in the disturbance footprint must be salvaged and stockpiled for use in reclamation.
- b. All stockpiled topsoil, overburden, and organic material including large woody debris must:
  - i. be protected from erosion, degradation, and contamination,



- ii. be clearly marked to ensure that they are protected during construction and mine operations,
  - iii. not be used as fill,
  - iv. not be removed from the mine site without the specific written permission of an Inspector.
- c. Progressive reclamation must be conducted and must include:
- i. Compacted surfaces must be de-compacted to allow water infiltration and achieve self-sustaining vegetation.
  - ii. Salvaged soil material must:
    - 1. be replaced on disturbed areas to pre-disturbance depth;
    - 2. be treated with a rough and loose site preparation where practicable;
    - 3. be keyed into the underlying materials such that they do not slump off or become unstable;
    - 4. incorporate roots, stumps and other woody debris to reduce erosion and create greater biological diversity; and
    - 5. be re-vegetated promptly to a self-sustaining state using appropriate and/or native plant species that support approved end land use.

#### 4. Roads and Trails

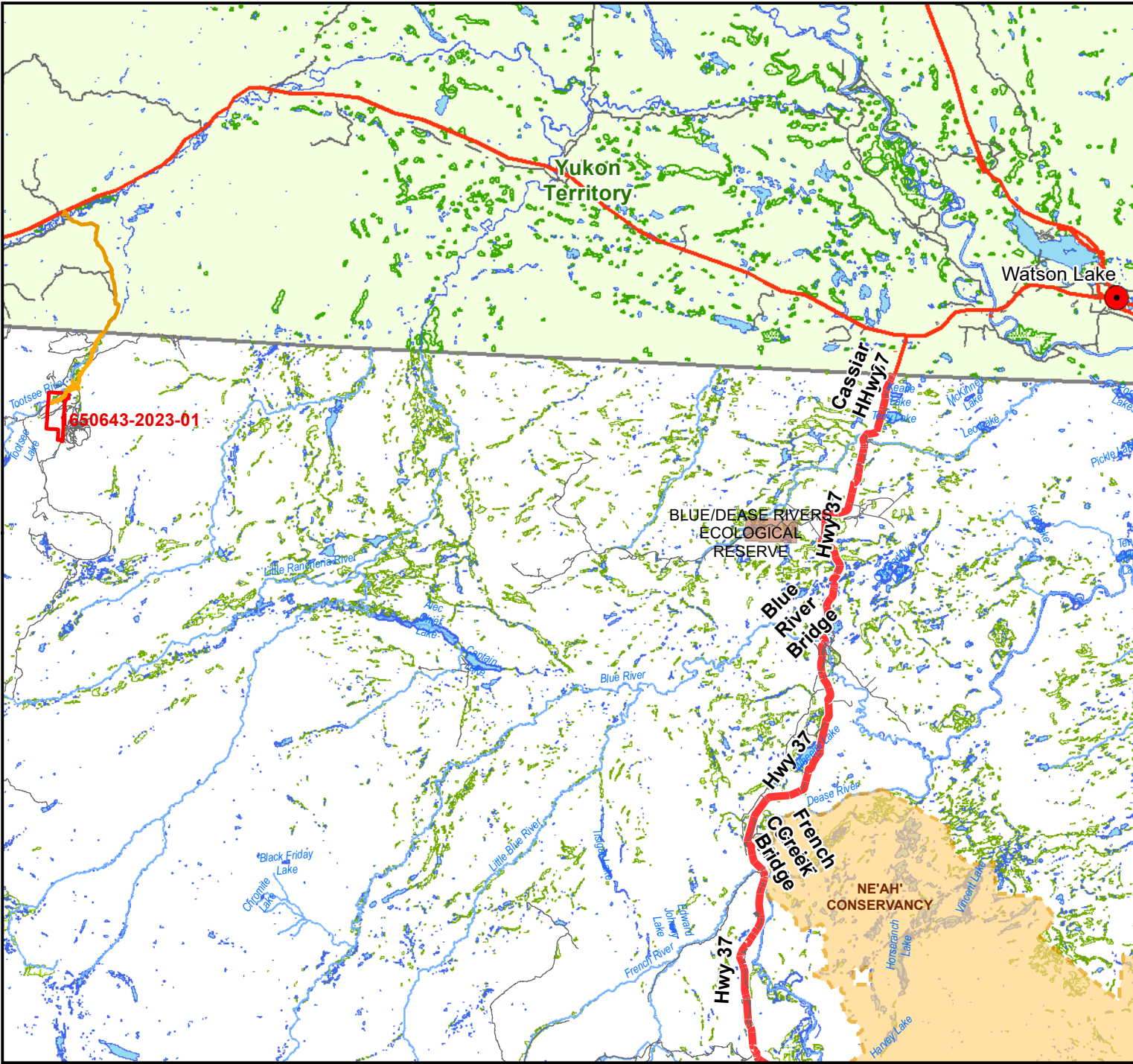
- a. Individual roads and trails will be exempted from the requirement for total reclamation if either:
  - i. It can be demonstrated that an agency of the Crown has accepted responsibility in writing for the operation, maintenance and reclamation of the road or trail; or
  - ii. The Chief Permitting Officer provides notification that the road should not be reclaimed due to the use or potential use by other users who will assume liability.



Mine No: 1650643

### Silverknife Location Map

 Permit Area



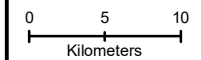
#### Base Data

-  Access Road to Site
-  Ecological Reserves
-  Conservancy Areas
-  Wetlands
-  Lakes / Rivers

Base Data: BC Geographic Warehouse

1:500,000

1 cm = 5,000 meters



Date: 2023-03-03  
Coordinate System:  
NAD 1983 BC Environment Albers  
EMLI GIS - NW Region



Mine No: 1650643

**Silverknife  
Permit Map**

- Permit Area
- Associated Tenures
- Major Mine - PMA

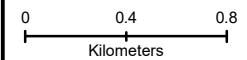
**Base Data**

- Access Road to Site
- Mineral Claim
- Mineral Lease
- Wetlands
- Lakes / Rivers
- 100m Contours
- 20m Contours

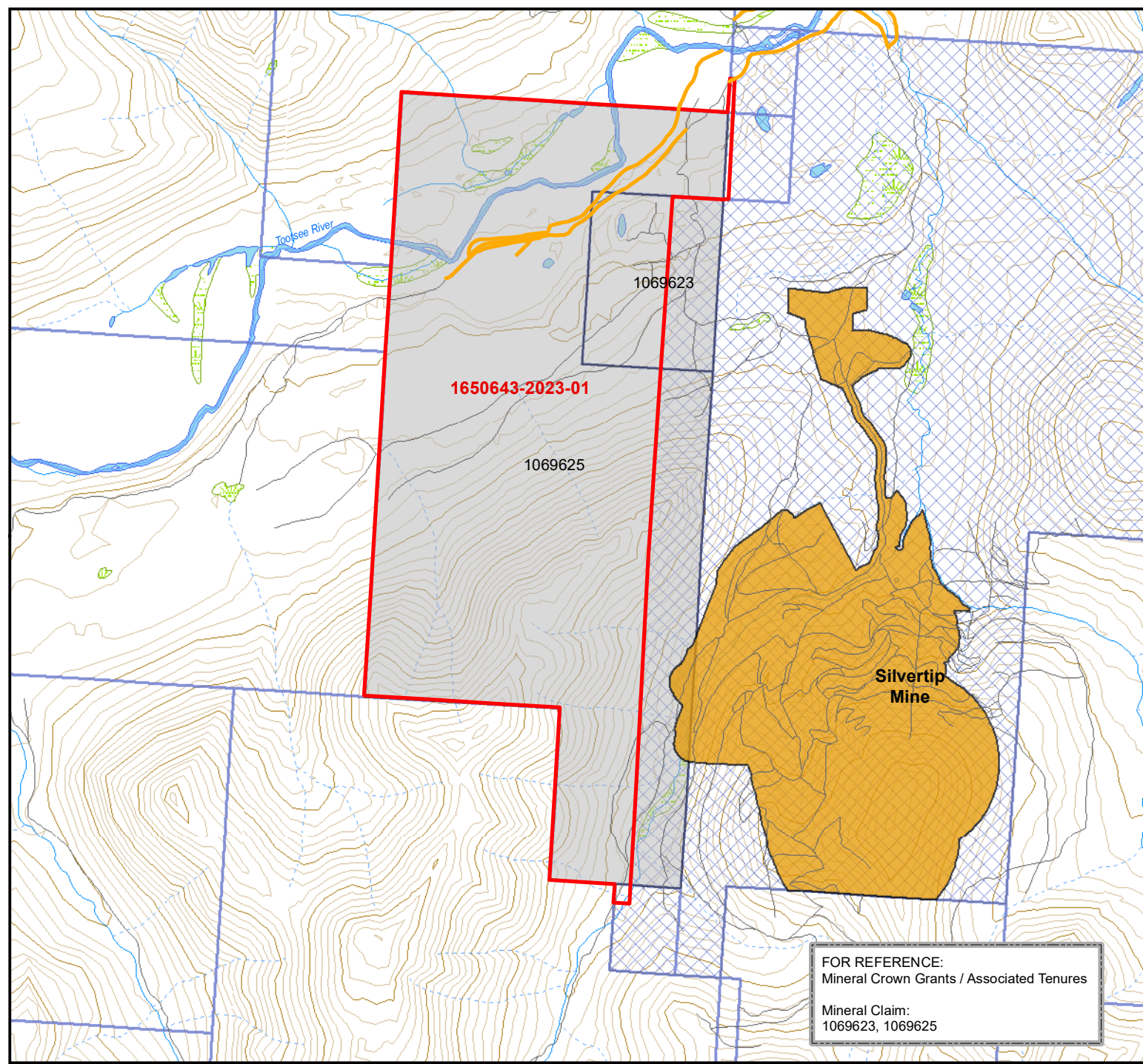
Base Data: BC Geographic Warehouse

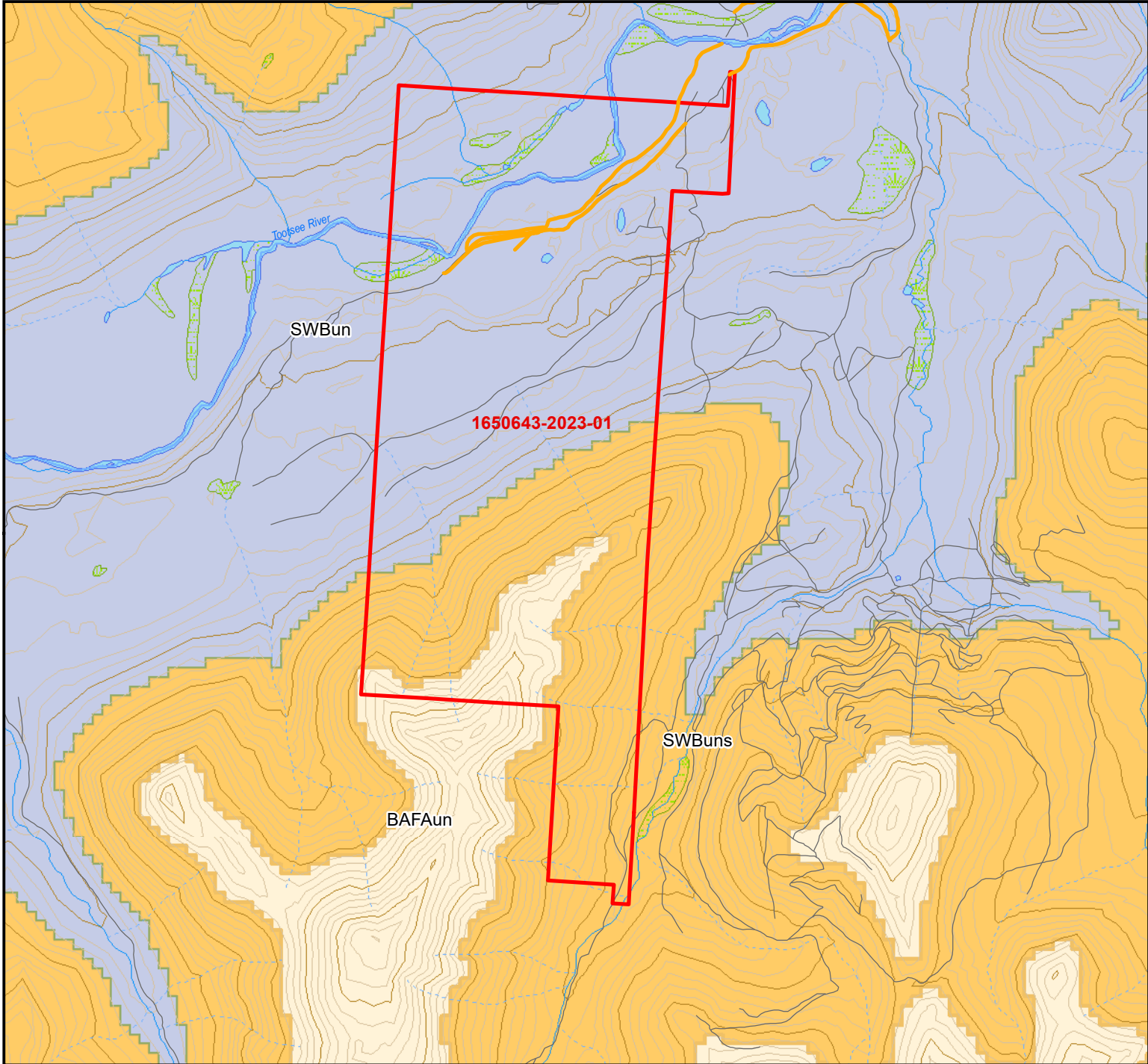
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1 cm = 300 meters



FOR REFERENCE:  
Mineral Crown Grants / Associated Tenures  
  
Mineral Claim:  
1069623, 1069625





Mine No: 1650643

**Silverknife  
Biogeoclimatic Zone  
Map**

Permit Area

Biogeoclimatic Zones

- BAFAun
- SWB un
- SWB uns

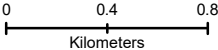
Base Data

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- Wetlands
- Lakes / Rivers
- 100m Contours
- 20m Contours

Base Data: BC Geographic Warehouse

1:30,000

1 cm = 300 meters



Date: 2023-03-03  
Coordinate System:  
NAD 1983 BC Environment Albers  
EMLI GIS - NW Region





**FREE USE PERMIT**  
(with owner of a Crown grant of a mineral claim)  
**(MX-100000340)**

**PURSUANT TO** Sections 48 (1) (e) and 49 of the *Forest Act* this Free Use Permit is issued to:

CMC METALS LTD.  
615-800 WEST PENDER STREET  
VANCOUVER, BRITISH COLUMBIA  
V6C 2V6  
(the Permittee)

**1.00 GRANT OF RIGHTS AND TERM**

- 1.01 The term of this Permit begins on **June 15, 2023**, and ends on the earliest of
- (a) the day upon which the Permittee's Mineral & Coal Exploration Activities and Reclamation Permit Number **{MX-100000340}** (Mines Permit) expires expires or is surrendered, cancelled or otherwise terminated,
  - (b) **March 31, 2028**, or
  - (c) at the Permittee's request, the Permitter gives notice to the Permittee that all contractual and legislative obligations associated with the Permit have been completed.
- 1.02 The Permittee is authorized to cut and use Crown timber from the area shown on the attached Exhibit A maps (the Permit Area) that is necessary to cut to facilitate the mining operations approved under the Mines Permit.
- 1.03 The maximum volume of timber that may be cut under this Permit is 50 cubic metres.
- 1.04 Timber that is cut, but not used by the Permittee, must be dealt with in the manner specified in Schedule A.
- 1.05 The Permittee's rights under this Permit are of no force or effect when the Right of Occupation is suspended.
- 1.06 Subject to the Permit, the Permittee may enter onto areas referred in Paragraph 1.02 for the purpose of exercising the rights under this Permit.
- 1.07 This Permit does not grant the Permittee the exclusive right to harvest timber from the Permit Area, and the Permitter reserves the right to grant rights to other persons to harvest timber from the Permit Area .

## **2.00 TIMBER HARVEST LIMITATIONS**

- 2.01 The Permittee must comply with the forestry legislation and the conditions and requirements set out in Schedule A to this Permit.
- 2.02 In addition to timber specified in the forestry legislation as reserved, the Permittee must not cut, damage, or destroy reserved timber specified Schedule B.

## **3.00 COURT DETERMINED ABORIGINAL RIGHTS AND/OR TITLE**

- 3.01 Notwithstanding any other provision of this Permit, if a court of competent jurisdiction:
- (a) determines that activities or operations under or associated with this Permit will unjustifiably infringe an aboriginal right and/or title, or treaty right;
  - (b) grants an injunction further to a determination referred to in Subparagraph 3.01 (a); or
  - (c) grants an injunction pending a determination of whether activities or operations under or associated with this Permit will unjustifiably infringe an aboriginal right and/or title, or treaty right,

the Permitter in a notice given to the Permittee, may vary or suspend, this Permit in whole or in part, so as to be consistent with the court determination.

- 3.02 Subject to this Permit and the forestry legislation, if:
- (a) under Paragraph 3.01, the Permitter has varied the Permit issued to the Permittee;
  - (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
  - (c) it is practical to do so;

the Permitter, at the request of the Permittee, will vary the Permit to reflect as closely as possible, for the remainder of its term, the terms and conditions of the Permit prior to the variation under Paragraph 3.01.

- 3.03 Subject to this Permit and the forestry legislation, if:
- (a) under Paragraph 3.01, the Permitter has suspended the Permit;
  - (b) a court of competent jurisdiction subsequently overturns, sets aside or dissolves the determination or injunction referred to in that paragraph; and
  - (c) it is practical to do so;

the Permitter, at the request of the Permittee, will reinstate the Permit for the remainder of its term.

#### **4.00 LIABILITY & INDEMNITY**

- 4.01 Subject to Paragraph 5.01, the Permittee will indemnify the Government against, and save it harmless from, all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Government as a result, directly or indirectly, of any act or omission of:
- (a) the Permittee; or
  - (b) an employee, contractor, invitee or agent of the Permittee,
- 4.02 The Government is not liable to the Permittee for injuries, losses, expenses, or costs incurred or suffered by the Permittee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Permit, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Permittee's operations under this Permit by road blocks or other means.

#### **5.00 WAIVER**

- 5.01 No waiver by the Crown of any default or non-compliance by the Permittee in the strict and literal performance of or compliance with any provision of the Permit will be deemed to be a waiver of the strict and literal performance of or compliance with any other provision, condition or requirement of the Permit or to be a waiver of, or in any manner release the Permittee from compliance with any provision, condition or requirement in the future, nor will any delay or omission by the Crown in the exercising of any right hereunder in any manner with respect to non-compliance impair the exercise of any such rights in the future.

#### **6.00 NOTICE**

- 6.01 A notice given under this Permit must be in writing and given by one or more of the following methods:
- (a) delivered by hand;
  - (b) sent by mail; or
  - (c) sent by facsimile transmission;
  - (d) electronic mail;
- to the address, facsimile or email address, as applicable, specified on the first page of this Permit, or to such other address, facsimile number or email address as is specified in a notice given in accordance with this part.
- 6.02 If a notice is sent by facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.
- 6.03 Either party may, from time to time, advise the other party by 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 specified will, for purposes of this Permit, be considered to be the address of the party giving such notice.

## 7.00 MISCELLANEOUS

- 7.01 This Permit will enure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 7.02 The laws of British Columbia will govern the interpretation of this Permit and the performance of the Permittee's obligations under this Permit.
- 7.03 Any non-statutory power conferred or duty imposed on the Permitter under this Permit may be exercised or fulfilled by any person authorized to do so by the Permitter.
- 7.04 Any Schedules, Exhibit A map(s) and attachments referenced in, or attached to, this Permit are an integral part of this Permit as if set out in the body of this agreement, and the Permittee will comply with all the terms in those Schedules, Exhibits and attachments.
- 7.05 If there is a conflict between the *Workers Compensation Act* or a regulation under that Act, and a provision of this Permit, the *Workers Compensation Act*, or the regulations made under that Act, prevails, and the Permittee must immediately notify the Permitter of the conflict and follow any direction given by the Permitter with respect to the conflict, provided such direction is consistent with the *Workers Compensation Act* and the regulations under that Act.
- 7.06 Nothing in this Permit authorizes the Permittee in any way to restrict the Government's right of access to the Permit Areas or the right of any other authorized entrant, user or occupier of these areas.
- 7.07 All previous promises, representations or agreements between the parties, whether oral or written, are deemed to have been replaced by this Permit.
- 7.08 If any provision in this Permit is found to be invalid or unenforceable by a court of law, the remainder of this Permit is separately valid and enforceable to the fullest extent permitted by law.

## 8.00 INTERPRETATION & DEFINITIONS

- 8.01 This Permit is divided into parts, paragraphs, subparagraphs, clauses and subparagraphs, illustrated as follows:

- 1.00 part;
  - 1.01 paragraph;
    - (a) subparagraph;
      - (i) clause;
        - (A) subparagraph;

and a reference to a subparagraph, clause or subparagraph is to be construed as a reference to a subparagraph, clause or subclause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.

- 8.02 In this Permit, unless the context otherwise requires, "forestry legislation" means the statutes and regulations, to which the Permit is subject including: the *Forest Act*, *Forest and Range Practices Act* and the *Wildfire Act*.

“merchantable timber” means as that term is defined in the Provincial Logging and Waste Measurements Procedures Manual as amended or replaced from time to time.

DATED June 15, 2023

A handwritten signature in blue ink, appearing to read 'Anastasia', written over a horizontal line.

Anastasia Ledwon, Inspector of Mines, Permittor

**SCHEDULE A**  
**OTHER CONDITIONS AND REQUIREMENTS**

- 1.01 The Permittee must dispose of Crown timber cut under the authority of this Permit the following manner:
- Buck into pieces to lengths that are no longer than 2 meters and lay flat on the ground.

**SCHEDULE B**  
**RESERVE TIMBER**

1.01 The Permittee must not cut Crown timber within the Permit Area that:

N/A



Mine No: 1650643

### Silverknife Permit Map

- Permit Area
- Associated Tenures
- Major Mine - PMA

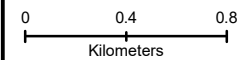
#### Base Data

- Access Road to Site
- Mineral Claim
- Mineral Lease
- Wetlands
- Lakes / Rivers
- 100m Contours
- 20m Contours

Base Data: BC Geographic Warehouse

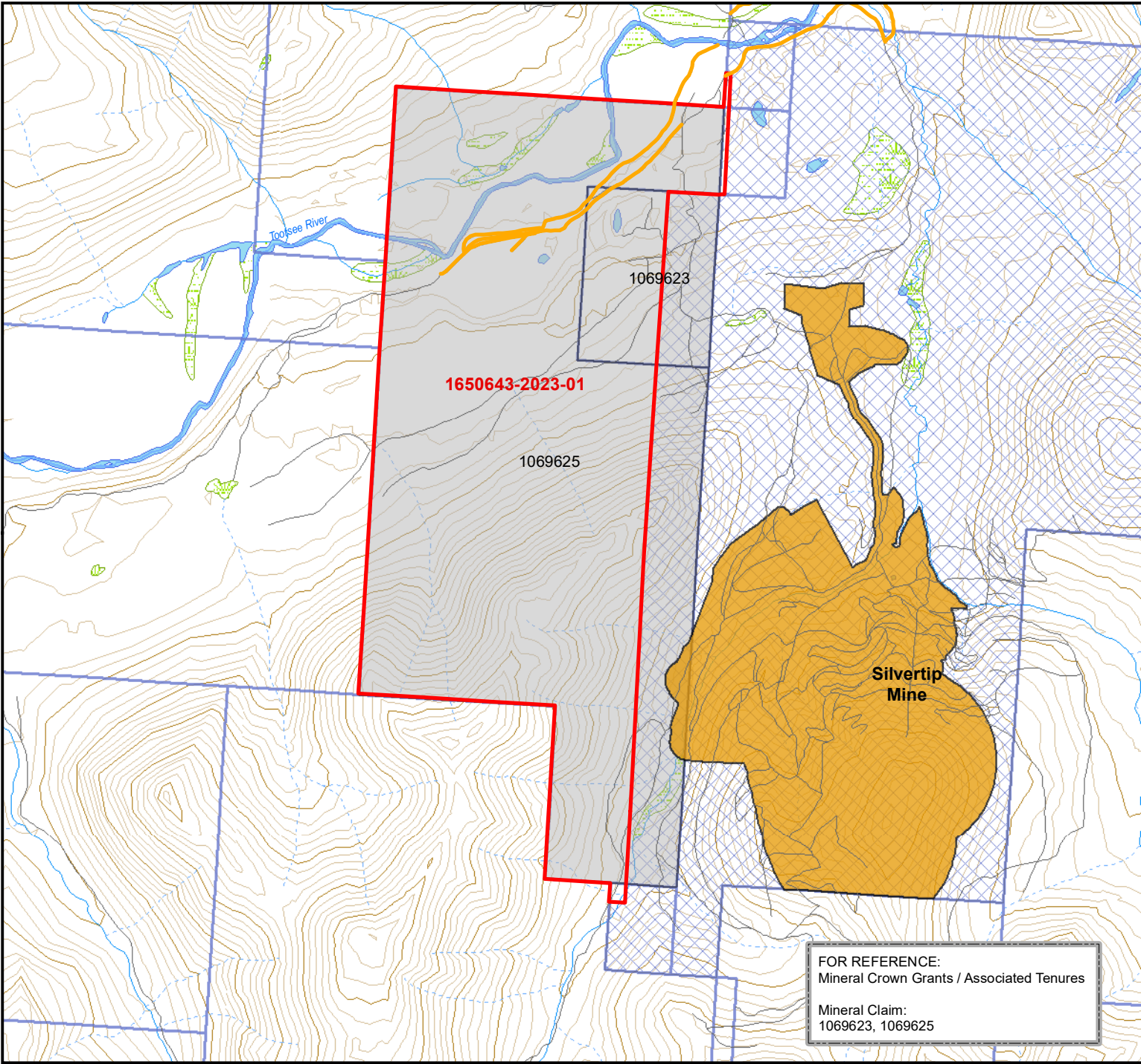
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1 cm = 300 meters



FOR REFERENCE:  
Mineral Crown Grants / Associated Tenures

Mineral Claim:  
1069623, 1069625





**SCHEDULE 4  
KEY BUYOUT AGREEMENT TERMS**

In accordance with Section 9 of the Agreement (Buyout of Interest), Optionee and Optionor shall use reasonable, commercial efforts to negotiate, complete, execute and deliver a formal “Buyout Agreement”, with such terms to follow commercial standards customary to the industry and to be negotiated in good faith. Such Buyout Agreement shall serve as a standalone agreement and shall survive the Option Agreement. Such terms and conditions to include, in part, the following:

<p><b><u>Buyout:</u></b></p>	<p>Optionee may at any time after earning the Option, offer to buy out (“Buyout”) Optionor’s Interest for an additional payment of \$2,250,000 (the “Base Amount”) with sixty (60) days written notice to Optionor of Optionee’s intent to exercise its right to Buyout. Any amounts outstanding under the Option Agreement at the time Optionee makes such offer to Buyout the remaining interest, shall become immediately due and payable to Optionor, in addition to the Base Amount.</p> <p>Any Expenditures made in excess of \$3,550,000 shall be credited towards the Optionee’s right to a Buyout or, if no Buyout is exercised, will be credited to Optionee’s account to increase its interest in the Joint Venture as specified in Section 9 of the Agreement.</p>
<p><b><u>Buyout Contingent Consideration:</u></b></p>	<p>The Contingent Consideration is defined as an additional payment of \$3,000,000 payable to Optionor within ninety (90) days after Optionee first reports in a governmentally required filing or disclosure, that the total cumulative, in the aggregate, Proven and Probable Mineral Reserves (as determined by Optionee’s routine methodology in compliance with the requirements of Item 1300 of Regulation S-K of the US Securities Act of 1933) from within the Property shall be no fewer than 30 million silver equivalent ounces (AgEqOz). AgEqOz shall be calculated using the long-term consensus pricing shown on the most recent month’s CIBC Global Mining Group Analyst Consensus Commodity Price Forecasts report, or an agreed upon equivalent calculation by the Parties.</p>

**SCHEDULE 5  
JOINT VENTURE AGREEMENT TERMS**

In accordance with Section 10 of the Agreement (Joint Venture), Optionee and Optionor shall use reasonable, commercial efforts to negotiate, complete, execute and deliver a formal “JV Agreement”, with such terms to follow commercial standards customary to the industry and to be negotiated in good faith. Such terms and conditions to include, in part, the following:

<p><b><u>Terms and Conditions:</u></b></p>	<p>The JV Agreement shall be governed by the terms and conditions of the Option Agreement until the JV Agreement is formally executed by both parties, unless otherwise agreed by the Parties in writing. When executed, the JV Agreement will exclusively govern the Joint Venture effective from the date the Joint Venture was established.</p>
<p><b><u>Joint Venture:</u></b></p>	<p>Upon the establishment of the Joint Venture between the Optionee and the Optionor as a single purpose joint venture in relation to the Assets, Optionee shall earn an additional 1% Interest in the Assets, for a total of 76%, and Optionor shall have a 24% Interest in the Assets.</p> <p>The parties will fund the ongoing operations of the Joint Venture according to their proportionate interests, subject to standard contractual terms and conditions.</p> <p>The Optionee will have the right to increase its interest in the Joint Venture, earning an additional 0.5% interest for every \$100,000 spent on expenditures, up to a maximum of 90% of the Optionor's 24% joint venture interest, provided these additional expenditures occur before December 31, 2030. The Optionor may, at its discretion, purchase the remaining interest from the Optionee for \$3,000,000.</p>
<p><b><u>Joint Venture Company:</u></b></p>	<p>The Parties acknowledge that certain matters relating to the Assets may need to be considered and determined from time to time according to the requirements of Applicable Law, taxation considerations, and the prevailing commercial practices and policies of applicable Governmental Authorities. As a result, the Optionee may decide that it may be required or otherwise desirable to incorporate an appropriate legal entity for purposes of the Joint Venture (a “Joint Venture Company”), in which case:</p> <ul style="list-style-type: none"> <li>• a limited liability company or such other type of corporate entity as the parties may determine must promptly be incorporated and organized for that purpose;</li> <li>• the Joint Venture Agreement will be deemed to be a shareholders’ agreement or operating agreement (as the case may be);</li> <li>• the Optionor and the Optionee will hold such number of the issued shares or participatory interests in the Joint Venture Company as are proportionate to their respective participating interests in the Joint Venture at the time of incorporation of the Joint Venture Company; and</li> </ul>

	<ul style="list-style-type: none"> <li>the Optionor and the Optionee must, in a timely manner, execute the shareholders' agreement or operating agreement (as the case may be).</li> </ul> <p>If a Joint Venture Company is formed and if the Parties agree, title to the Assets will be transferred to the Joint Venture Company after the Optionor and the Optionee (as the case may be) have obtained all applicable approvals or consents of any applicable Governmental Authority.</p>
<p><b><u>Assets:</u></b></p>	<p>If any or all of the Assets are not assigned or transferred to the Joint Venture as at the date on which the Joint Venture is formed then until the Assets are assigned or transferred to the Joint Venture so as to be held by the Joint Venture in accordance with the Joint Venture Agreement, the Assets will be held by the Optionor, Optionor's Affiliate, the Optionee or the Optionee's Affiliate (as the case may be) following such date in trust for the exclusive benefit and use of the Joint Venture. The Optionor or the Optionee (as the case may be) must, at the sole cost of the Joint Venture, cause to be taken such action in its name or in the name of the Optionee's Affiliate or otherwise as the Joint Venture may require so as to provide the Joint Venture with the benefit and use of the Assets and to effect assignment or transfer (as the case may be) of the Assets to the Joint Venture. The Optionor or the Optionee (as the case may be) may only deal with or make use of or cause the Assets to be dealt with or made use of by the Optionor or the Optionee (as the case may be) in strict accordance with the written directions of the Joint Venture.</p>

**SCHEDULE 6**  
**CONVENTIONAL ROYALTY**

The terms of the Conventional Royalty are as per an Agreement dated the 1<sup>st</sup> day of February, 2024 as agreed upon between Mr. Stephen Scott businessman, of 205 Marsh street, Clarksburg, ON, NOH IJO and CMC METALS LTD, a body corporate, duly incorporated under the laws of the Province of British Columbia and having its head office at 1000-409 Granville St., Vancouver, BC, V6C 1T2, with all terms and assignments carried henceforth into this Agreement between the Parties of this Agreement. All obligations previously the responsibility of CMC Metals Ltd. with Mr. Stephen Scott will now be assigned to the Optionor of this Agreement. CMC Metals Ltd will retain its rights as per the definition of Royalty in this Agreement.