

OPTION AGREEMENT

THIS AGREEMENT made as of December 11, 2021.

BETWEEN:

CHRISTOPHER STEWART, Prospector, of [Redacted]

(hereinafter called the "Optionor")

OF THE FIRST PART

AND:

DISTRICT COPPER CORP. a body corporate, duly continued under the laws of the Province of British Columbia having an office situate at [Redacted]

(hereinafter called the "Optionee")

OF THE SECOND PART

WHEREAS:

A. The Optionor is the registered and beneficial owner of a 100% right, title and interest in and to certain mineral claims located in the Kamloops Mining Division of the Province of British Columbia, which mineral claims are more particularly described in Schedule "A" attached hereto, and hereinafter referred to as the "Property"; and

B. The Optionee desires to obtain from the Optionor and the Optionor has agreed to grant to the Optionee an option to acquire an undivided 100% right, title and interest in and to the Property subject to a 1% Net Smelter Returns royalty reserved in favour of the Optionor;

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

SECTION 1 - INTERPRETATION

1.1 Definitions. In this Agreement:

- a) "**Act**" means the Mines Act (British Columbia), as amended from time to time;
- b) "**Commercial Production**" means, and is deemed to have commenced:
 - i. If a plant is located on the Property, when the plant processing ores for other than testing purposes has operated for a period of 30 production days at an average rate of not less than 60% of it's design capacity; or

- ii. If a plant is not located on the Property, when ores have been produced from the Property for a period of 30 production days at the rate of not less than 60% of the mining rate specified in a feasibility study recommending that the Property be placed in Commercial Production;
- c) “**Exchange**” means the TSX Venture Exchange;
- d) “**Lien**” means any lien, security interest, mortgage, charge, encumbrance, or other claim of a third party, whether registered or unregistered, and whether arising by agreement, statute or otherwise;
- e) “**Net Smelter Returns**” means the actual proceeds received by the Optionee from any mint, smelter, refinery or other purchaser from the sale of minerals, concentrates, metals (including bullion) or products from the Property and sold, after deducting from such proceeds the following charges levied by third parties to the extent that they are not deducted by a smelter, a milling facility or other purchaser in computing payment:
 - i. Reasonable cost of transportation and handling of the mineral concentrates, metals (including bullion) or products produced from the Property when transported to a smelter, milling facility or other purchaser;
 - ii. Any smelting, milling and refining charges, including penalties; and
 - iii. Marketing and insurance costs incurred in transporting such minerals, concentrates, metals or products from the Property for further processing or sale;
- f) “**Option**” means the option granted to the Optionee by the Optionor in accordance with Section 3.1;
- g) “**Parties**” means the Optionee, Optionor and each of them is a “Party”; and
- h) “**Royalty Holder**” means the Optionor.

SECTION 2 – REPRESENTATIONS AND WARRANTIES

2.1 The Optionor hereby represents and warrants to the Optionee that:

- a) he is of the age of majority and has full power, authority and capacity to enter into this Agreement and to carry out his obligations under this Agreement and is qualified to carry on business in the Province of British Columbia;
- b) (i) the claims comprising the Property were properly recorded and filed with appropriate government agencies; (ii) all assessment work required to be performed to hold the claims comprising the Property in good standing has been performed and all governmental fees where applicable have been paid and all filings required to maintain the claims comprising the Property in good standing have been properly and timely recorded or filed with appropriate government agencies; and (iii) he has no

knowledge of any conflicting claims which might affect the Optionor's good and marketable title to the Property;

- c) the Property is properly and accurately described in Schedule "A";
- d) the Optionor is the owner of a 100% registered and beneficial interest in the Property and the Property is free and clear of all Liens and third party interests;
- e) there has been no known spill, discharge, deposit, leak, emission or other release of any contaminant, pollutant, dangerous or toxic substance, or hazardous waste on, into under or affecting the Property and no such contaminant, pollutant, dangerous or toxic substance, or hazardous waste is stored in any type of container on, in or under the Property, except as necessary to carry on exploration on the Property;
- f) there are no pending or threatened actions, suits, claims or proceedings regarding the Property; and
- g) the Optionor is not non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada).

2.2 The Optionee hereby represents and warrants that:

- a) it is a corporation duly continued and organized and validly existing under the *Business Corporations Act* (British Columbia);
- b) it has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement and is qualified to carry on business in its jurisdiction of incorporation;
- c) it has been duly authorized to enter into, and to carry out its obligations under, this Agreement and no obligation of it in this Agreement conflicts with or will result in the breach of any term in:
 - i. its articles; or
 - ii. any other agreement to which the Optionee is a party.

2.3 Each Party's representation and warranty set out herein will be relied on by the other Party in entering into this Agreement and shall survive the execution and delivery of this Agreement. Each Party shall indemnify and hold harmless the other Party for any loss, cost, expense, claim or damage, including legal fees and disbursements, suffered or incurred by the other Party at any time as a result of any misrepresentation or breach of warranty arising under the Agreement.

SECTION 3 – OPTION

3.1 The Optionor hereby grants to the Optionee the sole and exclusive right and option to acquire a 100% right, title and interest in and to the Property for and in consideration of the sum of Twenty-Five Thousand (\$25,000) Dollars, and the issuance of 1,500,000 fully paid and non-assessable shares of its capital stock due and payable as follows:

- a) a \$5,000 non-refundable deposit on signing of this Agreement;
- b) \$10,000 and 1,000,000 fully paid and non-assessable shares within fourteen (14) days after this agreement is accepted for filing by the TSX Venture Exchange; and
- c) \$10,000 and 500,000 fully paid and non-assessable shares eighteen (18) months after the date of TSX Venture Exchange acceptance of this Agreement.

3.2 This Agreement is subject to being accepted for filing by the TSX Venture Exchange on or before December 31, 2021.

3.3 The Optionee will have the right to terminate this Agreement at any time up to the date of exercise of the Option by giving notice in writing to the Optionor, and in the event of such termination, this Agreement will, except for the provisions of Sections 2.3 and 5.2, be of no further force and effect save and except for any obligations of the Optionee incurred prior to the effective date of termination.

3.4 Once the Optionee has made the payments, incurred the Expenditures and issued and delivered the shares under Section 3.2, the Optionee will be deemed to have exercised the Option and to have acquired an undivided 100% right, title and interest in and to the Property.

3.5 The Optionor hereby acknowledges that the Optionee's ability to issue securities is subject to the rules and policies of the TSX Venture Exchange and the securities issuable to the Optionor hereunder will be issued subject to mandatory resale restrictions imposed by applicable securities laws and the rules and policies of the TSX Venture Exchange which rules require that a restrictive legend be placed on all certificates delivered to the Optionor under this Agreement and the Optionor covenants and agrees with the Optionee to abide by all such resale restrictions.

3.6 Upon the Optionee completing all payments and delivering all shares as required under section 3.2, the Optionor will register or cause to be registered transfers of the Property in favour of the Optionee, as may be appropriate or desirable to effect the legal transfer of title to the Property to the Optionee free of all Liens other than Liens that may have been filed due to the operations of the Optionee.

SECTION 4 – COVENANTS OF OPTIONOR

4.1 During the currency of this Agreement, the Optionor will:

- (a) not do any other act or thing which would or might in any way adversely affect the rights of the Optionee hereunder;
- (b) make available to the Optionee and its representatives all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Property in the Optionor's possession or control, including soil samples, and all records and files relating to the Property and permit the Optionee and its representatives at their own expense to take abstracts therefrom and make copies thereof;

- (c) promptly provide the Optionee with any and all notices and correspondence received by the Optionor from government agencies in respect of the Property;
- (d) cooperate fully with the Optionee in obtaining any surface and other rights on or related to the Property as the Optionee deems desirable;
- (e) grant to the Optionee, its employees, agents and independent contractors, the sole and exclusive right and option to:
 - i. enter upon the Property;
 - ii. have exclusive and quiet possession thereof;
 - iii. do such prospecting, exploration, development or other mining work thereon and thereunder as the Optionee in its sole discretion may consider advisable;
 - iv. bring and erect upon the Property such equipment and facilities as the Optionee may consider advisable; and
 - v. remove from the Property and dispose of material for the purpose of testing.

SECTION 5 – COVENANTS OF THE OPTIONEE

5.1 During the currency of the Option, the Optionee shall:

- (a) keep the Property free and clear of all Liens arising from its operations hereunder (except liens for taxes not yet due, other inchoate liens or liens contested in good faith by the Optionee) and proceed with all diligence to contest or discharge any Lien that is filed;
- (b) maintain the Property in good standing under the Act by annually filing all necessary assessment reports for Expenditures incurred with the appropriate government offices, to the maximum extent permissible under the Act, and taking all other actions necessary in that regard;
- (c) permit the Optionor, or its representatives duly authorized by him in writing, at his own risk and expense, access to the Property at all reasonable times and to all records and reports, if any, prepared by the Optionee in connection with work done on or with respect to the Property, and furnish the Optionor within 60 days of the completion of a program on the Property with a report with respect to the work carried out by the Optionee on or with respect to said program and material results obtained;
- (d) conduct all work on or with respect to the Property in a careful and minerlike manner and in compliance with all applicable federal, provincial and local laws, rules, orders and regulations, and indemnify and save the Optionor harmless from any and all claims, suits, demands, losses and expenses including, without limitation, with respect to environmental matters, made or brought against it as a result of work done or any act or thing done or omitted to be done by the Optionee on or with respect to the Property; and

5.2 In the event of termination of the Option for any reason other than through the exercise thereof, the Optionee will:

- (a) leave the Property:
 - i. with all necessary assessment work required to be filed pursuant to paragraph 5.1(b) and in good standing for a period of at least one (1) year with respect to the filing of required assessment reports (or payment in lieu) as required under the Act, and free and clear of all Liens arising from its operations hereunder;
 - ii. in a safe and orderly condition, and
 - iii. in a condition which is in compliance with all rules and orders of governmental authorities with respect to reclamation and rehabilitation of all disturbances resulting from the Optionee's use and occupancy of the Property;
- (b) deliver to the Optionor, within 90 days of a written request therefor, a report on all work carried out by the Optionee on the Property (limited to factual matters only) together with copies of all sample location maps, drill hole assay logs, assay results and other technical data compiled by the Optionee or its representatives with respect to the Property; and
- (c) have the right (and, if requested by the Optionor within 90 days of the effective date of termination, the obligation) to remove from the Property within one year of termination of this Agreement all facilities erected, installed or brought upon the Property by or at the instance of Optionee, failing which, the facilities shall become the property of the Optionor.

SECTION 6 – DEFAULT

If the Optionee should be in default of any requirement under the terms of this Agreement, the Optionor shall give written notice to the Optionee specifying the default and the Optionee shall not lose any rights granted under this Agreement unless within 14 days after the giving of notice of default by the Optionor, the Optionee has failed to take reasonable steps to cure the default by the appropriate performance and if the Optionee fails to take such reasonable steps to cure any such default, the Optionor shall be entitled to seek any remedy it may have on account of such default.

SECTION 7 – ROYALTY

7.1 Upon the commencement of Commercial Production with respect to the Property, the Optionee (the "Payor") shall pay to the Royalty Holder, in accordance with their respective interest, a Net Smelter Returns royalty (the "Royalty"), being equal to 1.0% of Net Smelter Returns. The Payor shall be entitled at any time and from time to time to purchase ½ of the Royalty (ie. a Royalty equal to .50% of Net Smelter Returns) from the Royalty Holder for \$500,000.

7.2 Instalments of the Royalty payable shall be paid by the Payor to the Royalty Holder immediately upon the receipt by the Payor of the payment from the smelter, refinery or other place of treatment of the proceeds of sale of the minerals, ore, concentrates or other product from the Property.

7.3 Within 120 days after the end of each fiscal year, commencing with the year in which commencement of Commercial Production occurs, the accounts of the Payor relating to operations on the Property and the statement of operations, which shall include the statement of calculation of the Royalty for the year last completed, shall be audited by the independent auditors of the Payor at its expense. The Royalty Holder shall have 60 days after receipt of such statements to question the accuracy thereof in writing and, failing such objection, the statements shall be deemed to be correct and unimpeachable thereafter.

7.4 If such audited financial statements disclose any overpayment by the Payor of the Royalty during the fiscal year, the amount of the overpayment shall be deducted from future instalments of Royalty payable.

7.5 If such audited financial statements disclose any underpayment by the Payor of the Royalty during the year, the amount thereof shall be paid to the Royalty Holder forthwith after determination thereof.

7.6 The Payor agrees to maintain for each mining operation on the Property, up-to-date and complete records relating to the production and sale of minerals, ore, bullion and other product from the Property, including accounts, records, statements and returns relating to treatment and smelting arrangements of such product. The Royalty Holder shall have the right to have such accounts audited by independent auditors at its own expense once each fiscal year.

7.7 Notwithstanding any other provision of this Agreement, the Royalty Holder shall have the right, at any time and from time to time, to assign, transfer, convey, mortgage, pledge or charge all, but not less than all, of the Royalty and its interest in and to this Agreement applicable to such royalty, and the Payor covenants and agrees that it shall be bound by and shall perform, and that it will acknowledge in writing in favor of such assignee, transferee, mortgagee, pledgee or charge that it is bound by and shall perform, the terms of this Agreement upon any such assignment, transfer, conveyance, mortgage, pledge or charge. The Royalty Holder shall notify the Payor in writing of any such assignment, transfer or conveyance, confirming the identity of such transferee and the appropriate contact information for such transferee.

SECTION 8- NOTICES

8.1 All notices, requests, demands and other communications which are required to be or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person or transmitted by facsimile or other electronic communication facility (with confirmed receipt) or by certified or registered first class mail, postage prepaid, return receipt requested, to the party to whom the same is so given or made at the address for that party indicated on page 1 hereof, all with a copy to:

If to the Optionor:

Christopher Stewart
[Redacted]

Email: [Redacted]

If to the Optionee:

District Copper Corp.
[Redacted]

Email: [Redacted]

or to such other address as any party may designate by giving notice to the other parties hereto.

SECTION 9 – GENERAL

9.1 **Binding.** This Agreement inures to the benefit of and binds the Parties hereto and their respective successors and permitted assigns.

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

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

9.4 **Notice.** Any notice or other communication required or permitted to be given under this Agreement must be in writing and shall be effectively given if delivered personally or by overnight courier or if sent by email, addressed in the case of notice to the Optionor or the Optionee, as the case may be, to its address set out on the first page of this Agreement. Any notice or other communication so given is deemed conclusively to have been given and received on the day of delivery when so personally delivered, on the day following the sending thereof by overnight courier, and on the same date when emailed (unless the notice is sent after 4:00 p.m. (Vancouver time) or on a day which is not a business day., in which case the email will be deemed to have been given and received on the next business day after transmission). Any Party may change any particulars of its name, address, contact individual or email number for notice by notice to the other Parties in the manner set out in this Section 8.1. No Party shall prevent, hinder or delay or attempt to prevent, hinder or delay the service on that Party of a notice or other communication relating to this Agreement.

9.5 **Counterparts.** This Agreement may be validly executed and delivered by the Parties in any number of separate counterparts and all counterparts, when executed and delivered, will together constitute one and the same instrument. Executed copies of the signature pages of this Agreement sent by facsimile or transmitted electronically in either Tagged Image Format Files (TIFF) or Portable Document Format (PDF) will be treated as originals, fully binding and with full legal force and effect, and the Parties waive any rights they may have to object to such treatment.

9.6. **Severability.** If any term of this Agreement is or becomes illegal, invalid or unenforceable, that term shall not affect the legality, validity or enforceability of the remaining terms of this Agreement.

9.7. **Schedules.** The Schedules referenced herein and attached to this Agreement, are incorporated into and form part of this Agreement.

9.8. **Time.** Time is of the essence of this Agreement.

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

9.10. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein and supersedes all prior arrangements, negotiations, discussion, undertakings, representations, warranties and understandings, whether written or verbal.

[INTENTIONALLY LEFT BLANK]

The Parties hereto intending to be legally bound have executed this Agreement as of the date and year first written above.

IN WITNESS WHEREOF this agreement has been executed effective as of the day and year first above written.

SIGNED, SEALED AND DELIVERED by)
CHRISTOPHER STEWART)
in the presence of:)
))
“Gonzalo Ledezma”)
Name)
[Redacted])
Address)
))
))
Fire Fighter)
Occupation)

“Christopher Stewart”
CHRISTOPHER STEWART

DISTRICT COPPER CORP.

“Jevin Werbes”
Name: Jevin Werbes
Title: President and CEO
I have authority to bind the company.

SCHEDULE "A"

DESCRIPTION OF THE PROPERTY

Tenure Number	Type	Claim Name	Good Until	Area (ha)
1085493	Mineral	CG1	2022/NOV/16	511.23
1085494	Mineral	CG2	2022/NOV/16	470.53
1085495	Mineral	CG3	2022/NOV/16	532.17
Total Hectares				1513.93