

## OPTION AGREEMENT

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This Agreement is made as of January 16, 2017 between:

**LA CROIX MINERAL EXPLORATION LTD.** a corporation existing under the laws of British Columbia and having its head office at #222-515 West Pender Street, Vancouver, BC, V6B 6H5

("Optionor")

AND

**FIRST LEGACY MINING CORP.**, a corporation existing under the laws of British Columbia and having its head office at Suite 605 – 815 Hornby Street, Vancouver, British Columbia V6Z 2E6

("Optionee")

### WHEREAS:

- A. Optionor is the recorded and beneficial owner of an undivided 100% interest in and to the Property (as defined herein); and
- B. Optionor has agreed to grant to Optionee the sole and exclusive right and option to acquire a 100% right, title and interest in and to the Property, in accordance with the terms and conditions of this Agreement.

For valuable consideration (the receipt and sufficiency of which is hereby acknowledged and agreed by each of the Parties hereto), the Parties agree as follows:

### SECTION 1. - INTERPRETATION.

1.1 **Definitions.** In this Agreement terms and expressions given a defined meaning in any Schedule shall have the corresponding meaning in this Agreement and:

- (a) "**Affiliate**" has the meaning given to that term in the *Securities Act* (British Columbia);
- (b) "**Agreement**" means this Agreement, including the recitals and the Schedules, all as amended, from time to time;
- (c) "**Commercial Production**" means, and is deemed to have been achieved, when the concentrator processing ores, for other than testing purposes, has operated for a period of 45 consecutive production days at an average rate of not less than 70% of design capacity or, if a concentrator is not erected on the Property, when ores have been produced for a period of 45 consecutive production days at the rate of not less than 70% of the mining rate specified in a feasibility study or any similar study recommending placing the Property in production;
- (d) "**Effective Date**" means the date of the Final Exchange Bulletin giving notice of the approval by the Exchange of the listing of the Shares on the facilities of the Exchange and the acceptance by the Exchange of this Agreement and the transactions contemplated by this Agreement;

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- (e) "**Exchange**" means the TSX Venture Exchange;
- (f) "**Expenditures**" means all paid-up costs, expenses, obligations and liabilities of whatever kind or nature spent or incurred by the Optionee, directly or indirectly, on or in connection with the Property including, without limiting the generality of the foregoing, monies expended in connection with:
- (i) prospecting, exploration, evaluation, and development of the Property, including trenching or other surface or near surface sampling, reverse circulation, diamond or other drilling;
  - (ii) payments of fees, duties, or other charges or deductions to acquire, maintain or as required by any license, permit, or other documents issued by governmental bodies or other persons granting the right to use mineral resources and surface lands in respect of the Property;
  - (iii) geophysical and geological surveys, mapping, drilling, assaying and metallurgical testing, including costs of assays, metallurgical testing and other tests and analyses, water and other material or substances;
  - (iv) conducting engineering work as required for work programs or preparation of a feasibility study or a report prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* or any other reasonable evaluation of the Property;
  - (v) carrying out environmental studies and preparing environmental impact assessment reports;
  - (vi) carrying out all required restoration and reclamation of the Property required as a result of activities thereon;
  - (vii) in the preparation of work programs and the presentation and reporting of data and the results thereof including any program for the preparation of a feasibility study or other evaluation of the Property;
  - (viii) salaries and wages, including actual labour, overhead expenses for employees, agents independent contractors and consultants 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 of such persons, including medical;
  - (x) acquiring, constructing and transporting facilities;
  - (xi) payments to contractors or consultants for work done, services rendered or materials supplied;
  - (xii) all taxes levied against or in respect of the Property, or activities thereon, and the cost of insurance premiums and performance bonds or other security;

- (xiii) preparing and making submissions to government agencies with respect to substitute or successor title to any of the Property and test and production permits; and
- (xiv) all other expenses incurred in connection with the Property, prospecting licenses, mining leases, or this Agreement, including expenses for all permits and documents issued by any government or its authorized agent, environmental and other studies, charges incurred for site preparation, engineering, surveying, permits, equipment rental, third-party contractor services, construction of roads, costs of equipment and supplies, labour costs, legal fees, accounting fees, all fees under any consulting agreement, and all direct salary and field expenses of exploration personnel, transportation costs;
- (g) "**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;
- (h) "**Operator**" means the Party permitted to carry out, or cause to carry out, all work in respect of the Property during the Option;
- (i) "**Option**" means the option granted to Optionee by Optionor in accordance with Section 2;
- (j) "**Option Period**" means the period during the term of this Agreement from the date hereof to and including the date of exercise of the Option;
- (k) "**Party**" and "**Parties**" means the parties to this Agreement;
- (l) "**Property**" means the mining claims set out in Schedule "A" to this Agreement [comprising the Burge Lake Project] which is located in the Province of Quebec, and all mining leases and other mining interests derived from any such claims, and a reference herein to a mineral claim comprised in the Property includes any mineral leases or other interests into which such mineral claim may have been converted. Property also includes any mineral interests that become part of the Property by operation of the Area of Common Interest provided for herein; and
- (m) "**Shares**" means fully paid and non-assessable common shares in the capital of the Optionee.

1.2 **Extended Meanings.** Unless otherwise specified, words importing the singular include the plural and vice versa. The term "including" means "including, without limitation."

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

1.4 **Severability.** If any term 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, unless as a result of such determination this Agreement would fail in its essential purpose.

1.5 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior arrangements, negotiations, discussions,

undertakings, representations, warranties and understandings, whether written or verbal, express or implied.

1.6 **Currency.** Except as otherwise set forth herein, all references to amounts of money in this Agreement are to Canadian Dollars.

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

1.8 **Governing Law.** This Agreement shall be governed by and shall be construed and interpreted in accordance with the laws of British Columbia and the laws of Canada applicable in British Columbia. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of British Columbia, sitting in the city of Vancouver, with respect to any dispute to or arising out of this Agreement.

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

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

<u>Schedule</u>	<u>Description</u>
Schedule "A"	Description of the Property
Schedule "B"	Net Smelter Returns Royalty

## **SECTION 2. - OPTION.**

2.1 Optionor hereby grants to Optionee the sole and exclusive Option to acquire a 100% right, title and interest in and to the Property on the terms set out herein.

2.2 In order to exercise the Option and to maintain the Option in good standing, Optionee must:

- (a) pay to Optionor:
  - (i) \$20,000 in cash within five (5) business days following the date of execution of this Agreement;
  - (ii) an additional \$25,000 in cash on or before the date that is twenty-eight (28) months after the Effective Date (collectively, the "**Option Payments**");
- (b) issue and deliver to Optionor:
  - (i) 300,000 Shares within five (5) business of the Effective Date;
  - (ii) 500,000 Shares on or before the date that is fourteen (14) months after the Effective Date;
  - (iii) 750,000 Shares on or before the date that is twenty-eight (28) months after the Effective Date (collectively, the "**Share Issuances**"); and
- (c) incur Expenditures on the Property as follows:
  - (i) \$250,000 on or before the date that is fourteen (14) months after the Effective Date;

- (ii) \$750,000 (\$1,000,000 total) on or before the date that is twenty-eight (28) months after the Effective Date (collectively, the "**Property Expenditures**");

all of which Option Payments, Share Issuances and Property Expenditures may be accelerated at Optionee's option.

2.3 In the event that the Effective Date is later than June 1, 2017, the Optionee will pay the Optionor an additional \$25,000 on or before June 3, 2017.

2.4 Once Optionee has fulfilled the obligations in Section 2.2, Optionee will be deemed to have exercised the Option and to have acquired a 100% right, title and interest in and to the Property. The Optionee may at any time after it has satisfied its obligations under Section 2.2 confirm the exercise of the Option by delivering a notice to the Optionor.

2.5 In the event of an extraordinary change in capitalization affecting the Shares following the date hereof, such as a subdivision, consolidation or reclassification of the Shares, or other relevant changes in share capital, including any adjustment arising from a merger, acquisition or plan of arrangement (but excluding changes in capitalization in the normal course of business, such as equity financings), such proportionate adjustments, if any, appropriate to reflect such change shall be made by the Optionee with respect to the number of Shares to be issued to the Optionor.

2.6 Optionor hereby acknowledges that Optionee's ability to issue securities is subject to applicable securities laws and to the rules and policies of the stock exchange on which the Shares are listed and the securities issuable to Optionor hereunder will be subject to resale restrictions imposed by applicable securities legislation and the rules of any stock exchange on which the Shares are listed, which rules may require that a restrictive legend be placed on all certificates delivered to Optionor under this Agreement, and Optionor covenants and agrees with Optionee to abide by all such resale restrictions.

2.7 Optionee shall be entitled to be the operator of the Property for the duration of the Option.

2.8 Except as specifically provided elsewhere herein, the Option is an option only and nothing herein contained and no act done nor payment or Share issuance made hereunder shall obligate the Optionee to do any further act or acts or to make any further payments or Share issuances, and in no event shall this Agreement or any act done or any payment or Share issuance made be construed as an obligation of the Optionee to do or perform any work or make any payments or Share issuances on or with respect to the Property.

### **SECTION 3. - COVENANTS OF OPTIONOR.**

3.1 During the currency of this Agreement, Optionor will:

- (a) not do any other act or thing which would or might in any way adversely affect the rights of Optionee hereunder;
- (b) will not agree to transfer or encumber all or any of its right, title or interest in and to the Property, except as provided for in this Agreement;
- (c) make available to Optionee and its representatives all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Property in Optionor's possession or control, including drill core and soil and assay samples, and all records and files relating to the Property and permit Optionee and its representatives at their own expense to take abstracts therefrom and make copies thereof;

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- (d) promptly provide Optionee with any and all notices and correspondence received by Optionor from government agencies or otherwise in respect of the Property;
  - (e) cooperate fully with Optionee in obtaining any surface and other rights on or related to the Property as Optionee deems desirable;
  - (f) grant to Optionee, its directors, officers, 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 Optionee in its sole discretion may consider advisable;
    - (iv) bring and erect upon the Property such buildings, plant, machinery, equipment and facilities as Optionee may consider advisable; and
    - (v) remove from the Property and dispose of any material, ores, minerals and metals for the purpose of obtaining assays or making other tests; and
  - (g) upon the exercise of the Option, execute and deliver or cause to be executed and delivered within 10 business days of the exercise date of the Option, to Optionee or register or cause to be registered with all applicable agencies or places of record transfers of the Property in favour of Optionee which transfers may be recorded by Optionee at all such agencies or places of record as may be appropriate or desirable to effect the legal or recorded transfer of the Property to Optionee. Until such transfers are completed, Optionee shall be entitled to register or record this Agreement or other evidence of its rights hereunder against title to the Property, and Optionor shall promptly execute and deliver, or cause to be executed and delivered, all documents, deeds and other instruments reasonably requested by Optionee for the purpose of facilitating such registration or recording.

#### **SECTION 4. - COVENANTS OF OPTIONEE.**

##### **4.1 During the Option, Optionee shall:**

- (a) maintain in good standing the claims or other interests comprising the Property by the doing and filing of assessment work or the making of payments in lieu thereof;
- (b) 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 Optionee) and proceed with all diligence to contest or discharge any Lien that is filed;
- (c) pay or cause to be paid all workers and wage earners employed by it or its contractors on the Property, and pay for all materials, services and supplies purchased or delivered in connection with its activities on or with respect to the Property;
- (d) deliver to the Optionor within 21 days of the first, second and third anniversaries of the Effective Date during the Option Period, a report (including up to date maps if there are any) describing the results of work completed in each period pursuant to Section 2.2(c),

together with reasonable details of Expenditures made;

- (e) permit Optionor, or its representatives duly authorized by it in writing, at its own risk and expense, access to the Property at all reasonable times and to all data, records and reports, if any, prepared by Optionee in connection with work done on or with respect to the Property, and furnish Optionor once each calendar year with a report with respect to the work carried out by Optionee on the Property and material results obtained; and
- (f) conduct all work on or with respect to the Property in a good and workmanlike manner and in compliance with all applicable federal, provincial and local laws, rules, orders and regulations, and indemnify and save 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 Optionee on or with respect to the Property.

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

- (a) ensure the Property is free and clear of all Liens;
- (b) provide Optionor with copies of all data and information related to the Property that was not provided to Optionor prior to the termination of this Agreement, together with, if applicable all drill cores and unprocessed assay samples;
- (c) have the right (and, if requested by Optionor within 90 days of the effective date of termination, the obligation) to remove from the Property within nine (9) months of termination of this Agreement all equipment, machinery, tools, supplies, buildings, facilities erected, installed or brought upon the Property by or at the instance of Optionee, failing which, the machinery, tools, supplies, buildings and facilities shall become the property of Optionor, should the Optionor agree to accept ownership; and
- (d) perform all reclamation work on the Property required under applicable mining, exploration and environmental laws in the Province of British Columbia, as a result of exploration or operations carried out by or on behalf of Optionee.

## **SECTION 5. - REPRESENTATIONS AND WARRANTIES.**

5.1 Optionor represents and warrants to Optionee that:

- (a) it is a corporation duly incorporated and organized and validly existing under the *Business Corporations Act* (British Columbia) and 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 its business in British Columbia;
- (b) it has been duly authorized to enter into, and 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 of:
  - (i) its notice of articles or articles; or
  - (ii) any other agreement to which it is a party;

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- (c) it has duly executed and delivered this Agreement, which binds it in accordance with its terms;
  - (d) the Property is properly and accurately described in Schedule "A" hereto and the mineral claims comprising the Property have been duly and validly recorded;
  - (e) Optionor owns a 100% beneficial, legal and recorded interest in and to the Property and has the exclusive right to enter into this Agreement and all necessary authority to dispose of an undivided 100% interest in and to the Property in accordance with the terms of this Agreement;
  - (f) all fees, taxes, assessments, rentals, levies or other payments, and all reports and other filings, required to be made relating to the Property have been made in a timely manner;
  - (g) each of the claims comprising the Property were properly recorded and filed with appropriate governmental agencies, all assessment work required to hold the claims has been performed, all governmental fees have been paid and all filings required to maintain the claims in good standing have been properly and timely recorded or filed with appropriate governmental agencies;
  - (h) the Property is in good standing and the claims are free and clear of any Liens or third party interests or other interest whatsoever in production from any part of the Property and no royalty is payable in respect of any part of the Property;
  - (i) there is no adverse claim or challenge against or to the ownership of or title to any part of the Property, and no party has any right, title, claim or other interest in the Property, nor to the knowledge of the Optionor after due inquiry is any of the foregoing pending or threatened nor is there any basis therefor;
  - (j) Optionor holds all permits, licenses, consents and authorities issued by any government or governmental authority, which are necessary in connection with the ownership of the Property;
  - (k) other than this Agreement, there are no outstanding agreements, rights or options, whether or not subject to conditions, to acquire or purchase the Property or any portion thereof or any interest therein whatsoever;
  - (l) there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or government authority, whether current, pending or threatened, which directly or indirectly relate to or affect the Property or the interests of the Optionor therein nor is the Optionor aware of any acts which would lead it to suspect that the same might be initiated or threatened;
  - (m) 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 and there is no outstanding directive or order or similar notice issued by any regulatory agency, including agencies responsible for environmental matters, affecting the Property or the Optionor nor to the knowledge of the Optionor after due inquiry is there any basis therefor or any reason to believe that such an order, directive or similar

notice is pending;

- (n) no reclamation, rehabilitation, clean-up, closure, other environmental corrective, restoration or abandonment obligations exist directly or indirectly with respect to the Property;
- (o) Optionor has not received from any governmental or regulatory agency or board, any notice of or communication relating to any actual or alleged environmental claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property;
- (p) all work carried out on the Property by or under the Optionor's direction has been done in full compliance with all applicable laws and regulations and it has no reason to believe that all prior work carried out on the Property by third parties has not been done in full compliance with all applicable laws and regulations;
- (q) to the best of Optionor's knowledge, information and belief, no part of the Property lies within any protected area, rescued area, reserve, reservation or reserved area or other designated area, that would impair the development of a mining project thereon;
- (r) the Optionor is not aware of any material fact (as defined in the British Columbia Securities Act) or circumstance which has not been disclosed to the Optionee in writing which should be disclosed in order to prevent the representations and warranties in this Section 5.1 from being false or misleading;
- (s) the Optionor is a resident of Canada for the purposes of the Income Tax Act (Canada); and
- (t) Optionor has delivered to Optionee all information concerning the Property in its possession or control.

5.2 Optionee hereby represents and warrants to Optionor that:

- (a) it is a corporation duly incorporated and organised and validly existing under the *Business Corporations Act* (British Columbia) and 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 British Columbia;
  - (b) 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 notice of articles or articles; or
    - (ii) any other agreement to which it is a party; and
  - (c) it has duly executed and delivered this Agreement, which binds it in accordance with its terms.
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5.3 Each Party's representations and warranties set out above will be relied on by the other Party in entering into the Agreement. The representations and warranties set out above shall survive the execution and delivery of the Agreement and are deemed remade as of the date on which the Option is exercised in accordance with the terms of the Agreement and, if Optionee exercises the Option, they shall survive the acquisition of the Property by Optionee indefinitely. 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.

5.4 The representations, warranties and covenants contained in Section 5.2 are provided for the exclusive benefit of the Optionor and a breach of any one or more thereof may be waived by the Optionor in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation, warranty or covenant; and the representations, warranties and covenants contained in Section 5.2 will survive the execution hereof.

#### **SECTION 6. - CONFIDENTIALITY.**

6.1 All information, data, reports, records, studies and test results relating to the Property and the activities of the Parties thereon pursuant to this Agreement, the Option and the execution and contents of this Agreement (collectively, the "**Confidential Information**") will be treated by the Parties as confidential and must not be disclosed, transcribe, or transfer to any person not a Party without the prior written consent, not to be unreasonably withheld, of the other Party, except in the following circumstances:

- (a) a Party may disclose Confidential Information to its auditors, legal counsel, consultants, institutional lenders, brokers, underwriters and investment bankers; provided that such persons are advised of the confidential nature of the Confidential Information, are required to maintain the confidentiality thereof and are strictly limited in their use of the Confidential Information to those purposes necessary for such users to perform the services for which they were retained by the disclosing party;
- (b) a Party may disclose Confidential Information to a potential purchaser in contemplation of a sale of such Party's interest in the Property or this Agreement; provided that such potential purchaser is advised of the confidential nature of the Confidential Information, is required to maintain the confidentiality thereof and is strictly limited in its use of the Confidential Information to that purpose;
- (c) a Party may disclose Confidential Information that becomes part of the public domain other than through a breach of this Agreement or a breach of a separate obligation of confidentiality;
- (d) the disclosure is reasonably required to be made to a taxation authority in connection with the taxation affairs of the disclosing Party;
- (e) Optionee may disclose Confidential Information that subsequently became available to Optionee on a non-confidential basis from a source other than Optionor or its representatives, provided that such source was not bound by a confidentiality agreement with Optionor or any of its representatives or otherwise prohibited from transmitting the Confidential Information to Optionee or its representatives by a contractual, legal or fiduciary obligation; or

- (f) a Party may disclose Confidential Information where that disclosure is necessary to comply with the disclosing Party's disclosure obligations and requirements under any applicable laws, including securities laws, rules or regulations or stock exchange listing agreements, policies or requirements, provided the disclosing Party delivers a draft copy of the release or disclosure to the other Party as far in advance of issuance as is reasonably practicable to allow the other Party to review and comment upon the disclosed disclosure,

and provided further that the disclosing party agrees to enforce the obligations of the recipient in subsections (a) and (b) above.

## **SECTION 7. – TERMINATION**

7.1 This Agreement shall forthwith terminate upon the Optionee giving notice of termination to the Optionor at any time prior to the exercise of the Option.

7.2 Save and except for matters to be completed in accordance with Section 2.2, if at any time during the Option Period the Optionee fails to perform any other obligation required to be performed hereunder or is in breach of a warranty given herein, which failure or breach materially interferes with the implementation of this Agreement, the Optionor may terminate this Agreement but only if:

- (a) it first gives to the Optionee a notice of default containing particulars of the obligation which the Optionee has not performed, or the warranty breached; and
- (b) the Optionee has not, within 21 days after delivery of such notice of default, cured such default or begun proceedings to cure such default by appropriate payment or performance (the Optionee hereby agreeing that should it so begin to cure any default it will prosecute the same to completion without undue delay).

7.3 If the Optionee fails to comply with the provisions of Section 7.2(b), the Optionor may thereafter terminate this Agreement, and the provisions of Section 4.2 will then be applicable

7.4 In the event of such termination, this Agreement will, except for the provisions of Sections 4.2, 5.3, and 6.1, be of no further force and effect.

## **SECTION 8. – NET SMERLTER RETURNS ROYALTY**

8.1 In the event Optionee exercises the Option and acquires a 100% right, title and interest in and to the Property, Optionor shall thereafter be entitled to a 1% net smelter returns royalty with respect to the Property on the terms set out in Schedule "B" (the "NSR Royalty"), payable upon the commencement of Commercial Production.

8.2 Optionee shall be entitled to buy back the 1% NSR Royalty from Optionor at any time by payment to Optionor of \$1,000,000.

## **SECTION 9. – SURRENDER OF PROPERTY INTERESTS BEFORE TERMINATION OF AGREEMENT**

9.1 The Optionee may at any time, elect to abandon any one or more of the mineral claims comprised in the Property by giving notice to the Optionor of such intention.

9.2 Upon any such abandonment the mineral claim(s) so abandoned will for all purposes of this Agreement cease to form part of the Property.

#### **SECTION 10. - GENERAL**

10.1 During the currency of the Option, neither Party may assign, convey, sell or otherwise transfer all or part of its interest or right in and to this Agreement to any third Party without prior consent of the other Party. Any assignment shall be subject to the assignee entering into an agreement, in form and substance satisfactory to the other Party, agreeing to be bound by this Agreement.

10.2 If the Optionee is at any time during the Option Period prevented or delayed in complying with any provisions of this Agreement by reason of aboriginal land claims, strikes, walk-outs, labour shortages, power shortages, fuel shortages, fires, wars, acts of terrorism, acts of God, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of the Optionee, the time limited for the performance by the Optionee of its obligations hereunder will be extended by a period of time equal in length to the period of each such prevention or delay, provided however that nothing herein will discharge the Optionee from its obligations under Section 4.2. The Optionee will within 14 days give notice to the Optionor of each event of force majeure under this Section and upon cessation of such event will furnish the Optionor with notice to that effect together with particulars of the number of days by which the obligations of the Optionee hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

10.3 This Agreement inures to the benefit of and binds the Parties and their respective successors and permitted assigns.

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

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

10.6 No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by both Parties.

10.7 Notwithstanding any term in this Agreement, if a Party is at any time delayed from carrying out any action under this Agreement due to circumstances beyond the reasonable control of such Party (aside from circumstances arising from the financial difficulty of such Party), acting diligently, the period of any such delay shall be excluded in computing, and shall extend, the time within which such Party may exercise its rights and/or perform its obligations under this Agreement.

10.8 Each of the Parties hereto covenants, agrees and acknowledges that Optionee's counsel have acted as counsel only to Optionee and that Optionee's counsel is not protecting the rights and interests of Optionor. Optionor acknowledges and agrees that Optionee and Optionee's counsel have given Optionor the opportunity to seek, and have recommended that Optionor obtain, independent legal advice with respect to the subject matter of this Agreement and, further, Optionor hereby represents and warrants to Optionee and Optionee's counsel that Optionor has sought independent legal advice or waives such advice.

10.9 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 or fax, addressed to the address or email address or fax number of the other Party specified in writing prior to the execution of this Agreement, or at such other address as either Party may specify to the other in writing from time to time. 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 or faxed (unless the notice is sent after 4:00 p.m. (PST) or on a day which is not a business day, in which case the email or fax will be deemed to have been given and received on the next business day after transmission). Either Party may change any particulars of its name, address, contact individual, email address or fax number for notice by notice to the other Party in the manner set out in this Section 10.9. Neither Party shall prevent, hinder or delay or attempt to prevent, hinder or delay the service on that Party of a notice or other communication relating to this Agreement.

10.10 In entering into this Agreement the Parties recognise that it is practically impossible to make provisions for every contingency which may arise during the validity of this Agreement. Accordingly, the Parties hereby state and acknowledge their mutual intent that this Agreement shall be enforced and implemented between them with fairness and without detriment to any other Party's interest. Each of the Parties hereto undertakes with each of the others to do all things reasonably within his or its power which are necessary or desirable to give effect to the spirit and intent of this Agreement during the term of its validity.

10.11 Each of the parties agrees that it shall act in good faith and a reasonable manner with respect to the satisfaction of its obligations under this Agreement, and, at the reasonable request of the other party, shall, at its own expense, take such actions and do such things and, as the case may be, execute and deliver or furnish such additional agreements, documents and instruments as may, from time to time, be necessary or reasonably desirable to better effectuate the transactions contemplated by this Agreement.

10.12 Each of Optionor and Optionee shall be responsible for payment of its own expenses in connection with the transactions contemplated herein, with the exception that Optionee shall pay: (a) the costs of preparation, delivery and filing of any required technical report(s); and (c) any documents necessarily prepared in connection with the transactions contemplated herein.

10.13 Any payment made under this Agreement from one Party to the other may be made by cheque, wire transfer, money order or bank draft by personal delivery or overnight courier to the appropriate address set out on the first page of this Agreement or as indicated in writing to the other Party.

10.14 This Agreement may be executed by facsimile, email transmission or other means of communication producing a printed copy, and in any number of counterparts, each of which shall constitute one and the same agreement.

*[Remainder of page Intentionally Blank. Execution Page Follows.]*

The Parties have duly executed this Agreement as of the date and year first above written.

**LA CROIX MINERAL EXPLORAION LTD.**

Per: \_\_\_\_\_

Authorized Signatory

Name: Reza Mohammed

Title: President

**FIRST LEGACY MINING CORP.**

Per: \_\_\_\_\_

Authorized Signatory

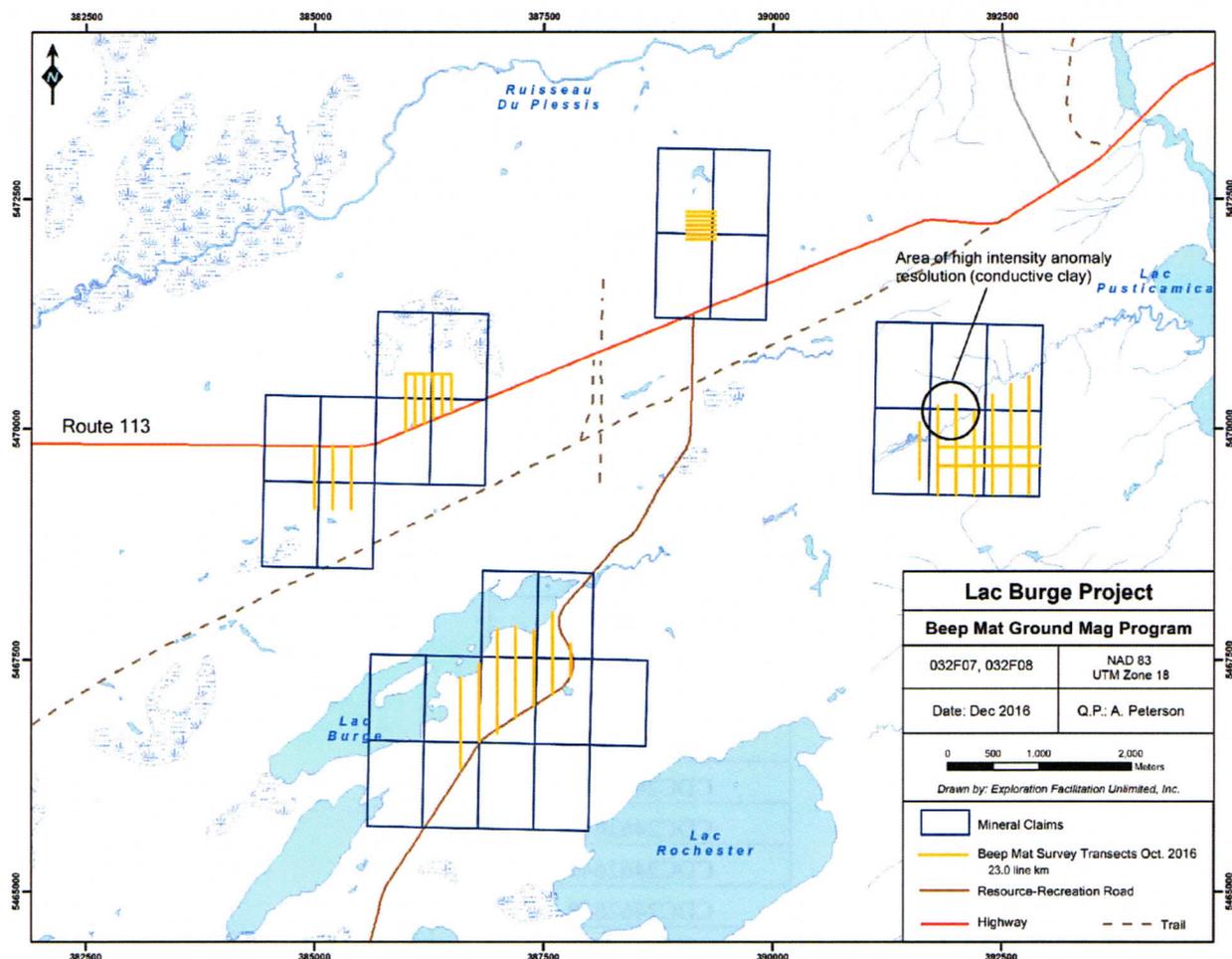
Name: Max Sahi

Title: CEO

## SCHEDULE "A" - DESCRIPTION OF THE PROPERTY

The following are the 29 mineral claims described as the Lac Burge Project

Map Dispositions
CDC2462623
CDC2462625
CDC2462626
CDC2462627
CDC2462628
CDC2462637
CDC2462638
CDC2462640
CDC2462641
CDC2462642
CDC2462643
CDC2462646
CDC2462647
CDC2462648
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CDC2462668
CDC2462669
CDC2462673
CDC2462674
CDC2462679
CDC2462680
CDC2462684
CDC2462685
CDC2462686
CDC2462687



Lac Burge Project	
Beep Mat Ground Mag Program	
032F07, 032F08	NAD 83 UTM Zone 18
Date: Dec 2016	Q.P. A. Peterson
Drawn by: Exploration Facilitation Unlimited, Inc.	
Mineral Claims	
Beep Mat Survey Transects Oct. 2016 23.0 line km	
Resource-Recreation Road	
Highway	Trail

## SCHEDULE "B" – NET SMELTER RETURNS ROYALTY

1. The NSR Royalty described in the Option Agreement to which this Schedule "B" is attached will be such percentage described in the Option Agreement of the Net Smelter Returns (as determined pursuant to Section 2 below) and will be paid to Optionor by the operator of the Property in accordance with the terms of this Schedule "B".
2. The "Net Smelter Returns" will be calculated on a calendar quarter basis and will be equal to Gross Revenue (as hereinafter defined) less Permissible Deductions (as hereinafter defined) for such quarter.
3. In this Schedule "C", the following words have the following meanings:
  - i. "**Gross Revenue**" means the aggregate of the following revenues (without duplication) actually received in each quarterly period:
    - A. the revenue from arm's length purchasers of all Mineral Products;
    - B. the fair market value of all Mineral Products sold to persons not dealing at arm's length with the owner of the Property from which the Mineral Products are produced; and
    - C. any proceeds of insurance on Mineral Products;
  - ii. "**Mineral Products**" means all valuable metals, minerals and refined or semi-refined products produced from the Property;
  - iii. "**Payor**" means the operator of the Property;
  - iv. "**Payee**" means the holder of the NSR Royalty described in the Option Agreement to which this Schedule "B" is attached and which is entitled to receive payment thereunder;
  - v. "**Permissible Deductions**" means the aggregate of the following charges (without duplication) that are paid or accrued with respect to the Mineral Products in each quarterly period:
    - A. all costs, expenses, charges and penalties of any nature whatsoever which are paid or incurred in connection with mining, refinement or beneficiation of Mineral Products, including all extraction and mining costs, all processing, minting, smelter, milling and refinery charges and all weighing, sampling, assaying, handling, representation and storage costs, any umpire charges, and any interest, penalties and provisional settlement fees charged by the processor, mint, refinery, mill or smelter;
    - B. transportation costs for Mineral Products from the Property to the place of beneficiation, processing, minting, smelting, milling, refining or treatment and thence to the place of delivery of Mineral Products to a purchaser thereof, including shipping, freight, security, insurance, transaction taxes, port, demurrage, delay, handling and forwarding expenses;

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- C. all marketing, sales charges and brokerage costs levied by any sales agent on the sale of Mineral Products;
  - D. all insurance on Mineral Products; and
  - E. any sales, excise, production, import, export, use, ad valorem, use severance, net proceeds of mine and other taxes and levies, including mining taxes on such Mineral Products (but excluding income taxes);
- vi. "**Trading Activities**" shall mean forward sales, futures trading or commodity options trading, and other price hedging, price protection or speculative arrangements that may involve the possible delivery of base or precious metals produced from the site in question; and
  - vii. All terms which are defined in the Option Agreement to which this Schedule "B" is attached and are used herein shall have the same meaning as defined in the Option Agreement, unless the context expressly requires otherwise.
4. For greater certainty, and without limiting the generality of the foregoing, all charges deducted by an arm's length purchaser of metals or minerals whether for smelting, treatment, handling, refining, milling, minting, processing, storage or any other operation on or service relating to the Mineral Products that occurs after the point of sale shall be considered to be legitimate deductions in arriving at the Net Smelter Returns amount. Similar deductions at their fair market value will be permitted for charges by a non-arm's length purchaser.
  5. Payor shall have the right to commingle ore or concentrates produced from the Property with ores or concentrates produced from other mineral properties in which the Payor may have an interest, provided that Payor shall (i) adopt and employ reasonable practices and procedures for weighing, determining moisture content, sampling and assaying such ore or concentrates and recording such data; and (ii) utilize reasonably accurate recovery factors to determine the amount of Mineral Products allocable to the Property. Payee or its authorized representatives shall have the right at all reasonable times during normal business hours to examine and audit from time to time at its own expense the records of the Payor relative to the commingling of ores and concentrates produced from the Property.
  6. Payor agrees to maintain up-to-date and complete records for any operations carried out on the Property and in respect of which a NSR Royalty is payable. If treatment and/or smelting of the Mineral Products derived from such operations is performed off the Property, accounts, records, statements and returns relating to such treatment and smelting arrangements shall be maintained by Payor or the owner. Payee or its agents shall have the right at all reasonable times during normal business hours to inspect such accounts, records, statements and returns and make copies thereof at its own expense for the sole purpose of verifying the amount of NSR Royalty payments.
  7. The NSR Royalty will be calculated and paid within 90 days after the end of each calendar quarter. Smelter settlement sheets, if any, and a statement setting forth calculations in sufficient detail to show the payment's derivation (the "**Statement**") must be submitted with the payment.
  8. In the event that final amounts required for the calculation of the NSR Royalty are not available within the time period referred to in Section 7 of this Schedule, then provisional amounts will be estimated and the NSR Royalty paid on the basis of this provisional calculation. Positive or

negative adjustments will be made to the NSR Royalty payment of the succeeding quarter.

9. Subject to the adjustment provisions of this Schedule, all NSR Royalty payments will be considered final and in full satisfaction of all obligations of Payor with respect thereto, unless Payee delivers to Payor a written notice ("**Objection Notice**") describing and setting forth a specific objection to the calculation thereof within sixty (60) days after receipt by Payee of this Statement. If Payee objects to a particular Statement as herein provided, Payee will, for a period of sixty (60) days after Payor's receipt of such Objection Notice, have the right, upon reasonable notice and at a reasonable time, to have Payor's accounts and records relating to the calculation of the NSR Royalty in question audited by the auditors of Payee. If such audit determines that there has been a deficiency or an excess in the payment made to Payee such deficiency or excess will be resolved by adjusting the next quarterly NSR Royalty payment due hereunder. Payee will pay all the costs and expenses of such audit unless a deficiency of five (5%) percent or more of the amount due is determined to exist. Payor will pay the costs and expenses of such audit if a deficiency of five (5%) percent or more of the amount due is determined to exist. All books and records used and kept by Payor to calculate the NSR Royalty due hereunder will be kept in accordance with Canadian generally accepted accounting principles. Failure on the part of Payee to make claim against Payor for adjustment in such sixty (60) day period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and NSR Royalty payments for such quarter, and forever preclude the filing of exceptions thereto or making of claims for adjustment thereon by Payee. Nothing herein will limit Payee's rights arising out of fraud.
  
  10. Payor may but need not engage in Trading Activities. Payee shall not be entitled to participate in the proceeds or be obliged to share in any losses generated by Payor's Trading Activities. If valuable metals produced from the Property are actually delivered pursuant to such Trading Activities, such valuable metals shall, for the purposes of calculating the NSR Royalty payable hereunder, be deemed to be sold and delivered at a price equal to the average weekly price (for the week immediately preceding the deemed sale) for the metal contained in such Mineral Products quotes as the "COMEX" price, first position, by *Platts Metals Week* or an authoritative alternative publication reasonably designated by Payor that publishes such prices on a weekly or daily basis. Such sale shall be conclusively deemed to be a sale at a fair market value to an arm's length purchaser FOB the refinery for the Mineral Product.
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