

## Option Agreement

This Option Agreement ("Agreement") is entered by and among Cypress Development Corp., a British Columbia corporation ("Cypress"); Silcom Systems Inc., a British Columbia corporation (together with its permitted successors and permitted assigns, "Silcom"); Pasinex Resources Limited, a British Columbia corporation ("Pasinex Canada"), Pasinex Resources Nevada Limited, a Nevada corporation (together with its permitted successors and permitted assigns, "Pasinex").

### Recitals

A. Cypress, through its wholly-owned subsidiary Cypress Holdings (Nevada), Ltd., a Nevada corporation ("Cypress Nevada"), is the 100% owner of the twenty-three (23) unpatented lode mining claims (the "Claims") situated in White Pine County, Nevada, and more particularly described in Exhibit A-1 attached to and by this reference incorporated in this Agreement.

B. Cypress and Silcom are parties to the Agreement dated March 23, 2017 (the "Silcom Option Agreement"), between Cypress, as optionor, and Silcom, as optionee, pursuant to which, among other things, Cypress granted to Silcom the exclusive right and option to acquire up to an eighty percent (80%) undivided interest in all mineral rights, mineral products and property rights associated with the Claims.

C. Cypress, Silcom, and Pasinex Canada entered into a letter of intent dated September 11, 2017 (the "Letter of Intent"), pursuant to which Silcom agreed to grant to Pasinex an exclusive option to acquire all of Silcom's rights in the Silcom Option Agreement.

D. Silcom desires to (a) sublease the Silcom Option Agreement to Pasinex, and (b) to otherwise grant to Pasinex all of Silcom's right to exercise the options granted to Silcom under the Silcom Option Agreement, including the option to acquire up to an eighty percent (80%) undivided interest in all mineral rights, mineral products and property rights associated with the Claims.

Now, therefore, in consideration of their mutual promises, the parties agree as follows:

1. **Definitions.** The following defined terms, wherever used in this Agreement, shall have the meanings described below, and terms defined elsewhere in this Agreement shall have the meanings ascribed to them in such other provisions of this Agreement:

1.1 "Acceptance Date" means December 5, 2017.

1.2 "Applicable Deadline" means the deadline prescribed either in the Silcom Option Agreement, or, if applicable, by federal or state statute or regulation, whichever occurs first.

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- 1.3 "Area of Interest" means the geographic area described and depicted on the map in Exhibit B attached to and by this reference incorporated in this Agreement.
- 1.4 "Assignment" has the meaning given such term in Section 5.4.
- 1.5 "Claims" has the meaning given to such term in Recital A.
- 1.6 "Closing," "Closing of the Pasinex Option," "closing of the Pasinex Option" and correlative terms mean the closing of the purchase of Silcom's interest in the Silcom Option Agreement following Pasinex's exercise of the Pasinex Option in accordance with Section 5.
- 1.7 "Closing Date" means the date of the Closing at which Pasinex closes the Pasinex Option of the Property in accordance with Section 5.
- 1.8 "Cypress" means Cypress Development Corp., a British Columbia corporation, its permitted successors and assigns.
- 1.9 "Cypress Nevada" means Cypress's U.S. subsidiary, Cypress Holdings (Nevada) Ltd., a Nevada corporation, which is the current record title owner of the Claims.
- 1.10 "Data" means all data and information relating to the Property, including, by way of illustration and not by limitation, all geological, geochemical and geophysical maps, reports, surveys and tests; all drill hole maps, drill logs, drill core, drill cuttings, chip trays, and other samples taken from the Property; all engineering and metallurgical reports, studies and tests; all sample and assay logs, maps, reports and tests; all mineral resource and ore reserve calculations, estimates, reports, studies and tests; all anthropological, biological, cultural, hydrologic, environmental, meteorological, and other like reports, studies, surveys and tests; and all other data relating to the Property, including any such data in digital, electronic, magnetic, optical and written format and includes the Existing Data (as defined in the Option Agreement).
- 1.11 "Deposit" means the non-refundable deposit of \$25,000 cash which was paid by Pasinex to Silcom pursuant to Section 1.1(b) of the Letter of Intent.
- 1.12 "Earn-In Date" means the date which is the earlier of the date on which Pasinex has either: (i) earned the fifty-one percent (51%) interest in the Property pursuant to the Silcom Option Agreement, but has not elected to proceed to earn the eighty percent (80%) interest in the Property pursuant to same; or (ii) earned the eighty percent (80%) interest in the Property pursuant to the Silcom Option Agreement.
- 1.13 "Effective Date" means September 11, 2017.
- 1.14 "Expenditures" means all costs incurred on or for the benefit of the Property for exploration and development work pursuant to this Agreement, including but not limited to: (a) salaries, wages and costs of benefits, labor overhead expenses and travel and living expenses for

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employees employed directly on or for the benefit of the Property; (b) costs and expenses of equipment, machinery, materials and supplies; (c) all payments to contractors for work on or for the benefit of the Property; (d) costs of sampling, assays, metallurgical testing and analyses and other costs incurred to determine the quantity and quality of minerals on the Property; (e) costs incurred to apply for and obtain approvals, consents, licenses, permits and rights-of-way and other similar rights in connection with activities on the Property; (f) expenses and payments of rentals, bonuses, minimum advance royalties and other payments pursuant to the Silcom Option Agreement, if any; (g) costs and expenses of performance of annual assessment work and the filing and recording of proof of performance of annual assessment work, if required to be performed; (h) costs and expenses of payment of federal annual mining claim maintenance fees and the filing and recording of proof of payment of federal annual mining claim maintenance fees; (i) all costs and expenses of performance of all obligations under the Silcom Option Agreement, if any; (j) all taxes and assessments levied against the Property; (k) costs incurred in the examination of and curative actions taken concerning title to the Property; (l) costs incurred to acquire new Property in the area governed by this Agreement whether acquired before or after the Effective Date; (m) a management fee equal to five percent (5%) of expenditures incurred during exploration for minerals on the Property.

**1.15** "Governmental Regulations" means all directives, laws, orders, ordinances, regulations and statutes of any federal, state or local agency, court or office.

**1.16** "Joint Venture" means the joint venture arrangement between Cypress Nevada and Pasinex contemplated under Section 6.

**1.17** "Joint Venture Entity" means the limited liability company created pursuant to the Joint Venture arrangement contemplated under Section 6.

**1.18** "Letter of Intent" has the meaning given to such term in Recital C.

**1.19** "Minerals" means all minerals and mineral materials, including gold, silver, platinum and platinum group metals, base metals (including antimony, chromium, cobalt, copper, lead, manganese, mercury, nickel, molybdenum, titanium, tungsten, zinc), and other metals and mineral materials which are on, in or under the Property or the Area of Interest.

**1.20** "Net Smelter Returns" means the gross revenues from the sale of all Minerals, less the following costs, charges and expenses paid or incurred by payor: (1) charges for treatment in the smelting and refining processes (including handling, processing, interest and provisional settlement fees, sampling, assaying and representation costs; penalties and other processor deductions); (2) actual costs of transportation (including freight, insurance, security, transaction taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of such transportation) of concentrates and dore to the place of refinery or smelter; (3) actual sales and brokerage costs on Minerals for which the royalty is payable; (4) sales, use, severance, net proceeds of mine, ad valorem taxes applicable under local, state and federal law and any other tax or governmental levy or fee relating to the Minerals on which the royalty is payable (other than



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taxes based upon income); and (5) the costs of governmental or other royalties when and if applicable.

1.21 "Pasinex" means Pasinex Resources Nevada Limited, a Nevada corporation, and its permitted successors and permitted assigns.

1.22 "Pasinex Option" means the option granted by Silcom to Pasinex in Section 5.

1.23 "Pasinex Canada" means Pasinex Resources Limited, a British Columbia corporation, whose symbol on the CSE is "PSE", and its permitted successors and permitted assigns.

1.24 "Pasinex Canada Shares" means shares of the common stock of Pasinex Canada.

1.25 "Pasinex Sublease" means the sublease from Silcom to Pasinex of the Silcom Option Agreement pursuant to Section 3.

1.26 "Property" means the Claims described in Exhibits A-1 and A-2, including any amendments and relocations of such unpatented mining claims, and any unpatented mining claims, minerals, mineral rights, and other property interests acquired by Cypress, Silcom, or Pasinex in the Area of Interest which become subject to this Agreement in accordance with Section 8.

1.27 "Silcom Option Agreement" has the meaning given to such term in Recital B.

1.28 "White Pine Option Agreement" means the Joint Mineral Property Option Agreement dated April 28, 2000, between White Pine County Minerals Corp., Mid-North Resources Ltd., an Alberta corporation, and Cypress concerning the Claims.

1.29 "White Pine Royalty" means the two percent (2%) net smelter returns royalty against the Claims currently held by White Pine County Minerals Inc.

2. **Cypress Grant of Rights to Silcom and Pasinex.** Cypress grants to Silcom and Pasinex the interests, rights and privileges described in this Section.

2.1 **Silcom and Pasinex's Rights Before the Earn-In Date.** During the term of this Agreement until the Earn-In Date, Cypress grants to Silcom and Pasinex the sole and exclusive right in respect of the Property to: (a) enter thereon; (b) have exclusive and quiet possession thereof; (c) do such prospecting, exploration, development, or mining work thereon and thereunder as Silcom or Pasinex may determine to be necessary, desirable or advisable; (d) bring upon and erect upon the Property and use in its operations, at any time and from time to time, such buildings, plant, machinery, equipment, vehicles, tools, appliances as Silcom or Pasinex may deem necessary, desirable or advisable; and (e) remove therefrom and dispose of reasonable quantities of ores, Minerals and metals for the purposes of sampling, including bulk sampling, obtaining assays or making other tests.



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**2.2 Water Rights.** Subject to Governmental Regulations concerning the appropriation and taking of water, Silcom and Pasinex shall have the right to appropriate and use water, to drill wells for the water on the Property and to lay and maintain all necessary water lines as may be required by Silcom or Pasinex in its operations on the Property.

**3. Sublease of Silcom Option Agreement.** Silcom grants to Pasinex the interests, rights and privileges described in this Section.

**3.1 Pasinex Sublease.** During the term of this Agreement until Pasinex exercises and closes the Pasinex Option, Silcom subleases to Pasinex, and Pasinex accepts the sublease, of all of Silcom's right, title and interest in and to the Silcom Option Agreement including all rights granted under the Silcom Option Agreement (the "Pasinex Sublease").

**3.2 Pasinex's Obligations under the Silcom Option Agreement.** During the term of this Agreement and so long as the Silcom Option Agreement remains effective, and further subject to Section 4 below, Pasinex shall perform Silcom's obligations under the Silcom Option Agreement which accrue before Closing of the Pasinex Option, including, but not limited to: (i) the payment of all fees and the filing and recording of the documents necessary to maintain the unpatented mining claims included in the Property in good standing; (ii) the payment obligations of cash and stock (subject to Sections 3.3 and 4 below) which accrue under the Silcom Option Agreement; and (iii) the incurrence of any required Expenditures which accrue under the Silcom Option Agreement as amended pursuant to Section 4 below.

**3.3 Pasinex Canada Share Conversion Ratio.** Pasinex Canada shall issue one (1) common share to Cypress for each two and one-half (2.5) common shares of Silcom which Silcom is obligated to issue and deliver to Cypress pursuant to the terms of the Silcom Option Agreement and during the term of this Agreement. The issuance of the Pasinex Canada Shares shall be in substitution for, and not in addition to, the issuance of the common shares of Silcom. The Pasinex Canada shares and Cypress's rights in the Pasinex Canada Shares shall be subject to the limitations and restrictions described in Exhibit E attached to and by this reference incorporated in this Agreement.

**3.4 Acceleration of Option.** Silcom (or Pasinex after it exercise and closes the Pasinex Option) shall have the right, in its sole discretion, at any time to accelerate the closing of the First Option or Second Option (as the terms are as defined in the Silcom Option Agreement) by performing the remaining First Option Conditions of Exercise or Second Option Conditions of Exercise (as the terms are defined in the Silcom Option Agreement as modified by Section 4 below), as applicable. For the purpose of this Section 3.4, Silcom (or Pasinex after it exercises and closes the Pasinex Option) may pay to Cypress cash in lieu of all or part of the Expenditures Pasinex is obligated to incur under Sections 4.1(b) and 4.2(b), as applicable.

**3.5 Consent to Sublease.** Cypress consents to the Pasinex Sublease and waives its right of first refusal with regard to the Pasinex Sublease pursuant to Section 6.1 of the Silcom



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**3.6 Management Services Agreement.** Pasinex will enter into a management service agreement (the "Management Services Agreement") with the consulting company of Willoughby & Associates, PLLC on terms and conditions to be determined. The Management Services Agreement will be separate and independent of this Agreement.

**4. Modifications to Silcom Option Agreement.** Cypress and Pasinex agree to the modifications and amendments to the Silcom Option Agreement described in this Section.

**4.1 Pasinex First Option Conditions of Exercise.** The conditions precedent for Pasinex to exercise the First Option (as defined in the Silcom Option Agreement). Pasinex shall satisfy all of the First Option Conditions of Exercise (as defined in Section 1.2 of the Silcom Option Agreement and as further modified and amended in this Section 4.1), which are described as follows:

- (a) Subject to the right of Pasinex to terminate this Agreement, Pasinex shall make the following cash payments and share issuances to Cypress:
  - (1) Cypress acknowledges receipt from Silcom of the sum of \$100,000 pursuant to the Silcom Option Agreement for which Pasinex shall reimburse Silcom pursuant to Section 5.1.1 below.
  - (2) Within seven (7) days of the Acceptance Date, Pasinex shall cause Pasinex Canada to allot and issue to Cypress 200,000 fully paid and non-assessable Pasinex Canada Shares.
  - (3) On or before the first anniversary of the Effective Date, Pasinex shall (i) cause Pasinex Canada to allot and issue to Cypress 200,000 fully paid and non-assessable Pasinex Canada Shares; and (ii) pay to Cypress the sum of \$100,000 in cash or immediately available funds.
  - (4) On or before the second anniversary of the Effective Date, Pasinex shall (i) cause Pasinex Canada to allot and issue to Cypress 200,000 fully paid and non-assessable Pasinex Canada Shares; and (ii) pay to Cypress the sum of \$100,000 in cash or immediately available funds.
- (b) Subject to the right of Pasinex to terminate this Agreement, Pasinex shall complete the following Expenditures on the Property:
  - (1) On or before the first anniversary of the Acceptance Date, Pasinex shall complete \$250,000 in Expenditures on the Property.



- (2) On or before the second anniversary of the Acceptance Date, Pasinex shall complete an additional \$800,000 in Expenditures on the Property.
- (3) On or before the third anniversary of the Acceptance Date, Pasinex shall complete an additional \$800,000 in Expenditures on the Property.

**4.2 Pasinex Second Option Conditions of Exercise.** The conditions precedent for Pasinex to exercise the Second Option (as defined in the Silcom Option Agreement), Pasinex shall satisfy all of the Second Option Conditions of Exercise (as defined in Section 1.3 of the Silcom Option Agreement and as modified and amended in this Section 4.2), which are described as follows:

- (a) on or before the first anniversary of the exercise of the First Option, as defined in the Silcom Option Agreement, Pasinex shall (i) cause Pasinex Canada to allot and issue 200,000 fully paid and non-assessable Pasinex Canada Shares to Cypress; and (ii) pay to Cypress the sum of \$250,000 in cash or immediately available funds; and
- (b) on or before the first anniversary of the exercise of the First Option, as defined in the Silcom Option Agreement, complete \$1,100,000 in Expenditures on the Property.

**4.3 General Amendment to Silcom Option Agreement.** The Silcom Option Agreement as it applies to Pasinex is deemed to be modified and amended with all necessary changes being made to incorporate and give effect to the provisions of this Section 4.

**5. Pasinex Option.** Silcom grants to Pasinex the exclusive right to purchase all of Silcom's right, title, and interest in, to and under the Silcom Option Agreement and all other interests and rights in and to the Property, subject to Pasinex's obligations in the Assignment to be executed and delivered by the parties on Closing of the Pasinex Option.

**5.1 Pasinex Option Payments.** In order to exercise the Pasinex Option, Pasinex shall pay and issue to Silcom the payments and share issuances described in this Section; provided, however, that upon termination of this Agreement by either party for any reason, Pasinex shall not have any obligation to make any payment or share issuance that becomes due after the date of termination.

**5.1.1 Reimbursement of Silcom Option Payments and Incurred Costs.** Silcom acknowledges receipt from Pasinex of \$25,000 as a nonrefundable payment. Within three (3) business days after the Acceptance Date, Pasinex shall pay to Silcom the sum of \$100,000 in cash or immediately available funds representing reimbursement of Silcom's payment to Cypress of \$100,000 pursuant to Sections 1.2(a)(i) and (ii) of the Silcom Option Agreement.



**5.1.2 Initial Share Issuance.** Within seven (7) days after the Acceptance Date, and subject to Section 5.1.4 below, Pasinex shall cause Pasinex Canada to allot and issue to Silcom 2,000,000 fully paid and non-assessable Pasinex Canada Shares.

**5.1.3 Additional Option Payment Obligations.** On or before the first anniversary of the Effective Date, Pasinex shall: (i) pay to Silcom the sum of \$100,000 in cash or immediately available funds; and (ii) subject to Section 5.1.4 below, cause Pasinex Canada to allot and issue to Silcom 2,000,000 fully paid and non-assessable Pasinex Canada Shares.

**5.1.4 Restriction on Sale of Pasinex Canada Shares.** In addition to the limitations and restrictions described in Exhibit E, all Pasinex Canada Shares issued to Silcom pursuant to this Section 5.1 shall be subject to resale restrictions such that for each issuance of 2,000,000 Pasinex Canada Shares, Silcom may sell as many as, but not more than, 500,000 Pasinex Canada Shares of such issuance after six (6), twelve (12), eighteen (18), and twenty-four (24) months, respectively, from the date of such issuance.

**5.2 Exercise of Option.** The Pasinex Option will be deemed exercised when Silcom receives: (i) written notice of Pasinex's intent to exercise the Pasinex Option; and (ii) full payment of the cash and Pasinex Canada Shares pursuant to Section 5.1 above.

**5.3 Real Property Transfer Taxes.** Pasinex shall pay the real property transfer taxes, if any, the costs of escrow and all recording costs incurred in closing of the Pasinex Option.

**5.4 Deliveries on Closing.** On Pasinex's exercise of the Pasinex Option and the closing of the Pasinex Option, the parties shall execute and deliver the following:

**5.4.1** The assignment and assumption (the "Assignment") of Silcom's right, title and interest in, to and under the Silcom Option Agreement. The Assignment shall be in the form of Exhibit C attached to this Agreement.

**5.4.2** A bill of sale (the "Bill of Sale") for the Data. The Bill of Sale shall be in the form of Exhibit D attached to this Agreement.

**5.4.3** Such other documents executed by Silcom, as Pasinex may reasonably request to transfer, convey and assign to all of Silcom's rights under the Silcom Option Agreement.

**5.5 Effect of Closing.** On the closing of the Pasinex Option: (i) Silcom shall have no rights under the Silcom Option Agreement; (ii) Pasinex shall become the sole optionee under the Silcom Option Agreement, subject to the terms of this Agreement; and (iii) on the Earn-In Date, Cypress and Pasinex shall enter into a joint venture arrangement pursuant to Section 6 below.

**5.6 Cypress Consent to Pasinex Option.** Cypress consents to the Pasinex Option, the assignment contemplated therein, and waives its right of first refusal with regard to the Pasinex



Option pursuant to Section 6.1 of the Silcom Option Agreement.

6. **Cypress and Pasinex Joint Venture.** After the closing of the Pasinex Option and on the Earn-In Date, Cypress and Pasinex will form and enter into a joint venture agreement (the "Joint Venture") in the form of the Rocky Mountain Mineral Law Foundation's "Form 5 LLC: Exploration, Development and Mining Limited Company" (the "Form 5 LLC") for the purpose of carrying out further exploration, development and production work on the Property. Pursuant to Form 5 LLC, Cypress and Pasinex will create a new joint venture entity in the form of a Nevada limited liability company (the "Joint Venture Entity"). The parties agree and covenant to negotiate and finalize the form of the Joint Venture operating and management agreement within six (6) months following the Effective Date. At Pasinex's election, the parties will form the Joint Venture Entity before the Earn-In Date if Pasinex reasonably determines that formation is necessary to assure favorable federal income taxation of the transactions contemplated under this Agreement and the Silcom Option. The terms of the Joint Venture Entity operating and management agreement will include, among other terms and conditions typically included in a Form 5 LLC operating and management agreement, the following:

- (a) Pasinex will initially hold a fifty-one percent (51%) membership interest in the Joint Venture Entity, which shall be subject to an increase to eighty percent (80%) if and when Pasinex elects to exercise the Second Option (as defined in the Silcom Option Agreement) by satisfying the Second Option Conditions of Exercise (as defined in the Silcom Option Agreement).
- (b) Pasinex will be the manager and operator of the Joint Venture Entity.
- (c) the operations of the Joint Venture will be overseen by a management committee (the "Management Committee"). Each of Cypress and Pasinex will have voting rights on such committee proportionate to their membership interests in the Joint Venture Entity.
- (d) each membership interest in the Joint Venture Entity will be subject to adjustment if the member does not contribute to a work program in an amount proportionate to its membership interest. If a member's membership interest is adjusted to less than ten percent (10%) of all of the membership interests, such member shall be deemed to have withdrawn from the Joint Venture and its membership interest shall be transferred to the other member(s) in the proportion of such member(s) membership interest. The Joint Venture Entity shall grant to such withdrawing party a one-half percent (0.5%) Net Smelter Return royalty. The Joint Venture Entity shall have the option to purchase the royalty at any time for \$500,000. On withdrawal of the diluted member, the Joint Venture shall be terminated.
- (e) each member in the Joint Venture will have fifteen (15) days following adoption of a work program to elect to participate in the work program. The participating members in the Joint Venture shall pay work program cash call invoices within

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thirty (30) days of delivery.

- (f) each member in the Joint Venture will have sixty (60) days following adoption of a work program for the development of a mine on the Property to elect to participate in the work program. The schedule for the members' contribution of funds will be accelerated so that contributions are due in advance of the Joint Venture incurrence of expenses under the work program, and the participating members in the Joint Venture shall pay work program cash call invoices within thirty (30) days of delivery in accordance with the accelerated schedule.
- (g) each member will grant the other a forty-five (45) day right of first refusal with respect to any proposed sale of such member's membership interest in the Joint Venture to a third party.
- (h) if a sale of a party's membership interest in the Joint Venture is completed, the third party must agree to be bound to the terms of the Joint Venture.

7. **Compliance with the Law.** Silcom and Pasinex shall, at each their own cost, comply in all material respects with all Governmental Regulations relating to their actions on and occupancy of the Property. Each of Silcom and Pasinex, each at its own cost, shall comply with Governmental Regulations regarding reclamation of the Property. Each of Silcom and Pasinex shall defend, indemnify and hold harmless Cypress from any and all actions, assessments, claims, costs, fines, liability and penalties arising from or relating to its failure to comply with applicable Governmental Regulations. Both before and after the Closing Date, Cypress agrees to cooperate with Silcom and Pasinex in their applications for governmental licenses, permits and approvals, the costs of which shall be borne by applying party.

8. **Scope of Agreement; Acquisition of Additional Mining Claims.**

8.1 **Scope of Agreement.** This Agreement shall extend to and include the unpatented mining claims described in Exhibit A-1 and Exhibit A-2 and the lands which are within the exterior boundaries of the unpatented mining claims, including any fractions or gaps among the unpatented mining claims, and all other unpatented mining claims which the parties locate in the Area of Interest. If before the Earn-In Date, a party locates any unpatented mining claims in the Area of Interest, such unpatented mining claims shall be located in Cypress's name, subject to the Silcom Option Agreement and this Agreement. If after the Earn-In Date, Cypress or Pasinex locates any unpatented mining claims in the Area of Interest, such unpatented mining claims shall be located in the name of the Joint Venture Entity, which shall have the exclusive right and title thereto. In such event the Joint Venture Entity shall bear the costs associated with the location of the unpatented mining claims. The parties shall execute and deliver an amendment of this Agreement, in recordable form, which provides that the newly located unpatented mining claims located before the Earn-In Date are a part of the Property and are subject to this Agreement. This Agreement shall not extend to and shall not include any interests, lands or unpatented mining claims which are outside the Area of Interest.



**8.2 Acquisition of Additional Property Interests.** Each party agrees that any property interests acquired by it within the Area of Interest during the term of this Agreement shall become part of the Property and shall be subject to this Agreement.

**9. Liens and Notices of Non-Responsibility.** Each party agree to keep the Property at all times free and clear of all liens, charges and encumbrances of any and every nature and description done made or caused by the parties (other than those encumbrances specifically agreed upon by the Parties), and to pay, and defend, indemnify and hold harmless each other from and against, all indebtedness and liabilities incurred by or for each party which may or might become a lien, charge or encumbrance; except that a party need not discharge or release any such lien, charge or encumbrance so long as the party disputes or contests any lien, charge or encumbrance on the Property and posts a bond sufficient to discharge such lien, charge or encumbrance. Notwithstanding the foregoing terms, Pasinex shall have the right to pledge or grant a lien and security interest in its interest in this Agreement, the Property and, following the Earn-In Date, its membership interest in the Joint Venture Entity, for financing purposes.

**10. Taxes.**

**10.1 Real Property Taxes.** Silcom shall pay the real property taxes, if any, assessed and imposed against the Property before execution of this Agreement. Pasinex shall pay the real property taxes, if any, assessed and imposed against the Property during the term of this Agreement. Neither Cypress nor Pasinex shall be responsible for the payment of any taxes which are based upon income, net proceeds, production or revenues from the Property assessed solely to or received by the other party.

**10.2 Personal Property Taxes.** Each party shall promptly when due pay all taxes assessed against such party's personal property, improvements or structures placed or used on the Property.

**10.3 Income Taxes.** Cypress and Silcom shall each be liable for and shall each pay any taxes levied on or measured by income or net proceeds based upon payments to Cypress or Silcom under this Agreement or under the conveyance executed and delivered by Pasinex on the Closing of the Pasinex Option. By way of illustration and not in limitation of the provisions of the preceding sentence, Cypress shall pay all taxes assessed or levied on the payments paid to Cypress pursuant to this Agreement and the Silcom Option Agreement, including the net proceeds of minerals taxes assessed against such payments, if any.

**10.4 Delivery of Tax Notices.** If a party receives tax bills or claims which are the other party's responsibility, such party shall promptly forward them to the other party for payment.

**11. Insurance and Indemnity.**

**11.1 Liability Insurance.** Pasinex, at its sole cost, shall keep in force during this



Agreement term a policy of commercial general liability insurance covering property damage and liability for personal injury occurring on or about the Property.

**11.2 Waiver of Subrogation.** Cypress, Silcom, and Pasinex each waives any and all rights of recovery against the other, and against the partners, members, officers, employees, agents and representatives of the other, for loss of or damage to the Property or injury to person to the extent such damage or injury is covered by proceeds received under any insurance policy carried by Cypress, Silcom, and Pasinex and in force at the time of such loss or damage.

**11.3 Waiver and Indemnification by Silcom and Pasinex.** Cypress shall not be liable to Silcom or Pasinex, as applicable, for any injury to or death of any person or damage to or destruction of any personal property or equipment or theft of property occurring on or about the Property or arising from or relating to Silcom or Pasinex's business conducted on the Property. Each Silcom and Pasinex shall defend, indemnify and hold harmless Cypress, each other, and its members, officers, directors, agents and employees from and against any and all claims, judgments, damage, demands, losses, expenses, costs or liability, including reasonable attorneys' fees and expenses of counsel arising in connection with injury to person or property from any activity, work, or things done, permitted or suffered by Silcom or Pasinex, as applicable, or their agents, partners, servants, employees, invitees or contractors on or about the Property save where such claims result from the negligence, fraud or bad faith of Cypress or its members, officers, directors, agents or employees.

**11.4 Waiver and Indemnification by Cypress.** Silcom and Pasinex shall not be liable to Cypress for any injury to or death of any person or damage to or destruction of any personal property or equipment or theft of property occurring on or about the Property or arising from or relating to Cypress' business conducted on the Property. Cypress shall defend, indemnify and hold harmless Silcom and Pasinex and its members, shareholders, affiliates, officers, directors, agents and employees from and against any and all claims arising in connection with injury to person or property from any activity, work, or things done, permitted or suffered by Cypress or Cypress' agents, partners, servants, employees, invitees or contractors on or about the Property, save where such claims result from the negligence, fraud or bad faith of Silcom or Pasinex or its members, shareholders, officers, directors, agents or employees.

## **12. Environmental.**

**12.1 Definitions.** Hazardous Materials means any material, waste, chemical, mixture or byproduct which: (a) is or is subsequently defined, listed, or designated under Applicable Environmental Laws (defined below) as a pollutant, or as a contaminant, or as toxic or hazardous; or (b) is harmful to or threatens to harm public health, safety, ecology, or the environment and which is or hereafter becomes subject to regulation by any federal, state or local governmental authority or agency. Applicable Environmental Laws means any applicable federal, state, or local government law (including common law), statute, rule, regulation, ordinance, permit, license, requirement, agreement or approval, or any applicable determination, judgment, injunction, directive, prohibition or order of any governmental authority with jurisdiction at any level of



federal, state, or local government, relating to pollution or protection of the environment, ecology, natural resources, or public health or safety.

**12.2 Hazardous Material Activities.** Silcom and Pasinex shall limit any use, generation, storage, treatment, transportation, and handling of Hazardous Materials (collectively "Hazardous Materials Activities") in connection with Silcom and Pasinex's use of the Property to those Hazardous Materials, and to quantities of them, that are necessary to perform activities permitted under this Agreement. Hazardous Materials Activities include, without limitation, all such activities on or about the Property by Silcom or Pasinex's employees, partners, agents, invitees, contractors and their subcontractors. Silcom and Pasinex shall not cause or permit any Hazardous Materials to be disposed or abandoned at the Property, except as allowed under Applicable Environmental Laws. Silcom and Pasinex shall cause all Hazardous Materials Activities to be performed in conformance in all material respects with Applicable Environmental Laws. Silcom and Pasinex shall promptly notify Cypress of any actual or claimed violation of Applicable Environmental Laws in connection with Hazardous Materials Activities, and Silcom or Pasinex, as applicable, shall promptly and thoroughly cure any violation of Applicable Environmental Laws in connection with Hazardous Materials Activities. If any governmental approval, consent, license or permit is required under Applicable Environmental Laws for Silcom or Pasinex to perform any portion of its work at the Property, including without limitation any air emission permits, before commencing any such work, Silcom or Pasinex shall be solely responsible, at each their own expense, for obtaining and maintaining, and providing copies of, each approval, consent, license or permit. All Hazardous Materials Activities shall be performed by qualified personnel who have received proper training with respect to Hazardous Materials, including compliance with applicable OSHA laws and regulations. Silcom and Pasinex shall cause all Hazardous Materials present at the Property in connection with Hazardous Materials Activities to be safely and securely stored, using double containment. Silcom and Pasinex each agree that neither its use of the Property nor Hazardous Materials Activities shall result in contamination of the environment.

**12.3 Removal of Stored Hazardous Materials.** Before the expiration or termination of this Agreement, and notwithstanding any other provision of this Agreement, and in conformance in all material respects with Applicable Environmental Laws, Silcom and Pasinex shall: (a) cause to be properly removed from the Property all Hazardous Materials stored at the Property in connection with Silcom or Pasinex's use of the Property or in connection with Hazardous Materials Activities; and (b) cause to be properly dismantled, closed and removed from the Property all devices, drums, equipment and containments used for handling, storing or treating Hazardous Materials Activities.

**12.4 Environmental Indemnity by Silcom and Pasinex.** Silcom and Pasinex shall each hold harmless Cypress, each other, and their employees, assigns, successors-in-interest, agents and representatives from any and all claims, liabilities, obligations, losses, causes of action, demands, governmental proceedings or directives, fines, penalties, expenses, costs (including but not limited to reasonable attorney's fees, consultant's fees and other expert's fees and costs), and damages, which arise from or relate to Silcom or Pasinex Hazardous Materials Activities or their



non-compliance with Applicable Environmental Laws in connection with Silcom or Pasinex activities on, occupancy or use of the Property.

**12.5 Environmental Indemnity by Cypress.** Cypress shall hold harmless Silcom and Pasinex, their shareholders, affiliates, employees, assigns, successors-in-interest, agents and representatives from any and all claims, liabilities, obligations, losses, causes of action, demands, governmental proceedings or directives, fines, penalties, expenses, costs (including but not limited to reasonable attorney's fees, consultant's fees and other expert's fees and costs), and damages, which arise from or relate to Cypress' Hazardous Materials Activities or its non-compliance with Applicable Environmental Laws in connection with Cypress' activities on, occupancy or use of the Property or in connection with any activities performed elsewhere by Cypress on behalf of Silcom or Pasinex.

**12.6 Survival.** The provisions of this Section shall survive expiration or termination of this Agreement.

### **13. Property Maintenance.**

#### **13.1 Property Maintenance**

**13.1.1 Annual Assessment Work.** To the extent required by law, beginning with the annual assessment work period of September 1, 2018, to September 1, 2019, and for each succeeding annual assessment work year commencing during the term of this Agreement, Pasinex shall perform for the benefit of the Property work of a type customarily deemed applicable as assessment work and of sufficient value to satisfy the annual assessment work requirements of all applicable federal, state and local laws, regulations and ordinances, if any, and shall prepare evidence of the same in form proper for recordation and filing, and shall timely record and/or file such evidence in the appropriate federal, state and local office as required by applicable federal, state and local laws, regulations and ordinances. Pasinex shall deliver to Cypress proof of HIMUS's compliance with this Section on or before the Applicable Deadline; provided, however, that such delivery shall not be required if such work is performed by Cypress for or on behalf of Pasinex. If Pasinex elects to terminate this Agreement more than one (1) month before the deadline for performance of annual assessment work for the succeeding annual assessment year, Pasinex shall have no obligation to perform annual assessment work nor to prepare, record or file evidence of the same for the following annual assessment year.

**13.1.2 Federal Mining Claim Maintenance Fees.** If under applicable federal laws and regulations federal annual mining claim maintenance fees are required to be paid for the unpatented mining claims which constitute all or part of the Property, beginning with the annual assessment work period of September 1, 2018, to September 1, 2019, Pasinex shall timely and properly pay the federal annual mining claim maintenance fees, and shall execute and record or file, as applicable, proof of payment of the federal annual mining claim maintenance fees and of Cypress' intention to hold the unpatented mining claims which constitute the Property. Pasinex shall deliver to Cypress proof of Pasinex's compliance with this Section on or before the



Applicable Deadline. If Pasinex elects to terminate this Agreement more than one (1) month before the Applicable Deadline for payment of the federal annual mining claim maintenance fees for the succeeding annual assessment year, Pasinex shall have no obligation to pay the federal annual mining claim maintenance fees for the Property for the succeeding assessment year.

**13.2 Amendment of Mining Laws.** The parties acknowledge that legislation for the amendment or repeal of the mining laws of the United States applicable to the Property has been, and in the future, may be, considered by the United States Congress. The parties desire to ensure that any and all interests of the parties in the lands subject to the unpatented mining claims which comprise all or part of the Property, including any rights or interests acquired in such lands under the mining laws as amended, repealed or superseded, shall be part of the Property and shall be subject to the Agreement. If the mining laws applicable to the unpatented mining claims subject to this Agreement are amended, repealed or superseded, the conversion or termination of Cypress' interest in the Property pursuant to such amendment, repeal or supersession of the mining laws shall not be considered a deficiency or defect in Cypress' title in the Property.

If pursuant to any amendment or supersession of the mining laws Cypress is granted the right to convert its interest in the unpatented mining claims comprising the Property to a permit, license, lease, or other right or interest, all converted interests or rights shall be deemed to be part of the Property subject to this Agreement. Upon the grant or issuance of such converted interests or rights, the parties shall execute and deliver an addendum to this Agreement, in recordable form, by which such converted interests or rights are made subject to this Agreement.

#### **14. Relationship of the Parties.**

**14.1 No Partnership.** This Agreement shall not be deemed to constitute any party, in its capacity as such, the partner, agent or legal representative of any other party, or to create any joint venture, partnership, mining partnership or other partnership relationship between the parties.

**14.2 Competition.** Except as expressly provided in this Agreement, each party shall have the free and unrestricted right independently to engage in and receive the full benefits of any and all business endeavors of any sort that are outside the Property, outside the Area of Interest, and outside the scope of this Agreement, whether or not competitive with the endeavors contemplated under this Agreement, without consultation with or participation of the other party. In particular, without limiting the foregoing, neither party to this Agreement shall have any obligation to the other as to any opportunity to acquire any interest, property or right offered to it that is outside the Property, outside the Area of Interest, and outside the scope of this Agreement.

**14.3 Limitation.** Pasinex performance of its duties and obligations under this Agreement shall not obligate Pasinex to perform any additional services to Cypress, nor, except as expressly provided in this Agreement, to conduct or to invest any funds of any nature whatsoever in the exploration of, development or production of minerals on or under the Property or elsewhere. Pasinex may explore, conduct geological, geochemical and geophysical investigations, drill, sample or otherwise explore for or develop Minerals in the manner and to the extent that Pasinex,

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in its sole discretion, deems advisable. Only the express duties and obligations described in this Agreement are binding on Pasinex and Pasinex shall have no duties or obligations, implied or otherwise, to explore for, develop or mine Minerals. Cypress acknowledges that Pasinex's express undertakings under this Agreement and the Minimum Payments are in lieu of any implied duties or obligations.

**15. Inspection.** Cypress or Cypress' duly authorized representatives shall be permitted to enter on the Property and Silcom and Pasinex's workings at all reasonable times for the purpose of inspection, but they shall enter on the Property at their own risk and in such a manner which does not unreasonably hinder, delay or interfere with Silcom or Pasinex's operations.

**16. Status of the Option Agreement and Title to Property.**

**16.1 Representations and Warranties of Title.** Each of Cypress and Silcom represents and warrants that: (a) the unpatented mining claims included in the Property were properly located in accordance with applicable federal and state laws and regulations; (b) all annual assessment work obligations for the unpatented mining claims included in the Property have been performed and all filings and recordings of proof of performance have been made properly and the federal annual mining claim maintenance and rental fees have been paid properly; (c) the unpatented mining claims included in the Property are in good standing; (d) the unpatented mining claims included in the Property are free and clear of all liens, claims and encumbrances, except the Silcom Option Agreement and the White Pine Royalty; and (e) the Silcom Option Agreement is in full force and effect and presently in good standing. Cypress further represents and warrants that: (i) it is the sole recorded and beneficial owner of the Claims; (ii) no other person or company other than Cypress or Silcom has any agreement to acquire, option, right of first refusal or right, title or interest or any right that is or will become an agreement to acquire, option, right of first refusal or right, title or interest, in or to any of the Claims; and (iii) Bison Gold Resources Inc., an Ontario corporation which is the successor by amalgamation of Mid-North Resources Ltd., an Alberta corporation, has no right, title or interest in the Property pursuant to the Joint Mineral Property Option Agreement dated April 28, 2000, among White Pine Minerals Corp., Cypress, and Mid-North Resources Ltd. or otherwise, and Cypress, at its cost, agrees and covenants to defend, indemnify and hold harmless Pasinex from and against any and all claims, liabilities or obligations asserted by Bison Gold Resources Inc. or its successors and assigns arising from or relating to the Property or the Joint Mineral Property Option Agreement. Cypress and Silcom disclaim any representation or warranty concerning the existence or proof of a discovery of locatable minerals on or under the Property.

**16.2 Representations and Warranties by Silcom.** Silcom covenants, represents and warrants, that: (a) Silcom's execution and delivery of this Agreement and the instruments to be executed and delivered by Silcom in accordance with the terms of this Agreement will not conflict with or result in a breach of or default under any of the terms, conditions or provisions of the Silcom Option Agreement; (b) there are no actions, claims, litigation, proceedings or suits pending or threatened against Silcom, Cypress or the Property which could, if continued, adversely affect Silcom's ability to fulfill Silcom's obligations under this Agreement; (c) Silcom has not previously

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assigned, optioned, subleased or otherwise encumbered its interest in the Silcom Option Agreement; (d) there has been no act or omission by Silcom which could result by notice or lapse of time in the abandonment, breach, default, forfeiture, relinquishment or termination of any the Silcom Option Agreement; (e) the Silcom Option Agreement is in full force and effect; and (f) Silcom will not agree to any amendment of the Silcom Option Agreement or any agreement, document or instrument delivered pursuant thereto.

**16.3 Title Remedies.** If Cypress owns an interest in the Property which is less than the entire interest, except such lesser interests as are permitted by this Agreement, Pasinex may seek any remedies available to it at law or in equity, including, but not limited to, acquisition of any interest not owned by Cypress, the restitution of any and all payments made by Pasinex pursuant to this Agreement, recovery of costs incurred by Pasinex pursuant to this Agreement, termination or rescission of this Agreement and recovery of damages incurred by Pasinex. If Cypress fails to promptly remedy any defects in title or to pay, when due, any liens against the Property, Pasinex shall have the right, but shall not be obligated, to remedy such defects or to pay such amounts, and if it does so, Pasinex shall be subrogated to all the rights of the holder of such rights. Pasinex shall have the right to offset and credit against payments due to Cypress or Silcom all of Pasinex's costs incurred and payments made to remedy such defects or to pay such amounts, including any and all costs incurred by Pasinex to acquire from any third party any interest in the Property or any portion of the Property. If Pasinex acts to remedy such defects, such action shall not constitute an election of remedies on part of Pasinex.

**16.4 Escrow for Disputes.** If at any time a third party asserts a claim of ownership in the Property or the Minerals which is adverse to the interest of Cypress or Pasinex, or if Pasinex is advised by legal counsel for Pasinex that it appears that a third party may have such a claim, Pasinex may deposit any payments which would otherwise be due to Cypress or Silcom into escrow and give notice of such deposit to Cypress or Silcom. In the event of a dispute as to ownership of the Property, the Minerals, the surface of the Property, payments pursuant to Section 16.4 above may be deferred until twenty (20) days after Pasinex is furnished satisfactory evidence that such dispute has been finally settled and all provisions as to keeping this Agreement in force shall relate to such extended time for payment.

**16.5 Indemnification.** Cypress and Silcom shall each defend, indemnify and hold harmless Pasinex and its shareholders, affiliates, officers, directors, agents and employees from and against any and all claims arising in connection with any breach of any representation or warranty made by Cypress and Silcom in this Agreement or by Cypress and Silcom in the Silcom Option Agreement.

**16.6 Survival of Remedies.** The provisions of this Section shall survive any termination of this Agreement.

**17. Covenants, Warranties and Representations.** Each of the parties covenants, warrants and represents for itself as follows:



**17.1 Authorization.** It has the capacity to enter into and perform this Agreement and the contemplated transactions and that all corporate, board of directors, shareholder and other actions and consents required to authorize it to enter into and perform this Agreement have been properly taken or obtained.

**17.2 No Conflict.** It will not breach any other agreement or arrangement by entering into or performing this Agreement. It is not subject to any governmental order, judgment, decree, debarment, sanction or Laws that would preclude the execution or performance of its obligations under this Agreement.

**17.3 Binding Obligation.** This Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms.

**17.4 Compliance with Laws.** That it has complied with all applicable laws and regulations of any governmental body, federal, state or local, regarding the terms of and performance of its obligations under this Agreement.

**17.5 No Pending Proceedings.** That there are no lawsuits or proceedings pending or threatened which affect its ability to perform the terms of this Agreement.

**17.6 Costs.** That it shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

**17.7 Brokers.** That it has had no dealings with any agent, broker or finder in connection with this Agreement, and shall indemnify, defend and hold the other party harmless from and against any claims that may be based on actions of such party that any agent's broker's or finder's fee is due in connection with this Agreement.

**17.8 Patriot Act.** "Anti-Money Laundering Laws" means those laws, rules, regulations, orders and sanctions, state and federal, criminal and civil, that (1) limit the use of or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotic dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a financial institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Anti-Money Laundering Laws specifically include, without limitation, the USA Patriot Act of 2001.

Each party each represents and warrants that such party, the persons or entities that own any interest in such party, and the officers, directors, managers and members of such party are not persons or entities with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the "Executive Order"))

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signed on September 24, 2001 and entitled "Blocking Property and Prohibiting Transactions with Person Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action.

Each party represents and warrants that such party has taken, and shall continue to take at all time following the execution of this Agreement, commercially reasonable actions to ensure that the funds used in connection this Agreement are derived (1) from transactions that do not violate U.S. law or, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (2) from permissible sources under U.S. law or to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated.

Each party represents and warrants that such party is not under investigation for, has not been charged with, or has not been convicted of, money laundering, drug trafficking, terrorist-related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti-Money Laundering Laws; (2) has not been assessed civil or criminal penalties under any Anti-Money Laundering Laws; (3) has not been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (4) has not had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws.

Notwithstanding anything to the contrary in this Agreement, the parties shall comply within the Applicable Deadline with any lawful request or demand for information by any federal law enforcement agency with respect to any violation or suspected violation of the USA Patriot Act of 2001.

**18. Termination by Cypress and Silcom.** A failure by Pasinex to perform any of the material covenants, liabilities, obligations or responsibilities under this Agreement shall be a default. In the case of a default other than Pasinex's failure to make the payments to Cypress pursuant to Section 3.2 above, or the payments to Silcom pursuant to Section 5 above, Cypress or Silcom, as applicable, may give Pasinex written notice of a default. If the default is not remedied within sixty (60) days after receipt of the notice, provided the default can reasonably be cured within that time, or, if not, if Pasinex has not within that time commenced action to cure the same or does not after such commencement diligently prosecute such action to completion, Cypress or Silcom, as applicable, may terminate this Agreement by delivering notice to Pasinex of Cypress or Silcom's termination of this Agreement. On termination of this Agreement based on Pasinex's default, within ten (10) days after termination Pasinex shall execute and deliver to Silcom a release and termination of this Agreement in form acceptable for recording.

**19. Termination by Pasinex.**

**19.1 Partial Surrender.** During the term of this Agreement, Pasinex may abandon a portion of the Property provided that Pasinex gives written notice to Cypress of such intention and Cypress consents to the abandonment in writing, such consent not to be unreasonably delayed or withheld.



**19.2 Termination.** Pasinex may at any time terminate this Agreement at any time by giving thirty (30) days written notice to Cypress and Silcom.

**20. Surrender of Property.** On expiration or termination of this Agreement, except on Pasinex's exercise of the Pasinex Option, Pasinex shall surrender the Property (including all drill core, cuttings, samples and sample splits taken from the Property) promptly to Cypress (or to Silcom if within one year of Effective Date) and at Pasinex's sole cost shall remove from the Property all of Pasinex's buildings, equipment and structures. Pasinex shall reclaim the Property in accordance with all applicable Governmental Regulations.

**21. Data.** Promptly following the parties' execution of this Agreement, Cypress and Silcom shall allow Pasinex to inspect and copy all data regarding the Property in Cypress or Silcom's possession. Cypress and Silcom agree and covenant to deliver to Pasinex additional data which Cypress and Silcom acquire during the term of this Agreement.

**22. Confidentiality.** The data and information, including the terms of this Agreement, coming into the parties' possession by virtue of this Agreement shall be deemed confidential and shall not be disclosed to outside third parties except as may be required to publicly record or protect title to the Property or claims within the Area of Interest or to publicly announce and disclose information under Governmental Regulations or under the rules and regulations of any stock exchange on which the stock of any party, or the parent or affiliates of any party, is listed. Each party agrees to inform the other party of the content of the announcement or disclosure in sufficient time to permit the other party to jointly or simultaneously make a similar public announcement or disclosure. If a party negotiates for a transfer of all or any portion of its interest in the Property or under this Agreement or negotiates to procure financing or loans relating to the Property, to facilitate any such negotiations such party shall have the right to furnish information to third parties, provided that each third party to whom the information is disclosed agrees to maintain its confidentiality in the manner provided in this Section; and provided further, that any such transfer by a party shall be subject to the rights of the other party to consent thereto.

**23. Assignment.**

**23.1 Assignment by Cypress.** Cypress shall not assign, convey, encumber, sublease, grant any concession, or license or otherwise transfer, including by operation of law, to a third party (each a "Transfer") its interest in this Agreement or the Property, without, in each case, Pasinex's prior written consent, which shall not be delayed or withheld unreasonably. Pasinex shall respond to Cypress' request for consent within ten (10) days following Pasinex's receipt of such request, and if Pasinex does not timely inform Cypress that Pasinex does not consent to the proposed Transfer, Pasinex shall be deemed to have approved the Transfer. The transferee of Cypress' interest in this Agreement shall execute and deliver an instrument by which the transferee agrees to assume and perform the obligations of Cypress under this Agreement.

**23.2 Assignment by Silcom or Pasinex.** Each of Silcom and Pasinex may Transfer its interest in this Agreement, with, in each case, Cypress' prior written consent, which shall not be



delayed or withheld unreasonably. Cypress shall respond to Silcom or Pasinex's request for consent within ten (10) days following Cypress' receipt of such request, and if Cypress does not timely inform Silcom or Pasinex that Cypress does not consent to the proposed Transfer, Cypress shall be deemed to have approved the Transfer. The transferee of Silcom or Pasinex's interest in this Agreement shall execute and deliver an instrument by which the transferee agrees to assume and perform the obligations of Silcom or Pasinex, as applicable, under this Agreement and Silcom or Pasinex, as applicable, shall be relieved of such obligations as accrue after the effective date of the assignment.

**23.3 Transfer in Violation.** Any Transfer in violation of the provisions of this Agreement shall be void and of no effect.

**24. Force Majeure.** Pasinex's obligations, except its obligations under the second sentence of Section 6 and Sections 9, 10, 11, 12.4, 12.5, 13.1.2 and 22, shall be suspended during the time and to the extent that Pasinex is prevented from compliance, in whole or in part, by war or war conditions, actual or potential, earthquake, fire, flood, strike, labor stoppage, accident, riot, unavoidable casualty, act or restraint, present or future, or any lawful authority, statute, act of God, act of public enemy, inability to obtain or delays in obtaining equipment, labor or transportation, or other delays or cause of the same or other character beyond the reasonable control of Pasinex. If Pasinex invokes force majeure, it shall notify Cypress and Silcom of the force majeure event and shall attempt to cure, end or remediate the force majeure event. Pasinex shall notify Cypress and Silcom on termination of the force majeure event.

**25. Memorandum Agreement.** The parties shall execute and deliver a memorandum of this Agreement. The execution of the memorandum shall not limit, increase or in any manner affect any of the terms of this Agreement or any rights, interests or obligations of the parties.

**26. Notices.** Any notices required or authorized to be given by this Agreement shall be in writing and shall be sent either by commercial courier, facsimile, or by certified U.S. mail, postage prepaid and return receipt requested, addressed to the proper party at the address stated below or such address as the party shall have designated to the other parties in accordance with this Section. Such notice shall be effective on the date of receipt by the addressee party, except that any facsimiles received after 5:00 p.m. of the addressee's local time shall be deemed delivered the next day.

If to Cypress: Cypress Development Corp.  
Suite 1610  
777 Dunsmuir Street  
Vancouver, British Columbia  
V7Y 1K4

If to Silcom: Silcom Systems, Inc.  
137 Ranelagh Ave  
Burnaby, BC - V5B 3N2



If to Pasinex: Pasinex Resources Limited and Pasinex Resources Nevada Limited  
82 Richmond Street East  
Toronto, Ontario M5C 1P1

27. **Binding Effect of Obligations.** This Agreement shall be binding upon and inure to the benefit of the respective parties and their permitted successors and permitted assigns.
28. **Entire Agreement.** The parties agree that the entire agreement between them is written in this Agreement and in a memorandum of agreement of even date. There are no terms or conditions, express or implied, other than expressly stated in this Agreement. This Agreement may be amended or modified only by a written instrument signed by the parties with the same formality as this Agreement.
29. **Governing Law and Forum Selection.** This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. Any action concerning the construction or enforcement of this Agreement shall be heard in the Second Judicial District Court of the State of Nevada, in Reno, Washoe County, Nevada. Each party agrees to and submits to venue in and jurisdiction of such court.
30. **Currency.** Except as otherwise stated in this Agreement, all sums referred to in this Agreement are in United States currency.
31. **Multiple Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute the same Agreement.
32. **Severability.** If any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or in conflict with any Governmental Regulations, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.
33. **Cumulative Remedies.** All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available under this Agreement, at law, in equity, by statute, in any other agreement between the parties or otherwise.
34. **Condition Precedent.** The obligations of Silcom and Pasinex to proceed under this Agreement are subject to receipt by Silcom and Pasinex of approval of the transactions contemplated under this Agreement by the TSX-V and CSE, respectively. Each of Silcom and Pasinex agrees and covenants that it will diligently and promptly use commercially reasonable efforts to obtain such approval.



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The parties have executed this Agreement effective as of the Effective Date.

**Cypress Development Corp.**  
a British Columbia corporation

By: 

Name: DONALD HUSTON

Title: PRESIDENT

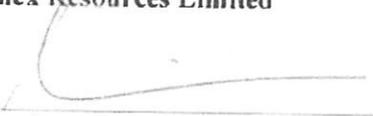
**Silcom Systems Inc.,**  
a British Columbia corporation

By:  (BW)

Name: WILLIAM WILLOUGHBY

Title: CEO

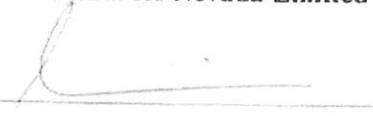
**Pasinex Resources Limited**

By: 

Name: Steve Williams

Title: President & CEO

**Pasinex Resources Nevada Limited**

By: 

Name: Steve Williams

Title: Director

### **Index to Exhibits**

Exhibit A-1	Description of Claims
Exhibit A-2	Description of Additional Properties
Exhibit B	Description of Area-of-Interest
Exhibit C	Form of Assignment and Assumption Agreement
Exhibit D	Form of Bill of Sale
Exhibit E	Pasinex Canada Share Limitations and Restrictions



**Exhibit A-1  
Description of Claims**

The Claims are the following twenty-three (23) unpatented lode mining claims situated in Sections 2, 10, 11, 14, and 15, T. 23 N., R. 55 E., MDM, in White Pine County, Nevada:

<b>Claim Name</b>	<b>Location date</b>	<b>BLM No.</b>
GUNMAN #1	2/1/2000	NMC814693
GUNMAN #2	2/1/2000	NMC814694
GUNMAN #3	2/1/2000	NMC814695
GUNMAN #4	2/1/2000	NMC814696
GUNMAN #5	2/1/2000	NMC814697
GUNMAN #6	2/1/2000	NMC814698
GUNMAN #7	2/1/2000	NMC814699
GUNMAN #8	2/1/2000	NMC814700
GUNMAN #9	2/1/2000	NMC814701
GUNMAN #10	2/1/2000	NMC814702
GUNMAN #24	2/1/2000	NMC814716
GUNMAN #25	2/1/2000	NMC814717
GUNMAN #22	9/12/2012	NMC1079809
GUNMAN #23	9/12/2012	NMC1079810
GUNMAN #61	9/12/2012	NMC1079819
GUNMAN #62	9/12/2012	NMC1079820
GUNMAN #81	9/12/2012	NMC1079812
GUNMAN #82	9/12/2012	NMC1079815
GUNMAN #83	9/12/2012	NMC1079813
GUNMAN #84	9/12/2012	NMC1079816
GUNMAN #16	1/16/2014	NMC1100833
GUNMAN #17	1/16/2014	NMC1100834
GUNMAN #18	1/16/2014	NMC1100835

*[Handwritten signature]*  
*[Handwritten initials]*

**Exhibit A-2**  
**Description of Additional Properties**

The following ninety-two (92) unpatented lode mining claims situated in T. 23 N., R. 55 E. and T. 24 N., R. 25 E., MDM, in White Pine County, Nevada:

<b>Claim Names</b>	<b>No. Claims</b>	<b>Location Date</b>
GMS1-GMS10	10	9/18/2017
Gunman20, Gunman21	2	9/18/2017
GMN11-GMN30	20	10/31/2017
GMN1-10	10	11/1/2017
GMC1-GMC8	8	11/1/2017
Gunman59, Gunman60	2	11/1/2017
GMS11-GMS22	12	11/3/2017
GMS23-GMS40	18	11/4/2017
GMS41-GMS50	10	11/5/2017

*BW*

**Exhibit B**  
**Description of Area of Interest**

	UTM ZONE 11T			
CORNER	Easting	Northing	Latitude	Longitude
NORTH EAST	617.028	4,429,488	40° 0'26.94"N	115°37'43.95"W
NORTHWEST	596.118	4,429,488	40° 0'36.44"N	115°52'25.72"W
SOUTHEAST	617.048	4,399,037	39°43'59.50"N	115°38'2.73"W
SOUTHWEST	596.138	4,399,037	39°44'8.91"N	115°52'41.00"W

*BW*

**Exhibit C**  
**Form of Assignment and Assumption Agreement**

APNs: N/A – unpatented mining claims

Recorded at request of and return to:

Thomas P. Erwin  
Erwin & Thompson LLP  
241 Ridge Street, Suite 210  
Reno, Nevada 89501

The undersigned affirm that this document does not contain the personal information of any person.

### Assignment and Assumption Agreement

This Assignment and Assumption Agreement (the "Assignment") is made and entered into effective as of the date stated below (the "Effective Date") by and between Silcom Systems Inc., a British Columbia corporation ("Assignor"); and Pasinex Resources Nevada Limited, a Nevada

- A. Cypress Development Corp., a British Columbia corporation ("Cypress"), and Assignor are parties to the Agreement dated March 23, 2017 (the "Silcom Option Agreement"), between Cypress, as optionor, and Assignor, as optionee, pursuant to which, among other things, Cypress granted to Assignor the exclusive right and option (the "Silcom Option") to acquire up to an eighty percent (80%) undivided interest in all mineral rights, mineral products and property rights associated with certain unpatented mining claims situated in White Pine County, Nevada. The Memorandum of the Silcom Option Agreement was recorded in White Pine County, Nevada, on \_\_\_\_\_, as Document No. \_\_\_\_\_.
- B. Cypress, Assignor, Pasinex Resources Limited, a British Columbia corporation, and Assignee are parties to the Option Agreement dated effective September 11, 2017 (the "Pasinex Agreement"), pursuant to which, among other things: (i) Assignor subleased to Assignee all of Silcom's right, title, and interest in and to the Silcom Option Agreement; and (ii) Assignor granted to Assignee the exclusive right and option to acquire all of Silcom's right, title, and interest in and to the Silcom Option Agreement. The Memorandum of the Pasinex Agreement was recorded in White Pine County, Nevada, on \_\_\_\_\_, as Document No. \_\_\_\_\_.
- C. Assignee has performed its obligations under the Pasinex Agreement and in accordance with the terms of the Pasinex Agreement. Assignor is obligated to assign to Assignee all of Assignor's right, title, and interest in, to and under the Silcom Option Agreement and any other property interests made subject to the Pasinex Agreement pursuant to its terms which are more particularly described in Exhibit A attached to and by this reference incorporated in this Assignment.
- D. Assignor wishes to assign and delegate to Assignee, and Assignee wishes to acquire and assume, all of Assignor's rights and obligations under the Silcom Option Agreement.

## Agreement

Now therefore, for and in consideration of the mutual promises and terms and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree to the following:

1. **Transfer and Assignment.** Assignor assigns, conveys, transfers to Assignee, and Assignee accepts the assignment, conveyance, and transfer of all of Assignor's right, title and interest in and to the Silcom Option Agreement, including all indemnities, warranties and similar rights granted under the Silcom Option Agreement.
2. **Assumption.** Assignee assumes and agrees to be bound by all of the terms and conditions of the Silcom Option Agreement and to perform the optionee's obligations under the Silcom Option Agreement which accrue from and after the Effective Date.
3. **Notices.** For the purpose of this Assignment, any and all notices and other communications required to be sent to the parties shall be sent to the addresses stated below:  

Assignor:	Silcom Systems, Inc. 137 Ranelagh Ave Burnaby, BC - V5B 3N2
Assignee:	Pasinex and Pasinex Canada 82 Richmond Street East Toronto, Ontario M5C 1P1
4. **Conflict with Option Agreement.** This Assignment is subject in all respects to the terms and conditions of the Pasinex Agreement. In the event of a conflict between the provisions of this Assignment and the provisions of the Option Agreement, the provisions of the Pasinex Agreement shall control.
5. **No Third-Party Beneficiaries.** Nothing in this Assignment shall confer any rights upon any person or entity other than the parties and each party's respective successors and assigns.
6. **Successors and Assigns.** The terms of this Assignment shall be binding upon, and shall inure to the benefit of the parties and their respective successors and assigns.
7. **Amendments and Waivers.** No amendment, modification or discharge of this Assignment and no waiver hereunder shall be valid or binding unless it is stated in writing and duly executed by the party against whom enforcement of the amendment, modification, waiver or discharge is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time.
8. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of Nevada, other than its rules as to conflicts of law.
9. **Headings.** The headings contained in this Assignment are for purposes of convenience only and shall not affect the meaning or interpretation of this Assignment.

10. **Counterparts.** This Assignment may be executed in multiple counterparts. If counterparts of this Assignment are executed, the signature pages from each counterpart may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Assignment, but each counterpart shall be considered an original.

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**Assignor:**

**Silcom Systems Inc.,**  
a British Columbia corporation

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

**Assignee:**

**Pasinex Resources Nevada Limited**

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

STATE (OR PROVINCE) OF \_\_\_\_\_ )  
 ) ss.  
COUNTY (OR CITY) OF \_\_\_\_\_ )

The foregoing Assignment and Assumption Agreement was acknowledged before me on \_\_\_\_\_, 201\_\_ by \_\_\_\_\_ as the \_\_\_\_\_ of Silcom Systems Inc., a British Columbia corporation.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

STATE (OR PROVINCE) OF \_\_\_\_\_ )  
 ) ss.  
COUNTY (OR CITY) OF \_\_\_\_\_ )

The foregoing Assignment and Assumption Agreement was acknowledged before me on \_\_\_\_\_, 201\_\_ by \_\_\_\_\_ as the \_\_\_\_\_ of Pasinex Resources Nevada Limited.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**Exhibit A**  
**Description of the Property**

**1. Gunman Claims**

The following twenty-three (23) unpatented lode mining claims situated in Sections 2, 10, 11, 14, and 15, T. 23 N., R. 55 E., MDM, in White Pine County, Nevada:

<b>Claim Name</b>	<b>Location date</b>	<b>BLM No.</b>
GUNMAN #1	2/1/2000	NMC814693
GUNMAN #2	2/1/2000	NMC814694
GUNMAN #3	2/1/2000	NMC814695
GUNMAN #4	2/1/2000	NMC814696
GUNMAN #5	2/1/2000	NMC814697
GUNMAN #6	2/1/2000	NMC814698
GUNMAN #7	2/1/2000	NMC814699
GUNMAN #8	2/1/2000	NMC814700
GUNMAN #9	2/1/2000	NMC814701
GUNMAN #10	2/1/2000	NMC814702
GUNMAN #24	2/1/2000	NMC814716
GUNMAN #25	2/1/2000	NMC814717
GUNMAN #22	9/12/2012	NMC1079809
GUNMAN #23	9/12/2012	NMC1079810
GUNMAN #61	9/12/2012	NMC1079819
GUNMAN #62	9/12/2012	NMC1079820
GUNMAN #81	9/12/2012	NMC1079812
GUNMAN #82	9/12/2012	NMC1079815
GUNMAN #83	9/12/2012	NMC1079813
GUNMAN #84	9/12/2012	NMC1079816
GUNMAN #16	1/16/2014	NMC1100833
GUNMAN #17	1/16/2014	NMC1100834
GUNMAN #18	1/16/2014	NMC1100835

**2. Additional Properties**

The following ninety-two (92) unpatented lode mining claims situated in E. 23 N., R. 55 E. and T. 24 N., R. 25 E., MDM, in White Pine County, Nevada:

<b>Claim Names</b>	<b>No. Claims</b>	<b>Location Date</b>
GMS1-GMS10	10	9/18/2017
Gunman20, Gunman21	2	9/18/2017
GMN11-GMN30	20	10/31/2017
GMN1-10	10	11/1/2017
GMCI-GMC8	8	11/1/2017
Gunman59, Gunman60	2	11/1/2017
GMS11-GMS22	12	11/3/2017
GMS23-GMS40	18	11/4/2017
GMS41-GMS50	10	11/5/2017

**Exhibit D**  
**Form of Bill of Sale**

**Bill of Sale**

This Bill of Sale is made and executed by Silcom Systems Inc., a British Columbia corporation ("Seller"), in favor of and to Pasinex Resources Nevada Limited, a Nevada corporation ("Buyer"). This Bill of Sale includes the data and information regarding the unpatented mining claims described in Exhibit A attached to this Bill of Sale (the "Property") and any additional unpatented mining claims and property interests which are acquired pursuant to the Option Agreement dated effective September 11, 2017.

In consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Seller assigns, conveys, sells and transfers to Buyer and to Buyer's successors-in-interest and assigns all of Seller's claims, right, title and interest in and to all geological, geochemical and geophysical maps, reports, surveys and tests; all drill hole maps, drill logs, and drill-related data and information; all sample and assay logs, maps, reports and tests; and all other like reports, studies, surveys and tests; and all other data relating to the Property, including any such data in digital, electronic, magnetic, optical and written format.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_.

**Silcom Systems Inc.,**  
a British Columbia corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Exhibit A**  
**Description of the Property**

**1. Gunman Claims**

The following twenty-three (23) unpatented lode mining claims situated in Sections 2, 10, 11, 14, and 15, T. 23 N., R. 55 E., MDM, in White Pine County, Nevada:

<b>Claim Name</b>	<b>Location date</b>	<b>BLM No.</b>
GUNMAN #1	2/1/2000	NMC814693
GUNMAN #2	2/1/2000	NMC814694
GUNMAN #3	2/1/2000	NMC814695
GUNMAN #4	2/1/2000	NMC814696
GUNMAN #5	2/1/2000	NMC814697
GUNMAN #6	2/1/2000	NMC814698
GUNMAN #7	2/1/2000	NMC814699
GUNMAN #8	2/1/2000	NMC814700
GUNMAN #9	2/1/2000	NMC814701
GUNMAN #10	2/1/2000	NMC814702
GUNMAN #24	2/1/2000	NMC814716
GUNMAN #25	2/1/2000	NMC814717
GUNMAN #22	9/12/2012	NMC1079809
GUNMAN #23	9/12/2012	NMC1079810
GUNMAN #61	9/12/2012	NMC1079819
GUNMAN #62	9/12/2012	NMC1079820
GUNMAN #81	9/12/2012	NMC1079812
GUNMAN #82	9/12/2012	NMC1079815
GUNMAN #83	9/12/2012	NMC1079813
GUNMAN #84	9/12/2012	NMC1079816
GUNMAN #16	1/16/2014	NMC1100833
GUNMAN #17	1/16/2014	NMC1100834
GUNMAN #18	1/16/2014	NMC1100835

**2. Additional Properties**

The following ninety-two (92) unpatented lode mining claims situated in T. 23 N., R. 55 E. and T. 24 N., R. 25 E., MDM. in White Pine County, Nevada:

<b>Claim Names</b>	<b>No. Claims</b>	<b>Location Date</b>
GMS1-GMS10	10	9/18/2017
Gunman20. Gunman21	2	9/18/2017
GMN11-GMN30	20	10/31/2017
GMN1-10	10	11/1/2017
GMC1-GMC8	8	11/1/2017
Gunman59. Gunman60	2	11/1/2017
GMS11-GMS22	12	11/3/2017
GMS23-GMS40	18	11/4/2017
GMS41-GMS50	10	11/5/2017

**Exhibit E**  
**Pasinex Canada Share Limitations and Restrictions**

SCHEDULE OF RESALE RESTRICTIONS

The following legend must be placed on each certificate:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE ●, 201●.  
WITHOUT PRIOR WRITTEN APPROVAL OF THE CANADIAN SECURITIES EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ●, 201●.  
THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR U.S. STATE SECURITIES LAWS. THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO PASINEX RESOURCE LIMITED (THE “CORPORATION”), (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

APNs: N/A – unpatented mining claims

Recorded at request of and return to:

Thomas P. Erwin  
Erwin & Thompson LLP  
241 Ridge Street, Suite 210  
Reno, Nevada 89501

The undersigned affirm that this document does not contain the personal information of any person.

### MEMORANDUM OF OPTION AGREEMENTS

This Memorandum of Option Agreements (“Memorandum”) is made and entered into effective as of the date stated below (the “Effective Date”) by and among Cypress Development Corp., a British Columbia corporation (“Cypress”); Cypress Holdings (Nevada), Ltd., a Nevada corporation (“Cypress Nevada”); Silcom Systems Inc., a British Columbia corporation (“Silcom”); Pasinex Resources Limited, British Columbia corporation (“Pasinex Canada”); and Pasinex Resources Nevada Limited, a Nevada corporation (“Pasinex”).

#### NOTICE IS GIVEN, that:

- A. Cypress, through its wholly-owned subsidiary Cypress Nevada, is the 100% owner of the twenty-three (23) unpatented lode mining claims situated in White Pine County, Nevada, and more particularly described in Exhibit A-1 attached to and by this reference incorporated in this Memorandum (the “Claims”).
- B. Cypress and Silcom are parties to the Agreement dated March 23, 2017 (the “Silcom Option Agreement”), between Cypress, as optionor, and Silcom, as optionee, pursuant to which, among other things, Cypress granted to Silcom the exclusive right and option (the “Silcom Option”) to acquire up to an eighty percent (80%) undivided interest in all mineral rights, mineral products and property rights associated with the Claims.
- C. Cypress, Silcom, Pasinex Canada, and Pasinex are parties to the Option Agreement dated effective September 11, 2017 (the “Pasinex Agreement”), pursuant to which, among other things: (i) Silcom subleased to Pasinex all of Silcom’s right, title, and interest in and to the Silcom Option Agreement; and (ii) Silcom granted to Pasinex the exclusive right and option to acquire all of Silcom’s right, title, and interest in and to the Silcom Option Agreement.
- D. For the purpose of clarity, the Pasinex Agreement affects the Claims as well as additional properties situated in White Pine County, Nevada, which more particularly described in Exhibit A-2 attached to and by this reference incorporated in this Memorandum.
- E. For the purpose of the Silcom Option Agreement, the Pasinex Agreement, and this Memorandum, the addresses of the parties are as follows:

Cypress Development Corp.  
Suite 1610  
777 Dunsmuir Street  
Vancouver, British Columbia  
V7Y 1K4

Silcom Systems, Inc.  
137 Ranelagh Ave  
Burnaby, BC - V5B 3N2

Pasinex and Pasinex Canada  
82 Richmond Street East  
Toronto, Ontario M5C 1P1

This Memorandum may be executed in multiple counterparts. If counterparts of this Memorandum are executed, the signature pages from each counterpart may be combined into one composite instrument for all purposes. All counterparts together shall constitute only one Memorandum, but each counterpart shall be considered an original.

Dated this \_\_\_\_ day of December, 2017.

*[Signature pages follow.]*

**Cypress Development Corp.,**  
a British Columbia corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Cypress Holdings (Nevada), Ltd.,**  
a Nevada corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Sileom Systems Inc.,**  
a British Columbia corporation

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Pasinex Resources Limited**

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Pasinex Resources Nevada Limited**

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_



STATE (OR PROVINCE) OF \_\_\_\_\_ )  
COUNTY (OR CITY) OF \_\_\_\_\_ ) ss.

The foregoing Memorandum of Option Agreements was acknowledged before me on December  
\_\_\_\_, 2017, by \_\_\_\_\_ as the \_\_\_\_\_ of Pasinex Resources Limited.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

STATE (OR PROVINCE) OF \_\_\_\_\_ )  
COUNTY (OR CITY) OF \_\_\_\_\_ ) ss.

The foregoing Memorandum of Option Agreements was acknowledged before me on December  
\_\_\_\_, 2017, by \_\_\_\_\_ as the \_\_\_\_\_ of Pasinex Resources Nevada Limited.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**Exhibit A-1**  
**Description of the Claims**

The Claims are the following twenty-three (23) unpatented lode mining claims situated in Sections 2, 10, 11, 14, and 15, T. 23 N., R. 55 E., MDM, in White Pine County, Nevada:

<b>Claim Name</b>	<b>Location date</b>	<b>BLM No.</b>
GUNMAN #1	2/1/2000	NMC814693
GUNMAN #2	2/1/2000	NMC814694
GUNMAN #3	2/1/2000	NMC814695
GUNMAN #4	2/1/2000	NMC814696
GUNMAN #5	2/1/2000	NMC814697
GUNMAN #6	2/1/2000	NMC814698
GUNMAN #7	2/1/2000	NMC814699
GUNMAN #8	2/1/2000	NMC814700
GUNMAN #9	2/1/2000	NMC814701
GUNMAN #10	2/1/2000	NMC814702
GUNMAN #24	2/1/2000	NMC814716
GUNMAN #25	2/1/2000	NMC814717
GUNMAN #22	9/12/2012	NMC1079809
GUNMAN #23	9/12/2012	NMC1079810
GUNMAN #61	9/12/2012	NMC1079819
GUNMAN #62	9/12/2012	NMC1079820
GUNMAN #81	9/12/2012	NMC1079812
GUNMAN #82	9/12/2012	NMC1079815
GUNMAN #83	9/12/2012	NMC1079813
GUNMAN #84	9/12/2012	NMC1079816
GUNMAN #16	1/16/2014	NMC1100833
GUNMAN #17	1/16/2014	NMC1100834
GUNMAN #18	1/16/2014	NMC1100835

**Exhibit A-2**  
**Description of the Additional Properties**

The following ninety-two (92) unpatented lode mining claims situated in  
T. 23 N., R. 55 E. and T. 24 N., R. 25 E., MDM. in White Pine County, Nevada:

<b>Claim Names</b>	<b>No. Claims</b>	<b>Location Date</b>
GMS1-GMS10	10	9/18/2017
Gunman20, Gunman21	2	9/18/2017
GMN11-GMN30	20	10/31/2017
GMN1-10	10	11/1/2017
GMC1-GMC8	8	11/1/2017
Gunman59, Gunman60	2	11/1/2017
GMS11-GMS22	12	11/3/2017
GMS23-GMS40	18	11/4/2017
GMS41-GMS50	10	11/5/2017

December 5<sup>th</sup> 2017

**Re: Securities Exchange Approval and Acceptance Date**

All parties (Cypress, Silcom and Pasinex), having consulted their legal counsel, believe no exchange approval is required. The Acceptance Date, therefore, shall be the date the Definitive Agreement is signed, December 5, 2017.

Cypress Development Corp.

By

  
Name Donald Houston  
Title PRESIDENT

Silcom Systems Inc.

By

  
Name WILLIAM WILLOUGHBY  
Title CEO

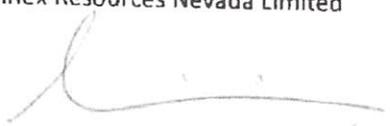
Pasinex Resources Limited

By

  
Name Steve Williams  
Title President and CEO

Pasinex Resources Nevada Limited

By

  
Name Steve Williams  
Title Director