
**AMENDED AND RESTATED
OPTION AGREEMENT
ANTINO PROJECT**

MADE BETWEEN

FOUNDERS METALS INC.

AND

NANA RESOURCES N.V.

August 27, 2024

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AMENDED AND RESTATED OPTION AGREEMENT

THIS AGREEMENT made as of the 27th day of August 2024.

BETWEEN:

FOUNDERS METALS INC. of 1111 West Hastings Street, Suite 780, Vancouver, BC, Canada
(“**FOUNDERS**”)

AND:

NANA RESOURCES N.V., a private Surinamese company with its registered office at
Aboenawrokostraat #71, Paramaribo, Suriname
(“**Optionor**”)

AND:

LAWA GOLD N.V., a private Surinamese company with its registered office at
Aboenawrokostraat #71, Paramaribo, Suriname
(“**Company**”)

INTRODUCTION

- A. The Company is the legal and beneficial owner of the Property.
- B. The Optionor is the legal and beneficial owner of all of the Company Shares.
- C. The Optionor and the Company entered into an Option Agreement (the “Option Agreement”) with Orea Mining Corp. (“Orea”) dated March 16, 2022 in which Orea assigned its rights to Founders and Founders assumed Orea’s obligations thereunder, and the Optionor has thereby agreed to grant to Founders (as assignee of Orea) an option to acquire up to 75% of the Company Shares, and indirectly through the ownership of such Company Shares, up to a 75% interest in the Property, and the parties have amended the Option Agreement, which is now amended and restated in this Amended and Restated Option Agreement.

IN CONSIDERATION OF, among other things, the mutual promises contained in this Agreement, the Parties agree that the Option Agreement is hereby amended and restated, in full substitution thereof, as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context otherwise expressly requires, in this Agreement:

“**Administration Fee**” has the meaning given in section 8.7;

“Adverse Claim” has the meaning given in section 3.4(b);

“Affiliate” means any person which directly or indirectly Controls, is Controlled by, or is under common Control with, a person;

“Agreement” or **“this Agreement”** means this document, including any schedule or appendix to it;

“Alluvial Gold” means gold in unconsolidated material, including alluvium, colluvium and chemically weathered rock (laterite, saprolite) on the surface of Property down to the interface with fresh non-weathered bedrock;

“Alluvial Operations” means every kind of work done, or activity on or in respect of the Property to mine for Alluvial Gold, including investigating, analysing, sampling, preparation of reports, estimates and studies, surveying, rehabilitation, reclamation and environmental protection, and any management and administration necessary to conduct the foregoing work or activities, but excludes Hardrock Operations;

“Alluvial Right” has the meaning given in section 7.1;

“Anti-Corruption Law” has the meaning given in section 16.18;

“Area of Interest” has the meaning given in section 16.4(a);

“Assets” means:

- (a) the Property, or Company Shares that provide indirect ownership of the property;
- (b) any maps, drill core, samples, assays, geological and other technical reports, studies, designs, plans and financial or other records (whether in tangible or electronic form) related to the Property in the possession or under the control of the Optionor as at the Commencement Date or thereafter acquired by any Party or its Affiliates with respect to the Property; and
- (c) any exploration tools, plant, supplies and equipment acquired by the Company after the formation of the Joint Venture for or in connection with the Property;

“Business Day” means any day other than a Saturday, Sunday or bank or public holiday in Vancouver, British Columbia or Suriname;

“Capital Reorganization” has the meaning given in section 5.2(a);

“Cash Payment” means any one or more of the cash payments specified in the tables in sections 4.2(a) and 4.4(a);

“Certified Auditor’s Statement” means a letter or statement from any independent qualified auditor appointed by Founders (which, for greater certainty, may also be the auditor that Founders appoints to audit its financial statements) confirming that any supplemental schedules that include Expenditure have been subjected to the auditing procedures, are fairly stated in all material respects;

“Claim” includes any claim, action, proceeding, damage, loss (including loss arising from a withheld or abated payment under this Agreement), Liability, cost (including solicitor and client costs and disbursements), charge, expense, outgoing, payment or demand of any nature and whether present or future, fixed or unascertained, actual or contingent and whether at Law, in equity, under statute, contract or otherwise;

“Close Family Member” has the meaning given in section 3.2(cc)(iii)(B);

“Commencement Date” means August 31st, 2023, provided however that if Founders pays \$250,000 to the Optionor on or before September 18, 2024 then the “Commencement Date” shall mean September 18, 2023, and such payment shall be a payment towards the Cash Payment for the First Option under Section 4.2(a);

“Commercial Production” means the operation of all or part of the Property as a producing mine, but does not include bulk sampling or milling for the purpose of testing or milling by a pilot plant, and will be deemed to have commenced on the first day of the month following the first 30 consecutive days during which minerals have been produced from a mine at an average rate of not less than 70% of the initial rated capacity if a plant is located on the Property or if no plant is located on the Property, the last day of the first period of 30 consecutive days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues, whether to a plant or facility constructed for that purpose or to a plant or facility already in existence;

“Common Share Reorganization” has the meaning given in section 5.2(b);

“Common Shares” means common shares in the capital stock of Founders;

“Company Shares” has the meaning given in section 3.2(b);

“Condition Precedent” has the meaning given in section 2.1;

“Confidential Information” has the meaning given in section 12.1(a);

“Control” means, in relation to any person, possession, directly or indirectly, of the power to direct or cause direction of management and policies of that person through ownership of voting securities, contract, voting trust or otherwise;

“Defaulting Party” has the meaning given in section 13.1(a);

“Dispute” has the meaning given in section 14.1(a);

“Dispute Notice” has the meaning given in section 14.1(b);

“Dispute Representative” has the meaning given in section 14.2(a);

“Earned Interest” means an undivided right, title and ownership interest in the Assets;

“Earn-in Period” means the period starting on the Commencement Date and ending on the earliest of:

- (a) at any time prior to the Second Option being exercised, Founders notifying the Optionor that it is terminating this Agreement;
- (b) subject to section 6.7(a), Founders failing to satisfy the First Option Conditions on or before the time periods provided for in section 4.2 (provided that, in the case of incurring Expenditure, any failure may only be determined either by Founders’ admission or, subject to section 6.3, the delivery of the Certified Auditor’s Statement on or before the time period provided for in section 6.2(a)(i));
- (c) subject to section 6.7(b), Founders failing to satisfy the Second Option Conditions on or before the time periods provided for in section 4.4 (provided that, in the case of incurring Expenditure, any failure may only be determined either by Founders’ admission or, subject

to section 6.3, the delivery of the Certified Auditor's Statement on or before the time period provided for in section 6.2(b)(i)); and

- (d) if the Second Option is exercised, then upon the earliest of:
- (i) Founders notifying the Optionor that it is not, or is no longer pursuing the Third Option;
 - (ii) subject to section 6.7(c), Founders failing to satisfy the Third Option Conditions on or before the time periods provided for in section 4.6 (provided that, in the case of incurring Expenditure, any failure may only be determined either by Founders' admission or, subject to section 6.3, the delivery of the Certified Auditor's Statement on or before the time period provided for in section 6.2(c)(i)); or
 - (iii) Founders satisfying the Third Option Conditions on or before the time periods provided for in section 4.6.

"Effective Date" means the date of this Agreement;

"Encumbrance" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, option, earn-in, licence or licence fee, royalty, production payment, back-in right, claw-back right, pre-emptive right, right of first refusal, right of first offer, royalty, right to profits, restrictive covenant or other encumbrance of any nature or any agreement to give or create any of the foregoing, but excludes the Permitted Encumbrances;

"Excision Date" has the meaning given in section 8.12(b)(i);

"Excision Notice" has the meaning given in section 8.12(b);

"Excision Property" has the meaning given in section 8.12(b)(i);

"Expenditure" means all costs and expenses of whatever kind or nature reasonably spent or incurred by Founders during the Earn-In Period in the conduct of Hardrock Operations on or in relation to the Property including:

- (a) in curing title defects and in acquiring and maintaining surface and other ancillary rights;
- (b) in preparing for and in the application for and acquisition of environmental and other permits necessary or desirable to commence and complete exploration and development activities;
- (c) in undertaking geochemical, geophysical, geological surveys and airborne surveys, drilling, assaying and metallurgical testing in, on or in respect of the Property, including costs of surface access, establishment of grids, assays, metallurgical testing and other tests and analyses to determine the quantity and quality of Minerals, water and other materials or substances;
- (d) in the preparation of work programs and the presentation and reporting of data and other results obtained from those work programs including any program for the preparation of a feasibility study or other evaluation of the Property;
- (e) for environmental remediation and rehabilitation;

- (f) in acquiring or obtaining the use of facilities, equipment or machinery, and for all parts, supplies and consumables;
- (g) for salaries and wages for employees assigned to exploration and development activities;
- (h) 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;
- (i) payments to contractors or consultants for work done, services rendered or materials supplied;
- (j) the cost of insurance premiums and performance bonds or other security;
- (k) all Taxes levied against or in respect of the Property, or activities on the Property; and
- (l) the cost and fees associated with delivering any Certified Auditor's Statement to the Optionor;
- (m) the Administration Fee; and
- (n) the Manager's Expenditures and the Manager's Administration Fee;

but excludes any Cash Payments and Share Issuances made by Founders to the Optionor under this Agreement. For greater certainty and notwithstanding anything to the contrary in this Agreement, Expenditure will not include any costs, fees, expenditures or other Liabilities related to Alluvial Operations or the exercise of the Alluvial Right by the Optionor (which are to the sole account of the Optionor);

"Expiry Date" has the meaning given in section 2.1;

"Exploration Data" means any map, 3D representation, drill core, sample, assay, drill logs, geological, geophysical, geochemical or other technical report and any study, design, plan and financial or other record (whether in tangible or electronic form) related to the Property or Hardrock Operations in the possession or under the control of a Party or its Affiliates;

"Financial Statements" has the meaning given in section 3.2(k);

"First Option" has the meaning given in section 4.1;

"First Option Conditions" has the meaning given in section 4.2;

"First Option Exercise Notice" has the meaning given in section 6.2(a);

"Force Majeure" means, other than as a consequence of the negligence or default of a Party, an event or cause which is beyond the control of the Party claiming force majeure, not able to be overcome by the exercise of reasonable care, proper precautions and the consideration of reasonable alternatives with the intention of avoiding the effects of the force majeure by that Party, and which could not have been reasonably foreseen, and includes (subject to satisfying the requirements of the foregoing):

- (a) an act of God (other than adverse weather);
- (b) earthquakes, cyclones, fire, flood, blizzards, whiteouts;

- (c) acts of war, acts of public enemies, terrorist acts, riots or civil commotions, criminal acts and cartel activities;
- (d) shortages of labour or strikes, interference of trade unions, lockout, secondary boycott, other labour difficulties (without regard to whether such difficulties can be resolved by acceding to the demands of the union);
- (e) break down or destruction of machinery, plant or equipment, delays in transportation, shortages or inability to obtain contractors, machinery, plant or equipment, fuel, transportation or power;
- (f) any action or failure to act within a reasonable time without justifiable cause by any Governmental Authority (including any action or failure to act within a reasonable time without justifiable cause by any duly authorized agent of any such Governmental Authority), including the denial of or delay in granting any permit upon due application and diligent effort by the Party to obtain same, or the failure once granted to remain (without justifiable cause) in full force and effect or to be renewed on substantially similar terms;
- (g) Laws, rules and regulations, orders or policies of any Governmental Authority that cause Hardrock Operations to materially cease or that would effectively prohibit the development of a mine on the Property;
- (h) actions taken by or on behalf of indigenous persons pursuant to the assertion of land claims or other rights;
- (i) injunctions, civil disobedience, protests, demonstrations or other events by environmental lobbyists, non-governmental organizations, indigenous persons, local community groups or any other parties claiming an interest that cause Hardrock Operations to materially cease;
- (j) endemics, epidemics or pandemics (including current and future effects of Covid-19),

but does not include economic hardship, or for lack of money, credit or markets or inability to pay any sum of money, or delays in the performance of the obligations of a Party or its Personnel unless that delay is itself caused by Force Majeure or by the default or negligence of the other Party or its Personnel;

“Governmental Authority” means any federal, provincial, state, territorial, regional, municipal or local government or authority, quasi government authority, fiscal or judicial body, government or self-regulatory organization, commission, board, tribunal, organization, or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing having jurisdiction or authority over the Parties or the subject matter of this Agreement and includes any self-regulatory organisation established under statute or any securities exchange;

“Government Official” has the meaning given in section 3.2(cc)(iii)(A);

“Hardrock Operations” means every kind of work done, or activity on or in respect of the Property to explore for Minerals including investigating, prospecting, exploring, drilling, analysing, sampling, assaying, preparation of reports, estimates and studies (including feasibility studies), surveying, rehabilitation, reclamation and environmental protection, and any management and administration necessary to conduct the foregoing work or activities, but excludes Alluvial Operations;

“Insolvency Event” means, in respect of a Party, the happening of any of the events described in section 13.1(b);

“Insolvent Party” has the meaning given in section 13.1(b);

“Joint Venture” means that commercial relationship between the Optionor (or Optionor’s designated Affiliate) and Founders (or Founders’ designated Affiliate) which may be established pursuant to section 9.1;

“Law” includes:

- (a) federal, state, provincial, municipal and local government legislation including regulations and by-laws;
- (b) legislation of any jurisdiction other than those referred to in paragraph (a) above with which a Party must comply;
- (c) civil law, common law and equity;
- (d) judgments, decrees, writs, administrative interpretations, guidelines, rules, policies, injunctions, orders, directives or the like, of any Governmental Authority with which a Party is legally required to comply; and
- (e) Governmental Authority requirements and consents, certificates, licences, permits and approvals (including conditions in respect of those consents, certificates, licences, permits and approvals);

“Liabilities” means any and all liabilities, actions, causes of action, suits, demands, debts, orders, penalties, fines, charges, judgments, obligations, damages, Claims, costs and expenses (including reasonable legal fees and disbursements on a solicitor and its own client basis), of every kind whatsoever, whether actual or potential, direct or indirect, known or unknown, and whenever and however arising and whether accrued, absolute, contingent or otherwise;

“Manager” means the entity, appointed in accordance with Section 8.1(c) or 8.1(d) to discharge the Manager’s Duties;

“Manager’s Administration Fee” has the meaning given in section 8.2(c);

“Manager’s Budget” has the meaning given in section 8.2(a);

“Manager’s Duties” means the following duties and obligations of the Manager:

- (a) keeping the Property free of any Encumbrances except Permitted Encumbrances;
- (b) keeping the Property in good standing and free from any liability to cancellation or non-renewal, including:
 - (i) payment of all costs and fees associated with keeping the Mineral Rights comprising the Property in good standing and renewing the Mineral Rights comprising the Property;
 - (ii) complying with all applicable Laws to maintain the Mineral Rights comprising the Property in good standing, including the submittal of quarterly and annual reports to the Geological Mining Department;
- (c) preparing the Manager’s Budget for approval, including providing any supporting documentation requested by a Party;

- (d) complying with applicable Law;
- (e) maintaining proper books and accounts with respect to the Manager's Budget, the Manager's Expenditures and the Company in accordance with International Financial Reporting Standards applied on a consistent basis throughout the periods indicated;
- (f) upon request from any Party, provide documentation that demonstrates that it has complied with its duties and obligations; and
- (g) such other additional duties and obligations as the Parties may mutually agree;

"Manager's Expenditures" has the meaning given in section 8.2(b);

"Material Adverse Effect" means any change, effect, event or occurrence that individually or in the aggregate with other such changes, effects, events or occurrences, is or would reasonably be expected to be material and adverse to the Property or the exploration, development or mining on the Property, or the Company or the business, prospects, results of operations or financial condition of the Company or its Affiliates;

"Mineral Rights" means any claim, prospecting licence, exploration licence, mining lease, mining licence, mineral concession, mineral claim and other forms of mineral tenure (including any application for the grant or issue of any of the foregoing) or other rights to Minerals, or to work upon lands for the purpose of searching for, developing or extracting Minerals under any form of mineral title recognized under applicable Law in Suriname, whether contractual, statutory or otherwise;

"Minerals" means all ores, solutions and concentrates or metals derived from them, containing precious, base and industrial minerals (including gems and uranium) which are found in, on or under the Property and may lawfully be explored for, mined and sold under the Mineral Rights and other instruments of title under which the Property is held;

"Notice" or **"notice"** has the meaning given in section 15.1(a);

"Option" means the First Option, the Second Option or the Third Option, as the context dictates;

"Options" means the First Option, the Second Option and the Third Option;

"Option Conditions" means the First Option Conditions, the Second Option Conditions or the Third Option Conditions, as the context dictates;

"Option Exercise Notice" means the First Option Exercise Notice, the Second Option Exercise Notice or the Third Option Exercise Notice, as the context dictates;

"Founders Equipment" has the meaning given in section 6.9(d);

"Other Rights" means any interest in real property, whether freehold, leasehold, license, right of way, easement, any other surface or other right in relation to real property, and any right, licence or permit in relation to the use or diversion of water, but excluding any Mineral Rights;

"Parties" means Founders, the Optionor and the Company;

"Party" means Founders, the Optionor or the Company, as the context dictates;

"Permitted Encumbrances" means, with respect to the Property:

- (a) any fees and mineral royalty due to any Government Authority in respect of the Mineral Rights comprising the Property;
- (b) any Encumbrance expressly created by or arising from this Agreement; and
- (c) any Encumbrance approved by Founders.

"Personnel" means:

- (d) in relation to a Party, any of its or its Affiliates' directors, officers, employees, agents, consultants, invitees, Subcontractors (including Subcontractors' Personnel) and representatives involved either directly or indirectly in the performance of the Party's obligations under this Agreement; and
- (e) in relation to a Subcontractor, any of its directors, officers, employees, agents, consultants, invitees, subcontractors or representatives involved either directly or indirectly in the performance of a Party's obligations under this Agreement;

"Property" means the Mineral Rights and Other Rights, if any, described in Schedule 1 and forming the Antino project, together with any present or future renewal, extension, modification, substitution, amalgamation or variation of any of those Mineral Rights or Other Rights that derive directly from those Mineral Rights or Other Rights (whether granting or conferring the same, similar or any greater rights and whether extending over the same or a greater or lesser domain);

"Rules" has the meaning given in section 14.3(a);

"Second Option" has the meaning given in section 4.3;

"Second Option Conditions" has the meaning given in section 4.4;

"Second Option Exercise Notice" has the meaning given in section 6.2(b);

"Shareholders' Agreement" means the shareholder agreement attached as Schedule 2 and entered into between the Optionor and Founders or Founders' designated Affiliate in respect of the Joint Venture pursuant to section 9.2;

"Share Issuance" means any one or more of the issuances of Common Shares specified in the tables in sections 4.2(a) and 4.4(a);

"Subcontractor" means any person engaged by a Party to perform any part of that Party's obligations under this Agreement and includes a supplier of that Party;

"Tax" means:

- (a) a tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
- (b) income, property transfer, stamp or transaction duty, tax or charge,

that is or may be at any time assessed, levied, imposed or collected by a Governmental Authority (other than in respect of the assessable income of Founders) and includes interest, fines, penalties, charges, fees or other amounts imposed on or in respect of any of the above;

"Third Option" has the meaning given in section 4.5;

"Third Option Conditions" has the meaning given in section 4.6;

“**Third Option Exercise Notice**” has the meaning given in section 6.2(c)(i);

“**Third Party**” means any individual or entity other than a Party hereto, including any partnership, corporation, trust, unincorporated organization, union, government and any department or agency thereof and any heir, executor, administrator or other legal representative of an individual;

“**VWAP**” means the volume weighted average trading price of the Common Shares on Founders’ primary stock exchange for the twenty (20) trading days prior to such applicable date.

“**Year**” means each period of 12 consecutive months, with the first such period commencing on the Commencement Date and each successive period commencing on the next anniversary of the Commencement Date.

1.2 Interpretation

Unless the context otherwise expressly requires, in this Agreement:

- (a) the singular includes the plural and conversely and a gender includes all genders;
- (b) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (c) a reference to a person (including a Party) includes an individual, company, other body corporate, association, partnership, firm, joint venture, trust or Governmental Authority;
- (d) a reference to a section, schedule or annexure is a reference to a section of or a schedule or annexure to this Agreement;
- (e) a reference to any Party includes that Party’s executors, administrators, substitutes (including, but not limited to, persons taking by novation), successors and permitted assigns;
- (f) a reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Agreement or that other agreement or document;
- (g) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it;
- (h) a reference to writing includes a facsimile or electronic mail transmission and any means of reproducing words in a tangible and permanently visible form;
- (i) a reference to “\$” or “US\$” is to currency of the United States;
- (j) the word “*including*” means “*including without limitation*” and “*include*” and “*includes*” will be construed similarly;
- (k) headings and any table of contents or index are for convenience only and do not form part of this Agreement or affect its interpretation;
- (l) a provision of this Agreement must not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement;

- (m) if an act is prescribed to be done on a specified day which is not a Business Day, it must be done instead on the next Business Day;
- (n) where the phrase “to the best of the knowledge of” or similar expressions are used, it is a requirement that the person in respect of whom the phrase is used must have made the enquiries that are reasonably necessary to enable that person to make the statement or disclosure; and
- (o) a reference to a thing (including a right, obligation or concept) includes a part of that thing but nothing in this section 1.2(o) implies that performance of part of an obligation constitutes performance of the obligation.

1.3 Schedules

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

- (a) Schedule 1 - Property Description; and
- (b) Schedule 2 - Shareholders' Agreement.

2. CONDITION PRECEDENT

2.1 Condition

This Agreement and the obligations of the Parties under it is subject to Founders obtaining any required approval, consent or acceptance of the Toronto Stock Exchange or from any other regulatory body having jurisdiction in connection with this Agreement or its subject matter (“**Condition Precedent**”) on or before March 31, 2023 Date (the “**Expiry Date**”).

2.2 Waiver

The Condition Precedent in section 2.1 is for the benefit of both Parties and cannot be waived or extended unless agreed in writing by each Party.

2.3 Non-satisfaction

If a Condition Precedent is not satisfied or waived by the Expiry Date any Party may:

- (a) by notice to the other Party terminate this Agreement; or
- (b) extend the Expiry Date with the written consent of the other Party on one or more occasions.

2.4 Rights on Termination

If this Agreement is terminated under section 2.3(a) then, in addition to any rights, powers or remedies provided by Law:

- (a) this Agreement will be at an end; and
- (b) each Party is released from its obligation to further perform this Agreement except under those provisions imposing on it obligations of confidentiality.

3. REPRESENTATIONS AND WARRANTIES

3.1 Mutual Representations and Warranties

Each Party represents and warrants to the other Party that:

- (a) it is duly formed in its place of organization;
- (b) it has full legal capacity and power:
 - (i) to own its property and assets and to carry on its business; and
 - (ii) to enter into this Agreement and to perform its obligations under this Agreement;
- (c) it has taken all corporate action that is necessary to authorize its entry into this Agreement and to perform its obligations under this Agreement;
- (d) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy subject to Laws generally affecting creditors' rights and to principles of equity;
- (e) the execution, delivery and performance by it of this Agreement does not or will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under:
 - (i) its constitution or other constating documents;
 - (ii) any material term or provision of any security arrangement, undertaking, agreement or deed; or
 - (iii) any writ, order or injunction, judgment, Law, rule or regulation to which it is a party or is subject or by which it or any of its property is bound;
- (f) no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or, to the best of its knowledge, threatened against it which if adversely decided could, in the reasonable opinion of the Party's management, have a material adverse effect on the Party's business, assets or financial condition such as to materially impair its ability to perform its obligations under this Agreement;
- (g) no liquidator, trustee in bankruptcy, receiver or receiver and manager or other external administrator is currently appointed in relation to it or any of its property; and
- (h) to the best of its knowledge after making due enquiry, there are no facts, matters or circumstances which give any person the right to appoint or to apply to appoint (as the case may be) a liquidator, trustee in bankruptcy, receiver or receiver and manager or other external administrator to it or any of its property.

The representations and warranties given in and under this section 3.1 will be treated as made and be binding upon each Party continuously during the term of this Agreement and each Party must immediately notify the other Party if any of its representations and warranties set out in this section 3.1 are not true and correct in any material respect at any time during the term of this Agreement.

The representations and warranties in this section 3.1 will be deemed to apply to all assignments, conveyances, transfers and other documents conveying any of the Company Shares from the Optionor to Founders. There will not be any merger of any such representations or warranties in such assignments, conveyances, transfers or other documents, notwithstanding any rule of Law to the contrary, and all such rules are hereby waived.

3.2 Optionor’s Representations, Warranties and Covenants

The Optionor represents, warrants and covenants to Founders that:

- (a) except for authorizations which have already been obtained, no authorization, approval, order, license, permit or consent of any Governmental Authority or other third person, and no registration, declaration or filing by the Optionor or the Company with any such Governmental Authority is required in order for the Optionor and the Company:
 - (i) to consummate the transactions contemplated by this Agreement;
 - (ii) to execute and deliver all of the documents and instruments to be delivered by the Optionor and the Company under this Agreement;
 - (iii) to duly perform and observe the terms and provisions of this Agreement; and
 - (iv) to render this Agreement legal, valid, binding and enforceable;
- (b) one hundred (100) shares of the Company are issued and outstanding (the “**Company Shares**”);
- (c) the Company Shares are all of the issued and outstanding shares in the authorized share capital of the Company and have been validly issued, fully paid and nonassessable, have not been issued in violation of any applicable Laws or any pre-emptive or preferential purchase rights, and are free of restrictions on transfer. The Optionor is the legal and beneficial owner of all of the issued and outstanding Company Shares, free and clear of all Encumbrances. Upon exercise of any Option contemplated by this Agreement, Founders will have good and valid title to the Company Shares representing its Earned Interest, free and clear of all Encumbrances;
- (d) no person has any agreement, right or option, present or future, contingent, absolute or capable of becoming an agreement, right or option or which with the passage of time or the occurrence of any event could become an agreement, right or option:
 - (i) to require the Company to issue any further or other shares in its capital or any other security convertible or exchangeable into shares in its capital or to convert or exchange any securities into or for shares in its capital;
 - (ii) to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
 - (iii) to acquire any of the issued and outstanding shares in the capital of the Company including, without limitation, the Company Shares; or
 - (iv) to acquire any interest in the Property.
- (e) no board of supervisors for the Company has been appointed; the directors and officers of the Company are as set forth below, all of which have been duly elected or appointed:

Name	Position(s)
Michael Naarendorp	Managing Director

- (f) all of the corporate or organizational records and minute books of the Company contain complete and accurate minutes of all meetings of and all written resolutions passed by the directors and shareholders, as the case may be, since the formation thereof. The shareholders register for the Company is complete and accurate and such records accurately reflect the current ownership of the Company and all share transactions since incorporation. Neither the Optionor nor the Company is subject to any shareholders agreement;
- (g) no dividends or distributions on any Company Shares have been declared or authorized which have not been paid. No payments of any kind have been authorized to or on behalf of the Optionor, or to or on behalf of officers, directors or shareholders of the Company which have not been paid.
- (h) the Company does not currently own or control, directly or indirectly, any interest in any other company, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement;
- (i) the execution, delivery and performance of this Agreement by the Optionor and the Company will not result in the creation or imposition of any lien, Encumbrance or restriction of any nature whatsoever in favour of a Third Party upon or against any of the Company Shares or the Property.
- (j) as of the Commencement Date:
 - (i) there are no outstanding loans or advances made to any person by the Company or by any person to the Company;
 - (ii) the Company is not a guarantor or indemnitor of any indebtedness of any other Person;
 - (iii) the Company has timely filed all Tax returns and there no outstanding Liabilities for Taxes for any period ending on or before the Commencement Date;
- (k) during the term of this Agreement, the Optionor must:
 - (i) ensure that the Company Shares are 100% owned by the Optionor at all times, except where a transfer of the Company Shares to Founders is contemplated under this Agreement;
 - (ii) ensure that the Company Share it holds are free and clear of all Encumbrances at all times, except as may otherwise be expressly provided for in this Agreement;
 - (iii) if there is any inconsistency or conflict between the provisions of this Agreement and the provisions of the Company's charter or constating documents, then promptly effect an amendment to the Company's charter or constating documents to remove the inconsistency or conflict and give full force and effect to this Agreement;
 - (iv) exercise all its votes, powers and rights (and to cause the Company to the extent of its legal ability to so cause the Company to exercise its votes, powers and rights) so as to give full force and effect to the provisions and intentions of this Agreement;
 - (v) have unqualified audited financial statements for the Company prepared and delivered to Founders for each fiscal year ending on December 31 (the "**Financial**

Statements”). The Financial Statements must be prepared in accordance with International Financial Reporting Standards applied on a consistent basis throughout the periods indicated. The Financial Statements must fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the periods, indicated therein;

- (vi) keep accurate books and records that fairly and correctly set out and disclose the financial position and condition, and all revenues, expenses and results of operations of the Company and all material financial transactions of the Company;
- (vii) ensure there will be no events or circumstances of any kind that will result or could reasonably be expected to result in a Material Adverse Effect;
- (viii) ensure that the Company does not incur any Liabilities (whether absolute, accrued, contingent or otherwise), except with the prior written consent of Founders;
- (ix) ensure that the Company does not guarantee or indemnify, or agree to guarantee or indemnify, any debt, Liability or other obligation of any person, firm or corporation;
- (x) ensure that the Company maintains, in full force and effect, adequate insurance naming Founders as a beneficiary;
- (xi) on a timely basis, pay any Taxes which are due and payable by the Company and all reassessments, penalties, interest and fines due and payable by or assessed against it;
- (xii) promptly deliver to Founders any notice, demand or other material communication relating to the Company or the Property that it or any of its Affiliates receive;
- (xiii) obtain the prior written consent of Founders to the sending by the Company, it or its Affiliates of any notice, demand or other material communication relating to the Company or the Property to any third person including any adjacent property owner or any Governmental Authority;
- (xiv) take all reasonable action to preserve the Property and to maintain the status thereof;
- (xv) promptly advise Founders in writing of any material adverse change in the condition of the Property;
- (xvi) not create, incur or assume any charge or Encumbrance upon the Property or the Company;
- (xvii) not terminate or waive any right in respect of the Property or the Company;
- (xviii) take all reasonable actions within its control to ensure that the Optionor and the Company performs all of its obligations falling due under all material agreements relating to the Property to which the Optionor or the Company is a party or which is binding upon the Optionor or the Company;
- (xix) not enter into any agreement relating to the Company or the Property; and
- (xx) not, nor will it permit any of its Affiliates, agents, consultants, advisors or representatives, to solicit, initiate, encourage or participate in any discussions or

negotiations with any Third Party concerning any sale of its right, title and interest in and to the Property or the Company;

- (l) the Company has not acquired property from, received services from, disposed of property to, or provided services to any person with whom it does not deal at arm's length, or any person under the direction of a person with whom it does not deal at arm's length, other than for full fair market value consideration;
- (m) there are no agreements, contracts or other commitments to which the Company is a party, beneficially entitled, subject to, or by which it is otherwise bound;
- (n) the Company does not employ any employees;
- (o) the Company is the beneficial and registered or recorded owner of a 100% undivided interest in the Property and the Optionor is the beneficial and registered owner of 100% of the issued and outstanding shares in the Company;
- (p) all of the Mineral Rights comprising the Property have been validly and properly located, staked, tagged and recorded in accordance with the Laws of the jurisdiction in which Property is located and there are no disputes, threatened or now existing of which the Optionor is aware, as to title to or the staking or recording of those Mineral Rights;
- (q) the Property is properly and accurately described in Schedule 1;
- (r) the Property, the Company's interest in the Property, the Company and the Optionor's interest in the Company are free and clear of any Encumbrance;
- (s) as of the Commencement Date, the Optionor has obtained or acquired all rights or powers necessary in, over or to the surface area of the Property to access the Property and to conduct Hardrock Operations on the Property necessary to be obtained or acquired;
- (t) as of the Commencement Date, all work or expenditure obligations applicable to the Property, all reports of the work or expenditure and other requirements to be satisfied or filed to keep the Property in good standing which were to have been satisfied, have been satisfied or filed to the satisfaction of the applicable Governmental Authority;
- (u) as of the Commencement Date, all rentals, Taxes, assessments, renewal fees and other governmental charges applicable to, or imposed on, the Property which were due to be paid on or before such date have been paid in full;
- (v) the Optionor, the Company and their respective Personnel have conducted all activities on or in respect of the Property in compliance and the Property itself complies with all applicable Laws, orders and judgments, and all directives, rules, consents, permits, orders, guidelines, approvals and policies of any applicable Governmental Authority;
- (w) to the best of the Optionor's knowledge, there are no actual, alleged, potential or future adverse claims, challenges, suits, actions, prosecutions, investigations or proceedings against or to, the ownership of, or title to, the Property or of any challenge to the Company's right, title or interest in the Property nor to the best of its knowledge is there any basis for any of the foregoing;
- (x) to the best of the Optionor's knowledge, the Property does not lie within any protected area, rescued area, reserve, reservation, reserved area or special needs lands as designated by any Governmental Authority having jurisdiction, that would impair the exploration for Minerals or the development of a mining project on the Property;

- (y) there are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property or the conduct of the business related to the Property, nor to the best of the Optionor's knowledge has any activity on the Property been in violation of any applicable environmental Law or regulatory prohibition or order, and to the best of its knowledge, conditions on and relating to the Property are in compliance with those Laws, prohibitions and orders;
- (z) to the best of the Optionor's knowledge, there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance or waste (as defined by any applicable Law) from, on, in or under the Property or into the environment, except releases expressly permitted or otherwise authorized by applicable Law;
- (aa) to the best of the Optionor's knowledge, no toxic or hazardous substance or waste has been treated, disposed of or is located or stored on the Property as a result of activities of the Optionor or the Company or their predecessors in title or interest;
- (bb) to the best of the Optionor's knowledge, there is no pending or ongoing claims or actions taken by or on behalf of any native or indigenous persons with respect to any lands included in the Property;
- (cc) the Optionor, the Company, their respective Personnel and Affiliates have not made or offered with respect to the matters which are the subject of this Agreement:
 - (i) any compensation, commission, agency fee, introduction fee, payment, gift, promise or advantage to a Third Party where such payment or advantage would violate applicable Law or the Laws of incorporation of the Optionor, the Company or their respective Affiliates;
 - (ii) except as may be required by the terms of the Minerals Rights comprising the Property, any compensation, commission, agency fee, introduction fee, payment, gift, promise or advantage to a Third Party which is based or calculated on any capital employed, cost incurred, cash flow, revenue, or profit earned or generated or estimated to be earned or generated by the Optionor or the Company in respect of the Property; or
 - (iii) any compensation, commission, agency fee, introduction fee, payment, gift, promise or advantage, whether directly or through intermediaries, to or for the use of any person, while knowing or being aware of a high probability that any such money or thing of value will be offered, paid, given or promised, directly or indirectly, to:
 - (A) any public official, including any (1) individual who is employed by or acting on behalf of an Government Agency, government-controlled entity, wholly or partially-owned government entity, public agency, public enterprise or public international organisation, (2) individual holding a legislative, administrative or judicial office, (3) political party, party official or candidate; (4) individual who holds or performs the duties of an appointment, office or position created by custom or convention; or (5) individual who holds himself out to be the authorised intermediary of any person specified in the foregoing (each a "**Government Official**");
 - (B) any spouses, children, parents, siblings, cousins and any other relatives of an individual of any Government Official (each, a "**Close Family Member**");

- (C) any person (whether or not a Government Official) to influence that person to act in breach of a duty of good faith, impartiality or trust, to reward the person for acting improperly or in circumstances where the recipient would be acting improperly by receiving the thing of value; or
- (D) any other person while knowing, or while he or she ought reasonably to have known, that all or any portion of the money or other thing of value that was authorised, offered, promised or given or will be offered, promised or given to: (1) a Government Official, or a Close Family Member of any Government Official, or (2) any person in order to influence or reward such person for acting improperly;

for the purposes of influencing or rewarding official action relating to any act or decision of such Government Officials in their official capacity, or inducing such Government Officials to use their influence in obtaining or retaining business for or with, or directing business to, the Optionor, the Company, Founders or any of their respective Affiliates;

- (dd) save for any ownership interest in respect of shares listed on a recognised stock exchange, neither the Optionor nor any of its Affiliates nor any other entity in which the Optionor has an ownership interest in is directly or indirectly owned or controlled, in whole or in part, by any Government Official in a position to take or influence official action for or against the Optionor, the Company, Founders or their respective Affiliates; and (ii) no officer, director, employee or shareholder of the Optionor or the Company is, or currently expects to become, such a Government Official during the term of this Agreement;
- (ee) the Optionor will notify Founders promptly, and in any event within 5 Business Days, upon becoming aware that any officer, director, employee or shareholder becomes, or expects to become, a Government Official in a position to take or influence official action for or against the Optionor, the Company, Founders or their respective Affiliates; and
- (ff) all information relating to the Property provided to Founders or any of its representatives or advisors, or made available to Founders or any its representatives or advisors, is true, accurate and complete in all material respects;
- (gg) the Optionor has made available to Founders all material information in its possession or control relating to the Property;
- (hh) the Optionor has no other information or knowledge of any facts pertaining to the Property not disclosed to Founders in writing, which if known by Founders might reasonably be expected to deter Founders from completing the transactions contemplated by this Agreement
- (ii) it is unaware of any material facts or circumstances that have not been disclosed to Founders which should be disclosed to Founders in order to prevent the representations and warranties provided by it from being materially misleading or which could reasonably be expected to materially and adversely affect the transactions contemplated by this Agreement or the Property, including without limitation the existence of legal impediments to proceed with Hardrock Operations on the Property (including without limitation indigenous communities, border zone and specially protected areas).

The representations, warranties and covenants given in and under this section 3.2 will be treated as made and be binding upon the Optionor continuously during the term of this Agreement and the Optionor must immediately notify Founders if any of its representations, warranties and covenants

set out in section 3.2 are not true and correct in any material respect at any time during the term of this Agreement.

The representations and warranties in this section 3.2 will be deemed to apply to all assignments, conveyances, transfers and other documents conveying any of the Company Shares from the Optionor to Founders. There will not be any merger of any such representations or warranties in such assignments, conveyances, transfers or other documents, notwithstanding any rule of Law to the contrary, and all such rules are hereby waived.

3.3 Indemnities

- (a) Each Party indemnifies and must keep indemnified the other Parties from and against any Claim which that other Party suffers, sustains or incurs arising out of or in connection with the:
 - (i) breach of any representation or warranty given or made by a Party under this Agreement; or
 - (ii) breach of, or failure by, a Party or its Personnel to perform any covenant or obligation of that Party under this Agreement.
- (b) It is not necessary for a Party to incur expense or make payment before enforcing a right of indemnity conferred by this Agreement.
- (c) For further clarity, the Optionor shall not be indemnified for any Claims arising out of its Alluvial Right.

3.4 Right of Offset; Adverse Claims

- (a) If the Optionor is in breach of its representations, warranties and covenants in section 3.1 or 3.2, Founders at its option may, but will not be obligated to, pay for and discharge any such Encumbrance or Liability and set off any such payment by withholding and retaining from the Cash Payments or Share Issuances that may otherwise be made to the Optionor, without prejudice to any right of Founders to recover from the Optionor the amount of such payment in any manner or by any remedy whatsoever and Founders will have all of the rights and remedies against the Optionor which the mortgagor, lienor, creditor, encumbrancer or other Third Party had immediately prior to the time of such payment. Upon the request of Founders, the Optionor must promptly make, execute, acknowledge and deliver to Founders any and all instruments (in form and substance satisfactory to Founders) that Founders in its sole judgment may deem necessary or desirable to fully effectuate the provisions hereof.
- (b) If it appears that any person or entity not a party hereto may have a claim of ownership in the Property (an "**Adverse Claim**"), Founders, at its sole discretion, after written notice to Optionor, may, without prejudice to any right or remedy of Founders, suspend its obligations under sections 4.2, 4.4 or 4.6 or may deposit into an account payments equivalent to payments which may otherwise become due to the Optionor. Such deposit or deposits will remain in such account and such Common Shares will remain unissued until thirty (30) days after the claim or controversy is definitively resolved or settled by final court decision, by arbitration, negotiation or otherwise. If Founders is required or elects to make any payments to such persons or entities not a party hereto as a result of, or in settlement of, any such Adverse Claim, either by way of contract, settlement, compromise, final court judgment, or otherwise, the Optionor must reimburse Founders for all such damages and reimbursements which Founders is required to pay to such Third Party claimants. In the event the Optionor fails to timely reimburse Founders within thirty (30) days after receipt of notice from Founders that Founders has made any payment to any

such Third Party claimants, Founders may recover from, or credit against, any Cash Payments or Share Issuances thereafter becoming due to the Optionor hereunder, the amount of such payments and all other costs and expenses (including solicitor fees on a full/substantial indemnity basis) paid or incurred by Founders as a result of any such Adverse Claim, accruing from the date that Founders made any payment to a Third Party.

- (c) If a title dispute arises or develops with respect to all or any portion of the Property, Founders will have the right, at its sole option, to relinquish to the Optionor the disputed portions or areas of the Property which are affected by the said title dispute.
- (d) This section 3.4 will be deemed cumulative and in addition to, and not in lieu of, any other remedy provided by law or in equity or otherwise provided in this Agreement.

4. OPTIONS

4.1 Grant of First Option

Subject to this Agreement, the Optionor hereby grants to Founders the sole, exclusive and irrevocable right for Founders to acquire a 51% Earned Interest (“**First Option**”) free and clear of any Encumbrance.

4.2 Good Standing of First Option

To maintain the First Option in good standing, Founders, subject to section 5, must

- (a) fund the minimum Expenditure and make each Cash Payment and Share Issuance to the Optionor, all in the amounts and by the dates specified in the following table:

<u>Item</u>	<u>Date/Period</u>	<u>Expenditure</u>	<u>Cash Payment</u>	<u>Share Issuance</u>
1	Within 90 days of the Commencement Date (firm commitment)	-	\$100,000 [paid]	475,000 Common Shares [issued]
2	On or before the expiration of Year 1* (firm commitment)	\$1,000,000	\$250,000 [paid]	950,000 Common Shares
3	On or before the expiration of Year 2	\$2,500,000	\$600,000	95,000 Common Shares
4	On or before the expiration of Year 3	\$2,500,000	\$700,000	95,000 Common Shares
Total:		\$6,000,000	\$1,650,000	1,615,000 Common Shares

The Share Issuances in this section reflect the issuance of Common Shares as contemplated under the Option Agreement, through the amendment of October 13, 2022 valued in Canadian dollars and subsequently assigned to Founders on October 17, 2022, set forth in Section 4.2(a) of the Option Agreement at the then corresponding market price of \$0.20 CAD per Common Share as at the date of the assignment of the Option Agreement from Orea to Founders, which now corresponds therewith based on the market price per Common Share as of the date hereof as of August 27, 2024 in accordance with the policies of the TSX Venture Exchange.

*Provided that the Share Issuance may be made within 14 days of approval thereof by the applicable stock exchange which shall not be any later than 30 days after the said Date/Period.

(collectively, the “**First Option Conditions**”).

4.3 Grant of Second Option

Upon the exercise of the First Option by Founders, the Optionor is hereby deemed to immediately grant to Founders the sole, exclusive and irrevocable right for Founders to acquire an additional 19% Earned Interest (“**Second Option**”) free and clear of any Encumbrance.

4.4 Good Standing of Second Option

To maintain the Second Option in good standing, Founders, subject to section 5, must:

- (a) fund the minimum Expenditure and make each Cash Payment and Share Issuance to the Optionor, all in the amounts and by the dates specified in the following table, pursuant to applicable security laws and stock exchange policies:

<u>Item</u>	<u>Date/Period</u>	<u>Expenditure</u>	<u>Cash Payment</u>	<u>Share Issuance</u>
1	On or before the fourth/fifth anniversary of the Commencement Date.	\$5,000,000	\$700,000	47,500
2	On or before the fourth/fifth anniversary of the Commencement Date.	\$5,000,000	\$800,000	47,500
Total:		\$10,000,000	\$1,500,000	95,000

The Share Issuances in this section reflect the issuance of Common Shares as contemplated under the Option Agreement, through the amendment of October 13, 2022 valued in Canadian dollars and subsequently assigned to Founders on October 17, 2022, set forth in Section 4.4(a) of the Option Agreement at the then corresponding market price of \$0.20 CAD per Common Share as at the date of the assignment of the Option Agreement from Orea to Founders, which now corresponds therewith based on the market price per Common Share as of the date hereof as of August 27, 2024 in accordance with the policies of the TSX Venture Exchange.

- (b) on or before the expiry of the second anniversary of the exercise of the First Option, complete (or cause the Company to complete) and deliver to the Optionor a concept study similar to a preliminary economic assessment on the Property by an independent qualified professional,

(collectively, the “**Second Option Conditions**”).

4.5 Grant of Third Option

Upon the exercise of the Second Option by Founders, the Optionor is hereby deemed to immediately grant to Founders the sole, exclusive and irrevocable right for Founders to acquire an additional 5% Earned Interest (“**Third Option**”) free and clear of any Encumbrance.

4.6 Good Standing of Third Option

To maintain the Third Option in good standing, Founders, subject to section 5, must, on or before the third anniversary of the exercise of the Second Option:

- (a) fund \$10,000,000 minimum Expenditure; and
 - (b) complete a bankable feasibility study on the Property by an independent qualified professional,
- (collectively, the “**Third Option Conditions**”).

4.7 Acceleration and Credit

- (a) Despite anything in this Agreement to the contrary, Founders may at any time accelerate the performance of its obligations under this section 4.
- (b) If, in any Year or other applicable time period, Founders makes a Cash Payment or Share Issuance or funds Expenditure in that Year or other applicable time period in excess of the amount of the Cash Payment, Share Issuance or Expenditure required for that Year or other applicable time period under sections 4.2(a) or 4.4(a) then the amount of the excess Cash Payment, Share Issuance or Expenditure will be credited against the Cash Payment, Share Issuance or Expenditure to be made or funded by Founders in any applicable subsequent Year or other time period.

4.8 Share Issuances

The Share Issuances referred to in Section 4.2(a) and Section 4.4(a) shall be made to Nana or an Affiliate as designated and directed in writing to Founders.

5. FUNDING AND EXPENDITURE

5.1 Share Issuances and Cash Payment Instructions

- (a) The Optionor hereby acknowledges and agrees that the Common Shares that may be issued pursuant to this Agreement may be subject to restrictions on resale imposed by applicable securities Laws and that the certificates representing the Common Shares may be endorsed with a legend to such effect, which legend will be in such form as may be required by applicable securities Laws. The Optionor agrees to comply with such resale restrictions and to file such documents as may be required to be filed by the Optionor and such persons under applicable securities Laws and to indemnify and hold harmless Founders in respect of any non-compliance therewith.
- (b) At any time after the Commencement Date, upon request by Founders, the Optionor must deliver within three (3) Business Days:
 - (i) all such information and documentation regarding the Optionor as a stock exchange (including any regulator or securities commission having jurisdiction over a stock exchange) or similar public market may require in order to issue any Common Shares contemplated pursuant to this Agreement;
 - (ii) registration instructions for the Share Issuances, duly executed by the Optionor;
 - (iii) wire instructions from the Optionor for payment of any Cash Payments contemplated pursuant to this Agreement; and

- (iv) such other assurances, consents, agreements, documents and instruments as may be reasonably required by Founders to complete the transactions provided for in this Agreement.

5.2 Anti-dilution

If and whenever at any time after the Commencement Date and prior to Founders' exercise of the Second Option, Founders takes, or any action is taken, affecting its Common Shares, which in the opinion of the board of directors of Founders, acting reasonably and in good faith would not fairly adjust the rights of the Optionor against dilution in accordance with the intent and purposes hereof, then Founders will provide for an adjustment in the application of such provisions so as to adjust such rights as aforesaid in such a manner as the board of directors of Founders, acting reasonably and in good faith, may determine to be equitable in the circumstance. The failure of the taking of action by the board of directors of Founders to so provide for any adjustment on or prior to the effective date of any action or occurrence giving rise to such state of facts will be conclusive evidence that the board of directors has determined that it is equitable to make no adjustment in the circumstances. The purpose and intent of any adjustments to be made by the board of directors of Founders is to ensure that the rights and obligations of the Optionor are neither diminished nor enhanced as a result of any of the applicable events set forth herein. Accordingly, any adjustment made by the board of directors will be interpreted and applied in accordance with such purpose and intent.

Without derogating from the foregoing and for greater certainty:

- (a) **Capital Reorganization.** If, after the Commencement Date and during the term of this Agreement, there is a reclassification or redesignation of Common Shares at any time outstanding or a change or exchange of the Common Shares into other shares or into other securities or any other capital reorganization (other than a Common Share Reorganization), or a consolidation, amalgamation, arrangement, business combination, or merger of Founders with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement, business combination or merger which does not result in any reclassification or redesignation of the outstanding Common Shares or a change or exchange of the Common Shares into other securities), or a transfer of the undertaking or assets of Founders as an entirety or substantially as an entirety to another corporation or other entity (any of such events being herein called a "**Capital Reorganization**"), the Optionor, where it has not yet been issued a Share Issuance, will be entitled to receive, and must accept, upon Founders determining to make such Share Issuance, in lieu of the number of Common Shares to which the Optionor was theretofore entitled upon Founders making such determination, the kind and aggregate number of shares, other securities or other property (including money) which the Optionor would have been entitled to receive as a result of a Capital Reorganization if, on the effective date thereof, it had been the registered holder of the number of Common Shares to which the Optionor may be entitled to receive hereunder. If determined appropriate by the board of directors of Founders, acting reasonably and in good faith, and subject to the prior written approval of the Toronto Stock Exchange or other stock exchange on which the Common Shares are then listed or quoted for trading, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this section 5.2(a) will thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares, other securities or other property thereafter deliverable to the Optionor, upon Founders making a Share Issuance. Any such adjustments will be made by and set forth in terms and conditions supplemental hereto approved by the board of directors of Founders.
- (b) **Common Share Reorganization.** If, after the Commencement Date and during the term of this Agreement, Founders:

- (i) issues Common Shares or securities exchangeable for or convertible into Common Shares to holders of all or substantially all of its then outstanding Common Shares by way of stock dividend or other distribution or otherwise, or
- (ii) subdivides, redivides or changes its outstanding Common Shares into a greater number of Common Shares, or
- (iii) consolidates, reduces or combines its outstanding Common Shares into a lesser number of Common Shares,

(any of such events in these paragraphs (i), (ii) and (iii) being a “**Common Share Reorganization**”), then, upon Founders making a Share Issuance, the number of Common Shares that may be issuable pursuant hereto will, to the extent not already issued to the Optionor, be adjusted such that the Optionor will receive on the issuance of such shares that number of Common Shares that the Optionor would have received had it been shareholder on the record date or effective date, as applicable, for such Common Share Reorganization and participated in the Common Share Reorganization with the other shareholders of Founders.

5.3 No Obligation

Notwithstanding any other provision of this Agreement, the Optionor acknowledges and agrees that other than the Cash Payment and Share Issuance referred to in Item 1 and 2 of the table in section 4.2(a) and the Expenditure requirement referred to in Item 2 of the table in section 4.2(a) which become firm commitments on the Commencement Date, no term of this Agreement obliges Founders to make any Cash Payments or Share Issuances, incur any Expenditure, or to complete any other Option Conditions or exercise any of the Options.

5.4 Tax Inclusive

The Optionor acknowledges and agrees that the Cash Payments and Share Issuances:

- (a) are inclusive of any and all Taxes imposed by a Governmental Authority on those payments or amounts; and
- (b) if any Tax is imposed by a Governmental Authority on any Cash Payment or Share Issuance made by Founders then the Optionor must pay the full amount of that Tax to the relevant Governmental Authority and the Optionor indemnifies and must keep indemnified Founders and its Personnel against any Claim sustained or incurred by Founders or its Personnel as a consequence of the Optionor's failure to do so.

5.5 Insufficient Expenditure

- (a) If, in any Year, Founders fails to fund the full amount of Expenditure for that Year or other time period required under sections 4.2(a), 4.4(a) or 4.6(a), then Founders will nevertheless be deemed to have satisfied section 4.2(a), 4.4(a) or 4.6(a), as applicable, so long as Founders, within 60 days after the expiry of that Year or other time period, pays to the Optionor in cash or Common Shares an amount which is equal to the difference between the actual Expenditure funded by Founders in that Year or other time period and the amount of Expenditure set out in section 4.2(a), 4.4(a) or 4.6(a) that ought to have been funded by Founders in that Year or other time period. If Founders elects to pay the Optionor in Common Shares for any underfunded amount, the number of Common Shares to be issued will be determined by dividing the amount that has been underfunded by the VWAP on the Business Day immediately prior to the date that the payment is made by Founders.

- (b) If it is determined by an auditor in a Certified Auditor's Statement that Founders has failed to fund the full amount of Expenditure including any required by this Agreement to exercise an applicable Option (and for greater certainty, any amounts that are paid or Common Shares that are issued under section 5.5(a) are deemed to be Expenditure), then Founders will nevertheless be deemed to have satisfied the required Expenditure so long as, within 30 days after the date of the auditor's determination, Founders pays to the Optionor an amount which is equal to the difference between the actual Expenditure funded by Founders as determined by the auditor and the amount of Expenditure that under this Agreement ought to have been funded by Founders to exercise the applicable Option. If Founders elects to pay the Optionor in Common Shares for any insufficient Expenditure, the number of Common Shares to be issued will be determined by dividing the insufficient Expenditure amount by the VWAP on the Business Day immediately prior to the date that the payment is made by Founders.

5.6 Tax Matters During Earn-in Period

During the Earn-in Period, Expenditures on the Property that are funded by Founders will be incurred solely for and on behalf of Founders, and Founders will be the sole person entitled to claim such Expenditures for Tax purposes.

6. EXERCISE AND TERMINATION OF OPTIONS

6.1 Conditions of Exercise of Options

- (a) The right of Founders to exercise the First Option and for Founders to acquire a 51% Earned Interest is conditional on Founders satisfying all of the First Option Conditions under section 4.2.
- (b) The right of Founders to exercise the Second Option and for Founders to acquire an additional 19% Earned Interest is conditional on Founders satisfying all of the Second Option Conditions under section 4.4.
- (c) The right of Founders to exercise the Third Option and for Founders to acquire an additional 5% Earned Interest is conditional on Founders satisfying all of the Third Option Conditions under section 4.6.

6.2 Notice of Exercise of Options

- (a) Upon satisfying the First Option Conditions, Founders:
 - (i) may, within 150 days of having satisfied the First Option Conditions, give the Optionor a notice confirming satisfaction of the First Option Conditions along with a Certified Auditor's Statement confirming the amount of the Expenditures required under section 4.2(a) ("**First Option Exercise Notice**"); and
 - (ii) upon giving the First Option Exercise Notice, Founders will, subject to section 6.4, be deemed to have exercised the First Option and to have earned and be the legal and beneficial owner of a 51% Earned Interest, free and clear of all Encumbrances.
- (b) Upon satisfying the Second Option Conditions, Founders:
 - (i) may, within 150 days of having satisfied the Second Option Conditions, give the Optionor a notice confirming satisfaction of the Second Option Conditions along with a Certified Auditor's Statement confirming the amount of the Expenditures required under section 4.4(a) ("**Second Option Exercise Notice**"); and

- (ii) upon giving the Second Option Exercise Notice, Founders will, subject to section 6.4, be deemed to have exercised the Second Option and to have earned and be the legal and beneficial owner of an additional 19% Earned Interest, free and clear of all Encumbrances.
- (c) Upon satisfying the Third Option Conditions, Founders:
 - (i) may, within 150 days of having satisfied the Third Option Conditions, give the Optionor a notice confirming satisfaction of the Third Option Conditions along with a Certified Auditor's Statement confirming the amount of the Expenditures required under section 4.6(a) ("**Third Option Exercise Notice**");
 - (ii) upon giving the Third Option Exercise Notice, Founders will, subject to section 6.4, be deemed to have exercised the Third Option and to have earned and be the legal and beneficial owner of an additional 5% Earned Interest, free and clear of all Encumbrances; and
 - (iii) the Parties will form the Joint Venture in accordance with section 9.

6.3 Failure to Deliver Notice of Exercise

If Founders fails to deliver any Option Exercise Notice within 150 days of having satisfied the applicable Option Conditions and this Agreement has not otherwise been terminated, then the Optionor must provide written notice of such failure. Upon delivery of such notice from the Optionor, Founders will have 60 days to remedy its failure and if it does not remedy such failure, then this Agreement will terminate, and provided the Second Option has been exercised, the Joint Venture will be deemed formed.

6.4 Nomination of Founders

- (a) In any Option Exercise Notice Founders may, in its absolute discretion, elect to have the applicable Earned Interest transferred to an Affiliate that it designates.
- (b) If Founders exercises its rights under section 6.4(a) then:
 - (i) the designated Affiliate will be deemed to have earned and be the legal and beneficial owner of the applicable Earned Interest;
 - (ii) in respect of any provision in this Agreement that applies or is operative after the exercise of the Options by Founders, a reference to Founders will be deemed to be a reference to the designated Affiliate;
 - (iii) to the extent that Founders elects to have more than one Affiliate be transferred an Earned Interest, such Affiliates will be deemed to be, and treated as one shareholder to the Shareholders' Agreement;
 - (iv) Founders shall have the right to appoint the majority of the board of the Company.

6.5 Transfer of Earned Interest under Option

On or within three (3) days after the date on which Founders has satisfied any applicable Option Conditions and delivered the applicable Option Exercise Notice, the Optionor must, at Founders' election, either transfer the applicable Earned Interest or cause the Company to issue Company Shares representing the Earned Interest to Founders or its designated Affiliate (as the case may be) and until such transfer or issuance, the Optionor:

- (a) will be deemed to be holding legal ownership of the applicable Earned Interest in trust for Founders or its designated Affiliate (as the case may be); and
- (b) must not deal with the Company or Assets contrary to the provisions of this Agreement.

The aforementioned transfer or issuance must forthwith be entered into the Company's shareholders' register by Founders and the Company.

6.6 Founders' Election to Terminate Without Cause

Subject to sections 5.3, 6.9 and 16.15, Founders may, at any time, elect to terminate this Agreement by delivering written notice to that effect to the Optionor.

6.7 Termination of Earn-in Period Prior to Exercise of Third Option

- (a) If Founders fails to fulfil the First Option Conditions in the applicable periods set out in section 4.2 or, subject to section 6.3, deliver the First Option Exercise Notice on or before the time period provided for in section 6.2(a)(i), or gives notice to the Optionor that it is terminating this Agreement, then this Agreement will terminate and Founders will have no further interest in the Company or the Property; provided that, notwithstanding anything in this Agreement to the contrary, this Agreement may not be terminated by the Optionor for Founders failing to fulfil any of the First Option Conditions unless the Optionor has first notified Founders in writing and Founders has then failed to fulfil the applicable First Option Condition within 60 days of receipt of such notice.
- (b) If Founders fails to fulfil the Second Option Conditions in the applicable periods set out in section 4.4 and, subject to section 6.3, deliver the Second Option Exercise Notice on or before the time period provided for in section 6.2(b)(i), or gives notice to the Optionor that it is terminating this Agreement, then this Agreement will terminate and Founders must transfer the Company Shares it has acquired under the First Option to the Optionor for \$1.00 and cause any directors that it appointed to the board of the Company to resign; provided that, notwithstanding anything in this Agreement to the contrary, this Agreement may not be terminated by the Optionor for Founders failing to fulfil any of the Second Option Conditions, and Founders will not be required to transfer the Company Shares it holds to the Optionor, unless the Optionor has first notified Founders in writing and Founders has then failed to fulfil the applicable Second Option Condition within 60 days of receipt of such notice.
- (c) If Founders fails to fulfil the Third Option Conditions in the applicable periods set out in section 4.6 or, subject to section 6.3, deliver the Third Option Exercise Notice on or before the time period provided for in section 6.2(c)(i), or gives notice to the Optionor that it is not, or is no longer pursuing the Third Option, then the Third Option and the Earn-in Period will terminate and the Joint Venture will be formed in accordance with section 9; provided that, notwithstanding anything in this Agreement to the contrary, the Third Option and Earn-in Period may not be terminated by the Optionor for Founders failing to fulfil any of the Third Option Conditions unless the Optionor has first notified Founders in writing and Founders has then failed to fulfil the applicable Third Option Condition within 60 days of receipt of such notice.

6.8 Effect of Termination

Subject to sections 6.9 and 16.15, if this Agreement is terminated in accordance with its terms, then each Party will be released from further performance of its obligations under this Agreement. Notwithstanding the foregoing and without limiting section 5.1, termination will not release or discharge either Party from any Claim that arose or accrued prior to the date of termination.

6.9 Post Termination Obligations

If this Agreement is terminated pursuant to section 6.7(a) or section 6.7(b), then:

- (a) Founders will have no interest in the Company or the Property;
- (b) Founders will deliver to the Optionor within 90 days after the date of termination, a copy of all Exploration Data obtained by Founders or its Personnel under this Agreement after the Commencement Date;
- (c) if Founders has conducted Hardrock Operations on the Property, then Founders must comply with applicable Law regarding reclamation in relation to its Hardrock Operations conducted on the Property;
- (d) any plant, building, machinery, tools, equipment, camp facilities and supplies (other than the Assets) owned by Founders or its Personnel ("**Founders Equipment**") and brought and placed upon the Property in connection with the Hardrock Operations will remain Founders' exclusive property and may be removed by Founders at any time within a period of 180 days following the termination of this Agreement but if Founders has not removed all Founders Equipment within that 180 day period, then the Founders Equipment not so removed thereafter will become the absolute property of the Optionor or, at the Optionor's option, may within a further 90 days be removed by the Optionor at Founders' expense. All Founders Equipment, until it becomes the Optionor's property or is removed from the Property, will be the sole responsibility of Founders and the Optionor will have no Liability with regard to it.

7. OPTIONOR'S ALLUVIAL RIGHT & OBLIGATIONS

7.1 Alluvial Right prior to Commercial Production

During the term of this Agreement and until the commencement of Commercial Production by the Joint Venture, the Optionor will have the right to conduct Alluvial Operations (the "**Alluvial Right**"), provided that any such Alluvial Operations must not interfere with any Hardrock Operations conducted by Founders and, after formation of the Joint Venture, the Joint Venture activities. Prior to exercising the Alluvial Right and from time to time, the Optionor and Founders will discuss planned Hardrock Operations and planned Alluvial Operations and will outline to each other in reasonable detail their respective planned activities and the locations on the Property where the activities are proposed. In exercising the Alluvial Right, the Optionor will make any adjustments to such Alluvial Operations that Founders may request so as to ensure that the Optionor does not interfere with Hardrock Operations conducted by Founders and, after formation of the Joint Venture, the Joint Venture activities. The Alluvial Right will expire on the commencement of Commercial Production by the Joint Venture.

7.2 No Claims

Notwithstanding any other provision of this Agreement, in no event will the Optionor make any Claim against Founders or the Company, and neither Founders nor the Company will be liable to the Optionor or to any other person in respect of the exercise of the Alluvial Right or any Alluvial Operations conducted by the Optionor, its Personnel, its predecessors in title or any other person, on, or related to, the Property, whether arising under contract, tort (including negligence), for loss of anticipated profits or consequential, special or indirect loss or damage of any nature arising at any time. The Optionor indemnifies and must keep indemnified Founders, the Company and their respective Affiliates and Personnel from and against any Claim that Founders, the Company or their respective Affiliates and Personnel suffer, sustain or incur arising out of or in connection with

the exercise of the Alluvial Right, the Alluvial Operations or other activities conducted by the Optionor or its predecessors in title on, or related to, the Property.

8. OPERATORS & MANAGER – RIGHTS AND OBLIGATIONS

8.1 Operators & Manager

- (a) Founders will be the Hardrock Operator and have the right to, and be responsible for, carrying out Hardrock Operations until the termination of this Agreement (including by way of the Parties forming the Joint Venture).
- (b) The Optionor will be the Alluvial Operator and have the right to, and be responsible for, carrying out Alluvial Operations until the termination of this Agreement (including by way of the Parties forming the Joint Venture).
- (c) As and from the Commencement Date until the date the First Option is exercised, the Optionor will act as Manager and must do all things within its reasonable control that are necessary to fulfil and discharge the Manager's Duties.
- (d) As and from the date the First Option is exercised until the date the Joint Venture is formed, the shareholders of the Company will appoint the Manager, and such appointed Manager must do all things within its reasonable control that are necessary to fulfil and discharge the Manager's Duties. Founders, as majority shareholder, will have the casting vote and will give due consideration to appointing the Optionor as the Manager provided that the Optionor is qualified, capable and can perform the Manager's Duties in cost-effective and efficient manner.
- (e) After the formation of the Joint Venture, the Company will take over the role as Manager and must do all things within its reasonable control that are necessary to fulfil and discharge the Manager's Duties, and will prepare the Manager's Budget for approval by the Joint Venture and all Manager's Expenditures associated therewith will be paid in accordance with the Shareholders' Agreement.

8.2 Manager's Budget, Expenditures and Fee

- (a) At least 60 days prior to the start of a calendar year, the Manager must provide Founders and the Optionor with a reasonable budget for Founders' and the Optionor's approval to enable the Manager to discharge the Manager's Duties for the year (the "**Manager's Budget**"). If for any reason the Manager's Budget is not approved and Founders requests that it be revised and resubmitted for approval, the out-of-pocket cost and fees directly associated with keeping the Mineral Rights comprising the Property in good standing will nonetheless be deemed approved.
- (b) During the Earn-in Period, the Manager may invoice Founders once per quarter and within 30 days of receiving an invoice from the Manager for expenditures incurred by the Manager that were contemplated under an approved Manager's Budget or that were otherwise pre-approved by Founders (the "**Manager's Expenditures**"), Founders will reimburse the Manager for such Manager's Expenditures. The Manager's Expenditures reimbursed by Founders will be deemed to be part of Expenditure and will be deducted from any Expenditure requirements pursuant to sections 4.2(a), 4.4(a) and 4.6(a). After the formation of the Joint Venture, the Manager's Expenditures will be reimbursed or paid for in accordance with the Shareholders' Agreement.
- (c) The Manager will be entitled to charge an administration fee equal to 10% of the Manager's Expenditures during the Earn-in Period (the "**Manager's Administration Fee**"), which will

be invoiced to Founders along with the invoice for the corresponding Manager's Expenditures in which the Manager's Administration Fee relates. The Manager's Administration Fee will be deemed to be part of Expenditure and will be deducted from any Expenditure pursuant to sections 4.2(a), 4.4(a) and 4.6(a). The Manager must provide to Founders and its auditors, upon request, all receipts and other documentation required to confirm and verify the Manager's Expenditures and Manager's Administration Fee.

8.3 Authority of Operators

- (a) Subject to this Agreement (including the Optionor's exercise of its Alluvial Right), Founders, as Hardrock Operator, will:
 - (i) prepare and implement all programs and budgets, without requiring approval from the Optionor or the Company; provided that programs will be presented to the Optionor for input and the Optionor will provide any input within 10 days of receipt, which Founders will give due consideration to;
 - (ii) have full physical possession and control of the Assets and all powers and authorities necessary or desirable to enable it to carry out or procure the carrying out of all Hardrock Operations;
 - (iii) have, subject to the Optionor's Alluvial Right, exclusive and quiet possession of the Property;
 - (iv) without limiting section 8.3(a)(ii) or (iii), have the exclusive right to:
 - (A) enter in, under or upon the Property to conduct the Hardrock Operations and related activities on the Property;
 - (B) regulate access to the Property;
 - (C) bring upon and erect upon the Property buildings, plant, machinery and equipment as it may deem advisable for Hardrock Operations;
 - (D) remove from the Property and dispose of, reasonable quantities of Minerals for the purpose of obtaining assays or making other tests; and
 - (E) do such prospecting, exploration, development or other mining work on and under the Property as considered necessary or desirable.
- (b) Subject to this Agreement (including sections 7 and 8.4(b)(ii)), the Optionor, as Alluvial Operator, will have:
 - (i) all powers and authorities necessary or desirable to enable it to carry out or procure the carrying out of all Alluvial Operations; and
 - (ii) without limiting section 8.3(a)(ii) or (a)(iii), the exclusive right to:
 - (A) enter in or upon the Property to conduct the Alluvial Operations and related activities on the Property;
 - (B) bring upon the Property plant, machinery and equipment required for Alluvial Operations; and
 - (C) remove and sell Alluvial Gold from the Property.

8.4 Operators' Obligations

- (a) During the term of this Agreement, Founders, as Hardrock Operator, must:
 - (i) conduct all Hardrock Operations in a manner consistent with good exploration, engineering and mining practice and in compliance with any applicable Law;
 - (ii) pay all Expenditure incurred promptly as and when due;
 - (iii) maintain adequate insurance naming the Optionor as an additional insured;
 - (iv) keep the Property free and clear of all Encumbrances (except inchoate liens and liens contested in good faith by Founders) and to proceed with all diligence to contest and discharge any such Encumbrance that is filed;
 - (v) subject to section 8.6, permit any Personnel of the Optionor:
 - (A) at their own expense and risk, access to the Property at all reasonable times; and
 - (B) access to all records (whether in tangible or electronic form) of Founders pertaining to the Hardrock Operations and the Property;
 - (vi) permit the Optionor, upon being provided with reasonable notice, to inspect and copy, at all reasonable times, any Exploration Data;
 - (vii) during the term of this Agreement and for a period of 1 year after the expiry or termination of this Agreement, maintain true and correct books, accounts and records of Expenditure;
 - (viii) deliver to the Optionor annually, within 90 days after the end of each Year or other applicable time period specified in sections 4.4(a) and 4.6(a), a report on the Hardrock Operations conducted on or with respect to the Property for the previous Year or other applicable time period summarizing any significant technical data learned or obtained and providing a breakdown of Expenditure incurred in carrying out the Hardrock Operations for that Year or other applicable time period; and
 - (ix) promptly notify the Optionor of any material exploration results or adverse events.
- (b) During the term of this Agreement, the Optionor, as Alluvial Operator, must:
 - (i) conduct all Alluvial Operations in a manner consistent with good exploration, engineering and mining practice and in compliance with any applicable Law;
 - (ii) act reasonably, on the execution and performance of the activities associated with the Alluvial Right to avoid any conflict between the Alluvial Operations and the Hardrock Operations, or after the formation of the Joint Venture, and Joint Venture activities, including with respect to health, safety, environment, community engagement, and insurance;
 - (iii) maintain adequate insurance naming Founders as an additional insured;
 - (iv) ensure all health, safety, environment and community risks are assessed and appropriate controls implemented;

- (v) pay all expenses and expenditure incurred with respect to Alluvial Operations and the exercise of the Alluvial Right as and when due;
- (vi) keep the Property free and clear of all Encumbrances (except inchoate liens and liens contested in good faith by the Optionor) and to proceed with all diligence to contest and discharge any such Encumbrance that is filed;
- (vii) permit any Personnel of Founders access to all records (whether in tangible or electronic form) pertaining to the Alluvial Operations and the Property;
- (viii) permit Founders, upon being provided with reasonable notice, to inspect and copy, at all reasonable times, any Exploration Data and any data, reports, plans and other records associated with Alluvial Operations;
- (ix) during the term of this Agreement and for a period of 1 year after the expiry or termination of this Agreement, maintain true and correct books, accounts and records of expenses and expenditure incurred with respect to Alluvial Operations and the exercise of the Alluvial Right;
- (x) deliver to Founders annually, within 90 days after the end of each Year, a report on the Alluvial Operations conducted on or with respect to the Property for the previous Year summarizing any significant technical data learned or obtained and providing a breakdown of expenses and expenditure incurred in carrying out the Alluvial Operations for that Year;
- (xi) in completing Alluvial Operations in any given area and in any event, prior to the commencement of Commercial Production, whichever is earlier, to reclaim, remediate and completely restore the Property to the same condition as the Property existed prior to the Alluvial Operations. and
- (xii) promptly notify Founders of any material exploration or mining results or adverse events.

8.5 Third Party Operators and/or Manager

- (a) Except for its Affiliate, no Third Party may be retained to carry out Founders' duties as Hardrock Operator under section 8.3(a) unless the Third Party agrees in writing to be bound by all of the same duties and obligations imposed on Founders as Hardrock Operator under this Agreement, including under this section 8.
- (b) No Third Party may be retained to carry out the Optionor's duties as Alluvial Operator under section 8.3(b) unless the Third Party agrees in writing to be bound by all of the same duties and obligations imposed on the Optionor as Alluvial Operator under this Agreement, including under this section 8.
- (c) No Third Party may be retained as Manager to carry out the Manager's Duties unless the Third Party agrees in writing to be bound by all of the same duties and obligations imposed on the Manager under this Agreement, including under this section 8.

8.6 Indemnity on Access

- (a) The Optionor indemnifies and must keep indemnified Founders and its Personnel from and against any Claim that Founders or its Personnel suffer, sustain or incur arising out of or in connection with any injury (including injury causing death) to any Personnel of the Optionor

while in or on the Property, in conducting Alluvial Operations or in any way related to the exercise of the Alluvial Right.

- (b) The Optionor's Liability under section 8.6(a) will be reduced proportionately to the extent that the Claim was caused by the default or negligent act or omission of Founders or its Personnel.

8.7 Hardrock Operator's Administration Fee

The Hardrock Operator will be entitled to add to Expenditure, an administration fee equal to 10% of all Expenditure during the Earn-in Period (the "**Administration Fee**"). The Administration Fee will be deemed to be part of Expenditure and will be deducted from any Expenditure requirements under sections 4.2(a), 4.4(a) and 4.6(a), as applicable.

8.8 Services Agreement

On Founders' request, the Optionor will provide accommodations, communications, equipment, machinery, security and personnel to Founders on the Property pursuant to a service agreement. Any amounts paid under such service agreement from Founders to the Optionor will qualify as Expenditure.

8.9 Obligations to Inform

During the term of this Agreement, each Party must, and must cause its Affiliates to:

- (a) promptly deliver to the other Party any notice, demand or other material communication relating to any of the Assets that it or any of its Affiliates receive; and
- (b) obtain the prior written consent of the other Party (which consent must not be unreasonably withheld or delayed) to the sending by it or its Affiliates of any notice, demand or other material communication relating to any of the Assets to any third person including any adjacent property owner or any Governmental Authority.

8.10 Grant of Security

On the Commencement Date or at any time thereafter and from time to time, the Optionor and the Company must, when requested in writing by Founders, grant to Founders a charge, mortgage, security agreement, debenture, share pledge, escrow agreement and other forms of security interests specified by Founders over the Property and the Common Shares on terms satisfactory to Founders to secure the performance of the respective obligations of the Optionor and the Company under this Agreement. The Optionor and the Company covenant and agree with Founders that each will, promptly at any time and from time to time at the request of Founders, execute and deliver to Founders all deeds, instruments and other documents and do all acts and things which Founders may reasonably require for the purpose of granting such charge, mortgage, security agreement, debenture, share pledge, escrow agreement and other forms of security interests over the Property and the Common Shares and for the purpose of registering such interests.

8.11 Registered Title during Option Period

During the term of this Agreement, the Company must remain the registered holder and beneficial owner of the Mineral Rights and the Other Rights comprising the Property.

8.12 Abandonment and Excision

- (a) Neither Party may abandon or surrender any of the Mineral Rights or the Other Rights comprising the Property without the prior written consent of the other Party.
- (b) At any time during the term of this Agreement Founders may, by notice to the Optionor, excise from the Property any (but not all) of the Mineral Rights or the Other Rights that comprised the Property as at the Effective Date ("**Excision Notice**"). If Founders gives an Excision Notice then the Parties agree that:
 - (i) from the date of receipt by the Optionor of the Excision Notice ("**Excision Date**") the Mineral Rights and/or the Other Rights specified in the Excision Notice ("**Excised Property**") will cease to form part of the Property for the purposes of this Agreement;
 - (ii) from the Excision Date Founders will cease to have any obligation to fund any Expenditure in respect of the Excised Property and, subject to section 16.15, each Party will be released from further performance of its obligations under this Agreement to the extent they apply to the Excised Property;
 - (iii) from the Excision Date Founders will have no interest in the Excised Property and the Company must transfer the Excised Property to the Optionor;
 - (iv) if Founders has conducted Hardrock Operations on the Excised Property, then Founders must comply with applicable Laws regarding reclamation in relation to Hardrock Operations conducted on the Excised Property by Founders; and
 - (v) any Founders Equipment brought and placed upon the Excised Property in connection with the Hardrock Operations will remain Founders' exclusive property and may be removed by Founders at any time within a period of 180 days following the Excision Date but if Founders has not removed all the Founders Equipment within that 180 day period, then the Founders Equipment not so removed thereafter will become the absolute property of the Optionor or, at the Optionor's option, may within a further 90 days be removed by the Optionor at Founders' expense. All Founders Equipment, until it becomes the Optionor's property or is removed from the Excised Property, will be the sole responsibility of Founders and the Optionor will have no Liability with regard to it.

9. JOINT VENTURE AND SHAREHOLDERS' AGREEMENT

9.1 Formation of Joint Venture

Provided that Founders has exercised the Second Option, at the end of the Earn-in Period the Parties will be deemed to have entered into a single purpose joint venture in relation to the Property (in accordance with the Shareholders' Agreement contained in Schedule 2). Notwithstanding the foregoing, if the Parties agree otherwise, the Joint Venture may be established as an unincorporated joint venture or other commercial arrangement as the Parties may mutually agree is most effective from a legal, financial, tax and operational perspective, with such revisions to the Shareholders' Agreement to reflect the unincorporated or other nature of the Joint Venture, *mutatis mutandis*.

9.2 Shareholders' Agreement

Within seven (7) days of the formation of the Joint Venture pursuant to section 9.1, the Parties must execute and deliver the Shareholders' Agreement contained in Schedule 2. Unless otherwise

agreed to by the Parties, until the Shareholders' Agreement contained in Schedule 2 has been executed by the Parties, the Joint Venture will be governed by the provisions contained and incorporated in Schedule 2. When executed, the Shareholders' Agreement will exclusively govern the Joint Venture effective from the date the Earn-in Period ended, and this Agreement will terminate.

10. ASSIGNMENT

10.1 Limitations on Assignments

- (a) Subject to section 10.3, the Optionor must not assign this Agreement (including with respect to the exercise of the Alluvial Right) or the Company Shares without the prior written consent of Founders, which consent may be withheld in its sole and absolute discretion. No partial assignment of this Agreement or the Company Shares by the Optionor will be permitted.
- (b) The Company must not assign this Agreement or the Property without the prior written consent of Founders, which consent may be withheld in its sole and absolute discretion.
- (c) Founders may assign this Agreement provided the proposed assignee enters into an agreement with the Optionor by which the proposed assignee agrees to be bound by the provisions of this Agreement as if it was an original party to this Agreement in place of Founders.
- (d) In this section 10, "**assign**" includes:
 - (i) sell, transfer, licence, or otherwise dispose or part with possession of; and
 - (ii) mortgage, charge, grant a lien, pledge, hypothecate, declare a trust in respect of or grant any interest in, by way of security or otherwise.

10.2 Obligations Upon Giving Consent

Provided Founders consents to an assignment under section 10.1(a), no assignment of this Agreement or the Company Shares by the Optionor will be effective unless and until:

- (a) the Optionor or the proposed assignee pays all expenses (including legal costs on a solicitor and own client or full indemnity basis, whichever is greater) incurred by Founders in investigating the proposed assignee or in connection with the proposed assignment;
- (b) the Optionor or the proposed assignee demonstrate to the satisfaction of Founders that the proposed assignee has the capability (whether financial, technical or otherwise) to comply with and perform the obligations of the Optionor under this Agreement; and
- (c) the proposed assignee has entered into an agreement with Founders by which the proposed assignee agrees to be bound by the provisions of this Agreement as if it was an original party to this Agreement in place of the Optionor.

10.3 Affiliates of Optionor

The Optionor may assign this Agreement to an Affiliate of the Optionor. An assignment to an Affiliate will be subject to the Affiliate and the Optionor entering into an agreement with Founders, in form and substance satisfactory to Founders, by which:

- (a) concurrently with the assignment of this Agreement by the Optionor to the Affiliate the legal and beneficial interest of the Optionor in the Company Shares is assigned to the Affiliate;
- (b) the Affiliate agrees to assume the obligations of the Optionor under this Agreement and be bound by this Agreement;
- (c) the Optionor agrees that it will remain jointly and severally liable with the Affiliate for all obligations and Liabilities of the Optionor under this Agreement;
- (d) the Optionor and its Affiliate agree that Founders may at its sole option have recourse against either or both the Optionor and the Affiliate for any and all obligations or Liabilities of the Optionor under this Agreement; and
- (e) the Affiliate agrees with Founders in writing to re-assign the legal and beneficial interest it holds in the Company Shares and this Agreement to the Optionor (as long as the Optionor at the time of such re-assignment remains under the same Control as at the Effective Date and if not, then to another person which is so Controlled) before ceasing to be an Affiliate of the Optionor.

10.4 Exceptions

Nothing in this section 10 applies to or restricts in any manner an amalgamation or corporate reorganization involving a Party which has the effect in Law of the amalgamated or surviving corporation possessing all the property, rights and interests and being subject to all the debts, Liabilities and obligations of each amalgamating or predecessor corporation.

10.5 No Encumbrance

Except as set out in section 8.10, during the term of this Agreement:

- (a) the Optionor must not cause or allow an Encumbrance to be given or granted in, in respect of or over its legal or beneficial interest in the Company Shares or its rights under this Agreement; and
- (b) the Company must not cause or allow an Encumbrance to be given or granted in, in respect of or over its legal or beneficial interest in the Property or its rights under this Agreement.

10.6 Change of Control

- (a) A change of Control of the Optionor after the Effective Date will, subject to section 10.6(b), be deemed an assignment for the purposes of section 10.1.
- (b) An involuntary change of Control of the Optionor that arises in connection with:
 - (i) the operation of applicable Law; or
 - (ii) the trading of securities of the Optionor on a stock exchange or similar public market upon which the securities of the Optionor are quoted,

will not, for the purposes of section 10.6(a), constitute a change of Control of the Optionor or be deemed to be an assignment for the purposes of section 10.1.

11. FORCE MAJEURE

11.1 Notice of Force Majeure

Subject to section 11.4, a Party will not be liable for any delay or failure to perform any of its obligations under this Agreement (other than an obligation of indemnification or to pay money) if as soon as reasonably possible after the beginning of the Force Majeure affecting the ability of the Party to perform any of its obligations under this Agreement, it gives a notice to the other Parties that complies with section 11.2.

11.2 Force Majeure notice

A notice given under section 11.1 must:

- (a) specify the obligations the Party cannot perform;
- (b) fully describe the Force Majeure;
- (c) estimate the time during which the Force Majeure is expected to continue; and
- (d) specify the measures proposed to be adopted to remedy or abate the Force Majeure.

11.3 Obligation to remedy and mitigate

The Party that is prevented from carrying out its obligations under this Agreement as a result of Force Majeure must:

- (a) remedy the Force Majeure to the extent reasonably practicable and resume performance of its obligations as soon as reasonably possible; and
- (b) take all action reasonably practicable (but without any obligation to make any monetary payment) to mitigate any Liability suffered by the other Party as a result of its failure to carry out its obligations under this Agreement.

Despite the foregoing, nothing in this section 11.3 will require the Party that is prevented from performing its obligations under this Agreement as a result of Force Majeure to resolve or compromise any labour dispute or to question or to test the validity of any Law, rule, regulation or order of any Governmental Authority or to perform its obligations under this Agreement if Force Majeure renders performance impossible.

11.4 Effect of Force Majeure on Time and Payment

- (a) In the event of Force Majeure, any time period provided for in this Agreement will be extended by a period equivalent to the period of delay or such longer period as is reasonable in the circumstances.
- (b) If at any time during the Earn-in Period Force Majeure arises, then from the date that the Force Majeure arises until the Force Majeure is remedied or abates Founders will not be obliged to make any further Cash Payments, Share Issuances or incur any Expenditure in the respective time periods listed in sections 4.2(a), 4.4(a) and 4.6(a), as applicable. Notwithstanding the foregoing, during the period of Force Majeure Founders must make such Expenditure as is necessary to pay the Manager's Expenditures for any maintenance, rental, holding fee, or other payment required to maintain the Property in good standing.

- (c) If the Force Majeure is subsequently remedied or abates then, subject to extension of the time period provided for in section 11.4(a) and any right Founders has to terminate this Agreement, Founders will make the relevant Cash Payments and Share Issuances and incur the relevant Expenditures, as the case may be that, but for the Force Majeure, Founders would have been required to contribute during the period of Force Majeure.

12. CONFIDENTIAL INFORMATION

12.1 Confidentiality

The Parties agree that:

- (a) this Agreement (including any drafts of it), all information (whether in tangible or electronic form) exchanged between the Parties or their Affiliates under this Agreement and all information concerning or relating to the Property or the Hardrock Operations of which it becomes aware (“**Confidential Information**”) is confidential; and
- (b) must be kept confidential and must not be disclosed to any person at any time or in any manner except:
 - (i) to another Party;
 - (ii) with the prior written consent of the other Parties;
 - (iii) to the extent that the Confidential Information was publicly available at the Effective Date or becomes publicly available subsequent to the Effective Date without breach of this Agreement;
 - (iv) as may be necessary in seeking approval of any Governmental Authority:
 - (A) in seeking to maintain the Property or acquire additional Mineral Rights or Other Rights;
 - (B) to perform the Hardrock Operations; or
 - (C) in seeking financial contribution on account of Hardrock Operations under a program offered by such Governmental Authority;
 - (v) by a Party to legal, financial and other professional advisers, auditors and other consultants, officers and employees of:
 - (A) that Party; or
 - (B) that Party’s Affiliates,

in any case requiring the information for the purposes of this Agreement (or any transactions contemplated by this Agreement), or for the purpose of advising that Party in relation to this Agreement, and are made aware that the Confidential Information should be kept confidential and of such Party’s undertaking in relation to the Confidential Information, and have been directed by such Party to keep the Confidential Information confidential and have undertaken to keep such Confidential Information confidential;
 - (vi) to the extent required by Law or by a lawful requirement of any Governmental Authority or stock exchange having jurisdiction over the Party or its Affiliates;

- (vii) if necessary or commercially desirable to be disclosed in any offer document, prospectus or information memorandum to bona fide investors or bona fide proposed or prospective investors:
 - (A) for an issue or disposal of any shares in a Party or its Affiliates or for an issue of debt instruments of a Party or its Affiliates; or
 - (B) for the purposes of a Party obtaining a listing on a stock exchange;
- (viii) if required in connection with legal proceedings or arbitration relating to this Agreement or for the purpose of advising a Party in relation to legal proceedings or arbitration;
- (ix) to any bona fide enquirer contemplating the purchase of the Interest of a Party under this Agreement under section 10 or to an Affiliate of a Party as long as the enquirer or the Affiliate has first covenanted in favour of the Parties to preserve confidentiality of information disclosed in a manner at least as onerous on the enquirer or Affiliate as this section 12.1 is onerous on the Parties;
- (x) to a banker, financial institution, private equity firm or other Third Party considering the provision of or, which has provided financial accommodation to, a Party or an Affiliate of a Party or to a trustee, representative or agent of that banker, financial institution, private equity firm or other Third Party; or
- (xi) to a stock exchange (including any regulator or securities commission having jurisdiction over a stock exchange) or similar public market for trading shares upon which securities of a Party or of an Affiliate of a Party are quoted after the reasonable prior consultation, if practicable, with the other Party taking place as to the nature and form of the disclosure (which does not imply that the consent or approval, of the other Party must or need be obtained).

12.2 Effect of Disclosure

Any consent of a Party given to another Party to disclose Confidential Information will not be considered an approval or certification of the consenting Party:

- (a) as to the accuracy of any information contained in that Confidential Information; or
- (b) that the Confidential Information complies with applicable Law or the rules, policies, by-laws and disclosure standards of any Governmental Authority, stock exchange, regulator or securities commission.

12.3 Survival

The obligations of the Parties in relation to the maintenance and non-disclosure of Confidential Information will extend for the period of this Agreement and for a period of two years after its termination or expiration, unless the Shareholders' Agreement is entered into or deemed entered into, in which case, the obligations will extend for the period of the Shareholders' Agreement and for a period of two years after its termination or expiration.

13. TERMINATION AND REMEDIES

13.1 Events of Default

A Party may terminate this Agreement by notice in writing to the other Party if:

- (a) a Party ("**Defaulting Party**") commits a breach of any provision of this Agreement, and:
 - (i) the breach is incapable of remedy; or
 - (ii) the breach is capable of remedy and:
 - (A) the Party has given notice to the Defaulting Party specifying the breach and requesting that it be remedied; and
 - (B) the Defaulting Party has failed to remedy that breach or has failed to take reasonable steps to commence rectifying that breach (or overcome its effects) within 20 Business Days of receiving that notice;
- (b) any one of the following occurs in relation to a Party ("**Insolvent Party**"):
 - (i) the Insolvent Party becomes, or informs the other Party, creditors of the Insolvent Party generally or any particular creditor of the Insolvent Party that it is, insolvent or unable to pay its debts as and when they fall due;
 - (ii) a liquidator or provisional liquidator, a receiver, assignee, custodian, trustee, sequestrator or an analogous person is appointed to, or in respect of, the Insolvent Party or any of its property;
 - (iii) the Insolvent Party enters into, or calls a meeting of its members or creditors with a view to entering into, a composition, compromise or arrangement with, or an assignment for the benefit of, any of its members or creditors, or a court orders that a meeting be convened in respect of a proposed composition, compromise or arrangement between the Insolvent Party and its creditors or any class of its creditors, other than for the purpose of reconstruction or amalgamation;
 - (iv) the Insolvent Party has any bona fide execution, writ of execution, *mareva* or standstill injunction or similar order, attachment or other process made, levied or issued against it or in relation to any of its assets;
 - (v) any bona fide application is made or other process commenced (not being an application or process withdrawn, discontinued or dismissed within 30 days of being filed) seeking an order for the appointment of a provisional liquidator, a liquidator, a receiver or a receiver and manager to the Insolvent Party;
 - (vi) the Insolvent Party is declared bankrupt or has filed for some form of protection from its creditors under applicable Law relating to or governing bankruptcy;
 - (vii) there is a resolution of creditors or members, or an order of a court, to place in liquidation or bankruptcy or wind up the Insolvent Party; or
 - (viii) an event happens analogous to an event specified in sections 13.1(b)(i) to 13.1(b)(vii) to which the Law of another jurisdiction applies and the event has an effect in that jurisdiction similar to the effect which the event would have had if the Law of Canada applied.

13.2 Insolvency of Optionor

- (a) If at any time during the term of this Agreement the Optionor is the subject of an Insolvency Event and Founders, either on or promptly after the date on which such Insolvency Event arose or occurs, pays to the Optionor any Cash Payments and Share Issuances, if any, for

any Option or Options that remain unexercised and that, under the terms of this Agreement, were not due to be made to the Optionor as at such date then:

- (i) Founders will be deemed to have earned and be the beneficial owner of the applicable Earned Interest that relates to such Option or Options (and any other Option Conditions that relate to such Option or Options that remain outstanding are deemed to be waived); and
 - (ii) the Optionor will be deemed to be holding legal ownership of the applicable Earned Interest that relates to such Option or Options in trust for Founders.
- (b) The Parties agree that each of the events referred to in section 13.2(a) will be deemed to pre-date the date on which the Optionor becomes the subject of an Insolvency Event.

13.3 Consequences of termination

Termination of this Agreement under this section 13 will not derogate from, affect or prejudice any rights or remedies of a Party whether arising under this Agreement or at Law that have accrued prior to the date of, or arise as a consequence of, termination.

14. DISPUTES RESOLUTION

14.1 Disputes

- (a) Any dispute, question or difference of opinion (“**Dispute**”) between the Parties in respect of this Agreement, whether arising before or after the expiration of this Agreement (including any Dispute as to whether an issue is arbitral) must be resolved solely in accordance with this section 14.
- (b) If a Dispute arises then a Party who requires the Dispute to be resolved in accordance with this section 14 must give to the other Party a notice (“**Dispute Notice**”) specifying the Dispute.

14.2 Dispute Representatives to seek resolution

- (a) If the Dispute is not resolved within 7 days after a Dispute Notice is given by a Party to the other Party, each Party must nominate 1 representative from its senior management to resolve the Dispute (each, a “**Dispute Representative**”), who must negotiate in good faith using their respective commercially reasonable efforts to attain a resolution of the Dispute.
- (b) If the Dispute is not resolved within 21 days of the Dispute being referred to the respective Dispute Representatives, then any Party may submit the Dispute to arbitration in accordance with section 14.3.

14.3 Arbitration

- (a) Any Dispute which has not been resolved under section 14.2 must be finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce (the “**Rules**”) by one or more arbitrators appointed in accordance with the said Rules.
- (b) The Parties agree that:
 - (i) the seat, or legal place of arbitration, will be Suriname. The language used in the arbitral proceedings will be English;

- (ii) all arbitral proceedings will be private and confidential and may be attended only by the arbitrators, the Parties and their representatives, and witnesses to the extent they are testifying in the proceedings;
 - (iii) arbitration will be the sole and exclusive forum for resolution of a Dispute and any award or determination of the arbitrator will be final and binding upon the Parties in respect of all matters relating to the arbitration, the procedure, the conduct of the Parties during the proceedings and the final determination of the issues in the arbitration; and
 - (iv) there will be no appeal from any award or determination of the arbitrator to any court and judgment on any arbitral award may be entered in any court of competent jurisdiction.
- (c) No arbitration proceeding may be commenced under this section 14 unless commenced within the time period permitted for actions by the applicable statute of limitations.
 - (d) All papers, notices or process pertaining to an arbitration under this Agreement may be served on a Party in accordance with section 15.
 - (e) The Parties must treat as Confidential Information, in accordance with the provisions of section 12, the existence of the arbitral proceedings, written notices, pleadings and correspondence in relation to the arbitration, reports, summaries, witness statements, memorials, briefs and other documents prepared in respect of the arbitration, contemporaneous or historical documents exchanged or produced for the purposes of the arbitration and the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing, a Party may disclose such Confidential Information in judicial proceedings to enforce an award or ruling and as permitted under this section 14.

14.4 Inconsistency between Rules and Agreement

If there is a conflict between the provisions of this Agreement and the provisions of the Rules, then the provisions of this Agreement will prevail.

14.5 Enforcement

The award rendered by an arbitrator may be enforced by an order or judgment of any court having jurisdiction or an application may be made to such court for acceptance of the award and an order of enforcement, as the case may be.

14.6 Performance of Obligations During Dispute

During the existence of any Dispute, the Parties must continue to perform all of their obligations under this Agreement without prejudice to their position in respect of such Dispute, unless the Parties otherwise agree.

15. NOTICE

15.1 Form of Notice

- (a) A notice, demand, consent or other communication given or made under this Agreement (“**Notice**”) must be in writing, signed by the sender and either left at the delivery address or sent to the addressee in person, by mail or electronic communication. Any Notice given or made under this Agreement will be deemed to be duly given or made:
 - (i) in the case of delivery in person, when delivered;

- (ii) in the case of delivery by mail, 5 Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country);
- (iii) in the case of delivery by electronic communication, only when receipt is acknowledged by the addressee or transmission is otherwise confirmed,

but if the result is that a Notice would be taken to be given or made on a day which is not a Business Day in the place to which the Notice is sent or is later than 4:00 pm (local time) it will be taken to have been duly given or made at the commencement of business on the next Business Day in that place.

- (b) Each Party's delivery address and email address will be as specified in section 15.2 or as notified in writing from time to time to the other Party.

15.2 Address for Service

Any Notice given or made under this Agreement must be delivered to the intended recipient by hand, mail or email to the address or email address below or the address or email address last notified by the intended recipient to the sender:

- (a) to Founders:

Attention: Colin Padget, Chief Executive Officer
Address: 1111 West Hastings Street Suite 780, Vancouver, BC
Canada, V6E 2J3
Email Address: colinp@fdmetals.com
with copy to: soneill@boughtonlaw.com

- (b) to the Optionor:

Attention: Michael Naarendorp, Chief Executive Officer
Address: Aboenawrokostraat 71, Paramaribo, Suriname
Email Address: michael.naarendorp@nanaresources.net
with a copy to: directie@nanaresources.net

- (c) to the Company:

Attention: Michael Naarendorp, Chief Executive Officer
Address: Aboenawrokostraat 71, Paramaribo, Suriname
Email Address: michael.naarendorp@nanaresources.net
with a copy to: directie@nanaresources.net

16. GENERAL

16.1 Parties

- (a) If more than one person comprises a Party, each person:
 - (i) is jointly and severally liable for the performance by the Party of the Party's obligations under this Agreement; and

- (ii) must act only jointly in relation to the exercise by the Party of the Party's rights under this Agreement.
- (b) An obligation, representation or warranty in favour of more than one person is for the benefit of them separately and jointly.
- (c) A Party which is a trustee is bound both personally and in its capacity as a trustee.

16.2 Relationship of Parties

The Parties agree and declare that this Agreement is not and must not be construed as constituting an association, corporation, mining partnership or any other kind of partnership and, except as expressly provided otherwise in this Agreement, nothing in this Agreement will be deemed to:

- (a) constitute a Party a partner, agent or legal representative of any other Party for any purpose whatsoever; or
- (b) create a fiduciary relationship between the Parties.

16.3 No Holding Out

No Party may, except as expressly permitted by this Agreement, directly or indirectly use or permit the use of the name of another Party for any purpose related to the Property or this Agreement.

16.4 Area of Interest, Other Activities and Interests

- (a) Commencing on the Commencement Date continuing for the term of this Agreement, if the Company, Optionor, or Founders or any of their Affiliates acquire, directly or indirectly, either alone or in combination with any other Person, any right, title or interest to any Mineral Rights or Other Rights that are entirely or partially within the area of the Property or within an area that is 5 kilometers from the outermost boundaries of each of the Mineral Rights that currently comprise the Property (the "**Area of Interest**"), then such interest will be deemed to form part of the Property, at no cost to the other Parties. Property owned or controlled as of the Commencement Date by any Party or such Party's Affiliates, other than the Property, shall not be in violation of this clause.
- (b) The rights and obligations of the Parties under this Agreement are strictly limited to the Property. Each Party may enter into, conduct and benefit from any business venture of any kind whatsoever, whether or not competitive with the activities undertaken under this Agreement, without disclosing those activities to the other Party or inviting or allowing the other Party to participate in that business venture.
- (c) Except to the extent expressly provided otherwise in this Agreement and without limiting section 16.4(a), nothing in this Agreement will prevent or may be construed to prevent a Party from:
 - (i) acquiring any Mineral Right or interest in any Mineral Right outside of the Property;
 - (ii) acquiring any Mineral Right or interest in any Mineral Right within the Property that has been abandoned or surrendered in accordance with this Agreement; or
 - (iii) using, for any reason not related to the Property, any geological, geophysical, geochemical, metallurgical or operational concept, model or principle of any kind,

and each Party will be free to so acquire and use with no obligation whatsoever to the other Party.

16.5 Recording of this Agreement

This Agreement, or a memorandum of this Agreement, will, upon the written request of a Party, be recorded in the office of any Governmental Authority identified in the written request of the requesting Party, in order to give notice to third persons of that Party's interests that arise under this Agreement. Each Party agrees with the requesting Party to execute those documents that may be necessary to perfect such recording.

16.6 Entire Agreement

This Agreement:

- (a) is the entire agreement and understanding between the Parties on everything connected with the subject matter of this Agreement; and
- (b) supersedes any prior agreement or understanding on anything connected with that subject matter, including the Option Agreement, originally concluded on March 16, 2022 between Orea Mining Inc. and Nana Resources N.V. and the subsequent amendments thereon.

16.7 Amendment and variation

This Agreement may not be amended, modified, varied or supplemented except in writing signed by the Parties.

16.8 Consents or Approvals

Except where expressly specified otherwise in this Agreement, if the doing of any act, matter or thing under this Agreement is dependent on the consent or approval of a Party or is within the discretion of a Party, then the consent or approval may be given, or the discretion may be exercised conditionally or unconditionally or withheld or delayed by the Party in its absolute discretion.

16.9 Pre-Conditions

Where in this Agreement a pre-condition is prescribed in relation to any right or benefit that a Party might become entitled to enjoy, the Party will only be entitled to the right or benefit if the pre-condition is satisfied.

16.10 Waiver

The Parties agree that:

- (a) a Party's failure or delay to exercise a power or right does not operate as a waiver of that power or right;
- (b) the exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right;
- (c) a waiver is not effective unless it is in writing; and
- (d) waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

16.11 Costs and outlays

Each Party must pay its own costs and expenses connected with the preparation, negotiation and execution of this Agreement including all legal, accounting and brokers or finders fees and disbursements relating to this Agreement.

16.12 Manner of Payment

Any payment to be made to a Party may be made by electronic funds transfer to that Party's bank as designated by that Party by notice from time to time. That bank will be deemed the agent of the designating Party for the purposes of receiving, collecting and receipting such payment.

16.13 Further Assurances

Each Party must promptly at its own cost do all things (including executing and if necessary delivering all documents) reasonably necessary or desirable to give full effect to this Agreement and the transactions contemplated by it.

16.14 Special Remedies

Each Party acknowledges and agrees that:

- (a) any breach by it of section 10 (Assignment) or section 12 (Confidential Information) would constitute an injury and cause damage to the other Party which is impossible to measure monetarily;
- (b) monetary damages alone would not be a sufficient remedy for a breach of section 10 or section 12;
- (c) in addition to any other remedy which may be available in Law or equity, a Party is entitled to interim, interlocutory and permanent injunctions or any of them to prevent breach of section 10 or section 12 and to compel specific performance of any one or more of those sections; and
- (d) any Party intending to breach or which breaches section 10 or section 12 hereby waives any defence it may have at Law, in equity or under statute to such injunctive or equitable relief.

16.15 Survival

Sections 3.3, 6.5, 6.7, 6.9, 7.2, 8.6, 9, 12, 13.2, 13.3, 14, 15, 16.16 and all limitations of Liability and rights accrued prior to completion, termination, or expiration of this Agreement will not merge on completion, termination, or expiration of this Agreement, but will continue in full force and effect after any termination or expiration of this Agreement as will any other provision of this Agreement which expressly or by implication from its nature is intended to survive the termination or expiration of this Agreement.

16.16 Governing Law

- (a) This Agreement is solely governed by the Law in force in Suriname.
- (b) Subject to section 14, each Party:
 - (i) irrevocably and unconditionally submits to and accepts the exclusive jurisdiction of the courts exercising jurisdiction in Suriname, and any court that may hear appeals

from any of those courts, for any proceeding in connection with this Agreement, subject to the right to enforce a judgment obtained in any of those courts in any other jurisdiction; and

- (ii) irrevocably waives any objection to the venue of any legal process commenced in the courts of Suriname on the basis that the process has been brought in an inconvenient forum.

16.17 Violation of Law of another Jurisdiction

If this Agreement is intended to be performed in more than one jurisdiction, and its performance would be a violation of the applicable Law of a jurisdiction where it is intended to be performed, this Agreement is binding in those jurisdictions in which it is valid and the Parties will use their reasonable efforts to re-negotiate and amend this Agreement so that its performance does not involve a violation of the applicable Law of the jurisdiction where its performance would be a violation.

16.18 Specific Performance; Remedies

The Optionor acknowledges that a breach or threatened breach by it of any of its obligations under this Agreement would give rise to irreparable harm to Founders for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by the Optionor of any such obligations, Founders will, in addition to any and all other rights and remedies that may be available to it in respect of such breach and notwithstanding section 14, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

16.19 Conflicts of Interest and Corrupt Practices

Each Party must comply with all applicable anti-corruption Laws, including of Canada and the *US Foreign Corrupt Practices Act* and the *UK Bribery Act 2010* ("**Anti-Corruption Law**"). Each Party must not give or offer to give, receive, or agree to accept, any payment, gift or other advantage which violates Anti-Corruption Law.

16.20 Exclusivity

Except as explicitly permitted pursuant to section 10, the Optionor must not directly or indirectly, through any representative or otherwise, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept or consider any proposal from any Third Party relating to the financing, option, earn-in, joint venture or sale of any interest in the Property, or the amalgamation, solicited take-over bid or any similar transaction involving the Optionor or the Company.

16.21 Severability

- (a) If anything in this Agreement is unenforceable, illegal or void then it is severed and the rest of this Agreement remains in full force and effect.
- (b) Where a provision of this Agreement is prohibited or unenforceable, the Parties must negotiate in good faith to replace the invalid provision by a provision which is in accordance with the applicable Law and which must be as close as possible to the Parties' original intent and appropriate consequential amendments (if any) will be made to this Agreement.

16.22 Successors and Assigns

This Agreement will ensure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

16.23 Counterparts

This Agreement may be executed in any number of counterparts. Each counterpart is an original, but the counterparts together are one and the same document. This Agreement is binding on the Parties on the exchange of counterparts. A copy of a counterpart sent by facsimile machine or by electronic mail:

- (a) must be treated as an original counterpart;
- (b) is sufficient evidence of the execution of the original; and
- (c) may be produced in evidence for all purposes in place of the original.

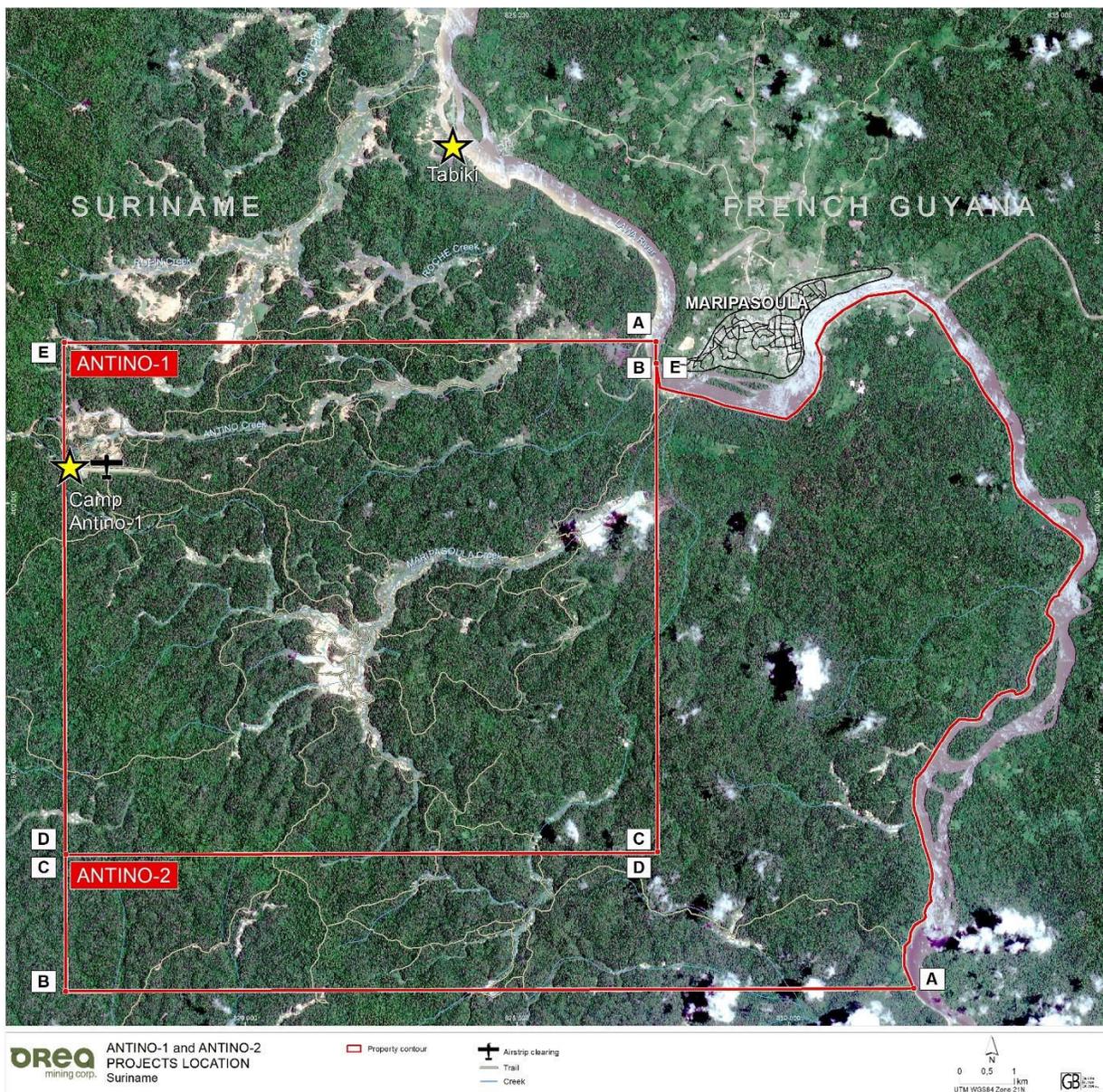
16.24 Execution – Authorized Officer to Sign

Each person signing this Agreement as an authorized officer of a Party hereby represents and warrants that he or she is duly authorized to sign this Agreement for that Party and that this Agreement will, upon having been so executed, be binding on that Party in accordance with its terms.

[Signature page follows]

Schedule 1 – Property Description

GMD 180A/16 – Antino-1					GMD 181A/16 – Antino-2				
Summit	DMS WGS84		UTM WGS84 21N		Summit	DMS WGS84		UTM WGS84 21N	
	Long	Lat	Easting	Northing		Long	Lat	Easting	Northing
A	54°03'5.9"O	3°38'28.5"N	827565.29	403008.58	A	54°00'33.5"O	3°31'59.4"N	832311.9	391060.89
B	54°03'5.9"O	3°38'14.5"N	827566.69	402578.16	B	54°08'58.9"O	3°31'59.4"N	816699.36	391011.8
C	54°03'5.9"O	3°33'20.9"N	827595.86	393551.53	C	54°08'58.9"O	3°33'20.9"N	816691.65	393517.27
D	54°08'58.9"O	3°33'20.9"N	816691.65	393517.27	D	54°03'5.9"O	3°33'20.9"N	827595.86	393551.53
E	54°08'58.9"O	3°38'28.5"N	816662.1	402973.51	E	54°03'5.9"O	3°38'14.5"N	827566.69	402578.16



Schedule 2 – Shareholders' Agreement

See attached.

**SHAREHOLDERS' AGREEMENT
OF
LAWA GOLD N.V.
(FOR THE ANTINO GOLD PROJECT)**

EFFECTIVE AS OF [●]

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SCHEDULES

Schedule 1 – Property

Schedule 2 – NSR Royalty Terms

SHAREHOLDERS' AGREEMENT

THIS SHAREHOLDERS' AGREEMENT is made and entered into as of this [●] day of [●], [●] ("Effective Date"), by and among

NANA RESOURCES N.V. OR ITS WHOLLY OWNED SUBSIDIARY, of
[●] [NTD: party/address to be confirmed]

("Nana")

AND:

LAWA GOLD N.V., a private Surinamese company with its registered office at [Aboenawrokstraat #71, Paramaribo], Suriname [NTD: address to be confirmed]

("Company")

AND:

[FOUNDERS METALS INC. or its wholly owned subsidiary], of [●] [NTD: party/address to be confirmed]

("FMI")

INTRODUCTION

- A. Pursuant to an Option Agreement made as of the [●] day of [●], 2024, among Nana, the Company and FMI ("**Option Agreement**"), FMI was granted the exclusive and irrevocable earn-in right to acquire an undivided [●] percent ([●]%) right, title and ownership interest in the Company. [NTD: **If only second option exercised, then input 70%, but if third option exercised, then input 75%**]
- B. FMI has exercised such right and acquired such interest in the Company, all upon and subject to the terms and conditions set out in the Option Agreement.
- C. Pursuant to the Option Agreement, FMI and Nana agreed, among other things, that upon the completion of the exercise of the option right by FMI, Nana and FMI would enter into a shareholders' agreement for, among other things, the management and operation of the Company and, if warranted, further exploration, development and exploitation of the Property by and through the Company.
- D. This Agreement is the shareholders' agreement described in this section, paragraph C.

IN CONSIDERATION OF, among other things, the mutual promises contained in this Agreement, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless the context otherwise expressly requires, in this Agreement:

- (1) "**Abandonment Date**" has the meaning given in section 17.1;
- (2) "**Abandonment Property**" has the meaning given in section 17.1;

- (3) **"Abandonment Property Interest"** has the meaning given in section 17.2;
- (4) **"Acquiring Shareholder"** has the meaning given in section 16.1;
- (5) **"Affiliate"** means any Person which directly or indirectly Controls, is Controlled by, or is under common Control with, a Shareholder;
- (6) **"Agreement"** or "this Agreement" means this document including any schedule or appendix to it;
- (7) **"Alluvial Gold"** means gold in unconsolidated material including alluvium, colluvium and chemically weathered rock (laterite, saprolite) on the surface of Property down to the interface with fresh non-weathered hardrock;
- (8) **"Alluvial Operations"** means every kind of work done, or activity on or in respect of the Property to mine for Alluvial Gold including investigating, analyzing, sampling, preparation of reports, estimates and studies, surveying, rehabilitation, reclamation and environmental protection, and any management and administration necessary to conduct the foregoing work or activities;
- (9) **"Alluvial Right"** has the meaning given in section 3.6(1)
- (10) **"AOI Property"** has the meaning given in section 16.1;
- (11) **"Anti-Corruption Law"** means any anti-corruption Law applicable to any Party (including any Affiliate) or this Agreement, and includes the applicable Laws of Suriname, Canada and the United States, including the *Canadian Corruption of Foreign Public Officials Act*, the *Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the Criminal Code of Canada, Federal and applicable state law of the United States of America regarding corruption and the *U.S. Foreign Corrupt Practices Act*;
- (12) **"Approved Budget"** means a Budget approved by the Board in accordance with section 9.1;
- (13) **"Approved Program"** means a Program approved by the Board in accordance with section 9.1;
- (14) **"Area of Interest"** means the land included within five (5) kilometers of the outermost boundary of the Property;
- (15) **"Articles"** means the bylaws and articles of association of the Company, as amended from time to time in accordance with this Agreement and applicable Law;
- (16) **"Assets"** means the Property, Products, and all other real and personal property, tangible and intangible, held by or on behalf of the Company;
- (17) **"Audited Accounts"** mean the auditors' report and audited accounts (including a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows and appropriate note disclosure) of the Company for the Financial Year ending on the relevant Financial Year End;
- (18) **"Auditors"** means such internationally recognized firm of chartered accountants as are appointed as the auditors of the Company by the Board, in accordance with applicable Law, from time to time;
- (19) **"BFS"** means a bankable feasibility study which complies with NI 43-101;

- (20) **"BFS Funding"** has the meaning given in section 10.1;
- (21) **"Board"** means the Directors or those of them who are present at a Board Meeting and eligible (in accordance with the terms of this Agreement and the Articles) to vote at that Board Meeting;
- (22) **"Board Meeting"** means a meeting of the Directors at which there is a quorum as required by this Agreement and the Articles;
- (23) **"Bribery"** means the offering, authorizing, giving, soliciting or accepting any monetary or other benefit to influence action of a Government Official in an official capacity, or to otherwise influence any Person to act improperly. Bribery includes the making of facilitation payments, which are improper payments made to induce required routine official action;
- (24) **"Budget"** means a detailed estimate of all costs to be incurred by the Company with respect to a Program and a schedule of cash or capital contributions to be made by the Shareholders with respect to such Program;
- (25) **"Business"** has the meaning given in section 5.2;
- (26) **"Business Day"** means any day other than a Saturday, Sunday or a public or statutory holiday in the place where an act is to be performed or a payment is to be made;
- (27) **"Called Sum"** has the meaning given in section 11.3;
- (28) **"Called Sum Notice"** has the meaning given in section 11.3;
- (29) **"CC Interest"** has the meaning given in section 18.10;
- (30) **"CC Option"** has the meaning given in section 18.10;
- (31) **"CC Shareholder"** has the meaning given in section 18.10;
- (32) **"CEO"** means the chief executive officer of the Company appointed by the Board including any successor CEO;
- (33) **"CIM"** means the Canadian Institute of Mining, Metallurgy and Petroleum or any entity which replaces it or which substantially succeeds to its powers or functions;
- (34) **"CIMVAL Standards & Guidelines"** means the Standards and Guidelines for Valuation of Mineral Properties, adopted and approved by the Special Committee of CIM on Valuation of Mineral Properties on February 1, 2003 and as amended from time to time or any successor standards, guidelines or instrument;
- (35) **"Chair"** means the chair of the Board appointed in accordance with section 8.3(1);
- (36) **"Change of Control"** of a Person (the **"Subject Person"**) means the consummation of any transaction or event, including any consolidation, business combination, arrangement, amalgamation or merger or any issue, Transfer or acquisition of securities, the result of which is that any other Person (other than an Affiliate of the Subject Person) or group of other persons (other than an Affiliate of the Subject Person) acting jointly or in concert for purposes of such transaction or event (a) becomes the beneficial owners, directly or indirectly, of more than 50% of the votes attached to the voting securities of the Subject Person or (b) otherwise acquires Control, directly or indirectly, of the Subject Person, and including by acting with a group of other Persons, of the Subject Person, including through the occupation of a majority of the seats (other than the vacant seats) on the board of the Subject Person by individuals who were neither (i) nominated by the board of the Subject

Person nor (ii) appointed, approved or endorsed by members of the board of the Subject Person; provided that a Change of Control of any Subject Person (or its ultimate parent company) shall not include:

- (a) a change in the beneficial ownership of voting securities of such Subject Person (or its ultimate parent company), or acquisition of Control of such Subject Person (or its ultimate parent company), if the common shares of such Subject Person (or its ultimate parent company) were listed on a public securities exchange immediately prior to the completion of such transaction;
 - (b) the events contemplated in section 18.4(1); and
 - (c) a Change in Control of a Shareholder or any Affiliate of a Shareholder that Controls (either directly or indirectly) a Shareholder as part of a transaction involving the whole or principal elements of the business of the group of companies in which the ultimate parent company of that Shareholder or any Affiliate of a Shareholder that Controls (either directly or indirectly) a Shareholder has:
 - (i) a Controlling Interest; and
 - (ii) the value of the Shares of such Shareholder is less than 25% of the entire value of that transaction;
- (37) **"Change in Control Notice"** has the meaning given in section 18.10;
- (38) **"Charter Documents"** means a constitution, articles, articles of incorporation, notice of articles, memoranda, by-laws or any similar constating document of a corporate entity;
- (39) **"Claim"** means any claim, action, proceeding, damage, loss, liability, cost, charge, expense, outgoing, payment or demand of any nature and whether present or future, fixed or unascertained, actual or contingent and whether at law, in equity, under statute, contract or otherwise;
- (40) **"Commercial Production"** means the operation of all or part of the Property as a producing mine, but does not include bulk sampling or milling for the purpose of testing or milling by a pilot plant, and will be deemed to have commenced on the first day of the month following the first 30 consecutive days during which minerals have been produced from a mine at an average rate of not less than 70% of the initial rated capacity if a plant is located on the Property or if no plant is located on the Property, the last day of the first period of 30 consecutive days during which ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues, whether to a plant or facility constructed for that purpose or to a plant or facility already in existence;
- (41) **"Company"** has the meaning given in the introductory paragraph to this Agreement, and being a corporation incorporated under the laws of Suriname which is governed by this Agreement and the Articles;
- (42) **"Company Production"** means all of the Products which the Company extracts or has produced from the Property and which the Company has on hand from time to time for the purposes of sale or other disposition;
- (43) **"Confidential Information"** has the meaning given in section 19.1;
- (44) **"Consent"** means, as to any Person, any consent, waiver, approval, authorization, exemption, registration, declaration, expiration of waiting period, or filing;

- (45) **"Continuing Shareholder"** or **"Continuing Shareholders"** has the meaning given in section 18.10;
- (46) **"Continuing Majority Shareholder"** or **"Continuing Majority Shareholders"** has the meaning given in section 7.7(1),
- (47) **"Contribution"** means:
- (a) an Initial Contribution made by a Shareholder;
 - (b) an additional contribution made by a Shareholder to the Company including by any of the methods described in or contemplated by section 11 (which, for certainty excludes any additional contribution made on account of the BFS Funding) **[NTD: remove bracketed text if section 10 removed]**;
 - (c) a contribution transferred to a Shareholder in connection with the Transfer of an Interest to that Shareholder as contemplated by section 18.2(6); and
 - (d) a Deemed Contribution;
- (48) **"Control"** means, in relation to any Person, possession, directly or indirectly, of the power to direct or cause direction of management and policies of that Person through ownership of voting securities, contract, voting trust or otherwise;
- (49) **"Controlling Interest"** means an interest (direct or indirect, including under an agreement, arrangement or understanding) which entitles the interest holder or gives the interest holder the capacity to:
- (a) in the case of an interest in a company:
 - (i) vote more than 50% of the shares in that company; or
 - (ii) determine the outcome or decisions about that company's financial, marketing or operating policies, including the appointment of a majority of the directors on the board of that company;
 - (b) in the case of an interest in a joint venture or assets
 - (i) vote more than 50% of the votes able to be cast on any operating committee of the joint venture or any other committee governing the management of that asset: and
 - (ii) determine, either independently or by majority interest, whether or how the assets. (whether held in joint venture or otherwise) are to be operated, developed, sold or abandoned;
- (50) **"Continuing Obligations"** means obligations or responsibilities that are reasonably expected to continue or arise after Operations on a particular area of the Property have ceased or are suspended, such as future monitoring, stabilization, or Environmental Compliance;
- (51) **"Deemed Contribution"** means a contribution deemed to have been made by the Shareholder to the Company pursuant to section 10.3 but excluding the Initial Contributions;
- (52) **"Development"** means all preparation (other than Exploration) for the removal and recovery of Products, including the development and construction of a Mine;

- (53) **"Development Notice"** has the meaning given in section 9.3(5);
- (54) **"Development Program and Budget"** has the meaning given in section 9.3;
- (55) **"Director"** means any director for the time being of the Company nominated pursuant to this Agreement and the Articles, including where applicable, any alternate Director appointed pursuant to this Agreement and the Articles;
- (56) **"Discloser"** has the meaning given in section 19.4
- (57) **"Dispute Notice"** has the meaning given in section 21.1;
- (58) **"Dispute Representative"** has the meaning given in section 21.2;
- (59) **"Drag Along Offer"** has the meaning given in section 18.5(1);
- (60) **"Drag Along Notice"** has the meaning given in section 18.5(1);
- (61) **"Drag Along Right"** has the meaning given in section 18.5(2)(e);
- (62) **"Drag Along Transaction"** has the meaning given in section 18.5(1);
- (63) **"Effective Date"** has the meaning given in the introductory paragraph to this Agreement;
- (64) **"Encumbered Interest"** has the meaning given in section 18.7(3);
- (65) **"Encumbrance"** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, option, earn-in, license or license fee, royalty, production or streaming payment, back-in right, claw-back right, restrictive covenant or other encumbrance of any nature or any agreement to give or create any of the foregoing, whether registerable or not;
- (66) **"Environment"** means components of the earth including:
- (a) land, air or water;
 - (b) any layer of the atmosphere;
 - (c) any organic or inorganic matter and any living organism,
- and includes interacting natural ecosystems that include any of the components of the kind referred to in sections 1.1(66)(a) to 1.1(66)(c);
- (67) **"Environmental Compliance"** means action performed during or after Operations to comply with the requirements of all Environmental Laws or contractual commitments related to reclamation of the Property or other compliance with Environmental Laws;
- (68) **"Environmental Laws"** means any applicable Law relating to Operations and restoration or reclamation of the Property, abatement of pollution, protection of the Environment, protection of wildlife including endangered species, ensuring public safety from environmental hazards, protection of cultural or historic resources, management, storage or control of Regulated Substances, releases or threatened release of Regulated Substances into the Environment (including ambient air, surface water, ground water and land) and all other Laws relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Regulated Substances;
- (69) **"Election Period"** has the meaning given in section 18.3(4);

- (70) **"Existing Shares"** means all of the issued and outstanding Shares;
- (71) **"Exploration"** means activities directed toward ascertaining the existence, location, quantity, quality or commercial value of mineral deposits of Products;
- (72) **"Financial Year"** means a period of twelve (12) calendar months ending on a Financial Year End;
- (73) **"Financial Year End"** means **December 31**¹ or such other date as may be fixed for such purpose by the Board from time to time in accordance with this Agreement;
- (74) **"Former Shareholder"** has the meaning given in section 16.4;
- (75) **"Governmental Authority"** means any federal, provincial, state, territorial, regional, municipal, local government or authority, quasi government authority, fiscal or judicial body, government or self-regulatory organization, commission, board, tribunal, organization, stock exchange or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing including any indigenous or native body (or both) exercising governance powers by right, title or custom;
- (76) **"Government Official"** includes any:
- (a) individual who is employed by or acting on behalf of a Governmental Authority, a Person Controlled by a Governmental Authority (including state owned enterprises) or a public international organization;
 - (b) political party, party official or political office candidate;
 - (c) individual who holds or performs the duties of an appointment, office or position created by custom or convention, including, potentially, some tribal leaders and members of royal families; or
 - (d) individual who holds themselves out to be the authorized intermediary of any Person specified in sections 1.1(76)(a), 1.1(76)(b), and 1.1(76)(c);
- (77) **"ICC"** has the meaning given in section 21.3(1);
- (78) **"IFRS"** means the international financial reporting standards adopted by the International Accounting Standards Board, as amended from time to time or any successor standards;
- (79) **"Independent Expert"** means an expert appointed under section 21.10 and acting pursuant to sections 21.10 to 21.12 (inclusive);
- (80) **"Initial Contribution"** means the capital contribution that each Shareholder is deemed to have made in the Company pursuant to section 5.5(2) ;
- (81) **"Insolvency Event"** means the happening of any one or more of the following events in relation to a Shareholder:
- (a) the Shareholder becomes, or informs the other Shareholder, creditors of the Shareholder generally or any particular creditor of the Shareholder that it is, insolvent or unable to pay its debts as and when they fall due;
 - (b) a liquidator or provisional liquidator is appointed in respect of the Shareholder;

¹ **NTD:** FMI to confirm.

- (c) a receiver or receiver and manager or an analogous Person is appointed to the Shareholder or any of its property;
 - (d) the Shareholder has a mortgagee who is entitled to and who is seeking to exercise a right of possession or control over the whole or a part of its property;
 - (e) the Shareholder enters into, or calls a meeting of its members or creditors with a view to entering into, a composition, compromise or arrangement with, or an assignment for the benefit of its creditors generally, or a court orders that a composition, compromise or arrangement between the Shareholder and its creditors generally or any class of its creditors, other than for the purpose of reconstruction or amalgamation;
 - (f) the Shareholder has any execution, writ of execution, mareva or standstill injunction or similar order, attachment or other process made, levied or issued against it or in relation to any of its assets which has material adverse effect on the Shareholder's business, assets or financial condition or its ability to perform its obligations under this Agreement;
 - (g) any application is made or other process commenced (not being an application or process withdrawn, discontinued or dismissed within twenty (20) Business Days of being filed) seeking an order for the appointment of a provisional liquidator or a liquidator to the Shareholder;
 - (h) the Shareholder is declared bankrupt or has filed for some form of protection from its creditors under applicable Law relating to or governing bankruptcy;
 - (i) there is a resolution of members, or an order of a court, to place in liquidation or bankruptcy or wind up the Shareholder; or
 - (j) an event happens analogous to an event specified in sections 1.1(81)(a) to 1.1(81)(i) to which the law of another jurisdiction applies and the event has an effect in that jurisdiction similar to the effect which the event would have had if the law of Canada applied;
- (82) **"Insolvent Party"** has the meaning given in section 18.3;
- (83) **"Interest"** means, for any Shareholder, all of the right, title and interest (including any economic interests) of that Shareholder in and to any of the Shares, any Loan, the revenues and benefits derived from the Company as a shareholder, and that Shareholder's interest in and under this Agreement;
- (84) **"Law"** includes:
- (a) federal, provincial, state, territorial, borough, and local government legislation including regulations;
 - (b) legislation of any jurisdiction other than those referred to in section 1.1(84)(a) with which a Party must comply;
 - (c) common law and equity;
 - (d) judgments, decrees, writs, administrative interpretations, guidelines, policies, injunctions, orders or the like, of any Governmental Authority with which a Party is legally required to comply; and

- (e) Governmental Authority requirements and Permits (including conditions in respect of those Permits);
- (85) **"Loan"** means, at the relevant time, any amounts advanced by a Shareholder to the Company and outstanding;
- (86) **"Mine"** means the workings established and the property acquired, including headframes, hoists, shafts, portals, declines, drifts, raises, open pits, infrastructures including ore, waste and water storage facilities, processing facilities, sewage and water treatment plants, power plants, substations and power distribution, shops, warehouses, offices, housing facilities, airstrips and equipment and consumables and other facilities in order to bring the Property into Commercial Production;
- (87) **"Mineral Rights"** means any claim, prospecting license, exploration license or permit, exploration or mining permit or lease, mining license, mining claim, mineral or mining concession, mineral claim and other forms of mineral tenure (including any application for the grant or issue of any of the foregoing) or other rights to minerals, or to work upon lands for the purpose of searching for, developing or extracting minerals under any form of mineral title recognized under applicable Law in Suriname, whether contractual, statutory or otherwise;
- (88) **"Mining Operation"** means an operation (of which a Mine forms part) directed to the mining, extraction, production, handling, milling or other processing of Products to produce commercial quantities of saleable Processed Products;
- (89) **"Minority Interest"** has the meaning given in section 7.7(1);
- (90) **"Minority Shareholder"** has the meaning given in section 7.7(1);
- (91) **"Minority Shareholder Notice"** has the meaning given in section 7.7(1);
- (92) **"NI 43-101"** means National Instrument 43-101, "Standards of Disclosure for Mineral Projects" published by the Canadian Securities Administrators, as amended from time to time, as amended from time to time or any successor instrument, rule or policy;
- (93) **"Non-Acquiring Shareholder"** has the meaning given in section 16.1;
- (94) **"Non-secured Shareholder"** has the meaning given in section 18.7(3);
- (95) **"Notice"** or "notice" has the meaning given in section 23.1;
- (96) **"NSR Royalty"** means a 3% net smelter returns royalty on the terms and conditions set out in Schedule 2;
- (97) **"OFAC"** means The Office of Foreign Assets Control of the US Department of the Treasury;
- (98) **"Offered Interest"** has the meaning given in section 18.3(2);
- (99) **"Operations"** means the activities carried out by the Company under this Agreement;
- (100) **"Operator"** means the operator of the Operations;
- (101) **"Option Agreement"** has the meaning given in Introduction A;
- (102) **"Ordinary Resolution"** has the meaning given in section 8.5(2);
- (103) **"FMI Operator"** has the meaning given in section 13.1;

- (104) **"Other Rights"** means any interest in real property, whether freehold, leasehold, license, right of way, easement, any other surface or other right in relation to real property, and any right, license or permit in relation to the use or diversion of water, but excluding any Mineral Rights;
- (105) **"Party"** means either Nana, the Company or FMI, as the context dictates;
- (106) **"Parties"** means Nana, the Company and FMI;
- (107) **"Percentage Interest"**, subject to section 5.6, means, at any time with respect to any Shareholder, the proportion that the total Contributions by such Shareholder at such time bears to the Total Contributions by all Shareholders as of such time. Percentage Interests must be calculated to three decimal places and rounded to Mo (e.g.. 1.519% rounded to 1.52%). Decimals of .005 or more must be rounded up, decimals of less than .005 must be rounded down. The initial Percentage Interests of the Shareholders are given in section 5.5(2);
- (108) **"Permit"** means any applicable permit, consent, authorization, registration, filing, lodgment, notarization, certificate, endorsement, permission, license, approval, authority or exemption by or with a Governmental Authority or other applicable Person ;
- (109) **"Permitting"** means the application for all necessary Permits to develop, construct and operate the Mining Operation;
- (110) **"Person"** means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, Governmental Authorities or any other type of organization or entity, whether or not a legal entity.
- (111) **"Personnel"** means:
- (a) in relation to a Party, any of its (or any Affiliates) directors, officers, employees, agents, consultants, invitees, Subcontractors (including Subcontractors' Personnel) and representatives involved either directly or indirectly in the performance of the Party's obligations under this Agreement; and
 - (b) in relation to a Subcontractor, any of its directors, officers, employees, agents, consultants, invitees, subcontractors or representatives involved either directly or indirectly in the performance of a Party's obligations under this Agreement;
- (112) **"Prime Rate"** means the Royal Bank of Canada's prime commercial lending rate of interest on Canadian funds, as designated from time to time by the Bank's head office in Canada;
- (113) **"Processed Products"** means Products that have been delivered by the Company to a refinery, smelter or other processor and subsequently refined, smelted or otherwise treated to produce a mineral product in a form that is commonly sold;
- (114) **"Products"** means all ores, minerals and mineral resources produced from the Property under this Agreement, and, as the context requires, includes Processed Products;
- (115) **"Program"** means a description in reasonable detail of Operations to be conducted and objectives to be accomplished by the Company for a Financial Year or any longer period;
- (116) **"Project Security"** means any Encumbrance over all or any of the Assets or the Company (or both, as the case may be) which the Board has approved as Project Security;

- (117) **"Property"** means the Mineral Rights and Other Rights, if any, described in Schedule 1, together with any present or future renewal, extension, modification, substitution, amalgamation or variation of any of those Mineral Rights or Other Rights that derive directly from those Mineral Rights or Other Rights (whether granting or conferring the same, similar or any greater rights and whether extending over the same or a greater or lesser domain);
- (118) **"Purchaser"** has the meaning given in section 18.5(1);
- (119) **"Qualified Person"** has the meaning given in NI 43-101;
- (120) **"Regulated Substances"** means all pollutants, contaminants, chemicals, industrial, toxic, hazardous or noxious substances or wastes or any other materials or substances that are now or hereafter prohibited, controlled, prescribed or regulated by any Governmental Authority or applicable Law, or the presence or quantity of which now or hereafter requires reporting, monitoring, investigation, removal or remediation by any Governmental Authority or applicable Law, including:
- (a) any petroleum or petroleum compound (refined or crude), natural gas, natural gas liquids or related hydrocarbons, flammable substance, explosive, radioactive material or any other material or pollutant that poses a hazard or potential hazard to the Environment or any Person;
 - (b) asbestos or any asbestos-containing material of any kind or character, any materials or substances containing polychlorinated biphenyls or urea formaldehyde insulation;
 - (c) any materials or substances designated as a "hazardous waste", "hazardous substance", "toxic pollutant" or "contaminant" under any Environmental Law; and
 - (d) any materials or substances that are toxic, explosive, corrosive, flammable, ignitable, infectious, radioactive, reactive, carcinogenic, mutagenic or otherwise hazardous;
- (121) **"Relevant Transaction"** means any transaction between the Company (on the one hand) and any Shareholder or Affiliate of any Shareholder (on the other hand) where the total consideration payable under the contract documenting the transaction exceeds two million dollars (\$2,000,000);
- (122) **"Remaining Shareholder"** has the meaning given in section 18.3(1);
- (123) **"Rules"** has the meaning given in section 21.3(1);
- (124) **"Sanctioned Entity"** means:
- (a) a country or a government of a country;
 - (b) an agency of the government of a country;
 - (c) an organization directly or indirectly controlled by a country or its government; or
 - (d) a Person resident in or determined to be resident in a country,
- in each case, that is subject to a country Sanctions program administered and enforced by OFAC or by any Surinamese Governmental Authority or Canadian Governmental Authority;
- (125) **"Sanctioned Person"** means:

- (a) any Person listed in any sanctions-related list of designated persons maintained by any Surinamese Governmental Authority or Canadian Governmental Authority; or
 - (b) a Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC;
- (126) **"Sanctions"** means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by OFAC or any Surinamese Governmental Authority or Canadian Governmental Authority;
- (127) **"Security"** has the meaning given in section 18.7(1);
- (128) **"Security Holder"** has the meaning given in section 18.7(3);
- (129) **"Selling Shareholder"** has the meaning given in section 18.3(2);
- (130) **"Shareholder"** means each of FMI and Nana and each Person who or which after the Effective Date acquires any Shares and is admitted as a Shareholder;
- (131) **"Shareholding Percentage"** means, in relation to a Shareholder, the percentage of the total number of all the issued and outstanding Shares that are held by that Shareholder from time to time;
- (132) **"Shares"** means common shares in the capital of the Company with voting rights;
- (133) **"Special Resolution"** means a resolution passed at a meeting of the Shareholders for which votes cast in favour total no less than seventy five percent (75%) of the Shares represented at such meeting;
- (134) **"Subcontractor"** means any Person engaged by the Company to perform any part of the Company's obligations under this Agreement;
- (135) **"Tag Along Acceptance"** has the meaning given in section 18.6(3);
- (136) **"Tag Along Notice"** has the meaning given in section 18.6(1);
- (137) **"Tag Along Offer"** has the meaning given in section 18.6(1);
- (138) **"Tag Along Transaction"** has the meaning given in section 18.6(1) to 18.6(3);
- (139) **"Tax"** means:
- (a) a tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding; or
 - (b) income, stamp or transaction duty, tax or charge,
- (or both, as the case may be) that is or may be at any time assessed, levied, imposed or collected by a Governmental Authority and includes interest, fines, penalties, charges, fees or other amounts imposed on or in respect of any of the foregoing;
- (140) **"Technical Report"** a report prepared, filed and certified in accordance with this Agreement and NI 43-101;
- (141) **"Total Contributions"**, as at the relevant determination date, means:

- (a) the aggregate of all Initial Contributions; plus
 - (b) the aggregate of all additional contributions made by the Shareholders to the Company including by any of the methods described in or contemplated by section 11 (which excludes, for certainty, any Deemed Contributions taken into account for the purposes of 1.1(141)(c)); plus
 - (c) the aggregate of all Deemed Contributions;
- (142) **"Transfer"** means to sell, grant, assign, encumber, pledge or otherwise commit or dispose of, and with respect to any Interest or any economic interest in any Interest. A Transfer also means:
- (a) when used as a verb, to sell, assign, dispose of, exchange, pledge, encumber, hypothecate or otherwise transfer such Interest (or any participation or interest in such Interest), whether directly or indirectly (including pursuant to a derivative transaction), or agree or commit to do any of the foregoing; and
 - (b) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, pledge, encumbrance, hypothecation, or other transfer of such Interest (or any participation or interest in such Interest), or any agreement or commitment to do any of the foregoing;
- (143) **"Transfer Notice"** has the meaning given in section 18.3(2); and
- (144) **"Transferee"** has the meaning given in section 18.3(2).

1.2 Interpretation

Unless the context otherwise expressly requires, in this Agreement:

- (1) the singular includes the plural and conversely and a gender includes all genders;
- (2) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (3) a reference to a section, schedule or annexure is a reference to a section of or a schedule or annexure to this Agreement;
- (4) a reference to any party (including a Party) includes that party's executors, administrators, substitutes (including, but not limited to, persons taking by novation), successors and permitted assigns;
- (5) a reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced except to the extent prohibited by this Agreement or that other agreement or document;
- (6) a reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation, code, by-law, ordinance or statutory instrument issued under it;
- (7) a reference to writing includes a facsimile or electronic mail transmission and any means of reproducing words in a tangible and permanently visible form ;
- (8) a reference to, "dollars", or "\$" is to currency of the United States of America;
- (9) the word "including" means "including without limitation and "include" and, "includes" will be construed similarly;

- (10) headings and any table of contents or index are for convenience only and do not form part of this Agreement or affect its interpretation;
- (11) a provision of this Agreement must not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of this Agreement or the inclusion of the provision in this Agreement;
- (12) if an act is prescribed to be done on a specified day which is not a Business Day, it must be done instead on the next Business Day; and
- (13) a reference to a thing (including a right, obligation or concept) includes a part of that thing but nothing in this section 1.2(13) implies that performance of part of an obligation constitutes performance of the obligation.

2. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Shareholders

Each Shareholder represents and warrants to the other Shareholder that as at the Effective Date:

- (1) it is duly formed, incorporated, amalgamated or continued (as the case may be) and validly exists under the law of its place of formation, incorporation, amalgamation or continuance;
- (2) it is in good standing under the legislation under which it was formed, incorporated, amalgamated or continued (as the case may be);
- (3) it has full legal capacity and power:
 - (a) to own its property and assets and to carry on its business; and
 - (b) to enter into this Agreement and to perform its obligations under this Agreement.
- (4) it has taken all action (whether corporate or otherwise) that is necessary to authorize its entry into this Agreement and to perform its obligations under this Agreement;
- (5) this Agreement constitutes a legal, valid and binding obligation of it enforceable in accordance with its terms by appropriate legal remedy subject to laws generally affecting creditors rights and to principles of equity (where applicable);
- (6) the execution, delivery and performance by it of this Agreement does not or will not (with or without the lapse of time, the giving of notice or both) contravene, conflict with or result in a breach of or default under:
 - (a) its Charter Documents;
 - (b) any material term or provision of any security arrangement, undertaking, agreement or deed; or
 - (c) any writ, order or injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it or any of its property is bound;
- (7) no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or, to its knowledge, threatened against it which if adversely decided could, in the reasonable opinion of the Party's management, have a material adverse effect on the Party's business, assets or financial condition such as to materially impair its ability to perform its obligations under this Agreement:

- (8) no liquidator, trustee in bankruptcy, receiver or receiver and manager or other external administrator is currently appointed in relation to it or any of its property; and
- (9) to its knowledge, there are no facts, matters or circumstances which give any Person the right to appoint or to apply to appoint (as the case may be) a liquidator, trustee in bankruptcy, receiver or receiver and manager or other external administrator to it or any of its property.

2.2 No Other Representations and Warranties

Except for the representations and warranties expressly set out in section 2.1, the Shareholders make no representation or warranty, express or implied, at law or in equity, and there are no implied conditions in respect of any Assets, liabilities or Operations, including with respect to merchantability or fitness for any particular purpose and any such other representations or warranties or conditions are hereby expressly disclaimed.

3. COMPANY AND ASSETS

3.1 General

The Shareholders agree that all of their rights with respect to the Company and all of the Operations will be subject to and governed by this Agreement and the Articles, as applicable.

3.2 Title to Assets

All right, title and interest in and to the Assets must be held by the Company and be held, used, dealt with or applied solely for the purposes of the Business or as otherwise permitted by the Board

3.3 Registered Office

The registered office of the Company will be situated in Suriname at the address the Board may approve from time to time. The Board may from time to time designate a successor registered office within Suriname. At a meeting of the Shareholders the Articles may be amended to designate a successor registered office in any other jurisdiction in Suriname.

3.4 Notation in Shareholder Register and Share Certificates

The shareholder register of the Company and each certificate evidencing the Shares must contain a notation to the following effect:

"The shares of Larva Gold N.V. evidenced by the certificate [insert certificate number] are subject to the terms and conditions, including transfer restrictions, of a Shareholders' Agreement between Nana, the Company and FMI, dated [insert date], and the Articles. No transfer of any share or other interest in Larva Gold N.V. will be valid unless it is effected in accordance with the terms of such Shareholders' Agreement and the Articles."

3.5 No Encumbrances on the Property

The Property will not be encumbered unless approved by the Board.

3.6 Alluvial Rights

- (1) Notwithstanding section 8.9, the Company and Nana may enter into an agreement to provide Nana with the right to conduct Alluvial Operations (the "**Alluvial Right**"), provided that any such Alluvial Operations must not interfere with any Operations conducted by the Operator hereunder. Prior to exercising the Alluvial Right and from time to time, Nana and the Operator will discuss planned Operations and planned Alluvial Operations and will

outline to each other in reasonable detail their respective planned activities and the locations on the Property where the activities are proposed. In exercising the Alluvial Right, Nana will make any adjustments to such Alluvial Operations that the Operator may request so as to ensure that Nana does not interfere with Operations conducted by the Operator. All costs and expenses in exercising the Alluvial Right shall be borne solely by Nana. The Alluvial Right must not be assigned by Nana and will expire on the commencement of Commercial Production.

- (2) The agreement between the Company and Nana referred to in section 3.6 will include the rights and the obligations of Nana as set out in clauses 8.3(b), 8.4(b), 8.5(b) and 8.6(a) of the Option Agreement, *mutatis mutandis*.
- (3) Notwithstanding any other provision of this Agreement, in no event will Nana make any Claim against the Operator, FMI or the Company, and none of the Operator, FMI or the Company will be liable to Nana or to any other Person in respect of the exercise of the Alluvial Right or any Alluvial Operations conducted by Nana, its Personnel, its predecessors in title or any other Person, on, or related to, the Property, whether arising under contract, tort (including negligence), for loss of anticipated profits or consequential, special or indirect loss or damage of any nature arising at any time. Nana indemnifies and must keep indemnified the Operator, FMI, the Company, and their respective Affiliates and Personnel from and against any Claim that the Operator, FMI, the Company or their respective Affiliates or Personnel suffer, sustain or incur arising out of or in connection with the exercise of the Alluvial Right, the Alluvial Operations or other activities conducted by Nana or its predecessors in title on, or related to, the Property.
- (4) For clarity, Nana shall not be indemnified for any Claims arising out of its Alluvial Right.

4. OPERATION OF AGREEMENT

4.1 Inconsistency between Agreement and Articles

- (1) The Shareholders must take all necessary action (including, as applicable, the actions described in section 4.4):
 - (a) to procure that the provisions of this Agreement are reflected in the Articles to the maximum extent permitted by applicable Suriname Law; and
 - (b) to procure that no provisions contrary to or inconsistent with the provisions of this Agreement are contained in the Articles, except to the minimum extent required by applicable Suriname Law.
- (2) In the event of any conflict or inconsistency between the Articles and this Agreement, the Shareholders must immediately amend the Articles to remove such conflict or inconsistency to the maximum extent permitted by Suriname Law.
- (3) Where this Agreement and the Articles deal with the same or a similar topic differently, or the Articles are inconsistent with performance by a Party of any obligation it has under this Agreement, this Agreement is, to the maximum extent permitted by Suriname Law, to prevail.

4.2 Director Acting in Compliance with this Agreement

- (1) Where section 4.1 applies and a Director acts in accordance with this Agreement, the Shareholders and the Company agree that:
 - (a) the fact that the Director has acted in accordance with this Agreement:

- (i) is taken to be an act that is in the best interests of the Company as a whole;
 - (ii) is not to be taken to be a breach of any duty owed by that Director to the Company or a breach of the Articles;
- (b) none of the Company or the Shareholders may take any steps to pursue the Director for a breach of duty if the only basis for the breach is conduct permitted by this section; and
- (c) if, contrary to section 4.2(1)(a), the conduct is a breach of duty or a breach of the Articles, to the extent permitted by Law, each Shareholder and the Company (as applicable) must take all steps necessary to:
 - (i) consent to, excuse, ratify or authorize the breach; and
 - (ii) otherwise release the Director from any liabilities arising from the breach of duty or the Articles.
- (2) The Company and the Shareholders acknowledge and agree that the Directors may, to the maximum extent permitted by applicable Law, rely on this section 4.2.

4.3 Agreement provision may be included in the Articles

If it is necessary to include a provision in the Articles to ensure that a provision of this Agreement is effective in accordance with its terms, then the Shareholders must (by an applicable resolution of the Shareholders) procure that the necessary amendment is, to the maximum extent permitted by applicable Suriname Law, made to the Articles.

4.4 Shareholders to observe and implement Agreement

- (1) Each Shareholder undertakes with each other Party to:
 - (a) exercise all its votes, powers and rights under the Articles so as to give full force and effect to the provisions and intentions of this Agreement;
 - (b) observe and comply fully and promptly with the provisions of the Articles so that each provision of the Articles is enforceable by the Parties among themselves and in whatever capacity;
 - (c) exercise all its votes, powers and rights in relation to the Company so as to ensure that the Company fully and promptly observes, complies with and gives effect to the requirements and intentions of this Agreement and the Articles; and
 - (d) procure the Board to:
 - (i) do all things required by the Board under this Agreement; and
 - (ii) procure the Company to comply with all its obligations under this Agreement.
- (2) The obligations in section 4.4(1) include an obligation to exercise its powers both as a Shareholder and, where applicable and to the extent permitted by Law, through any Director nominated by it and to ensure that any Director nominated by it (whether alone or jointly with any other Person) does or obtains that matter or thing.

4.5 Company to observe and implement Agreement

The Company must do all things necessary or desirable to give effect to the provisions and intentions of this Agreement in accordance with its terms and is bound by all provisions of this Agreement which expressly or by implication apply to the Company, but nothing in this Agreement will be construed as the Company agreeing not to exercise any of its powers expressly conferred by statute.

5. ORGANIZATION, BUSINESS AND CONDUCT OF BUSINESS

5.1 Organization

The Company was incorporated as a *Naamloze Vennootschap* (or limited liability company) pursuant to the applicable Laws of Suriname under the corporate name "LAWA GOLD N.V."

5.2 Corporate Purpose and Business

The Company will serve as the exclusive means by which the Shareholders, or either of them, will accomplish the following purposes:

- (1) maintain the Company and the Property in good standing;
- (2) to conduct Exploration within the Property and the Area of Interest;
- (3) to acquire additional Mineral Rights and other property within the Area of Interest;
- (4) to evaluate the possible Development of the Property;
- (5) to conduct the Permitting necessary or required to develop and construct a Mining Operation on the Property;
- (6) to develop and operate a Mining Operation on the Property;
- (7) to complete and satisfy all Environmental Compliance obligations and Continuing Obligations affecting the Property, and
- (8) to perform any other activity necessary, appropriate, or incidental to any of the foregoing, (collectively, the "**Business**").

The purposes described above will be reflected in the Articles together with any ancillary or incidental provisions required by applicable Suriname Law.

5.3 Scope of Company Business

The Shareholders acknowledge and agree that:

- (1) unless and to the extent approved by a meeting of the Shareholders, the business of the Company must be confined to the conduct of the Business; and
- (2) the Company may conduct any activities not prohibited by applicable Law and may exercise rights and incur obligations to conduct such activities as are related to the Business,

5.4 Conduct by Company of Business

Each Shareholder (to the extent that it can lawfully do so) must exercise its rights under this Agreement and its powers in relation to the Company to ensure that:

- (1) the Company performs and complies with all of its obligations under this Agreement and the Articles;
- (2) the Business is conducted by the Company:
 - (a) in accordance with sound and good business practice;
 - (b) in accordance with internationally accepted practice in the international resources industry;
 - (c) in accordance with applicable Law;
 - (d) without the Company engaging in any Bribery or other breach of Anti-Corruption Law; and
 - (e) in accordance with the policies, procedures, practices and standards approved and adopted by the Board or the Shareholders (as the case may be).

5.5 Capital of the Company

- (1) The capital of the Company will consist of the Shares. The Shares will have nominal value of \$1.00 each. A meeting of the Shareholders may, from time to time, modify or determine a new class or series of Shares. Except as specified otherwise in this Agreement or as determined from time to time by a meeting of the Shareholders, all classes and series of Shares will have the same legal and economic rights.
- (2) As of the Effective Date, the Percentage Interest of each Shareholder and the Initial Contribution of each Shareholder will be as follows:

Shareholder	Percentage Interest	Initial Contribution
Nana	◆%	\$[◆]
FMI	◆%	\$[◆]

[NTD: On the date the Joint Venture is formed, the Initial Contribution by the Shareholders will be deemed to be as follows:

- If the Second Option is exercised but the Third Option has not been exercised, then the percentage interests will be 70% FMI and 30% Nana, and the deemed Initial Contributions for each of the Parties shall be:
 - FMI: \$14,444,640; and
 - Nana: \$6,190,560, or
- If the Third Option is exercised, then the percentage interests will be 75% FMI and 25% Nana, and the deemed Initial Contributions for each of the Parties shall be:
 - FMI: \$22,976,400, and
 - Nana: \$7,658,800.]

The Shareholders will be deemed to have made the Initial Contributions allocated to each Shareholder in the table above.

5.6 Determining Percentage Interests

For the purposes of section 1.1(107), each Shareholder's:

- (1) Initial Contribution; and
- (2) additional contributions including by any of the methods described in or contemplated by section 11 (which excludes, for certainty, any Deemed Contributions taken into account for the purposes of section 5.6(3)); and
- (3) Deemed Contributions, will be taken into account in determining at any time with respect to any Shareholder, the total contributions by such Shareholder at such time or the Total Contributions of the Shareholders as of such time.

6. CORPORATE OPPORTUNITY AND RELATIONSHIP OF THE SHAREHOLDERS

6.1 Corporate and Other Business Opportunities

- (1) Except as expressly provided otherwise in this Agreement and to the fullest extent permitted by applicable Law:
 - (a) each Shareholder will have the right independently to engage in, and receive full benefits from, business activities, whether or not competitive with the Operations, without consulting the other Shareholder; and
 - (b) the doctrines of "corporate opportunity", "business opportunity" or any analogous doctrine will not be applied to any other activity, venture, or operation of either Shareholder.
- (2) Neither Shareholder will have any obligation to any Shareholder, or the Company, with respect to any opportunity to acquire any property outside the Area of Interest at any time, or, except as otherwise provided in section 18.6, within the Area of Interest after the termination of the Company. Except as otherwise provided in section 16, no Shareholder, nor any of its Affiliates, will have any obligation:
 - (a) to refrain from engaging in the same or similar activities or lines of business as the Company or developing or marketing any products or services that compete, directly or indirectly, with those of the Company;
 - (b) to refrain from investing or owning any interest publicly or privately in, or developing a business relationship with, any Person engaged in the same or similar activities or lines of business as, or otherwise in competition with, the Company or doing business with any client or customer of the Company; or
 - (c) to mill, beneficiate or otherwise treat any Products or any other Party's share of Products in any facility owned or controlled by that Shareholder.

6.2 Implied Covenants

There are no implied covenants contained in this Agreement.

6.3 Relationship of the Shareholders

- (1) Neither this Agreement nor the Articles will be interpreted as constituting:
 - (a) the relationship of the Shareholders as a partnership, quasi-partnership, association or any other relationship in which one or more of the Shareholders may

(except as specifically provided for in this Agreement) be liable generally for the acts or omissions of any other Shareholder; or

- (b) any Shareholder as the partner, agent or representative of any other Shareholder or of the Company for any purpose whatsoever (with the exception of any powers of attorney specifically or contemplated by this Agreement) and nothing in this Agreement or the Articles will create, or be deemed to create, a fiduciary relationship between the Shareholders, or between the Company and the Shareholders or any of them.
- (2) Without limiting section 6.3(1), no Shareholder has the authority to pledge or purport to pledge the credit of any other Shareholder or the Company or to make or give (or purport to make or give) any representations, warranties or undertakings for or on behalf of any other Shareholder or the Company.
- (3) The rights, duties, obligations and liabilities of the Parties will be several and not joint or collective. Each Shareholder will be responsible only for its obligations and will be liable only for its share of the costs and expenses in proportion to their respective Percentage Interest as expressly set out in this Agreement.

6.4 No Holding Out

No Shareholder will directly or indirectly use or permit the use of the name of any other Shareholder or the Company for any purpose related to the Operations, the Property, the Project or this Agreement.

7. SHAREHOLDERS' ACTION AND PERCENTAGE INTERESTS

7.1 Shareholders' Meetings

- (1) The Shareholders may hold general and special meetings of the Shareholders. General meetings of the Shareholders may be ordinary meetings or extraordinary meetings. The Shareholders must meet at least once each year and such meeting must be convened by the Board within the first four (4) months of each such year in order to hold an annual general ordinary meeting of the Shareholders
- (2) The quorum required for the transaction of business at an ordinary meeting of the Shareholders held pursuant to a first call for an ordinary meeting of the Shareholders will be one (1) or more Shareholders who holds or who together hold a Shareholding Percentage in excess of fifty percent (50%) with the right to vote at such meeting, and pursuant to a second call for an ordinary meeting of the Shareholders, will be whatever Shareholder or Shareholders are present or represented at such meeting. Subject to section 7.1(4), resolutions at an ordinary meeting of the Shareholders will be adopted by the majority vote of the Shareholders with the right to vote.
- (3) The quorum required for the transaction of business at an extraordinary meeting of the Shareholders held pursuant to a first call for an extraordinary meeting of the Shareholders will be one (1) or more Shareholders who holds or who together hold a Shareholding Percentage at least equal to seventy five percent (75%) with the right to vote at such meeting, and pursuant to a second call for extraordinary meeting of the Shareholders, will be one (1) or more Shareholders who holds or who together hold a Shareholding Percentage in excess of fifty percent (50%) with the right to vote at such meeting. Subject to section 7.1(4), resolutions at an extraordinary meeting of the Shareholders will be adopted by the majority vote of the Shareholders with the right to vote.
- (4) All matters in connection with the Company are within the authority of the Board in accordance with section 8.1, other than the matters set out below in this section 7.1(4), which matters are within the authority of a meeting of Shareholders to consider and decide.

Unless expressly provided otherwise by this Agreement, a Special Resolution will be required at a meeting of the Shareholders held upon the first or any subsequent call of a meeting of the Shareholders, to approve the following matters:

- (a) any transformation, merger, consolidation, spin-off, winding up, liquidation, dissolution, change in jurisdiction or any similar business combination involving the Company;
- (b) the creation of a new class or series of Shares;
- (c) any change in the determination of the rights and preferences of any class or series of Shares, including the value of any class or series of Shares;
- (d) amendments to the Articles or the adoption of a new version of the Articles;
- (e) the making, or entry into, by the Company of any agreement, contract, arrangement or understanding (other than any agreement, contract, arrangement or understanding for the Exploration or Development of the Property) that is not in the ordinary course of its Business;
- (f) the entry by the Company into any transaction (other than a transaction for the Exploration or Development of the Property) that is not in the ordinary course of its Business;
- (g) the provision of any loan by the Company to any Person except in the ordinary course of the Company's Business;
- (h) the Company entering into, or becoming liable under, any guarantee or indemnity or similar arrangement under which the Company may incur liability in respect of the financial obligation of any other Person;
- (i) except as expressly provided for in this Agreement, the allotment, issue, amortization, redemption or repurchase of shares in the capital of the Company and any repayment of capital by the Company to any of the Shareholders, or the granting of an option, or right to subscribe for, or convert any instrument into, shares in the capital of the Company, or the granting of, or the issue of, any instrument convertible into shares;
- (j) the subscription by the Company for, or purchase by the Company of, shares in or debentures of, or of any other equity participation in, any body, corporate or business, or the entering into of any partnership or joint venture by the Company;
- (k) any exchange of the Company's debts for Shares;
- (l) a split of or consolidation of the Company's Shares;
- (m) except for Project Security, the grant or creation of any Encumbrance in, on or over the Company or its Assets, which is not in the ordinary course of its Business;
- (n) the Transfer of all, or substantially all, of the Assets of the Company or any Transfer of any Asset of the Company, which is not in the ordinary course of its Business;
- (o) except as expressly contemplated by this Agreement, the provision of financial assistance to a Shareholder or an Affiliate of a Shareholder.
- (p) the approval of the remuneration of Directors and the granting of any employee stock option or incentive plan;

- (q) the making by the Company of investments other than investments in, or for the purposes of, the Business;
- (r) the application for, or withdrawal of, registration by the Company of equity or debt securities for public offerings;
- (s) the execution or filing an insolvency proceeding under any applicable Law; and
- (t) any other matter or thing requiring a Special Resolution under this Agreement.

7.2 Changes in Percentage Interests

A Shareholder's Percentage Interest will be changed as provided for in this Agreement including as follows:

- (1) as provided in section 7.6;
- (2) upon an election by a Shareholder, pursuant to sections 7.4 and 9.2, to contribute less to an adopted Program and Budget than the percentage reflected by its Percentage Interest;
- (3) in the event of default by a Shareholder in making its agreed-upon contribution to an adopted Program and Budget, followed by an election by the other Shareholder to invoke section 7.5(2);
- (4) as provided in section 10.3; or
- (5) upon the Transfer by a Shareholder of all, or less than all, of its Interest in accordance with section 18.

7.3 Additional Cash Contributions

Subject to any election permitted by section 7.4, the Shareholders must contribute capital in proportion to their respective Percentage Interests to all Approved Programs and Approved Budgets. If a Shareholder fails to contribute to any Approved Program and Approved Budget in at least the amount required to maintain its Percentage Interest equal to or greater than ten percent (10%), section 7.7 will apply.

7.4 Voluntary Reduction in Percentage Interest

A Shareholder may elect, in the manner provided in section 9.2, to limit its contributions to an Approved Program and Approved Budget as follows:

- (1) to some lesser amount than its respective Percentage Interest; or
- (2) by not contributing any amount to the adopted Program and Budget.

If a Shareholder elects, as permitted by this section 7.4, to contribute to an Approved Program and Approved Budget some lesser amount than its proportionate share of such Approved Program and Approved Budget based on its Percentage Interest, or not to contribute any amount, and the other Shareholder elects to contribute the shortfall amount, then as long as the Company carries out the Approved Program and the Approved Budget, the Percentage Interest of the Shareholder electing to contribute a lesser amount, or not at all, will be recalculated at the time of election to equal the result obtained by dividing:

- (3) the sum of:
 - (a) the agreed value of the Shareholder's Initial Contribution under section 5.5(2), plus
 - (b) the total of all of the Shareholder's other Contributions, plus

- (c) the amount, if any, the Shareholder elects to contribute to the adopted Program and Budget;
- (4) by the sum of paragraphs (a), (b) and (c) above for both Shareholders and then multiplying the result by one hundred.

The Percentage Interest of the other Shareholder will thereupon become the difference between one hundred percent (100%) and the recalculated Percentage Interest.

7.5 Default in Making Contributions

- (1) If a Shareholder defaults in making a contribution required by an approved Program and Budget in respect of which it has elected to contribute in accordance with section 9.2, then the non-defaulting Shareholder may, in addition to all other rights and remedies available to it, advance the defaulted contribution on behalf of the defaulting Shareholder and treat the same, together with any accrued interest, as a demand loan to the defaulting Shareholder, bearing interest from the date of the advance at the rate provided in section 11.4. The failure to repay the loan upon demand will be a default. A non-defaulting Shareholder may elect any applicable remedy under section 7.5(2) or any other rights and remedies available to such Shareholder at law or in equity. All such remedies will be cumulative and, except as otherwise provided in this Agreement, the election of one or more remedies will not waive the election of any other remedies.
- (2) If a Shareholder defaults in making a contribution as required under this Agreement (which, for certainty, includes the failure to repay a loan upon demand in accordance with section 7.5(1)), then the non-defaulting Shareholder may, on not less than twenty (20) Business Days prior notice to the defaulting Shareholder of its intention to exercise its rights under this section 7.5(2), elect with respect to any such default not cured within such twenty (20) Business Day notice period either:
 - (a) to have the defaulting Shareholder's Percentage Interest reduced in accordance with section 7.5(3); or
 - (b) to exercise its rights pursuant to section 7.5(4).
- (3) If the non-defaulting Shareholder elects, pursuant to section 7.5(2), to have the defaulting shareholder's Percentage Interest reduced then such Percentage Interest will be reduced by a percentage equal to the percentage that is calculated in accordance with section 7.4, multiplied by two (2). For the avoidance of doubt, in calculating the reduction in the Percentage Interest of a defaulting Shareholder pursuant to this section 7.5(3), if, for example, the percentage reduction of the defaulting Shareholder's Percentage Interest under section 7.4 is five percentage points (5.0%), then, upon election of the non-defaulting Shareholder to exercise its rights under this section 7.5(3), the Percentage Interest of the defaulting Shareholder will be permanently reduced by ten percentage points (10%). Amounts treated as a loan pursuant to section 7.5(1) and interest thereon will be included in the calculation of the defaulting Shareholder's reduced Percentage Interest. The non-defaulting Shareholder's Percentage Interest will, at such time, become the difference between one hundred percent (100%) and the further reduced Percentage Interest. Such reductions will be effective as of the date of the default.
- (4) On the date on which a defaulting Shareholder's Percentage Interest is reduced to less than ten percent (10%) by reason of the operation of this section 7.5 then the defaulting Shareholder must promptly (and in any event within five (ii) Business Days) surrender its Interest to the Company, for cancellation, and release the Company from liability in respect of any Loans owed to such Shareholder, in for no consideration. Any Interest not so surrendered prior to the expiration of such five (5) Business Day period will be deemed cancelled, released and no longer outstanding.

- (5) Upon surrender by a defaulting Shareholder of all of its Interest or the cancellation and release of such Interest in accordance with section 7.5(4), such Shareholder thereafter will have no Percentage Interest in the Company and will have no voting rights under this Agreement or any interest in the Company, the Property or the Assets.
- (6) Each Shareholder, in the event that it becomes a defaulting Shareholder, hereby irrevocably appoints and constitutes the Company as its true and lawful attorney in the name of, and on behalf of the defaulting Shareholder, to act for it, and in its name, or the name of the Company (as the Company considers fit), for the purpose of doing all matters, acts and things and signing, executing and delivering all deeds, documents, instruments and assurances as may be necessary, or desirable, to be done or signed, executed or delivered by the defaulting Shareholder, solely for the purpose of enabling the Transfer of the defaulting Shareholder's Interest to the non-defaulting Shareholder and the Company to carry out its functions and perform its duties and obligations under section 7.5(4).
- (7) The defaulting Shareholder irrevocably acknowledges and agree that the surrender and cancellation of its Interest and the release of the Company from liability in respect of any Loans owed to such Shareholder in accordance with section 7.5(4) does not constitute an unlawful penalty and is, among other things, a reasonable, fair and accurate estimate of part of the loss that will be suffered by the Company and the non-defaulting Shareholder arising out of the defaulting Shareholder's default in making contributions as required under this Agreement such that the defaulting Shareholder's Percentage Interest is reduced to ten percent (10%)
- (8) Any Tax imposed on the surrender by a defaulting Shareholder of all of its Interest or the deemed cancellation and release of such Interest in accordance with section 7.5(4), must be borne by the defaulting Shareholder.

7.6 Adjustments to Shareholding Percentage and Loans

- (1) Without prejudice to the other terms of this Agreement, if, and whenever, the Shareholding Percentage of any Shareholder exceeds its Percentage Interest, then the Shareholders must (for nominal consideration only) and otherwise in accordance with section 4.4
 - (a) procure:
 - (i) the prompt issue by the Company of Shares to the relevant Shareholder;
 - (ii) the prompt transfer of Shares as between the Shareholders; or
 - (iii) that a combination of the actions described in section 7.6(1)(a)(i) and section 7.6(1)(a)(ii) is promptly undertaken, such that, following the completion of such issues or transfers or a combination of such issues and transfers, the Shareholding Percentage of each Shareholder is (as nearly as may be achievable) equal to each Shareholder's Percentage Interest: and
 - (b) procure the prompt transfer to the other Shareholder, by the Shareholder whose Shareholding Percentage exceeds its Percentage Interest, of an amount of the Loans owed to such Shareholder by the Company, such that the total amount of all Loans owed by the Company to, and held by, each Shareholder is (expressed as a percentage) equal to each Shareholder's Percentage Interest.
- (2) Prior to the completion of any transfers contemplated by section 7.6(1), the rights and obligations of the Shareholders under this Agreement will be determined in all respects as if such transfers had been completed.

7.7 Option to Acquire Minority Interest

- (1) If in accordance with this Agreement the Percentage Interest of a Shareholder is reduced to less than ten percent (10%) ("**Minority Shareholder**") other than as a result of the operation of section 7.5(3), then the Company must promptly give to each other Shareholder whose Percentage Interest is greater than ten percent (10%) ("**Continuing Majority Shareholder**" or "**Continuing Majority Shareholders**"), as the case may be) a notice ("**Minority Shareholder Notice**") which specifies the identity of the Shareholder who is the Minority Shareholder and the Percentage Interest of the Minority Shareholder as at the date of the Minority Shareholder Notice. The Minority Shareholder Notice will (subject to any Project Security) constitute a requirement by the Minority Shareholder to the Continuing Majority Shareholder or the Continuing Majority Shareholders (as the case may be) to acquire all of the Interest of the Minority shareholder ("**Minority Interest**") in exchange of the Continuing Majority Shareholder or the Continuing Majority Shareholders, as the case may be, causing the Company to grant it a the NSR Royalty.
- (2) The Continuing Majority Shareholder, or Continuing Majority Shareholders (as the case may be) will, in consideration of causing the Company to grant such the NSR Royalty, take a transfer from the Minority Shareholder of the Minority Interest free of all Encumbrances (other than any Project Security in respect of which a Continuing Majority Shareholder or Continuing Majority Shareholders (as the case may be) will covenant with the chargee, or encumbrancee, under such Project Security, to be bound thereby and liable under the Project Security to the same extent as the Minority Shareholder);
- (3) The Minority Shareholder must, within five (5) Business Days after the date on which the Continuing Majority Shareholder secures all necessary consents and approvals of any Governmental Authority to the purchase and transfer of the Minority Interest, transfer to the Continuing Majority Shareholder, or Continuing Majority Shareholders (as the case may be), the Minority Interest and thereupon the Minority Shareholder will cease to have any further right or interest in the Assets, the Company or the Minority Interest.
- (4) The Minority Shareholder and the Company must deliver or cause to be delivered, all deeds, instruments, notarizations or documents, duly executed, which in the opinion of the Continuing Majority Shareholder (acting reasonably) are necessary to effect and evidence the purchase and transfer of the Minority Interest from the Minority Shareholder to the Continuing Majority Shareholder free from all Encumbrances as contemplated by this section 7.7.

8. BOARD

8.1 Authority of Board of Directors

- (1) The Board will exercise authority with respect to all matters in connection with the Company. Without limiting the foregoing, the Board will be responsible for the management of the Business and will determine overall policies, objectives, procedures, methods and actions of the Company.
- (2) Without limiting section 8.1(1), the Board will have the powers and authority set out in the Articles and applicable Law. The Articles may contain other rules applicable to the Board at long as such rules are consistent with this Agreement.

8.2 Directors

- (1) Subject to section 8.2(3), the Board will consist of at least three (3) Directors, with the majority Shareholder having the right to nominate and appoint at least a majority of the Directors.

- (2) Subject to sections 8.2(4), each Shareholder having a Percentage Interest of twenty percent (20%) or more is entitled to nominate, have elected and replace from time to time, a number of Directors equivalent to the number of percentage points of its Percentage Interest divided by twenty (20). Fractions in the number of Directors are to be disregarded in this calculation.
- (3) The Shareholder who has the largest Percentage Interest is entitled to nominate, have elected and replace from time to time, an additional Director in addition to the Director or Directors it is entitled to nominate and have elected pursuant to section 8.2(2).
- (4) For the purpose of determining a Shareholder's Percentage Interest under section 8.2(2), the shareholding of the Shareholder and its Affiliates will be aggregated and such aggregate Percentage Interest will confer upon such Shareholders collectively (acting through one or more of such Shareholders) the rights set out in section 8.2(2).
- (5) A Shareholder will be entitled to remove a Director nominated by it and no Shareholder may take any action to remove a Director not nominated by it unless requested to do so by the relevant nominating Shareholder.
- (6) The Shareholders must nominate the individual(s) it wishes to be elected by the Shareholders as Directors in accordance with its entitlement pursuant to section 8.2(2), by notice in writing to the Company from an authorized signatory of that Shareholder and the Shareholders must procure that any such individual(s) is (or are) nominated as Directors in accordance with applicable Law promptly following such nomination.
- (7) Each Shareholder must endeavour to provide the other Shareholders with reasonable advance notice of the identity of any Person whom it proposes to nominate as a Director.
- (8) Each Director will hold office until his or her successor is elected by the relevant nominating Shareholder in a meeting of the Shareholders and takes office. or until his or her resignation or removal in accordance with the terms of this Agreement.
- (9) Subject to applicable Law, a Director nominated by a Shareholder may take into account the interests of that Shareholder and may act on the directions of that Shareholder in performing any of his or her duties or exercising any power, right or discretion as a Director, except in any particular case where no honest and reasonable director could have formed the view that, in so doing, the Director was acting in good faith in the best interests of the Company.
- (10) Subject to applicable Law, each Shareholder who is entitled to nominate a Director may appoint any Person, either for a stated period or until the happening of a specified event, to act as an alternate Director whenever the Director is unable to attend to duties as a Director as a result Of absence, illness or otherwise Any such appointment must be in writing and signed by the appointing Shareholder and a copy of the instrument of appointment must be given to the Company and to the other Shareholder. Subject to applicable Law, a Person acting as an alternate Director will be entitled to exercise all of the rights of the Director for whom that Person was appointed as an alternate Director (including the right to receive notice of Board Meetings and to attend and vote at Board Meetings at which, the Director for whom that Person was appointed as an alternate Director, is not present) and will, subject to any restrictions set out in the instrument of appointment, be entitled to exercise all the powers (except the power to appoint an alternate Director) and perform all the duties of the Director for whom that Person was appointed as an alternate Director.
- (11) Without limiting any other provision of this section 8.2, after the expiration of the term of a Director (as set out in this section 8.2) the Shareholder that nominated that Director will, at any ordinary meeting of the Shareholders at which Directors are to be elected to the Board,

be entitled to nominate a new Director and appoint any Person to act as an alternate Director. No failure to elect a Director at an annual or special meeting of the Shareholders will prevent a Shareholder from thereafter nominating a Director to fill such vacancy or will constitute a waiver of such Shareholder's rights under this section 8.2. Directors and their respective alternates may be re-elected by their respective nominating Shareholder.

- (12) Subject to this section 8.2, the nomination, removal, resignation and replacement of Directors and alternate Directors will occur in accordance with the Articles and applicable Law.

8.3 Chair and Secretary of the Board

- (1) During the term of this Agreement, the Shareholder who holds the largest Percentage Interest may appoint, remove or replace (as the case may be) the Chair of the Board and the secretary of the Board (who may or may not be a member of the Board).
- (2) If the Chair of the Board is not present at any Board Meeting, then the Board Meeting will be chaired by a Director nominated by the Shareholder who holds the largest Percentage Interest.
- (3) The Chair of the Board will have a casting vote on any matter.

8.4 Board Meetings

- (1) Board Meetings must be held not less than once every three (3) months, or with such other frequency as may be agreed from time to time by the Shareholders.
- (2) Subject to the Articles, Board Meetings may be called at any time by any Director. All Board Meetings must be called by a Director or by a Person so authorized by applicable Law. No call will be necessary if all the Directors are present at any Board Meeting. Calls of a Board Meeting must be delivered to each Director and his or her respective alternate, if any, to the address registered with the Company at least ten (10) Business Days prior to the date scheduled for the Board Meeting. The meeting may be held without prior notice, if all of the Directors or their respective alternates are present at the time of voting and waive the requirements of prior call under this section 8.4(2). In case of emergency, reasonable notice of a special Board Meeting will suffice.
- (3) Each notice of a call of a Board Meeting must be in writing and contain, among other things, the place, date and time of the Board Meeting and an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and must be accompanied by any relevant papers for discussion at that Board Meeting. Unless otherwise agreed by each of the Directors, a meeting of the Board may only resolve matters specifically described in the agenda.
- (4) The Chair must cause written minutes of all meetings to be prepared and distributed to the Directors within ten (10) Business Days after the relevant Board Meeting. The Directors will have ten (10) Business Days from the date of receipt of a copy of the minutes to raise objections or to request revisions to the minutes by notice to the Chair. If no such objection or request is made by a Director within such ten (10) Business Day period, such minutes will be binding on the Directors and the Board. If a Director raises objections or requests revisions to the minutes, that Director must provide in writing a reasonable alternative to the provisions in the minutes distributed by the Chair and the Directors must attempt to revise the minutes, taking into account the objections or comments raised and the alternative provisions proposed. If the Shareholders do not agree on the minutes of the Board Meeting within fourteen (14) Business Days after receipt of the notice from the objecting Director, then the minutes of the meeting as prepared by the Chair together with

the proposed changes submitted by the objecting Director will collectively constitute the record of the meeting.

- (5) A resolution in writing, signed by all the Directors (with the signature of a Director's alternate being deemed to be the signature of that Director) will be as valid and effectual as if it had been a resolution passed at a meeting of the Board duly convened and held and any such resolution may consist of several counterparts (which may be facsimile or electronically transmitted copies of signed originals) in like form, each signed by one or more of the Directors (or alternates).
- (6) Each Shareholder must bear all travelling and other expenses incurred by any Director nominated by it in attending and returning from meetings of the Board and performing his or her duties as a Director.
- (7) Subject to the Articles, the quorum for Board Meetings must comprise at least two Directors nominated by a Shareholder whose Percentage Interest is not less than fifty percent (50%). Each Shareholder must use its reasonable efforts to ensure that a Director nominated by it attends each meeting of the Board and that a quorum is present throughout the meeting.
- (8) If a quorum is not present within two (2) hours of the scheduled time for a Board meeting, then the meeting must be adjourned to the same day of the second following week at the same time and the same place, or as may otherwise be agreed by all of the Directors, as long as it takes place not later than ten (10) Business Days after the initially scheduled meeting. Each Director must be notified of the time, date and place of the adjourned meeting as soon as practicable. Unless otherwise approved by all of the Directors, if a quorum is not present within two (2) hours of the rescheduled time for the meeting, then the Directors then present will constitute a quorum provided that at least one Director nominated by a Shareholder whose Percentage Interest is not less than fifty percent (50%) is present.
- (9) Directors may participate in Board Meetings by video or telephone conference call and such participation will be deemed to constitute presence in Person at such meeting.

8.5 Voting

- (1) Each Director may vote on any action or resolution proposed at any Board Meeting unless the Director is prohibited from voting on that matter by the Articles or applicable Law
- (2) Except as otherwise provided in this Agreement, all decisions of the Board will be decided by a simple majority of the votes cast ("**Ordinary Resolution**"). Each Director nominated by a Shareholder and attending a Board Meeting will be entitled to cast one (1) vote.²
- (3) No Shareholder or Director nominated by a Shareholder will have the power or authority in its individual capacity to bind the Company. All documents and instruments executed on behalf of the Company must be signed by the Chair or an officer, employee or agent of the Company to whom the Board has delegated the necessary general or specific authority.

8.6 Delegation

Subject to approval by the Board by Ordinary Resolution and applicable Law the Board may delegate the power and authority for the management of the business and affairs of the Company to the CEO and to

² **NTD:** To check with Suriname local counsel – if allowed under applicable law, the directors appointed or nominated by a Shareholder will have between them 1 vote for each whole percentage point of their appointing or nominating Shareholder's Percentage Interest. If the foregoing voting structure is not permitted under applicable law, then each director shall have one vote which is reflected in the current draft.

other officers of the Company, except for any matter which pursuant to the terms of this Agreement expressly requires action by the Board.

8.7 Action Without Meeting

Any action required or permitted to be taken at a Board Meeting may be taken without a Board Meeting and without prior notice if the action is evidenced by written consent of the majority of Directors.³

8.8 Initial Board Resolutions

The Shareholders must procure that on the Effective Date a duly convened meeting of the Board is convened and held at which a quorum is present and acting throughout at which the following matters are approved in accordance with this Agreement:

- (1) an internationally recognized firm of chartered accountants are appointed as the Auditors of the Company;
- (2) if not already the case, [December 31]⁴ is adopted as the Financial Year End of the Company;
- (3) the appointment of a chief executive officer as nominated by FMI;
- (4) all bank accounts maintained by the Company must have at least two signatories, and are changed to such senior employees, officers and Directors approved by the Board at such Board Meeting with such signing authority limits approved by the Board at such Board Meeting; and
- (5) any existing powers of attorney of the Company are revoked.

For certainty, none of the foregoing matters or any modification of any of the foregoing matters will require the passing of a Special Resolution.⁵

8.9 Relevant Transactions

- (1) Sections 8.9(2) to 8.9(4) will apply in respect of Relevant Transactions.
- (2) The Company is permitted, without the prior approval of the Shareholders, to enter into Relevant Transactions, but each Relevant Transaction must be:
 - (a) at a competitive market price;
 - (b) on commercial terms comparable to what would be agreed between unrelated parties; and
 - (c) promptly disclosed to the Shareholders.
- (3) Subject to applicable Law, each Director may vote on any Relevant Transaction. If a Shareholder considers that a Relevant Transaction does not meet the criteria of section 8.9(2), then it may give notice to the Company and the other Shareholders, and the following provisions will apply:
 - (a) the notice must be given within twenty (20) Business Days of the Relevant Transaction being disclosed to the Shareholder and must include reasons why the

³ **NTD:** Check with Suriname counsel whether this is possible or whether written consent must be unanimous.

⁴ **NTD:** FMI to confirm – should align with year end.

⁵ **NTD:** Confirm with Suriname counsel.

Shareholder believes the Relevant Transaction does not meet the criteria of section 8.9(2);

- (b) the Relevant Transaction must be discussed at the next Board Meeting;
 - (c) if a Shareholder is not satisfied with the discussion on the Relevant Transaction at that Board Meeting, it must give notice to the other Shareholder and the Board within five (5) Business Days after that meeting, and the Shareholders will appoint an Independent Expert appointed in accordance with sections 21.9 to 21.12 to
 - (d) if the Independent Expert finds that the Relevant Transaction does not meet the criteria in section 8.9(2), then that Relevant Transaction will not be void, however, the Shareholder that is a party to the Relevant Transaction (or whose Affiliate is a party to the Relevant Transaction) will be liable for any loss caused to the Company as a result of the departure from the criteria in section 8.9(2); and
 - (e) the Shareholder whose case the Independent Expert decides against will bear all the costs of the Independent Expert.
- (4) At the request of a Shareholder, the Company and the other Shareholders will provide that Shareholder with information reasonably necessary to satisfy that the Relevant Transaction meets the criteria in section 8.9(2).

9. PROGRAMS AND BUDGETS

9.1 Programs & Budgets for Financial Year

- (1) Within ten (10) Business Days after the Effective Date, the Company must submit to the Board the first proposed Program and Budget for the Company in respect of the remainder of the Financial Year and the Board must, within twenty (20) Business Days thereafter meet in order to consider and vote on that Program and Budget.
- (2) Forty (40) Business Days before the commencement of each Financial Year thereafter, the Company must prepare and submit to the Board, for approval, a draft Program and Budget for the Company for that Financial Year.
- (3) The Board of Directors must consider and vote on each Program and Budget at least twenty (20) Business Days before the commencement of the Financial Year. Approval of a Program and Budget constitutes authority for the Company and the CEO to undertake all relevant action and incur all approved expenditure for that Program and Budget.
- (4) The Company may, if circumstances require it, prepare a revised or supplementary Program and Budget and submit it to the Board for approval.
- (5) If Board fails to approve a Program and Budget at a meeting called to consider a proposed Program and Budget at which a quorum is present:
 - (a) after the expiration of the current Approved Program and Approved Budget and until a new Program and Budget is approved by the Board, the Company must conduct Operations and incur expenditure necessary to preserve the Assets;
 - (b) such Operations must be funded by the Shareholders making additional capital contributions to the Company in proportion to their respective Percentage Interests at the time the preceding Approved Program and Approved Budget expired; and
 - (c) the Company must promptly prepare and submit to the Board a revised proposed Program and Budget, taking into account any instructions from the Board.

9.2 Election to Participate

- (1) By notice to the Company and the other Shareholder within ten (10) Business Days of the approval of a Program and Budget by the Board, a Shareholder may elect to contribute (in the manner determined by the Board in accordance with section 11.2) to such Approved Program and Approved Budget in an amount equal to its Percentage Interest or in some lesser amount than its respective Percentage Interest, or may elect not to contribute any amount, in which cases its Percentage Interest must be recalculated as provided in section 7.4. If a Shareholder fails to make such an election within such ten (10) Business Day period, then the Shareholder will be deemed to have elected to contribute to such Approved Program and Approved Budget in an amount equal to its Percentage Interest.
- (2) If a Shareholder elects pursuant to section 9.2(1) not to contribute to an Approved Program and Approved Budget or to contribute in some lesser amount than its respective Percentage Interest, then:
 - (a) the other Shareholder may, within ten (10) Business Days of the ten (10) Business Day period referred to in section 9.2(1), elect to withdraw its votes in favor of the Approved Program and Approved Budget and if such withdrawal results in fewer votes in favor of the Approved Program and Approved Budget than are required to adopt it, to require a new vote on the proposed Program and Budget.
 - (b) in the case where that Shareholder elects not to contribute, it will not be entitled or obliged to contribute to expenditure incurred from the commencement of the period covered by the Approved Program and Approved Budget in relation to which the notice was given until it becomes entitled and obliged to recommence contributing to expenditure (and such entitlement and obligation shall occur upon approval by the Board of the next Program and Budget unless another election and notice is given under section 9.2(1)); and
 - (c) in the case where that Shareholder elects to contribute in some lesser amount than its respective Percentage Interest, it will only be entitled and obliged to contribute to expenditure in the reduced amount specified in the notice given by it under section 9.2(1) until it becomes entitled and obliged to recommence contributing in full to expenditure (and such entitlement and obligation shall occur upon approval by the Board of the next Program and Budget unless another election and notice is given under section 9.2(1))

9.3 Development Program and Budget

- (1) If the Board considers that a Mining Operation should be commenced on any or all of the Property, then the Operator must, when directed by the Board to do so, give to each Shareholder a proposed Program and Budget for the Development and establishment of a Mining Operation ("**Development Program and Budget**"). The proposed Development Program and Budget must:
 - (a) be prepared in accordance with accepted mining industry practice and be consistent with the content and conclusions of any BFS which the Operator previously prepared or caused to be prepared in respect of the Mining Operation;
 - (b) contain a detailed plan for the Development and establishment of the Mining Operation; and
 - (c) cover the entire period required for the Development and establishment of the Mining Operation

- (2) Without limiting section 9.3(1), the proposed Development Program and Budget, at a minimum, must
 - (a) specify the part or parts of the surface area of the Property required for the conduct of the Mining Operation recommended;
 - (b) specify the location and delineation of the ore body or ore bodies or area or areas of mineralization proposed to be mined;
 - (c) set out the Operator's recommendations as to the nature and extent of the Mining Operation recommended;
 - (d) contain a detailed plan for the development, construction and commissioning of the Mining Operation including a detailed estimate of the total capital cost of developing and constructing the Mining Operation based on such plan, including working capital, contingency and other owners' costs;
 - (e) contain a detailed timetable for implementation of the proposed Development Program and Budget, including key milestone target dates for each key milestone;
 - (f) contain all front end engineering and design work for the Development;
 - (g) contain a funding schedule to apply from the approval date of the proposed Development Program and Budget; and
 - (h) contain a plan for the operation of the Mining Operation after the Mine that comprises part of the Mining Operation has been commissioned, including details of the proposed quantities of ore to be mined and the proposed quantities of Products to be produced by the Mining Operation.
- (3) If the Operator gives a proposed Development Program and Budget to the Shareholders then FMI must convene a meeting of the Board for the purposes of enabling the Board to consider the proposed Development Program and Budget. The date of the meeting must be a date which is not less than twenty (20) Business Days nor more than forty (40) Business Days after the date of delivery of the proposed Development Program and Budget to the Shareholders.
- (4) The Board must at its meeting convened under section 9.3(3) resolve whether to establish a Mining Operation and if so may approve, in whole or in part, alter, add to, delete from or otherwise modify or vary the proposed Development Program and Budget.
- (5) If the Board resolves to establish a Mining Operation then the Board will immediately cause the Operator to give a notice ("**Development Notice**") to each of the Shareholders:
 - (a) stating that the Board has approved the establishment of a Mining Operation which is to be brought into Commercial Production in accordance with the Development Program and Budget approved in accordance with section 9.3(4); and
 - (b) attach a copy of the approved Development Program and Budget together with any amendments made to the document by the Board in accordance with section 9.3(4).
- (6) Subject to section 9.3(7), upon receipt by the Shareholders of the Development Notice, section 9.2(1) will apply.

- (7) Notwithstanding any other provision of this Agreement to the contrary, each Shareholder acknowledges and agrees that any election made by a Shareholder pursuant to section 9.2(1) in respect of an approved Development Program and Budget:
 - (a) can be made only once and will be binding upon that Shareholder for the entire duration of the approved Development Program and Budget; and
 - (b) except as provided in section 9.2(2), cannot be withdrawn or modified without the prior written approval of the other Shareholder.

9.4 Operations Pursuant to Programs and Budgets

Subject to section 9.6, Operations must be conducted, expenditure must be incurred, and Assets must be acquired only pursuant to Approved Programs and Approved Budgets. Each Program and Budget approved by the Board must budget and provide for reasonably anticipated Environmental Compliance expenses for all Operations contemplated under the Program and Budget.

9.5 Budget Overruns

The Company must immediately notify the Board of any material departure from an Approved Program and Approved Budget. Overruns of ten percent (10%) or less of the amount of an Approved Program and Approved Budget must be borne by the Shareholders in proportion to their respective Percentage Interests as of the time the overrun occurs. Subject to section 9.6, overruns of more than ten percent (10%) of an Approved Budget may only be authorized by the Board.

9.6 Emergency or Unexpected Expenditures

In case of emergency, the Company may take any reasonable action it deems necessary to protect life, limb or property, to protect the Assets or to comply with applicable Law. The Company must promptly notify the Shareholders of the emergency. The cost incurred in responding to the emergency must be funded by making additional capital contributions to the Company in proportion to their respective Percentage Interests at the time the emergency expenditures are incurred.

10. FUNDING BY FMI OF BAN ABLE FEASIBILITY STUDY

[NTD: if the third option is exercised then this Section 10 and the corresponding defined term can be removed as it will not be applicable]

10.1 Application of Section 10

The Parties acknowledge and agree that at any time after the Effective Date FMI shall fund any Approved Budget for a BFS ("**BFS Funding**") and sections 10.2 and 10.3 will be operative and of full force and effect. FMI may discontinue BFS Funding a BFS if the Board determines that a BFS should no longer be pursued.

10.2 BFS

- (1) During the time that FMI is funding a BFS, the Parties acknowledge and agree that:
 - (a) all funds required to be contributed by the Shareholders pursuant to section 11 must be contributed by FMI on behalf of the Shareholders and all such funding will be taken to be BFS Funding;
 - (b) Nana will not be required to contribute funds to the Company in accordance with section 11; and
 - (c) section 7.5 and section 11 will not apply to Nana.

- (2) Upon completion of the BFS by the Company, the Company must deliver a copy of the BFS to FMI and Nana and the Company must concurrently convene a meeting of the Board to consider whether or not to approve the BFS.

10.3 Contributions by Shareholders

The Parties acknowledge and agree that upon the Board basing approved the BFS, each of FMI and Nana will be deemed to have contributed to the Company, a Deemed Contribution in amounts which in aggregate equal the total amount of the BFS Funding and which, as allocated between them, will cause the then Percentage Interests to remain the same.

11. FUNDING OF COMPANY

11.1 Funding

The Shareholders will not be obliged to provide funding to the Company beyond the obligations set out in this Agreement.

11.2 Financing of Approved Programs and Approved Budgets

- (1) The Parties intend that funding of the Company to meet the projected cash requirements of the Company under Approved Programs and Approved Budgets will be discharged by the methods (or by a combination of methods) as determined by the Board from time to time, including by way of common equity (via the issue of Shares).
- (2) (2) Any Loans advanced by the Shareholders to the Company pursuant to this section 11.2 will be on the same terms and conditions.

11.3 Called Sums

- (1) Subject to section 7.4 and 11.3(2), on the basis of the Approved Program and Approved Budget, the Company must submit to each Shareholder quarterly, a notice ("**Called Sum Notice**") to contribute funds in accordance with their Percentage Interests to meet the projected cash requirements of the Company under the Approved Program and Approved Budget (each such contribution, a "**Called Sum**"). Any Called Sum Notice must not be issued more than forty (40) Business Days but not less than thirty (30) Business Days in advance of the calendar quarter to which the Called Sum Notice relates. On or before 30 days before the first day of the calendar quarter to which the Cash Call Notice relates, each Shareholder must contribute to the Company its share of such estimated cash requirements by the method of funding determined by the Board in accordance with section 11.2. Time is of the essence for payment of such Called Sum Notices. The Company must at all times maintain a cash balance approximately equal to the rate of disbursement for a period of approximately sixty (60) Business Days. All funds in excess of immediate cash requirements must be invested in interest-bearing accounts with the Company's bank.
- (2) For so long as FMI is solely contributing funds to the Company in accordance with section 10, each Called Sum Notice issued pursuant to section 11.3(1) will, notwithstanding section 11.3(1), require FMI to contribute to the Company one hundred percent (100%) of each Called Sum. **[NTD: Remove if section 10 removed]**

11.4 Failure to Contribute Called Sums

Except as provided in section 9.2 and section 10, a Shareholder that fails to contribute any Called Sum in the amount, by the method and at the times specified in section 11.3 will be in default, and the amount of the defaulted Called Sum will bear interest from the date due at an annual rate equal to the Prime Rate plus four percentage points (4%), but in no event may such rate of interest exceed the maximum permitted by

Law. The non-defaulting Shareholder will have those rights, remedies and elections specified in section 7.5.

11.5 Project Financing

- (1) The Operator may seek external project financing for the Development and establishment of a Mining Operation on behalf of the Company. In the case where the Operator secures such financing, the Company shall be the primary borrower and grant Project Security to the secured lender or lenders. If required by the project finance lender or lenders, the Shareholders will grant Security over their respective Percentage Interests to such lender or lenders
- (2) The Shareholders will be liable to the Company for their respective proportion of any project finance debt based upon their respective Percentage Interests on the date a debt facility is made available to the Company and the Company shall repay such project finance debt on that basis, deducting any amounts that would otherwise be payable to the Shareholders to first repay the debt facility (notwithstanding any future adjustment to the Percentages Interests after the date the debt facility is made available to the Company).

11.6 Grant of Security Interests to Operator and other Shareholders

- (1) The Company grants to the Operator a first ranking charge over the Assets and Company Production (including the proceeds therefrom) as security for its obligations under sections 13.7, 13.12 and 13.13. The Operator will subordinate its charge to any Project Security any other Security approved by the Board.
- (2) Each Shareholder hereby grants a security interest over its Interest to the other Shareholder, as security for its obligations under this Agreement, including without limitation, for its obligations to timely pay its proportionate share of all expenditure. Each Shareholder will subordinate its charge to any Project Security any other Security approved by the Board if required by such lender. Unless such security interest has become enforceable in accordance with this Agreement, the security interest over a Shareholder's Interest shall in no way hinder or prevent a Shareholder from Transferring its Interest but only if such Transfer is in accordance with the section 18.

12. FINANCIAL INFORMATION AND ACCOUNTING REQUIREMENTS

12.1 Financial Information

The Company must provide to each Director and Shareholder (at the cost and expense of the Company):

- (1) as soon as practicable (and in any event not later than fifteen (15) Business Days) after the end of each calendar month, unaudited management accounts for that calendar month and Financial Year-to-date including:
 - (a) a profit and loss account, balance sheet and cash-flow statement; and
 - (b) a review of the Approved Budget and a reconciliation of results against that Approved Budget;
- (2) as soon as practicable (and in any event not later than eighty (80) Business Days) after the end of each Financial Year, copies of the Audited Accounts;
- (3) at the time of the approval of a Program and Budget, an annual plan for the cash requirements of the Company, indicating forecast sources and uses of cash over the following twelve (12) month period; and

- (4) such financial information, or other information, that the Director or Shareholder may at any time reasonably require with respect to any matter relating to the business or financial condition of the Company, including for the purpose of any Shareholder or its Affiliates which is a public company whose shares are listed on a stock exchange, satisfying their respective public reporting or similar obligations imposed by the relevant securities exchange on which their shares are listed.

12.2 Accounting principles

The Company must keep written financial records that correctly record and explain its transactions and financial position and performance and ensure that each financial statement and other document provided under section 12.1:

- (1) complies with IFRS, consistently applied, (except to the extent disclosed in them) and all applicable Laws; and
- (2) gives a true and fair view of its consolidated and unconsolidated financial position as at the date, and performance for the period ending on the date, on which those statements or documents are prepared

12.3 Access to Financial Information

Any Shareholder and its designated Personnel (which for this purpose will include the auditors of each Shareholder or each Shareholder's ultimate parent corporation, as applicable), upon notice in writing to the Company, will be provided with reasonable access during regular business hours to the information necessary to audit either internally or externally, the Company's accounts, records and systems relating to the accounting of the Company under this Agreement for any Financial Year within the 12-month period following the end of such Financial Year as long as such rights are exercised in a manner that does not interfere with the conduct of the Business or expeditious completion by the Company of its Audited Accounts for a Financial Year. Where two or more Shareholders or their designated representatives wish to conduct an audit, they must make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Company. No audit expense incurred pursuant to this section 12.3 by either the Company or the Shareholders, or by audit firms employed by either, will be charged to the Company, and Such audit expenses will be for the account of the Shareholder or Shareholders requesting the audit, except for expenses incurred in the annual audit of the Company referred to in section 12.1(2).

12.4 Distribution Policy

- (1) From the date the Company receives payment for the sale of Processed Products, the Company, through a meeting of the Board, may approve a distribution (which may include a dividend, return of capital, interest payment on shareholder loans or repayment of shareholder loans) in cash equal to the amount of the Company's Available Cash at such time as determined by the meeting of the Board. For purposes of this section, "Available Cash" means the maximum amount of cash legally available under applicable Law and contracts to be distributed to the Shareholders pursuant to this section 12.4, minus an amount that the meeting of the Board determines in good faith should be retained in the Company to meet or fund debt service commitments (but excluding principal and interest payments on shareholder loans), working capital requirements, legal reserve fund, estimated cost of reclamation and ongoing continuing obligations post-closure, capital expenditures, other Claims or liabilities (including contingent liabilities) that are associated with the Assets, or other business needs of the Company. Any distribution (whether quarterly or otherwise) must be made on a pro rata basis in accordance with the Percentage Interests of the Shareholders.
- (2) If a Shareholder is a defaulting Shareholder, it will not be entitled to receive any distribution of Available Cash until it is no longer a defaulting Shareholder, and the non-defaulting

Shareholder may elect to have such Available Cash used to offset any amounts owing by the defaulting Shareholder to the Company or the non-defaulting Shareholder

13. OPERATOR

13.1 Identity of Operator

Commencing on or within twenty (20) Business Days after the Elective Date, FMI or an Affiliate of FMI nominated by FMI ("**FMI Operator**") will be the Operator. Each Party (other than FMI) hereby confirms and declares that it agrees and consents to the engagement of the FMI Operator as the Operator. the engagement of the FMI Operator as Operator will continue indefinitely until the earlier of:

- (1) the termination of this Agreement however caused;
- (2) the termination by the FMI Operator of its engagement as Operator by giving no less than forty (40) Business Days' notice to the Company; or
- (3) a Shareholder exercising its option in accordance with section 13.2.

13.2 Option to be Operator

If at any time after the Effective Date a Shareholder who is not the Operator holds greater than a 50% Shareholding Interest, then that Shareholder will have the option to become the Operator and, upon exercising the option by notice the current Operator, the current Operator will be deemed to resign as Operator and that Shareholder will become Operator on the date:

- (1) fixed by the Board; or
- (2) if the Board fixes no date, that date that is 6 months after the date on which the Shareholder exercised its option under this section 13.2 to become Operator.

13.3 Operator: General

All Operations must be carried out by the Operator or under the supervision and control of the Operator as agent for and on behalf of the Company and for this purpose the Operator will have full possession and control of the Assets and all powers and authorities necessary or desirable to enable the Operator to carry out or procure the carrying out of all Operations, including the power to delegate all or any of its powers authorities and functions as the Operator considers in the best interests of the Company and in accordance with good mining practice.

13.4 General Standard for Operator

The Operator must carry out all Operations in a good and workmanlike manner in accordance with good exploration and mining practice.

13.5 Operator's Duty of Care

The Operator must act with and exercise the care, prudence and diligence which would normally be applied by a prudent and qualified Operator under the same or similar conditions.

13.6 Operator's Qualifications

The Operator (including any Operator who is not a Shareholder) must:

- (1) be duly authorized to conduct business in the jurisdiction in which the Property is located; and

- (2) hold and provide evidence of all necessary licenses and authorities to act as Operator.

13.7 Limitation on Obligation to Bear Expenditure

- (1) The Operator is not required to meet or bear any expenditure other than out of the Company's account. The Operator will be entitled to recover all cost and expense incurred by it in acting as Operator and the Company must fund or reimburse all expenditure incurred or to be incurred by the Operator in managing and carrying out the Operations.
- (2) Any obligation imposed on the Operator requiring the expenditure of money will be read as if expressed to be subject to this section 13.7.
- (3) If the Operator meets or bears any expenditure as a consequence of the failure of the Shareholders to pay any Called Sum Notice, then as long as the Operator is not a defaulting Shareholder, the Operator will be entitled to charge the Company interest at an annual rate equal to the Prime Rate plus four percentage points (4%) on that expenditure from the date that the Operator met or bore that expenditure until it is repaid that expenditure by the Company.

13.8 Delegation and Acts of Delegate

- (1) The Operator will be entitled to delegate its powers and functions as Operator to:
 - (a) an Affiliate of a Shareholder, without the approval of the Board; and
 - (b) to any other Person, subject to the approval of the Board.
- (2) If the Operator delegates to any delegate the exercise of any of its powers or authorities or the performance of any of its functions then all of the acts, defaults and omissions of such delegate will be deemed to be the acts, defaults or omissions of the Operator.
- (3) For the purpose of this section 13.8, the Operator will not be deemed to have delegated to a delegate its powers and functions as Operator by virtue only of the fact that the Operator engages a contractor or subcontractor to carry out any Operations.

13.9 Board Directions

The Operator must act in accordance with all lawful directions of the Board given in accordance with the Agreement.

13.10 Specific Duties

Subject to and in accordance the directions and instructions from time to time of the Board, the Operator must use reasonable efforts to

- (1) keep the Property, at all times, in good standing, the costs of doing so being expenditure whether or not included in an Approved Budget;
- (2) take such steps as will be necessary to apply for or otherwise obtain in the name of the Company such additional or replacement Property as either:
 - (a) the Operator may, acting reasonably, consider necessary or desirable to obtain for the purposes of the Company; or
 - (b) as the Board may direct, the costs of doing so being expenditure whether or not included in an Approved Budget;

- (3) comply with the provisions of all agreements, instruments of title or other documents under which the Assets are held;
- (4) subject to contribution to expenditure by the Company, pay all expenditure properly incurred promptly as and when due, but not, except in the event of an emergency or unless authorized by the Board, incur or commit to expenditure which results in a variance in excess of 10% of the total amount of expenditure provided for in an Approved Budget;
- (5) except as permitted hereunder or as arising by operation of law, keep the Property free of all Encumbrances including taking all necessary action to contest or discharge any Encumbrance the registration or filing of which is not permitted or contemplated by this section 13.10(5) ;
- (6) pay rentals, taxes or other payments and do all such other things as may be necessary to maintain the Property in good standing, including staking and re-staking mining claims, and applying for licenses, leases, grants, concessions, permits. patents and other rights to and interests in the Products whether or not included in an Approved Budget;
- (7) obtain and maintain all Permits as may be necessary or advisable to carry out any Approved Program, whether from any Governmental Authority or otherwise; and
- (8) insure and keep insured that part of the Assets that is of an insurable nature.
 - (a) for an amount that a prudent owner of property of the kinds comprised in the Assets would insure the same (or such other amount as the Board may from time to time approve),'
 - (b) with a reputable and solvent insurer;
 - (c) in the name of the Company; and
 - (d) against such risks as would usually be insured against by a prudent owner of property of the kinds comprised in the Assets (and such other risks as the Board may from time to time direct), and the premiums payable for the insurances will be expenditure whether or not included in an Approved Budget.

13.11 Company and Shareholders to Assist Operator

Each Shareholder and the Company must do all things reasonably necessary on its behalf to enable the Operator to discharge all the obligations and duties of the Operator under this Agreement.

13.12 Indemnification of Operator

- (1) Subject to this section 13.12, the Company must indemnify the Operator from and against any liability suffered, sustained or incurred by the Operator in respect of any loss, damage, claim, demand, proceeding, expense, injury or death (including legal fees) arising out of or as a consequence of the performance by the Operator or its officers, employees or agents of the Operator's obligations under this Agreement.
- (2) The Company will not be liable to indemnify the Operator (whether under section 13.12(1) or otherwise) if any loss, damage, claim, demand, proceeding, expense, injury or death arises out of or as a consequence of any fraudulent act or omission or gross negligence of the Operator or its officers, employees or agents. For the purposes of this section 13.12(2), "gross negligence" means willful default or any act done recklessly or wantonly without regard for the consequences of that act.
- (3) An act or omission of the Operator or its officers, employees or agents performed:

- (a) at the direction of, or with the concurrence of, the Board; or
 - (b) unilaterally and in good faith by the Operator to protect life or property, will be deemed not to be negligence.
- (4) Except in the case of indemnification, fraud or gross negligence (which has the same meaning as given to that term in clause 13.12(2)) and despite any other provision of the Agreement to the contrary, no Shareholder and its Affiliates (whether in its capacity as Operator or as an owner of an Interest) will be liable to the Company or any other Shareholder or its Affiliates for of in relation to any indirect or consequential loss, liability or damage, including:
- (a) loss of use of property which has not been physically lost, damaged or destroyed;
 - (b) loss of reputation, goodwill or any opportunity;
 - (c) business interruption, loss of actual or anticipated revenue, income or profits;
 - (d) special damages, however arising and despite any knowledge, awareness, expectation, representation, reliance, or dependency on the part of either Party at the time of entry into the Agreement, under or in connection with it; or
 - (e) restitution or restitutionary damages.

13.13 Operator Fee

The Operator will be entitled to charge an operator fee (the "**Operator Fee**") equal to three and a half percent (3.5%) of all approved expenditure, except the Operator Fee will not be charged on:

- (1) the Operator Fee itself;
- (2) the amortization, depletion or amortization of tangible and intangible assets;
- (3) government levies on land, taxes and assessments; and
- (4) costs directly incurred by the Operator and charged to the Company. The Operator Fee may be invoiced to the Company on a monthly basis.⁶

14. COMPANY PRODUCTION

14.1 Operator may Market and Sell

The Operator will have the right (but not the obligation), on behalf of the Company, to market and sell all Company Production.

14.2 In-Kind

If the Operator does not exercise its right to market and sell all Company Production under section 14.1, then each Shareholder will, subject to section 12.4(2), have the right to take in-kind and separately dispose of and must take in kind a share proportionate to its Percentage Interest of the Company Production.

⁶ NTD: What is being implied here? This actually doesn't make sense as all costs are directly incurred and charged to the Company.

15. TERM AND TERMINATION

15.1 Former Shareholder not Bound

This Agreement ceases to apply to a Shareholder which has transferred all its Shares as permitted by this Agreement and the Articles, except for any provision of this Agreement which is expressed to continue in force thereafter.

15.2 Effective Date and Term

This Agreement will be effective as of the Effective Date and continues in full force and effect until either:

- (1) the termination of this Agreement by unanimous written agreement of the Shareholders;
- (2) one Shareholder holding (either by itself or together with an Affiliate of that Shareholder) all of the issued Shares; or
- (3) an effective Special Resolution is passed, or a binding order is made, for the winding up of the Company by a court of competent jurisdiction.

15.3 Termination not to affect certain provisions

Any termination of this Agreement however caused, or the ceasing by any Shareholder to hold any Shares as contemplated by section 15.1 will not affect any provision of this Agreement which is expressed to come into effect on, or to continue in effect after, that termination or cessation.

15.4 Winding Up of Company

On the winding up of the Company, each Shareholder must use its reasonable efforts in good faith, by exercise of its powers as a Shareholder, to ensure that

- (1) adequate arrangements are made for payment of, or security for, reclamation and closure costs;
- (2) the Company surrenders to the Shareholder the license of any intellectual property licensed to it by that Shareholder; and
- (3) any other arrangements between the Company and any Shareholder in relation to the Business and Assets of the Company are terminated.

15.5 Right to Data After Termination

After the termination of the Company pursuant to section 15.1, each Shareholder will be entitled to copies of all information acquired by the Company before the effective date of termination not previously given to it, but a Shareholder that surrenders, has cancelled, forfeits or transfers its entire Shares, will not be entitled to any such information after any such surrender, cancellation, forfeiture or transfer.

16. AREA OF INTEREST

16.1 Disclosure of AOI Property

If at any time during the term of this Agreement a Shareholder or an Affiliate of a Shareholder ("**Acquiring Shareholder**") acquires, directly or indirectly, any interest (including any Mineral Rights or Other Rights) in or in relation to any property which is all or partly within the Area of Interest ("**AOI Property**"), then the Acquiring Shareholder must, within twenty (20) Business Days after the date of the acquisition of the AOI Property, disclose the acquisition (including all information it has relating to the AOI Property) promptly to the other Shareholder ("**Non-Acquiring Shareholder**") and the Company. The Acquiring Shareholder's

notice must describe in detail the acquisition, the AOI Property and the mineralization (if any) believed to be present within the AOI Property, the cost of the acquisition, and the reasons why the Acquiring Shareholder believes that the acquisition of the AOI Property may be in the best interests of the Company. In addition to such notice, the Acquiring Shareholder must make all information in its possession or control concerning the AOI Property available for inspection by the other Shareholder.

16.2 Election of Non-Acquiring Shareholder

At any time within twenty (20) Business Days after the Non-Acquiring Shareholder has been given notice of the acquisition of AOI Property by the Acquiring Shareholder in accordance with section 16.1, the Non-Acquiring Shareholder may by notice in writing to the Acquiring Shareholder elect, at no cost or expense to the Company or the Non-Acquiring Shareholder, to make the AOI Property part of the Property and to be subject to this Agreement. If the Non-Acquiring Shareholder elects to make the AOI Property part of the Property pursuant to this section 16.2, then the Acquiring Shareholder must promptly thereafter at its cost do all things (including executing and, if necessary, delivering all documents) necessary or desirable to transfer or facilitate transfer of title to the AOI Property to the Company.

16.3 Election Not Exercised

If the Non-Acquiring Shareholder fails to make an election within the twenty (20) Business Day period referred to in section 16.2, then the AOI Property will not form part of the Property, will thereafter be excluded from the Area of Interest and neither the Non-Acquiring Shareholder nor the Company will have any interest in the AOI Property, and the AOI Property will not be a part of the Property or otherwise be subject to this Agreement.

16.4 Former Shareholders

Each Shareholder acknowledges and agrees that for two (2) years after the date on which it ceases (for any reason) to be a Shareholder for the purposes of this Agreement ("**Former Shareholder**"), a Former Shareholder must not, and must cause each of its Affiliates to not, acquire, directly or indirectly, any AOI Property. If a Former Shareholder or any Affiliate of a Former Shareholder acquires any AOI Property Interest in breach of this section 16.4, then any Shareholder or the Company may elect by notice to the Former Shareholder within twenty (20) Business Days after it has actual notice of such acquisition, to have such AOI Property transferred to the Company at no cost or expense to the Shareholder or the Company. Until transferred to the Company in accordance with this section 16.4, the Former Shareholder must hold, or cause such AOI Property to be held, in trust for the exclusive use and benefit of the Company and the Shareholders. After such Notice to transfer the AOI Property, the Former Shareholder must, at its cost and expense, convey (including execute all necessary documents) or cause to be conveyed the AOI Property to the Company

17. ABANDONMENT AND SURRENDER OF PROPERTY

17.1 Surrender or Abandonment

The Board may authorize the Company to surrender or abandon part or all of the Property ("**Abandonment Property**"). If the Board authorizes any such surrender or abandonment then the Company must give notice to each Shareholder at least twenty (20) Business Days in advance of the proposed date of surrender or abandonment ("**Abandonment Date**") together with details of the Abandonment Date and details of any Encumbrance on the Abandonment Property created by, through or under the Company. Each Shareholder will have a period of ten (10) Business Days from receipt of the notice to elect by notice to the Company to take an assignment of the Abandonment Property, which assignment will be on an "as is" basis for a total consideration equal to ten dollars (\$10). If a Shareholder elects to take an assignment of the Abandonment Property, then the Company must assign to the electing Shareholder or its nominee, by agreement or other applicable instrument and at the cost of the electing Shareholder, all of the Company's interest in the Abandonment Property, and the Abandonment Property will cease to be part of the Property and the Company will have no further right, title or interest in the Abandonment Property. With effect from the date

of assignment, the electing Shareholder taking an assignment of the Abandonment Property, and subject to applicable Law:

- (1) must assume all of the liabilities (including any Encumbrances) accruing or attaching to the registered holder or beneficial owner of the Abandonment Property irrespective of whether such liabilities arose or accrued before, on or after the date of assignment to the electing Shareholder; and
- (2) is solely liable for any Claim, and must indemnify the other Shareholder and the Company from and against any Claim, arising out of or in connection with the Abandonment Property irrespective of whether the Claim arose before, on or after the date of assignment of the Abandonment Property to the electing Shareholder or was caused or contributed to by any act or omission of the other Shareholder or the Company.

If a Shareholder does not give notice to the Company within the period of twenty (20) Business Days referred to above electing to take an assignment of the Abandonment Property, then the Company may surrender or abandon the Abandonment Property on the Abandonment Date and will thereafter have no further obligation to maintain the title to the Abandonment Property.

17.2 Reacquisition

If any Abandonment Property is abandoned or surrendered pursuant to section 17.1, then except as provided in section 17.1, unless this Agreement is earlier terminated, neither Shareholder nor any Affiliate of a Shareholder may acquire any interest in such Abandonment Property or a right to acquire such Abandonment Property ("**Abandonment Property Interest**") for a period of two (2) years following the Abandonment Date. If a Shareholder or any Affiliate of a Shareholder acquires any Abandonment Property Interest in breach of this section 17.2, then the other Shareholder may elect by notice to the acquiring Shareholder within twenty (20) Business Days after it has actual notice of such acquisition, to have such Abandonment Property Interest contributed to the Company. Until contributed to the Company in accordance with this section 17.2, the acquiring Shareholder must hold, or cause such Abandonment Property Interest to be held, in trust for the exclusive use and benefit of the Company and the other Shareholder. After such Notice to contribute the Abandonment Property Interest, the Shareholder that has acquired the Abandonment Property Interest must convey (including execute all necessary documents) or cause to be conveyed to the other Shareholder an interest in such Abandonment Property Interest equal to the Percentage Interest of the other Shareholder at the time and thereafter each Shareholder must contribute the interest it holds in the Abandonment Property Interest to the Company. In the event such an election is made, the contributed Abandonment Property Interest must thereafter be treated and form part of the Property, and the costs of acquisition will be borne solely by the Shareholder that or whose Affiliate (as the case may be) initially acquired the Abandonment Property Interest. No adjustment to the Shareholders' respective Percentage Interests will be made as a result of such contribution.

18. TRANSFER OF INTEREST

18.1 General

A Shareholder will have the right to Transfer to any third party all or any part of its Interest, solely as provided in this section 18.

18.2 Limitations on Free Transferability of Interest

The Transfer right of a Shareholder in section 18.1 will be subject to the following terms and conditions:

- (1) no Shareholder may make a Transfer of all or a part of its Interest to a Sanctioned Entity or a Sanctioned Person;

- (2) no Transfer of an Interest will be valid or recognized by the Company unless and until the transferring Shareholder has provided to the other Shareholder notice of the Transfer, and the transferee has complied with section 18.8;
- (3) the transferring Shareholder and the transferee must bear all Tax consequences of the Transfer;
- (4) no Shareholder, without approval by a Special Resolution, may make a Transfer of a part of its Interest that is equal to or less than 10% of all Interests held by the Shareholders;
- (5) for certainty, each Transfer of an Interest to a transferee must include as a part of such Transfer all of the rights, title and interests that exist in relation to such Interest including an amount of the Loans then held by the transferring Shareholder, which amount will be proportionate to the amount (expressed as a percentage) that the Shares being transferred as part of such Interest bear to all of the Shares held by the transferring Shareholder immediately prior to such Transfer; and
- (6) for further certainty, each Transfer of part of an Interest to a transferee must include as a part of such Transfer an amount of the Percentage Interest then held by the transferring Shareholder, which amount will be proportionate to the amount (expressed as a percentage) that the Shares being transferred as part of such Interest bear to all of the Shares held by the transferring Shareholder immediately prior to such Transfer.

18.3 Right of First Refusal

- (1) Except as otherwise provided in section 18.4, if a Shareholder desires to Transfer all or any part of its Interest, then the other Shareholder will, as long as it has a Percentage Interest of at least twenty percent (20%) ("Remaining Shareholder"), have the right of first refusal to acquire such Interest as provided in this section 18.3.
- (2) A Shareholder ("**Selling Shareholder**") intending to Transfer all or any part of its Interest ("**Offered Interest**") must, subject to this section 18.3, promptly provide notice to the Remaining Shareholder of its intentions ("**Transfer Notice**"). The Transfer Notice must State the price, the identity of the proposed transferee including the identity of the Person which is the ultimate holding company of the proposed transferee ("**Transferee**") and all other pertinent terms and conditions of the intended Transfer, and must be accompanied by a copy of the proposed offer or contract for sale. If the consideration for the intended Transfer or any part of it is not in cash, then the Transfer Notice given by the Selling Shareholder must specify the cash value of such consideration or the relevant part of the consideration, as determined by the Selling Shareholder.
- (3) Within ten (10) Business Days after receipt of a Transfer Notice under section 18.3(2) the Remaining Shareholder may object in writing to the Selling Shareholder's determination of the cash value of the consideration or relevant part of it which is the subject of the intended Transfer and upon such an objection being made the Shareholders must seek to agree upon that cash value but if they cannot reach agreement within five (5) Business Days after the date of objection, then that cash value will constitute a Dispute to be resolved by an Independent Expert in accordance with section 21 (the cost of which determination must be borne, if the cash value determined is less than that determined by the Selling Shareholder, by the Selling Shareholder and in any other case by the Remaining Shareholder).
- (4) The Remaining Shareholder will have sixty (60) days from the date the Transfer Notice is delivered or sixty (60) days from the date of agreement or determination of the cash value of the consideration or relevant part of it which is the subject of the intended Transfer (whichever is the later) ("**Election Period**") to notify the Selling Shareholder whether it elects to acquire the Offered Interest at (subject to section 18.3(2)) the same price and on

the same terms and conditions as set out in the Transfer Notice. If there is more than one Remaining Shareholder then the election will be exercisable by all or any one or more of the Remaining Shareholders and those who exercise it must purchase the Offered Interest of the Selling Shareholder and be liable for the purchase price as between them in proportion to their Percentage Interests inter se or in such other proportions as they may agree. For greater certainty, the Remaining Shareholder will have the right to acquire all but not less than all of the Offered Interest.

- (5) If the Remaining Shareholder elects to acquire the Offered Interest during the Election Period pursuant to section 18.3(2) and the Selling Shareholder receives offers in respect of all, but not less than all, of the Offered Interest, then the Transfer must be consummated within sixty (60) days after the date on which the Selling Shareholder or Remaining Shareholder (or both, as the case may be), has secured (on terms and conditions satisfactory to it) any necessary Consents of any Governmental Authority to the Transfer of the Offered Interest and all waiting periods which applicable Law requires the Selling Shareholder, or the Remaining Shareholder (or both, as the case may be), to observe have expired. Notwithstanding the foregoing and in any event, the Transfer to the Remaining Shareholder must be consummated within twelve (12) months after notice of such election is delivered to the Selling Shareholder.
- (6) If, after having completed the procedures described above, the Selling Shareholder has not received elections to acquire all, but not less than all, of the Offered Interest, then the Selling Shareholder will, following the expiration of the Election Period, be entitled to consummate the Transfer to the Transferee within sixty (60) days after the date on which the Selling Shareholder has secured (on terms and conditions satisfactory to it) any necessary Consents of any Governmental Authority to the Transfer of the Offered Interest and all waiting periods which applicable Law requires the Selling Shareholder or the Transferee (or both, as the case may be) to observe have expired, which Transfer must be at a price and on terms no less favorable than those offered to the Remaining Shareholder in the Transfer Notice. Notwithstanding the foregoing, and in any event, the Transfer of the Offered Interest to the Transferee must be consummated within twelve (12) months after the date on which the Election Period expired.
- (7) If the Selling Shareholder fails to consummate the Transfer to the Transferee within the twelve (12) month period set out in section 18.3(6) or any material alteration of the terms and conditions of the intended Transfer is proposed within such period, then the Selling Shareholder must not complete the intended Transfer after that time, or as so altered, without first having again complied with the foregoing provisions of this section 18.3

18.4 Exceptions to Right of First Refusal

Section 18.3 will not apply to the following:

- (1) transfer by a Shareholder of all or any part of its Interest to an Affiliate as long as if at any time after such Transfer such transferee ceases to be an Affiliate of such Shareholder, then such transferee must promptly Transfer all of its Interest back to such Shareholder;
- (2) an indirect Transfer that results from a change in the shareholding of a public company whose shares are listed on a stock exchange or an amalgamation, reorganization, business combination or other merger transaction completed by such a public company as long as the successor corporation possesses, directly or indirectly, all the property, rights and interests, and all the debts, liabilities and obligations, of each amalgamating or predecessor company;
- (3) an amalgamation or corporate reorganization involving the transferring Shareholder that has the effect in law of the amalgamated or surviving corporation possessing all the property, rights and interests and being subject to all the debts, liabilities and obligations

of each amalgamating or predecessor corporation provided that the surviving corporation was at all times before such amalgamation, an Affiliate of the transferring Shareholder;

- (4) the creation by a Shareholder of any Encumbrance over all or any of its Interest as permitted in accordance with section 18.7; or
- (5) a Drag Along Transaction.

18.5 Drag Along Right

- (1) If an offer (a "**Drag Along Offer**") is made to the majority Shareholder or the Company which:
 - (a) provides for the acquisition (either by way of a purchase, amalgamation, arrangement, corporate reorganization, or other means of merger, acquisition or transfer) by a bona fide arms-length third party or parties acting jointly or in concert (a "**Purchaser**"), of all (but not less than all) of the Interests in the Company; or
 - (b) involves the sale, lease, exchange or other disposition of all or substantially all of the Assets of the Company ;

(in either case, a "**Drag Along Transaction**"), and the majority Shareholder has irrevocably accepted or approved the Drag Along Offer, then the majority Shareholder or the Company must forthwith provide notice (the "**Drag Along Notice**") to the minority Shareholder who has not accepted or approved the Drag Along Offer.
- (2) The Drag Along Notice must specify:
 - (a) the name of the Purchaser;
 - (b) the purchase price of the Interests or the Assets, as the case may be;
 - (c) the intended completion date and place;
 - (d) all other material terms and conditions of the Drag Along Transaction; and
 - (e) whether the majority Shareholder or the Company is exercising its right to drag the minority Shareholder along such that the minority Shareholder must participate fully in the Transaction ("**Drag Along Right**").
- (3) Upon the giving of the Drag Along Notice and provided that Drag Along Notice specifies that the majority Shareholder or the Company is exercising the Drag Along Right, the minority Shareholder will be deemed to have accepted the Drag Along Offer and both Shareholders:
 - (a) must participate fully in any such Drag Along Transaction and vote in favour of the Drag Along Transaction and all actions required in connection with the Drag Along Transaction;
 - (b) must take all reasonable action required or desirable to consummate the Drag Along Transaction and otherwise effect the purpose of this section 18.5, including the execution of appropriate written Consents and similar documentation, whether required by applicable Law, by the Articles of the Company or otherwise; and

- (c) to the extent permitted by applicable Law, waives any statutory right of dissent or appraisal remedy (or both, as the case may be) to which it would otherwise be entitled in connection with the Drag Along Transaction.
- (4) For greater certainty, nothing herein obligates the majority Shareholder or the Company to exercise the Drag Along Right.
- (5) To the extent that the Drag Along Transaction does not complete for any reason, the minority Shareholder will not make any Claim against the majority Shareholder or the Company, and the majority Shareholder and the Company will not be liable to the minority Shareholder or to any other Person for such non-completion.

18.6 Tag Along Right

- (1) If an offer (a "**Tag Along Offer**") is made to the majority Shareholder which provides for the purchase by a Purchaser, of all (but not less than all) of the Interest of the majority Shareholder (a "**Tag Along Transaction**"), then the majority Shareholder must forthwith provide notice (the "**Tag Along Notice**") to the minority Shareholder.
- (2) The Tag Along Notice must specify the.
 - (a) name of the Purchaser;
 - (b) purchase price per Share that comprises the Interest held the majority Shareholder;
 - (c) intended completion date and place; and
 - (d) all other material terms and conditions of the Tag Along Transaction.
- (3) Upon the giving of the Tag Along Notice, the minority Shareholder may give notice to the majority Shareholder within 10 Business Days of receiving the Tag Along Notice that it wishes to participate in the sale and sell its entire Interest at the same purchase price per Share that the majority Shareholder is receiving and otherwise upon the same terms and conditions, mutatis mutandis, as the sale pursuant to the Tag Along Offer (the "Tag Along Acceptance"). Any Tag Along Acceptance given by the minority Shareholder is irrevocable and the minority Shareholder must cooperate with the majority Shareholder and the Purchaser and do all things reasonably required to complete such sale.
- (4) To the extent that the Tag Along Transaction does not complete for any reason, the minority Shareholder will not make any Claim against the majority Shareholder, and the majority Shareholder will not be liable to the minority Shareholder or to any other Person for such non-completion.

18.7 Encumbrance of Shares

Except as contemplated pursuant to section 11.6, each Shareholder must not create or permit the creation of any Encumbrance over all or any of its Interest unless:

- (1) the Encumbrance is a mortgage, charge, assignment by way of security or other recognized form of security reasonably acceptable to the other Shareholder ("**Security**");
- (2) the Security is to:
 - (a) secure any financing approved by the Board (including project finance); or

- (b) secure money borrowed by the Shareholder for the purpose of meeting its obligations under this Agreement;
- (3) the Security would not prevent it from performing its obligations hereunder;
- (4) the Person to whom the Security is granted or given ("**Security Holder**") agrees in writing in a legally enforceable manner with the other Shareholder ("**Non-secured Shareholder**") that the rights and interests of the Company and the other Shareholder in the Interest and the Assets (whether direct or indirect) will not be subject to or prejudiced by the Security and that the Security Holder and any liquidator, receiver, receiver and manager, trustee, assignee or transferee taking an interest in or relating to the Interest of the Shareholder giving or granting the Security ("**Encumbered Interest**") will be bound by the terms of this Agreement and will take subject to the rights and interests in the Encumbered Interest of the Non-secured Shareholder and, in particular, but without limiting the foregoing, that:
 - (a) the Security Holder or any receiver or receiver and manager appointed by the Security Holder under the Security, if it desires to exercise any power of sale or foreclosure arising under the Security, must comply with section 18.3 as if such Security Holder, receiver or receiver and manager were the Selling Shareholder and as if reference to the other Shareholder in section 18.3 was to the Non-secured Shareholder: and
 - (b) except in the case of Security to secure any financing approved by the Board (including project finance), the Security must be subordinate to any then-existing debt or Encumbrance, encumbering the Shareholder's Interest.

18.8 Conditions of Transfer

A Transfer to a third party under section 18.3, or an Affiliate under section 18.4(1), will have no effect unless and until the third party or the Affiliate (as the case may be):

- (1) except in the case of an indirect Transfer contemplated by section 18.4(2), executes and delivers to the other Shareholder and the Company, an agreement or instrument in a form as the other Shareholder may reasonably require, by which the third party or the Affiliate agrees to be bound by and to perform and observe all of the terms and conditions of this Agreement binding upon and to be performed and observed by the transferring Shareholder to the extent of the Shares being transferred and specifying an address for service, including the address and email address for the third party or Affiliate; and
- (2) the third party or the Affiliate secures all necessary Consents of any Governmental Authority to the Transfer.

18.9 Costs and Expenses

The Shareholder making a Transfer to an Affiliate, or to a third party, must pay all costs, charges, taxes, levies and expenses (including the legal costs and expenses of the Company and other Shareholder) of and incidental to the preparation, negotiation, settling, execution and registering of every document required to satisfy section 18.8.

18.10 Change in Control of a Shareholder

Except where a Shareholder's shares are listed on a recognized stock exchange, if after the Effective Date there is to be a Change in Control of a Shareholder, or there is a Change in Control of a Shareholder, then the Shareholder in relation to whom a Change in Control is to occur, or has occurred ("**CC Shareholder**"), must promptly give a notice ("**Change in Control Notice**") to the other Shareholder (or Shareholders, as the case may be) ("**Continuing Shareholder**" or "**Continuing Shareholders**", as the case may be) of the fact that a Change in Control will occur or has occurred. The Change in Control Notice will (subject to any

Project Security) constitute a grant by the CC Shareholder to the Continuing Shareholder or Continuing Shareholders, as the case may be of an option ("**CC Option**") to acquire all of the Interest of the CC Shareholder ("**CC Interest**") and the CC Option:

- (1) will be exercisable by the Continuing Shareholder or Continuing Shareholders, as the case may be, by notice to the CC Shareholder:
 - (a) within sixty (60) Business Days of the date of agreement in writing by the CC Shareholder and the Continuing Shareholder or Continuing Shareholders, as the case may be, of the fair market value of the CC Interest; or
 - (b) failing agreement pursuant to section 18.10(1)(a) within ten (10) Business Days after receipt of the Change in Control Notice, within sixty (60) Business Days after determination of the fair market value of the CC Interest, in accordance with section 18.11, whichever is the later;
- (2) will contain the following terms.
 - (a) the purchase price will be the fair market value of the CC Interest as agreed in accordance with section 18.10(1) (a) or failing agreement as determined in accordance with section 18.11;
 - (b) if there is more than one Continuing Shareholder then:
 - (i) the CC Option will be exercisable by all or any one or more of the Continuing Shareholders and those who exercise it must purchase the CC Interest of the CC Shareholder and be liable for the purchase price as between them in proportion to their Percentage Interests inter se or in such other proportions as they may agree;
 - (ii) if any Continuing Shareholder exercises the CC Option it must immediately give notice of the exercise of the CC Option to all of the other Continuing Shareholders which will then have twenty (20) Business Days after receipt of that notice within which to exercise the CC Option themselves; and
 - (iii) the date of exercise of the CC Option will be deemed to be the date of expiration of the period of twenty (20) Business Days after receipt by all Continuing Shareholders of a notice under section 18.10(2)(b)(ii) from the first Continuing Shareholder to exercise the CC Option;
 - (c) the Continuing Shareholder or Continuing Shareholders (as the case may be) exercising the CC Option will purchase and take a transfer from the CC Shareholder of the CC Interest free of all Encumbrances (other than any Project Security in respect of which a Continuing Shareholder or Continuing Shareholders (as the case may be) will covenant with the chargee or encumbrancee under such Project Security to be bound thereby and liable under the Project Security to the same extent as the CC Shareholder);
 - (d) if the CC Option is exercised then the CC Shareholder must, within sixty (60) Business Days after the date on which the Continuing Shareholder secures all necessary consents and approvals of any Governmental Authority to the purchase and transfer of the CC Interest, transfer to the Continuing Shareholder or Continuing Shareholders (as the case may be) which exercise the CC Option (and, in the case of more than one Continuing Shareholder who has exercised the CC Option, the proportions between them determined in accordance with section 18.10(2)(b)(i)), the CC Interest and thereupon the CC Shareholder will cease to

have any further right or interest in the Assets, the Company or the CC Interest; and

- (e) the CC Shareholder and the Company must deliver or cause to be delivered all deeds, instruments, notarizations or documents, duly executed, which in the opinion of the Continuing Shareholder (acting reasonably) are necessary to effect and evidence the purchase and transfer of the CC Interest from CC Shareholder to the Continuing Shareholder free from all Encumbrances as contemplated by this section 18.10.

18.11 Determination of Fair Market Value

If the fair market value of a CC Interest of a CC Shareholder cannot be agreed to by the CC Shareholder and the Continuing Shareholders within ten (10) Business Days after receipt of the Change of Control Notice, then the fair market value of the CC Interest of a CC Shareholder will be determined by an Independent Expert in accordance with section 21 (the cost of which determination must be borne, if the fair market value determined is less than that determined by the CC Shareholder, by the CC Shareholder and in any other case by the Continuing Shareholders).

18.12 Non-Compete Covenants

A Shareholder that Transfers, surrenders, has cancelled or forfeits its entire Interest, must not and must cause its Affiliates not to, directly or indirectly acquire any interest in property within the Area of Interest for two (2) years after the effective date of the Transfer, surrender, cancellation or forfeiture. If a transferring, surrendering, cancelling, or forfeiting Shareholder, or any Affiliate of the foregoing, breaches this section 18.12, such Shareholder or Affiliate must offer to convey to the other Shareholder, without cost, any such property or interest so acquired. Such offer must be made in writing and can be accepted by such other Shareholder at any time within forty (40) Business Days after it is received by such other Shareholder.

18.13 Compulsory Acquisition Option on Insolvency

If an Insolvency Event occurs in relation to any Shareholder (an "**Insolvent Party**"), then the other Shareholder will, to the extent permitted by applicable Law, have an option (on a pro rata basis among such other Shareholders) to acquire the Interest of the Insolvent Party for a cash purchase price determined by agreement with the Insolvent Party or its legal representatives to be fair market value. The other Shareholder may, to the extent permitted by applicable Law, exercise such option to purchase by written notice to the Insolvent Party or its legal representatives given within twenty

(20) Business Days of it first becoming aware of the Insolvency Event. If there is more than one Shareholder (other than the Insolvent Party) then the option will be exercisable by all or any one or more of the other Shareholders and those who exercise it must purchase the Interest of the Selling Shareholder and be liable for the cash purchase price as between them in proportion to their Percentage Interests inter se or in such other proportions as they may agree. If no agreement is reached as to the fair market value of the entire Interest of the Insolvent Party within twenty (20) Business Days of the giving of such notice, any Shareholder may, to the extent permitted by applicable Law, refer that matter for determination by an Independent Expert in accordance with section 21

19. CONFIDENTIALITY

19.1 General

The Parties agree that this Agreement (including any drafts of it), all information (whether in tangible or electronic form) exchanged between the Parties or their Affiliates under this Agreement and all information concerning or relating to the Property or the Operations of which it becomes aware ("**Confidential Information**") is the exclusive property of the Company, is confidential and must be kept confidential and must not be disclosed to any Person at any time or in any manner except:

- (1) to another Shareholder;
- (2) with the prior written consent of the other Shareholder;
- (3) disclosure of Confidential Information by a Shareholder to its Affiliates;
- (4) to the extent that the Confidential Information was publicly available at the Effective Date or becomes publicly available subsequent to the Effective Date without breach of this Agreement;
- (5) as may be necessary in seeking approval of any Governmental Authority:
 - (a) in seeking to maintain the Property or acquire additional Mineral Rights or Other Rights; or
 - (b) to perform the Operations;
- (6) by a Party to legal, financial, and other professional or technical advisers, auditors and other consultants, officers and employees of:
 - (a) that Party; or
 - (b) that Party's Affiliates,

in any case requiring the information for the purposes of this Agreement (or any transactions contemplated by this Agreement), or for the purpose of advising that Party in relation to this Agreement;
- (7) to the extent required by Law or by a lawful requirement of any Governmental Authority or stock exchange having jurisdiction over a Shareholder or its Affiliates (and the Parties expressly acknowledge that this Agreement may be required to be filed under FMI Mining Corp.'s SEDAR+ profile at www.sedarplus.com, subject to such redactions permitted under such Law or lawful requirements as a Party may require);
- (8) if required in connection with legal proceedings or arbitration relating to this Agreement or for the purpose of advising a Shareholder in relation to legal proceedings or arbitration;
- (9) to any bona fide enquirer contemplating the Transfer to it of the Shares of a Shareholder under this Agreement as long as the enquirer has first entered into an agreement in favour of the Parties to preserve confidentiality to information disclosed in a manner at least as onerous on the enquirer as this section 19.1 is onerous on the Parties;
- (10) to a banker, lender, financial institution, or other financing source considering the provision of or, which has provided financing to, a Shareholder or an Affiliate of a Shareholder or to a trustee, representative or agent of such banker, financial institution, or other financing source; or
- (11) as required by the rules and regulations of any regulator, securities commission or stock exchange or similar public market for trading shares upon which securities of a Shareholder or of an Affiliate of a Shareholder are quoted after the reasonable prior consultation, if practicable, with the other Shareholder taking place as to the nature and form of the disclosure (which does not imply that the consent or approval, of the other Shareholder must or need be obtained). Notwithstanding the foregoing, any disclosure must be to the standards required by the applicable stock exchange, regulator, securities commission, or applicable Law.

19.2 Public Announcements

- (1) Any initial public announcement of this Agreement and its subject matter will be in the form agreed between the Shareholders prior to the Effective Date.
- (2) Subject to section 19.2(1), a Party may not make any public announcement in relation to this Agreement or any matter arising under this Agreement unless:
 - (a) the wording of the announcement is agreed between the Shareholders, such agreement not to be unreasonably withheld: or
 - (b) the announcement is otherwise permitted under section 19.2(3).
- (3) A Shareholder is entitled to make announcements only to the extent necessary to comply with the listing rules of an applicable stock exchange on which its shares (or that of its Affiliate) are listed or the requirements of a regulator, securities commission or Law. The Shareholder proposing to make such an announcement will endeavour to give the other Shareholder as much notice as is possible (and in any event will endeavour to give at least 24 hours' notice) of its intention to make the announcement, and will take into account the reasonable requests of the other Shareholder in relation to the wording of the announcement.

19.3 Duration of Confidentiality

This section 19 will apply for two (2) years following termination of this Agreement pursuant to section 15.1, and will continue to apply to any Shareholder who withdraws, who is deemed to have withdrawn, who has forfeited its Interest or who Transfers its Interest, for two (2) years following the date of such occurrence.

19.4 Canadian Disclosure Rules

Where either FMI or any Affiliate of FMI (as applicable, the "**Disclosed**") is required by NI 43-101 to file a Technical Report with respect to the Property:

- (1) the Discloser must prepare and file or cause to be prepared and filed the Technical Report in accordance with NI 43-101 using a Qualified Person retained by or on behalf of the Disclosed;
- (2) the Company will be responsible for the cost of preparing or providing the Technical Report; and
- (3) Nana will be entitled to access to all pertinent information related to that portion of the Technical Report pertaining to the Property and must be afforded a reasonable opportunity to review and require changes to that portion of the Technical Report prior to the filing of the Technical Report with applicable regulatory authorities.

20. ANTI-CORRUPTION, INTERNAL CONTROLS AND COMPLIANCE POLICIES

20.1 Adequate anti-corruption policies and internal controls - Company

The Company will adopt adequate written policies and procedures that are acceptable in form and substance to FMI to ensure compliance with Laws relating to Bribery and trade sanction laws.

20.2 Representations and Covenants

- (1) Each Shareholder, including the Company, represents and warrants and agrees that, in connection with this Agreement:

- (a) neither it, nor its Personnel, directly or indirectly, has engaged (upon entering into this Agreement), or will engage, in the Bribery of a Government Official or any Person;
 - (b) it (including its Personnel) will otherwise comply with any Anti-Corruption Laws;
 - (c) neither it, nor any of its officers or directors, has been convicted of any offence involving a breach of Anti-Corruption Laws,
 - (d) it will keep and maintain accurate and reasonably detailed books and financial records of expenses and receipts in connection with its performance under, and payments made or received in connection with, this Agreement; and
 - (e) upon request, as soon as reasonably practicable but not later than five (5) Business Days, provide any information and reasonable assistance to another Party to audit any books and financial records to verify compliance with the undertakings under this Agreement, and otherwise reasonably co-operate with a Shareholder investigation of any related matters.
- (2) Each Shareholder represents, warrants, and agrees that, in connection with this Agreement, the Assets and the Operations:
- (a) neither it, nor any of its Affiliates nor its Personnel, directly or indirectly, has engaged (prior to entering into this Agreement), or will engage, in the Bribery of a Government Official or any Person;
 - (b) it (including its Affiliates and Personnel) has and will otherwise comply with any Anti-Corruption Laws;
 - (c) except as disclosed to the other Party, neither it (including any of its Personnel) nor any other entity in which the Party has an ownership interest:
 - (i) is directly or indirectly owned or controlled, in whole or in part, by any Government Official unless the interest held is less than 5% of any securities of the Party that are publicly traded on a major stock exchange; and
 - (ii) has an officer, director, or employee who is, or currently expects to become, such a Government Official during the term of this Agreement;
 - (d) it must notify each other Party promptly, and in any event not less than five (5) Business Days, upon becoming aware that any officer, director, employee or owner becomes, or expects to become, a Government Official in a position to take or influence official action for or against the Property, the Operations or this Agreement;
 - (e) if it engages a Subcontractor or other third party to interact with others on its behalf, it will perform appropriate risk based anti-corruption due diligence on that Subcontractor or third party, will keep records of the same, and take reasonable measures to ensure they comply with sections 20.2(2)(a), 20.2(2)(b) and 20.2(2)(c); and
 - (f) it will notify each other Party promptly upon becoming aware of any potential breach of sections 20.2(2)(a), 20.2(2)(b), 20.2(2)(c) or 20.2(2)(d).
- (3) Each Shareholder represents, warrants and agrees that, in connection with this Agreement, it will:

- (a) keep and maintain accurate and reasonably detailed books and financial records of expenses and receipts in connection with its performance under, and payments made or received in connection with, this Agreement; and
- (b) upon request, as soon as reasonably practicable but no later than five (5) Business Days, provide any information and reasonable assistance to another Party to audit any books and financial records to verify compliance with the representations, warranties and undertakings under this Agreement, and otherwise reasonably cooperate with any Party investigation of any related matters.

21. DISPUTES AND ARBITRATION

21.1 Disputes

If there is any Dispute between the Shareholders concerning or arising out of or in relation to this Agreement, whether before or after the expiration of this Agreement (including any Dispute as to whether any issue or matter is arbitrable), then a Shareholder may give to each other Party a notice ("**Dispute Notice**") specifying the Dispute and requiring its resolution under this section 21. All Disputes must be resolved solely in accordance with this section 21.

21.2 Dispute Representatives to Seek Resolution

- (1) If the Dispute is not resolved within ten (10) Business Days after a Dispute Notice is given by a Shareholder to each other Party, each Shareholder must nominate one (1) representative from its senior management to resolve the Dispute (each, a "**Dispute Representative**"), who must negotiate in good faith using their respective commercially reasonable efforts to attain a resolution of the Dispute.
- (2) If the Dispute is not resolved within ten (10) Business Days of the Dispute being referred to the respective Dispute Representatives or a Shareholder fails to nominate a Dispute Representative, then any Shareholder may submit the Dispute to arbitration in accordance with section 21.3.

21.3 Arbitration

- (1) Any Dispute which has not been resolved under section 21.2 must be referred to International Chamber of Commerce ("**ICC**") and finally resolved by arbitration under the then current arbitration rules ("**Rules**").
- (2) The Parties agree that:
 - (a) the seat, or legal place of arbitration, will be Suriname. The language used in the arbitral proceedings will be English;
 - (b) all arbitral proceedings will be private and confidential and may be attended only by the arbitrators, the Parties and their representatives, and witnesses to the extent they are testifying in the proceedings;
 - (c) subject to section 21.3(2)(d), any Dispute will be heard by a single arbitrator and the Shareholders must attempt to agree upon a qualified individual to serve as arbitrator. If the Shareholders are unable to so agree within twenty (20) Business Days of the first attempt by the Shareholders to select the arbitrator, then a Shareholder may request that the ICC select and appoint the arbitrator;
 - (d) if any Shareholders' claim or counterclaim equals or exceeds five million dollars (\$5,000, 000), exclusive of interest or legal fees, then the Dispute must be heard and determined by three (3) arbitrators and in the event that three (3) arbitrators

will hear the Dispute, each Shareholder must, within twenty (20) Business Days after commencement of the arbitration, select one (1) Person to act as arbitrator. The two (2) arbitrators so selected must, within ten (10) Business Days of their appointment, select a third arbitrator who will serve as the chairperson of the arbitral panel;

- (e) if a Shareholder fails to appoint an arbitrator as required under section 21.3(2)(d), or if the arbitrators selected by the Shareholders are unable or fail to agree upon a third arbitrator within ten (10) Business Days of their appointment, then a Shareholder may request that the ICC select and appoint that arbitrator;
 - (f) the arbitrator (or each of them as the case may be) must be independent of the Parties, with expertise in the subject matter of the Dispute;
 - (g) if an arbitrator dies, resigns, refuses to act, or becomes incapable of performing his or her functions as an arbitrator, then the ICC may declare a vacancy on the panel and the vacancy must be filled by the method by which that arbitrator was originally appointed;
 - (h) the arbitral panel may determine all questions of law and jurisdiction (including questions as to whether or not a Dispute is arbitrable) and all matters of procedure relating to the arbitration:
 - (i) arbitration will be the sole and exclusive forum for resolution of a Dispute and any award or determination of the arbitral panel will be final and binding upon the Parties in respect of all matters relating to the arbitration, the procedure, the conduct of the Parties during the proceedings and the final determination of the issues in the arbitration; and
 - (j) there will be no appeal from any award or determination of the arbitral panel to any court and judgment on any arbitral award may be entered in any court of competent jurisdiction.
- (3) If for any reason the ICC cannot or does not make the appointment or appointments required under the Rules or this section 21, either Shareholders may apply to the courts of Suriname to appoint the arbitrator or arbitrators, as the case may be.
 - (4) No arbitration proceeding may be commenced under this section 21 unless commenced within the time period permitted for actions by the applicable statute of limitations.
 - (5) All papers, notices or process pertaining to an arbitration under this Agreement may be served on a Party in accordance with section 22.
 - (6) The Parties must treat as Confidential Information, in accordance with the provisions of section 19, the existence of the arbitral proceedings; written notices, pleadings and correspondence in relation to the arbitration; reports, summaries, witness statements, memorials, briefs and other documents prepared in respect of the arbitration; contemporaneous or historical documents exchanged or produced for the purposes of the arbitration; and the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing, a Shareholder may disclose such Confidential Information in judicial proceedings to enforce an award or ruling and as permitted under this section 21

21.4 Inconsistency between Rules and Agreement

If there is a conflict between the provisions of this Agreement and the provisions of the Rules, then the provisions of this Agreement will prevail.

21.5 Effect of Arbitration

Nothing in this section 21 will prejudice the right of a Shareholder to institute legal proceedings to seek urgent interlocutory or declaratory relief. Subject to the foregoing, the arbitration will be the sole and exclusive forum for resolution of a Dispute and the award will be final and binding.

21.6 Enforcement

The award rendered by an arbitral panel may be enforced by an order or judgment of any court having jurisdiction or an application may be made to such court for acceptance of the award and an order of enforcement, as the case may be.

21.7 Performance of Obligations During Dispute

During the existence of any Dispute, the Parties must continue to perform all of their obligations under this Agreement which are not the subject of the Dispute without prejudice to their position in respect of such Dispute, unless the Shareholders otherwise agree.

21.8 Consolidation of Arbitration

If a Shareholder is or becomes involved in any arbitration proceeding with another Shareholder and with any Affiliate of another Shareholder, all such arbitrations may at such Shareholders' discretion be consolidated or joined with the other arbitration or arbitrations such that all Disputes between the Shareholders and any Affiliates of the Shareholders, are resolved by a single arbitral panel.

21.9 Independent Expert Determination

If:

- (1) during the term of this Agreement there is any Dispute as to the application of any industry or technical standard or any rules, practices or customs of any trade or profession ; or
- (2) the terms of this Agreement expressly provide that a Dispute will be resolved by an Independent Expert; or
- (3) during the term of this Agreement, the Shareholders agree that a Dispute will be resolved by an Independent Expert; or
- (4) during the term of this Agreement the fair market value of the Property or of the Interest of a Shareholder is required by a provision of this Agreement to be determined,
- (5) then, notwithstanding any other provision of this section 21, the Dispute or the required fair market valuation (as applicable) must be referred to an Independent Expert for determination and sections 21 10 to 21.12 will apply in place of section 21.3.

21.10 Appointment of Independent Expert

The procedure for the appointment of an Independent Expert will be as follows:

- (1) in the case where a Dispute must be referred to an Independent Expert for resolution:
 - (a) the Shareholder wishing the appointment to be made must give notice in writing to that effect to the other Shareholder and the Company and must give details of the Dispute which it proposes will be resolved by the Independent Expert;
 - (b) if the matter to be referred to the Independent Expert is not resolved by the Shareholders within ten (10) Business Days from the date of the notice referred to

in section 21.10(1)(a), then representatives of the Shareholders must meet (either in Person or by electronic means) and, subject to section 21.10(1)(c), endeavour to agree upon a single Independent Expert to whom the Dispute will be referred for determination;

- (c) the Independent Expert must:
 - (i) be a suitably qualified expert who has qualifications and experience appropriate to the subject matter of the Dispute; and
 - (ii) be independent of the Parties and have no direct or indirect personal interest in the outcome of the decision he or she is requested to make and, unless otherwise agreed between the Shareholders, must not (and whose firm must not) have acted for any Party in any material capacity for a period of at least two (2) years preceding the date of his or her appointment; and
 - (d) if within fifteen (15) Business Days of the notice referred to in section 21.10(1)(a) the Shareholders fail to agree upon the appointment of a single Independent Expert, then the Company must request the ICC to, subject to section 21.10(1)(c), appoint the Independent Expert. If the then President of the ICC does not appoint the Independent Expert within seven (7) Business Days of receiving the Company's request, then either Shareholder may make an application to the courts of Suriname for the selection and appointment of the Independent Expert;
- (2) in the case where this Agreement requires that the fair market value of the Property or of the Interest of a Shareholder be determined by an independent Expert.
- (a) the Shareholder wishing the appointment to be made must give notice in writing to that effect to the other Shareholder and the Company and must specify whether the fair market value of the Property or of a relevant Interest will be determined by the Independent Expert;
 - (b) if the fair market value of the Property or of the relevant Interest is not agreed by the Shareholders within ten (10) Business Days from the date of the notice referred to in section 21.10(2)(a), then representatives of the Shareholders must meet (either in Person or by electronic means) and, subject to section 21.10(2)(c), endeavour to agree upon a single Independent Expert who will determine the fair market value of the Property or of the relevant Interest;
 - (c) the Independent Expert must:
 - (i) be a suitably qualified expert who has appropriate qualifications and no less than ten (10) years' experience in the valuation of substantially similar mining properties to the Property or in the case where a Mining Operation has been established, substantially similar mining operations to the Mining Operation; and
 - (ii) be independent of the Parties and have no direct or indirect personal interest in the outcome of the decision he or she is requested to make and, unless otherwise agreed between the Shareholders, must not (and whose firm must not) have acted for any Party in any material capacity for a period of at least two (2) years preceding the date of his or her appointment;
 - (d) if within fifteen (15) Business Days of the notice referred to in section 21.10(2)(a) the Shareholders fail to agree upon the appointment of a single Independent Expert, then the Company must request the President or Chief Executive Officer for the time being of CIM to, subject to section 21.10(2)(c), appoint the Independent

Expert. If the then President or Chief Executive Officer does not appoint the Independent Expert within seven (7) Business Days of receiving the Company's request, then either Shareholder may make an application to the courts of Suriname for the selection and appointment of the Independent Expert.

21.11 Instruction of Independent Expert and Procedures

- (1) The Dispute which the Independent Expert is required to resolve or the required fair market valuation to be made (as the case may be) must be referred to him or her by the Company by written submission which must state the specific matter to be determined or valued (as the case may be) together with all other reasonably relevant matters including any requirements under this Agreement relating to that matter.
- (2) The Independent Expert will be instructed to:
 - (a) allow and give due weight to any submissions, representations, information or material put forward by a Shareholder or the Company within any time limit prescribed by the Independent Expert in his or her discretion;
 - (b) determine the Dispute or make the required fair market valuation (as the case may be) within the shortest practicable time; and
 - (c) deliver a report stating its determination with respect to the Dispute or the fair market valuation (as the case may be) setting out the reasons for the determination that has been made.
- (3) Without limiting and in addition to the requirement set out in section 21.11(2), where the Independent Expert is required to determine the fair market value of the Property or of the Interest of a Shareholder:
 - (a) the Independent Expert:
 - (i) must determine the fair market value having regard to all relevant factors including applicable standards, guidelines and practices set out in CIMVAL Standards & Guidelines and NI 43-101;
 - (ii) at his or her discretion may consult the Company and the contractors (if any) engaged by the Company in connection with the Operations;
 - (iii) will be entitled to rely in good faith upon the opinions of any expert or other persons (including the contractors of the Company) consulted;
 - (iv) must consider any submissions as to value which may be made to him or her by a Shareholder within any time limit prescribed by the Independent Expert in his or her discretion;
 - (v) must make his or her valuation on the basis of a willing but not anxious purchaser and a willing but not anxious vendor at the applicable date;
 - (vi) must not apply any minority discount in determining such fair market value; and
 - (vii) in the case where the fair market value of a CC Interest is being determined as a consequence of a Change in Control:

- (A) must determine the fair market value as at the date of the agreement or proposed agreement which will give rise to the Change in Control; and
 - (B) may take account of, among other things, the price paid or payable (directly or indirectly) for the shares of the Shareholder who is affected by, and as part of, the Change in Control and of the proportion of that price which may be attributable to the CC Interest of that Shareholder.
- (4) The Independent Expert must prescribe the procedures for the conduct of the process in order to resolve the Dispute or determine the required fair market value and must provide each Shareholder with a fair opportunity to make submissions in relation to the Dispute or the determination of the required fair market value.
 - (5) Each Shareholder and the Company must make freely available and in a timely manner any information (whether embodied in tangible or electronic form), assistance and co-operation which an Independent Expert reasonably requests for the purpose of conducting and making his or her his determination or valuation (as the case may be).

21.12 Determination of Independent Expert

- (1) Any process or determination of the Dispute or of fair market value by the Independent Expert will be made as an expert and not as an arbitrator and the determination of the Independent Expert will be final and binding on the Shareholders without appeal so far as the Law allows except in the case of manifest error or where either Shareholder has not been provided with a fair opportunity to make submissions in relation to the Dispute or the determination of the fair market value of the Property or of the Interest of a Shareholder.
- (2) Except as provided otherwise in this Agreement:
 - (a) each Shareholder must bear its own costs of and incidental to any proceedings under sections 21.9 to 21.11 (inclusive); and
 - (b) the costs of the Independent Expert will be borne by the Shareholders in equal shares

22. NOTICE

22.1 Form of Notice

A notice, demand, approval, consent or other communication required, given or made under this Agreement ("**Notice**" or "**Notice**") must be

- (1) in writing: and
- (2) delivered by hand or sent electronically as an attachment to an email to the email or other internet address, specified in section 22.3.

22.2 Delivery

- (1) A Notice is effective:
 - (a) if delivered by hand, on the date it is delivered to the addressee;
 - (b) if sent electronically:

- (i) at the time shown in the delivery confirmation report generated by the sender's email system; or
 - (ii) if the sender's email system does not generate a delivery confirmation report within twelve (12) hours of the time the email is sent, unless the sender receives a return email notification that the email was not delivered, undeliverable or similar, at the time which is twelve (12) hours from the time the email was sent, unless a later time is specified in the Notice.
- (2) A Notice received after 5 p.m. in the place of receipt is taken to be received on the next Business Day in the place of receipt.
 - (3) A Party may, from time to time, notify the other Party in writing of any change to its details in section 22.3.
 - (4) An email does not itself constitute a Notice but a Notice may be transmitted as an attachment to an email.

22.3 Address for Notice

- (1) Nana's delivery address and electronic mail address are:



Attention: 
Email: 

- (2) the Company's delivery address and electronic mail address are:



Attention: 
Email: 

- (3) FMI's delivery address and electronic mail address are:



Attention: 
Email: 

23. GENERAL

23.1 Parties

Where a Party comprises two or more persons, each of them is, to the extent permitted by Law, jointly and severally liable for the obligations and liabilities of that Party created by, arising under or in connection with this Agreement.

23.2 Entire Agreement

This Agreement:

- (1) is the entire agreement and understanding between the Parties on everything connected with the subject matter of this Agreement; and
- (2) supersedes any prior agreement or understanding on anything connected with that subject matter.

23.3 No Third Party Beneficiaries

Except as expressly provided otherwise in this Agreement:

- (1) each Person who executes this Agreement does so solely in its own legal capacity and not as agent or trustee for, nor as a partner of, any other Person; and
- (2) only those persons who execute this Agreement have a right or benefit under it and no other Person, including any creditor of any Shareholder is intended to be a beneficiary of this Agreement or will have any rights under this Agreement.

23.4 Legal Advice

Each Party acknowledges that it has received legal advice about this Agreement or has had the opportunity to receive legal advice about this Agreement.

23.5 Further Assurances

Except as provided otherwise in this Agreement, each Shareholder must take from time to time such actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

23.6 Amendment and variation

This Agreement may not be amended, modified, varied or supplemented except in writing signed by the Shareholders.

23.7 Consents or Approvals

Except where expressly specified otherwise in this Agreement, if the doing of any act, matter or thing under this Agreement is dependent on the consent or approval of a Shareholder or is within the discretion of a Shareholder, then the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the Shareholder in its absolute discretion.

23.8 Waiver

The Parties agree that:

- (1) a Party's failure or delay to exercise a power or right does not operate as a waiver of that power or right;
- (2) the exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right;
- (3) a waiver is not effective unless it is in writing; and

- (4) waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

23.9 Survival

- (1) Sections 6.3, 15.3, 15.4, 15.5, 16.4, 17, 18.13, 20 and 21 and all rights accrued prior to termination of this Agreement will not merge on termination of this Agreement, but will continue in full force and effect after any termination of this Agreement as will any other provision of this Agreement which expressly or by implication from its nature is intended to survive the termination of this Agreement.
- (2) Sections 18.12 and 19 will not merge on termination of this Agreement, but will continue in full force and effect after any termination of this Agreement and will survive in accordance with their terms.

23.10 23.10 Governing Law

- (1) This Agreement is solely governed by the law in force in Suriname without giving effect to the conflict of laws principles in Suriname and without reference to the laws of any other jurisdiction.
- (2) Subject to section 21, each Party:
 - (a) irrevocably and unconditionally submits to and accepts the exclusive jurisdiction of the courts exercising jurisdiction in Suriname, and any court that may hear appeals from any of those courts, for any proceeding in connection with this Agreement, subject to the right to enforce a judgement obtained in any of those courts in any other jurisdiction; and
 - (b) irrevocably waives any objection to the venue of any legal process commenced in the courts of Suriname on any basis including that the process has been brought in an inconvenient forum.

23.11 Language

- (1) At the request of the Parties this Agreement has been drafted in the English language. If required by applicable Law, this Agreement may be translated into Dutch but in the event of any inconsistency between the Dutch version of this Agreement and the English version of this Agreement, the English version will prevail and govern.
- (2) All the documents, notices, waivers and other communications given or made between the Parties in connection with this Agreement must be in the English language unless the Parties agree to the use of Dutch for any or all communications. In the event of a discrepancy between the English language version and the Dutch language translation of any document, notice, waiver or other communication, the English language version will prevail and govern.

23.12 Severability

- (1) If anything in this Agreement is unenforceable, illegal or void then it is severed and the rest of this Agreement remains in force.
- (2) Where a provision of this Agreement is prohibited or unenforceable, the Parties must negotiate in good faith to replace the invalid provision by a provision which is in accordance with the applicable Law and which must be as close as possible to the Parties' original intent and appropriate consequential amendments (if any) will be made to this Agreement.

23.13 Successors and Assigns

This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns

23.14 Counterparts

This Agreement may be executed in any number of counterparts. Each counterpart is an original, but the counterparts together are one and the same document. This Agreement is binding on the Parties on the exchange of counterparts. A copy of a counterpart sent by facsimile machine or by electronic mail

- (1) must be treated as an original counterpart;
- (2) is sufficient evidence of the execution of the original; and
- (3) may be produced in evidence for alt purposes in place of the original.

23.15 Execution - Authorized Officer to Sign

Each Person signing this Agreement as an authorized officer of a Party hereby represents and warrants that he or she is duly authorized to sign this Agreement for that Party and that this Agreement will, upon having been so executed, be binding on that Party in accordance with its terms.

[Signatures on Next Page]

Executed as an agreement as of the Effective Date.

LAWA GOLD N.V.

By: _____

Name: _____

Title: _____



By: _____

Name: _____

Title: _____



By: _____

Name: _____

Title: _____

SCHEDULE 1
PROPERTY

SCHEDULE 2

NSR ROYALTY TERMS

1. DEFINITIONS

Unless the context otherwise requires, for the purposes of this Schedule 2:

(1) **"Net Smelter Returns"** means gross revenues received from the sale by the Company of all ore mined from the Property and from the sale by the Company of concentrate, doré, metal and products derived from ore mined from the Property ("**Mineral Products**"), after deduction of the following:

(a) all costs, penalties, fees, expenses, charges, and deductions, including tolling charges or deductions, representation expenses, metal losses, umpire charges, assaying and sampling charges, smelting costs, treatment charges and penalties for impurities, that are incurred by the Company and its Affiliates relating to smelting or refining Mineral Products. In the case of leaching operations or other solution mining techniques, where the metal being treated is precipitated or otherwise directly derived from such leach solution, all processing and recovery costs incurred beyond the point at which the metal being treated is in solution will be considered as treatment charges (it being agreed and understood, however, that such processing and recovery costs will not include the cost of mining, crushing, preparation, distribution of leach solutions or other mining and preparation costs up to the point at which the metal goes into solution);

(b) all costs, expenses and charges that are incurred by the Company and its Affiliates relating to transportation (including insurance, shipping, freight, handling, loading, port, demurrage, security, delay and forwarding expenses and transaction taxes) of the Mineral Products from the Property, a mill or other place of ore treatment to a smelter or refinery, including such costs, expenses, and charges related to transportation from any such facility to another, and from there to the place or places of storage and sale to the place where sold, and will include costs or charges of any nature for or in connection with insurance, storage or representation at a smelter or refinery for Mineral Products;

(c) all sales, production, extraction, net proceeds, use, gross receipts, severance, value added tax, excise, export, import and other taxes, custom duties, governmental royalties and other governmental charges, if any, payable by the Company or its Affiliates with respect to the severance, production, removal, sale, import, export or transportation of ore, concentrates, doré, refined gold, refined silver, or other Mineral Products produced from the Property or in respect of the Royalty, but excluding taxes based on net or gross income and like taxes, the value of the Property and any value added or other taxes that are recoverable by the Company or its Affiliates; and

(d) any other charges relating to the marketing of Mineral Products derived from the Property.

If the Company sells any product to an Affiliate, or pursuant to a streaming agreement or otherwise not on arm's length terms or at fair market value, the Company shall, for the purposes of calculating the Net Smelter Returns only, and notwithstanding the actual amount of such sale price, be deemed to have received as the proceeds from the sale of such product an amount equal to the fair market value for such product and at the time of the transaction (using indexed prices to the greatest extent possible, including prices quoted by London Bullion Market Association and other reputable commodity quotations

to the extent not quoted by the London Bullion Market Association). Where a cost otherwise deductible as set out above is incurred by the Company in a transaction with a party with whom it is not dealing at arm's length, the cost to be deducted must be the fair market cost under the circumstances and at the time of the transaction.

(2) **"Joint Venture Agreement"** means the joint agreement to which this Schedule 2 is attached;

(3) **"Payee"** means the recipient of the Royalty hereunder;

- (4) "Offer" has the meaning set out in section 7(1) of the Schedule 2;
- (5) "RFR Offer" has the meaning set out in section 7(1) of the Schedule 2;
- (6) "Royalty" means 3% of Net Smelter Returns;
- (7) "Royalty Interest" has the meaning set out in section 7(1) of the Schedule 2;
- (8) a reference to a section is to a section of this Schedule 2; and
- (9) words and expressions which are defined in the Joint Venture Agreement to which this Schedule 2 is attached and not otherwise defined in this section 1 have the same meaning in this Schedule 2 as in the Joint Venture Agreement.

2. TRADING ACTIVITIES

The Company may, but will not be under any duty to, engage in price protection (hedging) or speculative transactions such as futures contracts and commodity options in its sole discretion covering all or part of production from the Property. None of the revenues, costs, profits or losses from such transactions will be taken into account in calculating Net Smelter Returns.

3. PRODUCTION AND COMMINGLING

Commingling of Mineral Products from the Property with other ores, concentrates, mineral products, metals and minerals produced elsewhere is permitted as long as reasonable and customary procedures are established for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained in such Mineral Products and in the other ores, concentrates, mineral products, metals and minerals.

4. PAYMENT

Payments of a percentage of Net Smelter Returns will commence on Commercial Production and be made to the Payee within 30 days after the end of each calendar quarter in which Net Smelter Returns, as determined on the basis of final adjusted invoices, are received by the Company.

5. RECORDS & AUDIT

The Company shall maintain accurate and complete records relating to the calculation of Net Smelter Returns and:

- (1) a copy of the calculation shall be delivered to the Payee within 120 days following the end of the calendar year to which it relates: and
- (2) any necessary adjustment in payments of the Royalty revealed by the audit shall be made by the Company to the Payee or by the Payee to the Company, as the case may be, within 150 days of the calendar year end. The Payee shall have the right, upon reasonable prior notice and once per calendar year, to inspect the books and records of the Company relating to the calculation of the Net Smelter Returns and audit such records at the Company's offices at a mutually convenient time to be agreed upon by the Company. Provided an audit is conducted, it must be by an accounting firm of recognized standing, at least one of whose members is a member of the Chartered Professional Accountants Canada. The Company shall make available all books and records, refinery statements, and other invoices, receipts and records necessary for purposes of such audit, and shall make available work space and copying facilities, or permit the Payee and its representatives to install copying facilities for use in connection with its audit activities. The Payee shall pay for the audit, but if discrepancies of 5% or more are discovered with respect to the total Royalty payments in any given year and such discrepancies have resulted in underpayment to the Payee, the Company shall pay for the full costs of the audit and any other reasonable out of pocket costs of the Payee in arranging for the audit and having it reviewed by professionals.

6. OWNER TO DETERMINE OPERATIONS

The Company:

- (1) may, but is not obliged to treat, mill, sort, concentrate, refine, or otherwise process, beneficiate or upgrade the ores, concentrates, and other products at sites located on or off the Property, prior to sale, transfer, or conveyance to a purchaser, user, or consumer; and
- (2) will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Property and may suspend operations and production on the Property at any time it considers it prudent or appropriate to do so. The Company will owe the Payee no duty to explore, develop, maintain or mine the Property, or to do so at any rate or in any manner other than that which the Company may determine in its sole and unfettered discretion.

7. ASSIGNMENT

- (1) The Payee may convey or assign all or any undivided portion of the Royalty payable either indefinitely or for a stated term of years or up to a specified dollar amount (the "**Royalty Interest**") so long as the Payee has complied with the right of first refusal provisions of this section. If the Payee receives a bona fide offer from an arm's length third party to acquire, for cash consideration, all or any part of the Royalty Interest that the Payee is willing to accept (the "**Offer**"), the Payee must first offer to sell such interest to the Company (the "RFR Offer") on the terms and conditions set out in the Offer, which RFR Offer must be accompanied by a true and complete copy of the Offer. The Company shall have 30 days to accept and a further 180 days to close the transaction contemplated by the RFR Offer, failing which the Payee will have the right for a period of 60 days after the expiry of the 30- day period without the Company accepting the RFR Offer or after expiry of the 30-day period without the Company completing the transaction, as the case may be, to accept and close on the transaction contemplated by the Offer. In the event that the Offer is not completed within the said 60-day period, this right of first refusal shall be reinstated. Any assignment of the Royalty Interest, shall not be effective against the Company until the Payee has delivered to the Company a written and enforceable acknowledgement executed by such assignee agreeing to be bound by all of the terms and conditions herein detailed. No assignment by the Payee of the Royalty or any interest of the Payee under the Royalty will be effective unless and until the intending assignee has entered into an agreement with the Company by which the intending assignee agrees to assume the obligations of the Payee.
- (2) The Company may, at any time, sell or transfer all or a portion of the Property, subject to the following conditions. The Company, including any party who is a successor to the Company, shall cause any assignee of any of the Property to assume in writing the obligations to the Payee with respect to the Property and the Royalty and to cause an original of such writing to be delivered to the Payee.

8. NO INTEREST IN PROPERTY

Nothing contained in this Schedule 2 will be construed as conferring upon the Payee any right to or beneficial interest in the Property. The right to receive a percentage of Net Smelter Returns from the Company as and when due is and will be deemed to be a contractual right only. Furthermore, the right to receive a percentage of Net Smelter Returns by the Payee from the Company as and when due will not be deemed to constitute the Company the partner, agent or legal representative of the Payee or to create any fiduciary relationship between them for any purpose whatsoever.

9. SURVIVAL

Should the Royalty become payable under the Joint Venture Agreement, and the Joint Venture Agreement be terminated thereafter, this Schedule 2 will continue in full force and effect after any termination of the

Joint Venture Agreement as will any other provision of Joint Venture Agreement which expressly or by implication from its nature is intended apply to this Schedule 2 and to survive the termination of the Joint Venture Agreement.