



PURCHASE CONTRACT NO. OPUK.SP90765

CONTRACT Dated ~~March 15~~^{April 6}, 2021

Between

OCEAN PARTNERS UK LIMITED

The Pearce Building, Third floor, West Street, Maidenhead, Berkshire
SL6 1RL, UK

Hereinafter called "Buyer"

and

Nicola Mining Inc.

3329 Aberdeen Road
Lower Nicola, BC V0K 1Y0

Hereinafter called "Seller"

1. DEFINITIONS AND INTERPRETATIONS

- the term "metric ton" means 1000 kilograms or 2204.62 pounds
- the term "pound" (lb) means pound avoirdupois, equal to 453.593 grams
- the term "ounce" (oz) means ounce troy, equal to 31.1035 grams
- the term "g/t" means grams per dry metric ton
- the term "wet metric ton" or "(wmt)" means metric ton, wet basis and shall be reported to 3 decimal places
- the term "dry metric ton" or "(dmt)" means metric ton, dry basis and shall be reported to 3 decimal places
- the term "unit" means 1% of a dry metric ton
- the term "ppm" means part per million or 1 gram per dry metric ton
- the term "Concentrate" shall have the meaning set out in Clause 3 below
- the term "Target Quantity" shall have the meaning set out in Clause 2 below
- the term "Metal Payments" shall mean the metal payments set out in Schedule 2 to this Contract
- the term "Deductions" shall mean the deductions set out in Schedule 2 to this Contract
- the term "Quotational Period" or "QP" shall mean the quotational period set out in Clause 7 below
- the term "Working Day and/or Business Day" shall mean Monday to Friday; Saturday, Sunday and legal holidays excluded
- the term "Provisional Payment" shall have the meaning set out in Clause 8 below
- the term "Option Window" shall have the meaning set out in Clause 7 below
- the term "Estimated Price" shall have the meaning set out in Clause 7 below
- the term "Standard Calculation" shall have the meaning set out in Clause 7 below
- the term "Final Price" shall have the meaning set out in Clause 6 below and for base metals shall be reported to 2 decimal places and for precious metals shall be reported to 4 decimal places
- the term "Final Documents" shall have the meaning set out in Clause 8 below
- the term "Parties" means the Buyer and the Seller and the term "Party" means either one of the Parties

- amounts of money stated in USD, US\$ and ¢ (U.S. Dollars and cents) are references to the lawful currency of the United States of America and shall be up to 2 decimal places.
- all assay results determined as per Clause 13 shall be reported to 2 decimal places
- "month of shipment" in respect of any shipment shall mean the calendar month of the Bill of Lading date for that shipment has taken place
- "IMO Bulk Cargo Code" means the International Maritime Organization's Code of Safe Practice for Bulk Cargoes as amended from time to time.
- LBMA: London Bullion Market Association
- LME: London Metal Exchange
- Any abbreviations used in relation to the alternative methods of delivery shall be as defined in INCOTERMS 2020 (as amended, updated or replaced from time to time).
- Where the words **include(s)**, **including** or **in particular** are used in this Contract, they are deemed to have the words **without limitation** following them. Where the context permits, the words **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- The Schedule(s) to this Contract form(s) part of this Contract and shall have effect as if set out in full in the body of this Contract. Any reference to this Contract includes the Schedule(s).
- Clause, Schedule and paragraph headings shall not affect the interpretation of this Contract. References to Clauses and Schedules are to the Clauses and Schedules of this Contract.

2. DURATION AND QUANTITY

This Contract commences on March 15, 2021 and shall remain in force until completion of the Parties' obligations herein.

Subject to the terms of this Contract, the Seller agrees to sell and Buyer agrees to buy Gold Concentrates (as defined below) as set out in Clause 3 and in accordance with the terms and conditions of this Contract. The Parties intend that the Buyer shall buy such quantities of the Concentrate as are set out in the Part A of Schedule 1 to this Contract, subject to the paragraph below.

The Parties accept and acknowledge that the shipment quantities set out in Part A of Schedule 1 to this Contract are approximations and that the actual quantity of Concentrate in each shipment may vary therefrom. To the extent that the quantity of Concentrate in any shipment exceeds, or is exceeded by, the quantity set out in Part A of Schedule 1 to this Contract (the "**Target Quantity**" for that shipment) by no more than **10%** of the Target Quantity, the Seller shall be deemed to have satisfied its obligations under this Contract in full.

The Parties may not cancel or reject any shipment other than as agreed with the other Party or as otherwise permitted pursuant to and in accordance with the express terms of this Contract as set out below.

3. QUALITY

The Concentrate to be delivered under this Contract shall be Gold concentrate with the below typical specification (hereinafter referred to as the "**Concentrate**"):

Elements/Compounds	Typical	Unit	Range (Min-Max)
H2O	6.570	%	4.3-11.18
Gold (Au)	99.517	grams/dmt	60.7-112
Silver (Ag)	577.150	grams/dmt	472-1,326
Copper (Cu)	3.400	%	3-4
Lead (Pb)	4.310	%	3.17-6.5

Zinc (Zn)	8.067	%	7.8-8.3
Arsenic (As)	0.590	%	0.501-0.739
Antimony (Sb)	0.480	%	0.39-0.56
Bismuth (Bi)	0.074	%	
Mercury (Hg)	43.790	PPM/dmt	27-55
Iron (Fe)	28.600	%	25.3-30.7
Sulphur (S)	39.500	%	34.4-44.6
Silica (SiO ₂)	5.010	%	4-7.02
Selenium (Se)	20.000	PPM/dmt	
Carbon (C)	1.060	%	

The Seller warrants that the Concentrate shall be suitable for ocean transportation in accordance with the IMO Bulk Cargo Code and that it owns or shall own or has or shall have the unrestricted right to sell the Concentrate to the Buyer with good and marketable title thereto.

The radioactivity in material shall be in permissible limits set by IAEA (International Atomic Energy Agency). The Seller shall use all reasonable endeavours to ensure the Concentrate shall be free from any deleterious elements materially harmful to the normal copper smelting and refining processes. If for any reason, any of the typical known assays changes significantly, the Seller will advise the Buyer in good time prior to the shipping allocations being made and the Buyer and the Seller will discuss in good faith in order to overcome any problem that may be created by the change in quality. Where the actual assay analysis of the Concentrate delivered reveals that this is not the case, the Buyer must promptly notify the Seller of such fact and the parties shall meet to discuss and agree on a suitable resolution.

If quality falls significantly outside of these specifications, the Buyer and the Seller will mutually agree to any adjustments to treatment charges and penalties, each acting in good faith.

4. SHIPMENT

Subject to the other terms of this Contract, the Concentrate shall be shipped in bags in containers, in accordance with the shipment schedule set out in Part A of Schedule 1 to this Contract.

Notwithstanding the shipment timings set out in Part A of Schedule 1 to this Contract, all shipments are subject to availability of suitable vessels for freight transport.

The Concentrate shall be delivered in good condition with homogeneous coloration with no lumps and clean from any type of contamination and garbage.

5. DELIVERY

Subject to the other terms of this Contract, the Seller shall arrange for delivery of the Concentrate CFR (Incoterms 2020) CY to the discharge port or ports set out in Part B of Schedule 1 to this Contract.

The prices referred to in this Contract shall only be inclusive of delivery CFR CY, as set out above, to the port or ports of discharge set out in Part B of Schedule 1 to this Contract.

If the Buyer wants delivery to occur at an alternate port of discharge, this shall be dealt with as a formal variation to this Contract pursuant to (and in accordance with) Clause 23 below.

6. PRICE

The price, per dry metric ton of Concentrate, for each shipment of Concentrate shall be calculated on the basis of the value of the applicable Metal Payments in respect of that shipment of Concentrate

less the applicable Deductions, if any, as set out in Schedule 2 to this Contract, in respect of that shipment of Concentrate (the "Final Price").

7. QUOTATION PERIOD AND PRICING MECHANICS

7.1 Quotational Period

The Quotational Period ("**Quotational Period**" or "**QP**") shall be the average of the second month following the month of shipment (M+2) where M is the actual month of shipment as evidenced by the clean on board date on the Bill of Lading.

7.2 Early Pricing Option

Subject to the other terms of this Contract including adjustment pursuant to Clause 8 below, the Buyer may elect to 'fix' pricing, adjusted to the QP as set out in Clause 7.1, in respect of each shipment or part shipment of Concentrate, by notifying the Seller in writing of its election (the "**Early Pricing Option**") at any point within the Option Window (defined below)

For the purposes of this Clause 7.2, the "**Option Window**" shall be the period from the shipment date up to, and including, the third day on which the LME is open for trading prior to the commencement of the QP (as set out in Clause 7.1).

Under the Early Pricing Option, the Buyer shall have the right to price up to, but not exceeding, 100% of the estimated payable metals contents based on weights and assays estimated by the Seller.

If the Buyer so notifies the Seller in writing or email or by telephone, of its election to use the Early Pricing Option through a market order or fixed price target order within the Option Window, the Seller shall notify the Buyer by e-mail or written confirmation once the pricing order has been successfully completed, followed by an email or written confirmation of acceptance of any successfully completed order by the Buyer. Any completed orders shall be adjusted to the QP as set out in Clause 7.1 of this Contract at the discretion of the Seller at the time the order is completed, for the applicable shipment (or part shipment) of Concentrate associated with the completed order. If the QP has not been declared, any pricing orders completed by the Buyer shall be adjusted to the highest of the estimated undeclared Quotational Periods available for the applicable shipment (or part shipment) in accordance with Clause 7.1.

If the Buyer does not so notify the Seller within the Option Window of its election to use the Early Pricing Option, or any completed pricing only related to part of a shipment of Concentrate pursuant to the preceding paragraph, the rest of payable tonnage shall be priced at the average of the QP in accordance with Clause 7.1.

Brokerage commission of 1/16% of the priced metal value shall apply in all cases for the account of the Buyer.

No backpricing or liquidation of any priced positions is allowed.

7.3 Estimated Provisional Price

Where no fixed pricing has been agreed pursuant to this Clause 7, the "**Estimated Price**" for a shipment shall be calculated by the Seller by reference to the Bill of Lading weight for such shipment, estimated assays declared by the Seller and the applicable metals price referred to in Schedule 2 to this Contract but averaged LME price for the 5 (five) trading days prior to the date of provisional invoice (the "**Standard Calculation**").

Where fixed pricing has been agreed in relation to an entire shipment of Concentrate, the Estimated Price for that shipment shall be calculated by the Seller by reference to the Bill of Lading weight for such shipment and the agreed fixed price (the "**Fixed Price Calculation**").

Where fixed pricing has been agreed in relation to part of a shipment of Concentrate, the Estimated Price for that shipment shall be calculated on the basis of the arithmetical mean of: (i) the total Estimated Price for that part of the shipment where pricing has not been fixed based on the Standard Calculation; and (ii) the total Estimated Price for that part of the shipment where pricing has been fixed based on the Fixed Price Calculation.

7.4 Final Price – Over / Under

Once final weights and assays have been determined in accordance with Clauses 12 and 13 of this Contract, the final payable contents shall be compared to the payable contents based on provisional assays declared by the Seller and Bill of Lading weight that were priced over the average of the Quotation Period as per Clause 7.1, which may result in an over or under priced payable contents differential (the "**Over/Under Quantity**"). Any Over/Under Quantity shall be priced at a date to be mutually agreed upon, promptly after all the final weights, assays and Quotational Period as per Clause 7.1 are known, and any gains or losses from pricing the Over/Under Quantity shall be entirely for the Buyer's account. This should be performed no later than three trading days from the date of agreement on the final assays and weights and completion of the Quotational Period.

8. PAYMENTCurrency:

All invoices or credit notes shall be denominated in U.S. Dollars, and all payments shall be made by the relevant Party in U.S. Dollars. Each Party accepts their own risk in relation to currency exchange rate fluctuations, save where payments are made in a currency other than U.S. Dollars without prior written agreement from the other Party (in which case the Party attempting to make such payment shall bear all currency exchange rate fluctuation risk).

Payment Beneficiary

For all payments that are due to the Buyer under this contract, the beneficiary name shall always be the Buyer, OCEAN PARTNERS UK LIMITED.

Provisional Payment

The "**Provisional Documents**" are:

- the Provisional Invoice (defined below);
- full set (3 out of 3) of original shipped on-board Bills of Lading issued as per the Buyer's instructions;
- Provisional Weight & Moisture certificate to be issued by supplier;
- Provisional Assay certificate to be issued by supplier; and
- Packing List issued by the Seller.

Supporting Documents:

- MSDS Sheet to be provided immediately upon signing of the Contract and renewed every 18 months.

Provisional Payment:

The Seller shall be entitled to charge and invoice (such invoice being the "**Provisional Invoice**") the Buyer for a provisional payment (the "**Provisional Payment**") of 90% of the Estimated Price in respect of each shipment of Concentrate, once such Estimated Price has been calculated in accordance with Clause 7 above against presentation of Provisional Documents. Provisional Payment to be made on the 5th Business Day after Bill of Lading date against presentation and acceptance of the copy Provisional Documents.

Second Provisional Payment

The Buyer shall make a second payment (the "**Second Provisional Payment**") equal to 100% of the provisional value of the shipment, after deduction of the Provisional Payment, based on the latest weights, assays and prices available, forty five (45) calendar days after vessel arrival at discharge port against presentation of the originals of following document:

- Second Provisional Invoice.

Final Payment:

As soon as reasonably practicable following final weights and assays being determined in accordance with Clauses 12 and 13 hereof in respect of a shipment of Concentrate, the Seller shall calculate the Final Price and prepare and forward to the Buyer a final invoice (or credit note) (the "**Final Invoice**") in respect of that shipment based on the difference between the Final Price less the Provisional Payment and the Second Provisional Payment.

Where an additional payment is due from the Buyer, the Buyer shall ensure it is made promptly upon presentation of the Seller's final invoice. Where payment is due from the Seller, the Seller ensure it is made promptly upon receipt of the Buyer's payment details.

The "**Final Documents**" are:

- the Final Invoice.

Advance Payment:

Upon request by the Seller, the Buyer will pay an advance payment of 90% of provisional value against a FCR in a form acceptable to the Buyer before export (the "**Advance Payment**").

Any advance payment will be subject to interest rate 3M LIBOR +5.5% per annum. The interest is calculated from the date of the advance payment date until the 5th Business Day after presentation and acceptance of the Provisional Documents.

Revolving Prepayment

Prior to the commencement and delivery of Concentrates under this Contract, the Seller may request Advance Payment from the Buyer of up to \$500,000.00 against the presentation of a revolving prepayment invoice detailing the calculations of the amount of the Revolving Prepayment (the "**Revolving Prepayment Invoice**").

Interest and principal shall be repaid against deliveries or in cash for shipments based on the following due dates as follows:

First Draw

- End of Month 1 after drawdown - Interest only
- End of Month 2 after drawdown - Interest only
- End of Month 3 after drawdown - Interest only
- End of Month 4 after drawdown - Interest only
- End of Month 5 after drawdown - Interest only
- End of Month 6 after drawdown - 100% of principal drawn plus interest to fully repay any outstanding balance.

So long as all principal and interest, if any has been repaid on the first drawdown and there are no material adverse changes, the Seller may redraw the \$500,000.00 revolving prepayment against the presentation of a Revolving Prepayment Invoice, until the conclusion of deliveries under this Contract.

Interest and principal shall be repaid against deliveries or in cash for shipments based on the following due dates as follows:

Subsequent Draws

- End of Month 1 after drawdown - 15% of principal drawn plus interest
- End of Month 2 after drawdown - 15% of principal drawn plus interest
- End of Month 3 after drawdown - 15% of principal drawn plus interest
- End of Month 4 after drawdown - 55% of principal drawn plus interest to fully repay any outstanding balance

The Revolving Prepayment shall bear interest at a rate of 3M LIBOR +6.50% until repaid.

If there are less than four months of deliveries remaining on this Contract, this Contract must be extended to cover additional deliveries or the draw schedule must be adjusted.

The Buyer shall charge Seller a draw fee on the revolving prepayment of \$5,000 on the first draw and then \$2,000 on subsequent draws.

For any overdue principal payments under the Revolving Prepayments, interest shall occur at 3M LIBOR + 12.5% rather than 3M LIBOR + 6.5%.

9. TOTAL AND PARTIAL LOSS

All Concentrate lost or damaged after risk has passed to the Buyer as per Incoterms 2020 in accordance with Clause 11, shall be treated as if they had been safely delivered to the Buyer for the purposes of determining whether the obligation of the Seller to deliver and sell, and the obligation of the Buyer to buy Concentrate in accordance with Clause 2 has been fulfilled.

Total Loss:

In case of total loss of, or damage to Concentrate after risk has been transferred to the Buyer as per Incoterms 2020 in accordance with Clause 11, payment shall be made as if the shipment had been safely delivered.

The amount payable shall be calculated based on the Holding Certificate weights, if available, or the Seller's provisional weights if the Holding Certificate weights are not available, and the Seller's provisional moisture and provisional assays of the Concentrate and otherwise in accordance with the terms of this Contract. Recovery on Insurance to be made by the Buyer in such event.

Partial Loss:

In case of partial loss of, or damage to Concentrate after risk has been transferred to the Buyer as per Incoterms 2020 in accordance with Clause 11, payment shall be made as if the shipment had been safely delivered.

The amount payable shall be calculated based on the Holding Certificate weights, if available, or the Seller's provisional weights if the Holding Certificate weights are not available, and the final moisture and final assays on that part of the Concentrate which has been safely delivered in good condition and otherwise in accordance with the terms of this Contract. Recovery on Insurance to be made by the Buyer in such event.

10. INSURANCE

The Buyer at its own expense shall arrange and place insurance on each shipment of the Concentrate.

The Buyer shall recharge the Seller a flat recharge insurance credit of 0.10% of each invoice value.

11. TITLE AND RISK

Title to the Concentrate for each shipment or any part thereof, shall pass from the Seller to the Buyer on receipt by the Seller of the first Advance Payment or Provisional Payment in accordance with Clause 8 of this Contract.

Risk to the Concentrate shall pass from the Seller to the Buyer as per Incoterms 2020.

12. WEIGHING SAMPLING AND MOISTURE DETERMINATION

Final weighing, sampling, sample preparation and determination of moisture of the Concentrate shall be carried out at discharge port according to International Standards. The Seller shall have the right to be represented at its own expense by an internationally recognised surveyor when the final weighing, sampling, sample preparation and moisture determination is being carried out.

The final weighing, sampling, sample preparation and moisture determination shall be carried out in lots of about 300wmt, in accordance with accepted industry standards, and repeated for each lot. Each lot shall comprise a separate and complete delivery for the purpose of this Contract.

Each sample shall be prepared in the internationally acceptable manner with a minimum sample weight of 250 (two hundred and fifty) grams.

The composite sample for each lot shall be divided into 6 equal portions: 2 for the Seller, 2 for the Buyer, and 2 to be properly packed, sealed, labelled and retained by the Independent surveyor

respectively as reserve samples for analysis by umpires if required under Clause 13. More samples may be freely requested by the Buyer. All samples shall be sealed and signed jointly by both the Buyer's and the Seller's representative.

13. ASSAYING

The Seller shall have the option of using Standard Exchange method or Final and Binding for finalising assays. The Seller is permitted to make one declaration for the whole contract at the commencement of deliveries.

Standard Exchange

Each Party shall undertake assaying for the relevant metals referred to under 'Metal Payments' in Schedule 2 to this Contract on their respective samples taken pursuant to Clause 12 above, using all reasonable endeavours to ensure that its assayers are suitably qualified, skilled and experienced and utilize reliable and appropriate assaying procedures and equipment in accordance with best industry practices generally recognized by the mining and smelting industry throughout the world.

Assay results for Arsenic, Lead, Zinc, Antimony and Bismuth shall be reported as a percentage of the net dry weight to two decimal places, in the case of Fluorine and Mercury as parts per million per DMT, no decimals, and in the case of Gold and Silver in grams per DMT, two decimal places required.

Assay certificate for exchange shall be issued by the Seller's Supplier and the Buyer and shall be exchanged by email or fax as mutually agreed, on a date to be agreed upon in advance, but in any event within 60 days after last receipt of the samples at discharge port. The assays of, gold and silver shall be exchanged on lot by lot basis and on shipment composite basis for penalties. Assay for gold and silver shall be made by fire assay and corrected for cupellation, volatilization, and slag losses. The Seller and the Buyer undertake to agree on a date for the exchange of assays as soon as possible.

The Seller shall facilitate assay exchange in trust between the Seller's supplier and the Buyer.

For payable elements should the difference between the results of both parties be not more than the following splitting limits:

Silver	30 grams
Gold	3 grams

For penalty elements should the difference between the results of both parties be not more than the following splitting limits:

Zinc	0.3%
Lead	0.3%
Arsenic	0.1%
Antimony	0.1%
Bismuth	0.01%
Mercury	5 parts per million
Fluorine	50 parts per million

then the exact mean of the two results shall be taken as the agreed assay for the purpose of final accounting. In the event of greater difference, umpire assaying shall be performed on the sample(s) reserved for this purpose by a laboratory(s) to be mutually agreed upon by the Buyer and the Seller, which shall be from the following list of laboratories:

Alfred H Knight International Ltd.
The John Knight Laboratory
Kings Business Park
Prescot, Knowsley, L34 1PJ
UK

Laboratory Services International BV

Pittsburghstraat 9
3047 BL Rotterdam
Netherlands

RC Inspection
Gustoweg 66, NL 3029 AS
Rotterdam, Holland

Alex Stewart International Corporation
Unit 2B Olympic Way, Sefton Business Park, Aintree,
Liverpool, Merseyside, L30 1RD

SGS Nederland B.V.
Mineral Services, Malledijk 18
PO Box 200, 3208 LA/3200 AE Spijkenisse
Netherlands

If any of the above companies act as either the Buyer's or the Seller's Supplier laboratory on the assaying or act as either the Buyer's or the Seller's Supplier representative during the weighing, sampling and moisture determination, then this laboratory shall be disqualified from acting as an umpire party.

The umpire decided upon pursuant to this Clause 13 shall be instructed to advise both the Seller's Supplier and the Buyer of the results of the umpire's assay by letter sent by email and courier.

Should the umpire's determination fall between the results of the assays conducted by the Buyer and the Seller's Supplier, or coincide with either the Buyer's or the Seller's Supplier assay, then the arithmetical mean of the umpire's assay and the assay of the party nearest to the umpire's assay shall be taken as the agreed assay in respect of the lot in question. Should the umpire's assay be the exact mean of the Buyer's and the Seller's Supplier assay, the umpire's assay shall be taken as the agreed assay in respect of the lot in question. Should the umpire's assay fall elsewhere, then the arithmetical mean of the umpire's assay and the assay of the party nearest to the umpire's assay shall be taken as the agreed assay in respect of the lot in question.

In all cases, the cost of the umpire's assay shall be paid by the Party whose result varied the most from the umpire's assay, unless the umpire's assays is the exact mean of the Buyer's and the Seller's Supplier assay, in which event the cost of the umpire's assay shall be borne equally between the Buyer and the Seller.

Final and Blinding

Assay results for Arsenic, Lead, Zinc, Antimony and Bismuth shall be reported as a percentage of the net dry weight to two decimal places, in the case of Fluorine and Mercury as parts per million per DMT, no decimals, and in the case of Gold and Silver in grams per DMT, two decimal places required.

Assaying for all elements, shall be made independently by:

Alfred H Knight International Ltd.
The John Knight Laboratory
Kings Business Park
Prescot, Knowsley, L34 1PJ
UK

OR

Alex Stewart International Corporation
Unit 2B Olympic Way, Sefton Business Park, Aintree,
Liverpool, Merseyside, L30 1RD

The contents found by the independent laboratory performing the analysis shall be final and binding for settlement purposes between the Seller and the Buyer with all costs split equally by the Buyer and the Seller.

The final and binding laboratories shall be done in sequential rotation on a delivery by delivery basis.

14. TAXES, TARIFFS AND DUTIES

Any applicable taxes, tariffs and duties, whether present or imposed on the Concentrate or contained metal or on commercial documents relating thereto arising in the jurisdiction in which the port(s) of discharge is/are located shall be borne solely by the Buyer and the Buyer shall fully indemnify the Seller accordingly at all times. Any applicable taxes, tariffs and duties, whether present or imposed on the Concentrate or contained metal or on commercial documents relating thereto arising in the jurisdiction in which the Concentrate is produced or exported from by the Seller or the Seller's supplier shall be borne solely by the Seller and the Seller shall fully indemnify the Buyer accordingly at all times. The Seller shall endeavor to provide to the Buyer on promptly basis the documents reasonably requested by the Buyer in order to comply with the Buyer's obligations related to the import taxes, tariffs, duties and licenses associated with the Concentrates.

15. LICENSES

The Seller must obtain, at its own risk and expense, any export license or other official authorization and carry out all customs formalities necessary for the export of the Concentrates. Where applicable, the Buyer shall obtain, at its own risk and expense, any import license or other official authorization and carry out all customs formalities for the import of the Concentrates. The Seller shall endeavor to provide to the Buyer promptly the necessary documents reasonably requested by the Buyer in order to obtain any of the aforementioned licenses, authorizations or custom formalities.

16. FORCE MAJEURE

Neither Party shall be liable for any delay in performing or failure to perform its obligations (except for delay or failure to pay money when due) due to events including but not limited to any war, warlike operation or act, revolution, act of God, flood, storm, earthquake, fire, explosion, strike, lockout, stoppage of work, combination of workmen, interference of Trade Unions, act of government or government appointed agents or local, foreign, national or international or other public authority, any court order or judgement, decree, embargo, confiscation, sabotage, tidal wave, law, act, order, proclamation, regulation, ordinance, carrier failure or delay, inability to obtain raw materials, plant equipment or materials required for maintenance, replacement or repair, fire, obstruction or blockage of port or wharf, lack of railway or seaborne freight facilities or delays en route whether due to mechanical fault or to action of the elements, or, in the event of any other disabling causes whatsoever beyond the reasonable control of the Parties concerned, including but not restricted to, permanent or temporary mine closure for economic or others reasons, (any such cause being hereinafter called "**Force Majeure**") preventing or hindering a Party from performing its obligations in the Contract (including if a Force Majeure event prevents performance by the producing mine, or receipt or treatment by the consuming smelter). Failure to deliver or to accept delivery in whole or in part because of the occurrence of an event of Force Majeure shall not constitute a default hereunder or subject either Party to liability for any resulting loss or damage.

Upon the occurrence of any event of Force Majeure, the Party affected by the event of Force Majeure shall within 5 (five) Business Days of the occurrence notify the other Party hereto in writing of such event and shall specify in reasonable detail the facts constituting such event of Force Majeure. Where such notice is not given within the time required, Force Majeure shall not justify the non-fulfilment of any obligations under this Contract.

The Parties agree to use their respective reasonable efforts to cure any event of Force Majeure to the extent that it is reasonably possible to do so, it being understood that the settlement of strikes, lockouts, and any other industrial disputes shall be within the sole discretion of the Party asserting Force Majeure.

Failure to deliver or accept delivery of the material which is excused by or results of an event of Force Majeure shall extend the term of this Contract for a period equal to the period of such failure. If such a failure caused by an event of Force Majeure shall continue for more than 90 (ninety) calendar days,

then the Party not having declared Force Majeure shall have the right by written notice to cancel the affected quantity of the Concentrate with immediate effect.

This clause shall not apply to any obligations to pay, indemnify or provide security or to any Concentrate for which vessel, truck or railway wagon space has been booked, pricing has been established, the Quotational Period has commenced and/or payment has been made unless the Buyer and the Seller have expressly consented in writing. In these cases parties shall find a reasonable solution for both sides in a fair and equitable manner.

In the event of Force Majeure, the Seller shall allocate its available supplies of such material, if any, among any or all of its existing customers in a fair and equitable manner. In addition, where the Seller is the affected party, it shall take commercially reasonable efforts to procure, and if successful, offer to supply, from another source, goods of similar quality in substitution for the material subject to the Force Majeure event to satisfy that amount which would have otherwise been sold and purchased hereunder at a price which may be more or less than the price hereunder.

Within 30 (thirty) days of the cessation of the Force Majeure event, the Parties shall reach agreement as to the Seller's obligation to deliver and the Buyer's obligation to accept material of that quantity of material that could not be delivered and accepted hereunder because of the Force Majeure event, provided always that any such shortfall quantity has not been replaced by material pursuant to the terms above.

17. SUSPENSION OF QUOTATIONS

The metal price quotations specified under this Contract are the quotations currently in general use for the pricing of the relevant metals listed in Schedule 2 to this Contract and which may be found within concentrate akin to the Concentrate.

In the event that any of these price quotations ceases to exist, ceases to be published, publishes an erroneous price quotation and does not later correct it, or should no longer be internationally recognized as the basis for the settlement of contracts for concentrate of the same kind as the Concentrate, then upon the request of either Party, the Buyer and the Seller shall promptly consult together with a view to agreeing on a new pricing basis and on the date for bringing such basis into effect, with the basic objective of securing the continuity of fair pricing under this Contract.

Until such time as the new pricing basis is agreed between the Parties, the Seller shall be entitled, on provision of written notice to the Buyer, and formal written acceptance the Buyer, to invoice the Buyer provisionally (and the Buyer shall pay such provisional sums in accordance with Clause 8 above) on the basis of the applicable price applied to the last shipment of Concentrate sold by the Seller to the Buyer under this Contract prior to the date of such notice being given.

18. GOVERNING LAW AND ARBITRATION

GOVERNING LAW:

This Contract and all claims arising out of or relating to this Contract will be governed exclusively by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, but excluding any such laws or choice of law rules that might direct the application of the laws of another jurisdiction. The Parties hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the Province of British Columbia and elect domicile in the City of Vancouver, British Columbia with respect to any dispute arising out of or in connection with this Contract, including disputes regarding its validity or interpretation and the exercise of any right or the enforcement of any obligation arising hereunder.

ARBITRATION:

If any dispute arises between the Parties to this Contract and is not resolved amicably between the Parties, then the dispute will be submitted to a single arbitrator to be agreed upon by the Parties to that dispute; but, if a single arbitrator cannot be agreed upon within two business days after the appointment of the single arbitrator has been requested by one of the Parties, then the dispute will be referred to a board of three arbitrators, one to be appointed by each Party to the dispute and a third arbitrator to be appointed by the first two named arbitrators. If either Party to the dispute refuses

or neglects to appoint an arbitrator within two business days after the other Party to the dispute has appointed an arbitrator, and has served written notice upon the other so refusing or neglecting to appoint an arbitrator requiring that Party to make such appointment, then the arbitrator first appointed will, at the request of the Party appointing such Party, proceed to hear and determine the dispute as if he were a single arbitrator appointed by both Parties to the dispute for that purpose. If two arbitrators are so named within the time prescribed and the arbitrators do not agree within a period of two business days upon the appointment of the third arbitrator, then upon the application of either Party to the dispute, the third arbitrator will be appointed by a Judge of the Supreme Court of British Columbia. The determination made by the arbitrators or a majority of them, or by the single arbitrator, as the case may be, will be final and binding upon the Parties to the dispute. The costs of the third or single arbitrator, as the case may be, will be borne equally by the Parties to the dispute, and each of the Parties will bear the costs of the arbitrator appointed by such Party. The provisions of this Clause 18 will be deemed to be a "submission" to arbitration within the provisions of the Commercial Arbitration Act (British Columbia), except that any limitation on the remuneration of arbitrators imposed by that legislation will not have application to any arbitration proceedings commenced pursuant to this Contract.

19. SUCCESSORS AND ASSIGNMENT

This Contract and all its provisions shall be binding upon and endure to the benefit of the successors and assigns of the respective Parties. The Buyer can freely assign its rights under this Contract to one of its financing banks for financing purposes, without a need for the consent of the Seller. Other than this assignment for financing purposes, neither Party shall assign or novate this Contract or their rights or obligations hereunder without the written consent of the other Party, which consent shall not be unreasonably withheld.

20. NOTICES

It is agreed that any and all notices required or permitted to be given to either Party under the terms of this Contract shall be notified in person or by facsimile or e-mail followed by special courier, if needed, addressed to the Party to be notified at the following respective addresses, or any other addresses regarding which the respective Parties have been informed prior to the sending of such notices, namely:

BUYER:
OCEAN PARTNERS UK LIMITED
 The Pearce Building, Third floor,
 West Street, Maidenhead, Berkshire
 SL6 1RL, UK
 Attn: mx_traffic@nextrade.com

SELLER:
NICOLA MINING INC.
 3329 Aberdeen Road
 Lower Nicola, BC V0K 1Y0
 Attn: peter@nicolamining.com

If a notice or other communication has been properly sent or delivered in accordance with this Clause, it shall be deemed to have been received as follows:

- a) if delivered personally, at the time of delivery; or
- b) if delivered by special courier, at the time of signature of the courier's receipt; or
- c) in the case of fax or email it shall be deemed to have been received at the time of transmission or on the consecutive Business Day if the time of transmission is outside of normal business hours at the place of receipt.

For the purposes of this Clause all times are to be read as local time in the place of deemed receipt; and if deemed receipt under this Clause is not within business hours (meaning 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt), the notice is deemed to have been received when business next starts in the place of receipt.

To prove delivery, it is sufficient to prove that if sent by email no error message was received from the intended recipient that such email has not been successfully delivered, and if sent by facsimile, delivery confirmation or successful transmission confirmation was received.

The provisions of this Clause 20 shall not apply to the service of any process in any legal action or proceedings.

21. LIABILITY

In no event shall either Party be liable for any indirect or consequential damages (including loss of profits) resulting from its performance or non-performance of its obligations hereunder.

This Clause 21 shall survive termination of this Contract for any reason.

22. TERMINATION

Either Party may elect to terminate this Contract in the event that the other Party fails to pay any amount payable hereunder as and when due and such default has continued unremedied for a period of 45 (forty five) calendar days after written notice thereof is given by the Party to whom the sums are due save for if such Party has failed to make payment due to quality or other associated claims under this Contract.

This Contract shall terminate at the option of either Party if the other Party materially defaults in the performance or observance of any material obligations hereunder and fails to remedy the default within 45 (forty five) calendar days after receiving written demand therefor. This Contract shall terminate at the option of either Party if the other Party becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed for the other Party, or if any proceeding in bankruptcy, receivership, or liquidation is instituted against the other Party and is not dismissed within 45 (forty five) calendar days following commencement thereof.

All accrued sums, rights and obligations arising hereunder that are still outstanding at the time of termination of this Contract shall survive such termination and shall not be affected thereby. Termination of this Contract shall not affect any shipments of Concentrate ordered by the Buyer prior to such termination which shall continue and be paid for as if this Contract were continuing, without liability to the Buyer. Where such cancellation occurs and the Buyer has paid a Provisional Payment to the Seller, the Seller shall reimburse the same within fourteen (14) calendar days of such cancellation.

No notice shall be required if the breach is in relation to Clause 26 in which case termination shall take place on notice of the breach being issued to Seller.

On termination of this Contract (however arising) the following clauses shall survive and continue in full force and effect: 3, 6, 8, 9, 11 to 14 (inclusive) and 18 to 28 (inclusive).

23. VARIATIONS and WAIVER

This Contract may only be varied by agreement in writing signed by duly authorized representatives of the Buyer and the Seller.

A waiver (which may be given subject to conditions) of any right or remedy provided under this Contract or by law shall only be effective if it is in writing and shall apply only to the Party to whom it is addressed and for the specific circumstances for which it is given. It shall not prevent the Party who has given the waiver from subsequently relying on the right or remedy in other circumstances.

Unless specifically provided otherwise, rights arising under this Contract are cumulative and do not exclude rights provided by law.

24. ENTIRE CONTRACT

This Contract and any documents or schedules referred to in it constitute the whole Contract between the Parties and supersede any previous arrangement, understanding or agreement between them relating to the subject matter of this Contract.

Each Party acknowledges that, in entering into this Contract and the documents and schedules referred to in it, it does not rely on any statement, representation, assurance or warranty ("**Representation**") of any person (whether a Party to this Contract or not) other than as expressly set out in this Contract or those documents or schedules. Each party agrees that the only remedies available to it arising out of or in connection with a Representation shall be for breach of contract as expressly provided in this Contract, save that nothing in this Clause shall limit or exclude any liability for fraud or fraudulent misrepresentation.

If any provision of this Contract (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision, to the extent required, shall be deemed not to form part of the Contract, and the validity and enforceability of the other provisions of the Contract shall not be affected.

A person who is not a party to this Contract shall not have any rights whatsoever under or in connection with it.

25 CONFIDENTIALITY

Each Party shall at all times during this Contract and thereafter keep in strict confidence all technical or commercial know-how, specifications, inventions, processes, business plans, trade secrets, commercial terms, the detail of this Contract itself and all other information and matters which are of a confidential nature and have been disclosed to that Party by the other Party, its employees, agents, consultants or subcontractors and any other confidential information concerning the other party's business or its products which the receiving party may obtain.

Either Party may disclose such information to its personnel who need to know such information for the purposes of carrying out their obligations under this Contract, subject to procuring their compliance with these obligations, and as may be required by law, court order or any governmental or regulatory authority. Neither Party shall use any such information for any purpose other than to perform its obligations under this Contract.

26. COMPLIANCE

The Parties warrant, represent and undertake to the other Party that they will comply with all applicable laws, rules and regulations including without limitation to sanctions, anti-corruption, anti-money laundering, securities and tax laws in performing this Contract.

The Buyer may terminate this Contract upon provision of notice, if it has a good faith belief that the Seller, the Seller's officers, directors or shareholders have violated, intends to violate, or has caused a violation of all applicable laws, rules and regulations including without limitation to sanctions, anti-corruption, anti-money laundering, securities and tax laws.

27. MSDS / CLP

The Seller (either on its own or by its appointed only representative, as applicable) undertakes, and assumes all responsibilities, to comply with regulation of the Council on Classification, Labelling and Packaging of Substances and Mixtures (CLP) and all applicable laws, including (without limitation) obligations pertaining to classification, labeling, (extended) safety data sheets and notification requirements of the Material under this Contract.

The Seller represents and warrants to the Buyer that the Material fully complies with the CLP requirements and all applicable laws, and undertakes to promptly provide the Buyer with documentation (including, without limitation, (extended) safety data sheets and chemical composition

analysis) evidencing CLP compliance and to promptly inform the Buyer the identified use(s) for which the registration has been obtained.

The Seller shall indemnify and hold harmless the Buyer against any and all costs, expenses, losses and damages arising out of or in connection with any delay or failure on the part of the Seller to comply with the requirements of CLP, including (without limitation) its failure to notify the Buyer of any change in the identity of its only representative (if applicable).

28. MODERN SLAVERY ACT 2015

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking; all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. The Buyer agrees to comply with the terms of the Modern Slavery Act 2015 and will not engage in any activity that would constitute an offence under it if such activity were carried out in the UK

Any breach of this Clause by either Party shall be deemed a material breach of the Agreement and shall entitle either Party to terminate the Agreement in accordance with Clause 22.

IN WITNESS WHEREOF the parties hereto have executed this Contract as of the day and year first above written.

Signed by: "Peter Espig" _____

For and on behalf of Seller: **NICOLA MINING INC.**

Name in Print: Peter Espig _____

Title: CEO _____

Date: April 6, 2021 _____

Signed by: "Neil Poulter" _____ "Sandeep Mittal" _____

For and on behalf of Buyer: **OCEAN PARTNERS UK LIMITED**

Name in Print: Neil Poulter _____ Sandeep Mittal _____

Title: Director _____ Director _____

Date: 06/04/2021 _____ 06/04/2021 _____

SCHEDULE 1

PART A – Target Quantity and Shipment Schedule

3,500 DMT, +/-10% at the Seller's option in all case.

250-350 DMT +/-10% per month from February 16, 2021 until January 31, 2022.

PART B – Delivery Port

The Concentrate is to be delivered CIP CY (Incoterms 2020) Taichung, Taiwan or MCP or Parity, at Buyer's option.

PART C – Right of First Refusal

The Buyer shall receive a right of first refusal to buy gold concentrates from the Dominion Bulk sample programme.

SCHEDULE 2

Metal Payments

In respect of each dmt of Concentrate, the Buyer shall pay the following:

- Silver: The Buyer shall pay the lower of (i) 88.0% of the silver content per dmt in the Concentrate as determined in accordance with this Contract, and (ii) the total number of units of such content less a deduction of fifty (50) grs per dmt, at a price equal to the daily US\$ LBMA spot quotation price for silver, as published by "Fastmarkets MB" (or such as other information source or publication that may replace from time to time) averaged over the Quotational as per Clause 7.1 of this Contract.
- Gold: The Buyer shall pay the lower of (i) 95.0% of the gold content per dmt in the Concentrate as determined in accordance with this Contract, and (ii) the total number of units of such content less a deduction of three point zero (3.0) grs per dmt, at a price equal to the mean of the daily US\$ LBMA morning and afternoon quotations for gold as published by "Fastmarkets MB" (or such other information source or publication that may replace from time to time), averaged over the Quotational Period as per Clause 7.1 of this Contract.

Deductions

The following deductions may be applied in respect of each shipment of Concentrate, where relevant. The Seller shall allow:

Treatment Charge

A treatment charge of US\$150.00 (one hundred and fifty) per dmt of Concentrate delivered as part of that shipment.

Silver Refining Charge

The Seller shall allow the Buyer a silver refining charge of US\$0.50 per troy ounce (or pro rata for each fraction of an ounce) of the payable silver from that shipment of Concentrate in respect of which the above Metal Payment for silver applies.

Gold Refining Charge

The Seller shall allow the Buyer a gold refining charge of US\$7.50 per troy ounce (or pro rata for each fraction of an ounce) of the payable gold from that shipment of Concentrate in respect of which the above Metal Payment for gold applies.

Container Surcharge

The Seller shall allow the Buyer a container surcharge of \$15.00 (Fifteen) per wmt of Concentrate, to be considered on all payable invoices, and for the Seller's account.

Penalties

- As: The Seller will allow the Buyer a penalty of US\$3.00 per each 0.1% the As content exceeds over 0.5%: Fractions pro rata.
- F: The Seller will allow the Buyer a penalty of US\$3.00 per each 100ppm the F content exceeds over 500ppm up to 1500ppm maximum: Fractions pro rata.
- Hg: The Seller will allow the Buyer a penalty of US\$5.00 per each 10ppm the Hg content exceeds over 20ppm up to 75ppm maximum: Fractions pro rata.

- Pb + Zn: The Seller will allow the Buyer a penalty of US\$3.00 per each 1% of the combined Pb + Zn content exceeds over 7% up to 15% maximum: Fractions pro rata.
- Sb: The Seller will allow the Buyer a penalty of US\$5.00 per each 0.1% the Sb content exceeds over 0.3%: Fractions pro rata.
- Bi: The Seller will allow the Buyer a penalty of US\$5.0 per each 0.1% the Bi content exceeds over 0.10% up to 0.50% maximum: Fractions pro rata.