

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is made effective the 12th day of October, 2021,

AMONG:

PANORO MINERALS LTD., a company incorporated under the laws of the Province of British Columbia and having an office located at 480 – 505 Burrard Street, Vancouver, British Columbia, Canada V7X 1M3

(“**Panoro**”)

AND:

PANORO HOLDINGS LTD., a company incorporated under the laws of the Province of British Columbia and having a registered office located at 480 – 505 Burrard Street, Vancouver, British Columbia, Canada V7X 1M3

(“**Holdings**”, and together with Panoro, the “**Vendors**”)

AND:

HEENEY CAPITAL ACQUISITION COMPANY INC., a company incorporated under the laws of the Province of British Columbia and having a registered office located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7

(the “**Purchaser**”)

WHEREAS:

- (A) Antilla Copper S.A. (“**Antilla**” or the “**Company**”) owns a 100% direct right and interest in and to the Antilla Properties (as defined herein);
- (B) The Vendors are the legal and beneficial owners of 100% of the Antilla Shares (as defined herein);
- (C) In connection with the non-binding Letter of Intent executed on March 10, 2021, and amended on May 6, 2021, August 3, 2021, September 9, 2021, September 20, 2021 and September 24, 2021, among the Vendors and the Purchaser, the Vendors wish to sell to the Purchaser, and the Purchaser wishes to buy from the Vendors, the Purchased Shares (as defined herein) on the terms and conditions contained herein;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Party, each Party hereby covenants and agrees as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** Unless defined elsewhere herein, for the purpose of this Agreement:

- (a) **"Agreement", "herein", "hereto", "hereof"** and similar expressions means this Share Purchase Agreement, including the recitals and schedules to this agreement, and not to any particular article, section, subsection or other subdivision of this agreement, and includes every agreement varying, modifying, amending or supplementing this agreement;
- (b) **"Antilla"** has the meaning given to such term in the recitals;
- (c) **"Antilla Properties"** means any and all property rights of any kind in which Antilla owns or holds any right, title or interest in and to, including all of the mineral rights, mining concessions, mining concession applications, real property rights and any other form of property rights disclosed in Schedule B hereto;
- (d) **"Antilla Shares"** means all of the shares in the capital of Antilla, which, as of the date hereof, consists of 28,272,347 common shares in the capital of Antilla, as detailed in Schedule A hereto;
- (e) **"Area of Interest"** has the meaning given to such term in Section 3.1;
- (f) **"Authorization"** means any authorization, order, permit, approval, grant, licence, registration, consent, right, notification, condition, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decision, decree, bylaw, rule or regulation, whether or not having the force of Law, by any Governmental Authority or relevant community or court and includes any Environmental Approval;
- (g) **"BMO Report"** has the meaning given to such term in Section 2.2(d) footnote 1;
- (h) **"Books and Records"** means any books, records, data, reports or other information of any kind whatsoever, any format whatsoever (including in electronic format) relating to Antilla or the Antilla Properties owned by or in the control of the Vendors or Antilla, including all exploration, development, production and processing information, surveys, plans, specifications, maps, drill core samples, other samples and assays relating to the Antilla Properties.
- (i) **"Business Day"** means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Vancouver, British Columbia or Lima, Peru are authorized or required by applicable Law to be closed;
- (j) **"Claim"** means (i) any suit, action, dispute, investigation, claim, arbitration, order, summons, citation, directive, ticket, charge, demand or prosecution,

whether legal or administrative, or (ii) any appeal or application for review; at Law or in equity or by any Governmental Authority;

- (k) **"Closing"** means the completion of the First Payment to the Vendors in exchange for seventy-five percent (75%) of the issued and outstanding Antilla Shares;
- (l) **"Closing Date"** means the date that is ten (10) Business Days following the satisfaction of all Closing conditions precedent in Sections 2.5 and 2.7 hereof, or such other date as may be agreed to by the Parties in writing;
- (m) **"Closing Time"** means 10:00 a.m. (Vancouver Time) on the Closing Date or such other time on the Closing Date as may be agreed to by the Parties in writing;
- (n) **"Company"** has the meaning given to such term in the recitals;
- (o) **"Contingent Payment"** has the meaning given to such term in Section 2.2;
- (p) **"Contract"** means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership, note, instrument, or other right or obligation (whether written or oral) to which a Party, or any of its subsidiaries, is a party or by which a Party, or any of its subsidiaries, is bound or affected or to which any of their respective properties or assets is subject;
- (q) [Commercially sensitive information redacted]
- (r) **"Current PEA"** means the current Antilla Properties NI 43-101 preliminary economic assessment prepared by Moose Mountain Technical Services and Tetra Tech Mining and Minerals, entitled "Technical Report on the PEA for the Antilla Copper Project Heap Leach and SX/EW Operation" and dated effective June 11, 2018, which can be found on Panoro's SEDAR profile at www.sedar.com;
- (s) **"Diligence Information"** means the documents provided or made available to the Purchaser by the Vendors for the purposes of its due diligence in connection with the Transactions;
- (t) **"Dilution Formula"** has the meaning given to such term in Section 2.3;
- (u) **"Dilution Valuation"** means the dilution valuation set out in Section 2.3 hereof;
- (v) **"Environment"** means the natural environment (including soil, land surface or subsurface strata, surface water, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, including human health and safety, and any other environmental medium or natural resource);
- (w) **"Environmental Approvals"** means all Permits, management instruments, instructions, directions, waivers, participation program or

exemptions issued or required by, or program participation requirements with or from, any Governmental Authority pursuant to any Environmental Law, including those necessary to permit exploration and drilling on those areas of the Antilla Properties containing mineral resources and adjacent exploration targets set out in the current PEA, and additional areas to be identified for exploration by the Operator;

- (x) **"Environmental Laws"** means applicable Laws aimed at or relating to: reclamation or restoration of properties; abatement of pollution; protection of the Environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of agricultural, cultural or historic resources; management, treatment, storage, disposal or control of, or exposure to, Hazardous Substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Substances, including ambient air, surface water and groundwater; and all other Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of Hazardous Substances;
- (y) **"Existing Explora Services Agreement"** means the existing services agreement between Antilla and Explora dated January 20, 2020;
- (z) **"Expenditures"** means all cost, obligations and liabilities approved and included in any Antilla program and budget as provided for in the Shareholders' Agreement related to the Antilla Properties (and any related expanded land package(s)) for the purpose of exploring and developing the Antilla Properties (and any related expanded land package(s)), including but not limited to: drilling, excavating and searching by recognized prospecting techniques; sampling, assaying, testing and evaluating materials; mapping; plotting, surveying, constructing and maintaining camps, roads, works and structures necessary to carry out such evaluation, sampling or testing; all studies including, but not limited to, feasibility studies required to develop a mine and all work that may be required in preparing a mine for operating; the cost or payments to maintain the Antilla Properties (and any related expanded land package(s)), including costs to locate or relocate or cure any mining rights, costs to negotiate and enter into any agreements or Permits relating to the Antilla Properties (and any related expanded land package(s)); property acquisition costs excluding the First Payment, the Second Payment, the Third Payment and any Contingent Payment; labour, consultant and travel costs, Taxes or fees to maintain Antilla Properties (and any related expanded land package(s)); any filing costs; a five percent (5%) management fee (which fee, for greater certainty, is in place of and not in addition to the administrative charges set out in Section 2.13 of Exhibit B of the Shareholders' Agreement); an allowance for customary fees for services and overhead provided for in the Shareholders' Agreement; and, if applicable, any cost-plus mark-up by Explora of not greater than five percent (5%) pursuant to the Services Agreement;
- (aa) **"Explora"** means Panoro Explora SAC;
- (bb) **"First Payment"** has the meaning given to such term in Section 2.1(a)(i);

- (cc) **"Governmental Authority"** means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body (including, if applicable, any stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;
- (dd) **"Hazardous Substances"** means any chemical, material or other substance in any form, whether solid, liquid or gaseous or any combination thereof, whether waste material, raw material, finished product, intermediate product or by-product, that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, corrosive, explosive, infectious, carcinogenic or toxic or a pollutant or a contaminant under or pursuant to, or that could result in liability under, any applicable Environment Laws;
- (ee) **"Holdings"** has the meaning given to such term in the recitals;
- (ff) **"Laws"** means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the law, the common law or principles of law or equity and the term **"applicable"** with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such person or its business, undertaking, property or securities;
- (gg) **"Liens"** means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, restriction, conditional sale agreement, adverse right, prior assignment, lease, sublease, royalty, levy, right to possession or any other encumbrance, easement, license, right of first refusal, third party rights, covenant, voting trust or agreement, transfer restriction under any shareholder or similar agreement, right or restriction of any kind or nature whatsoever, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (hh) **"Money Laundering Laws"** has the meaning given to such term in Section 4.1(w);
- (ii) **"NI 43-101"** means National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators;
- (jj) **"NPV"** means net present value;

- (kk) "**NPV 8%**" has the meaning given to such term in Section 2.2(b);
- (ll) "**NPV Calculation**" has the meaning given to such term in Section 2.2(a);
- (mm) "**NSR**" means a net smelter return;
- (nn) "**Panoro**" has the meaning given to such term in the recitals;
- (oo) "**Panoro Apurimac**" means Panoro Apurimac S.A.C.;
- (pp) "**Party**" means either of the Vendors or the Purchaser and "**Parties**" shall mean all of the Vendors and the Purchaser;
- (qq) "**Permit**" means any lease, license, permit, certificate, consent, order, grant, approval, classification, registration or other authorization of or from any Governmental Authority;
- (rr) "**Permitted Lien**" means:
 - (i) the permanent 2% NSR royalty granted in favour of Panoro Copper Royalties Ltd. over the mining concessions listed in Schedule B, constituted by the Mining Royalty Agreement dated December 14, 2018 (and formalized by Public Deed on January 24, 2019) between Panoro Apurimac and Panoro Copper Royalties Ltd., with the intervention of Antilla, which is recorded before the Peruvian Public Registry;
 - (ii) community rights under Peruvian Law in respect of surface property rights (although such community rights do not negate the requirements for any community and land access letters or agreements discussed in this Agreement);
 - (iii) by-laws, regulations, ordinances, zoning law, building or land use restrictions imposed by any Governmental Authority having jurisdiction over the Antilla Property that do not materially adversely effect the Purchaser's ability to access explore and develop the Antilla Property and the related mining concessions as of the date hereof and within any relevant survival period applicable hereto;
 - (iv) the right reserved to or vested in any Governmental Authority by any applicable Law or by the terms of any mining right, mining concession, mining concession application or Permit, to terminate any mining right, mining concession, mining concession application or Permit, or to require annual or other payments as a condition of their continuance;
 - (v) Liens created in the ordinary course by a Governmental Authority in connection with operations conducted with respect to the Antilla Property, but only to the extent those Liens relate to costs and expenses for which payment is not due, delinquent or deferred;

- (vi) any reservations, exceptions, limitations, provisions and conditions contained in the information included in the mining concessions disclosed to the Purchaser; and
- (vii) any Liens, other than those above, that are recorded in the files (*partidas registrales*) that correspond to the Antilla Properties in the Peruvian Public Registry or the Peruvian Mining Registry on the date of this Agreement.
- (ss) “**person**” includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status;
- (tt) “**Peruvian Public Registry**” means the *Superintendencia Nacional de los Registros Públicos*;
- (uu) “**PMPA**” means the Precious Metals Purchase Agreement dated March 21, 2016 among Wheaton Precious Metals International Ltd. (previously Silver Wheaton (Caymans) Ltd.), Panoro Trading (Caymans) Ltd. and Panoro;
- (vv) “**PMPA Security Agreement**” means all the security agreements related to the PMPA, including, but not limited to, the following agreements: (i) Security Agreement dated December 20, 2016; (ii) Share Pledge Agreement dated December 20, 2016; (iii) Mortgage of Mining Concessions Agreement dated December 20, 2016; (iv) Inventory Pledge Agreement dated December 20, 2016; (v) Machinery and Other Assets Pledge Agreement dated December 20, 2016; (vi) Conditional Assignment of Contractual Position Agreement dated December 20, 2016; and (vii) Trust Agreement dated January 17, 2017;
- (ww) “**Proceedings**” has the meaning given to such term in Section 4.1(j);
- (xx) “**Purchaser**” has the meaning given to such term in the recitals and includes any subsidiary of the Purchaser incorporated and used in connection with the Transactions, if applicable;
- (yy) “**Purchaser’s Fundamental Representations**” means the representations and warranties contained in Section 5.1(a), Section 5.1(b), 5.1(c), 5.1(j) and 5.1(k);
- (zz) “**Purchaser Indemnitees**” has the meaning given to such term in Section 2.15;
- (aaa) “**Purchase Price**” means CAD\$20,000,000 cash;
- (bbb) “**Purchased Shares**” means ninety percent (90%) of the Antilla Shares;
- (ccc) “**Reportable Environmental Incident**” means any release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration,

injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment;

- (ddd) **"Second Payment"** has the meaning given to such term in Section 2.1(a)(ii);
- (eee) **"Shareholders' Agreement"** means the Shareholders' Agreement attached hereto as Schedule C;
- (fff) **"Study"** has the meaning given to such term in Section 2.2(a);
- (ggg) **"subsidiary"** means, with respect to a specified entity, any:
 - (i) corporation of which issued and outstanding voting securities of such corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation (whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency) are owned by such specified entity and the votes attached to those voting securities are sufficient, if exercised, to elect a majority of the directors of such corporation;
 - (ii) partnership, unlimited liability company, joint venture or other similar entity in which such specified entity has more than 50% of the equity interests and the power to direct the policies, management and affairs thereof; and
 - (iii) a subsidiary (as defined in clauses (a) and (b) above) of any subsidiary (as so defined) of such specified entity;
- (hhh) [Commercially sensitive information redacted]
- (iii) **"Tax"** or **"Taxes"** means all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty or selected items of income, earnings or profits, and specifically including any federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, payroll taxes, health taxes, employment taxes, withholding taxes, sales taxes, use taxes, goods and services taxes, custom duties, value added taxes, ad valorem taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, licence taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, and employment or unemployment insurance premiums, social insurance premiums and worker's compensation premiums and pension payments, and other taxes, fees, imposts, assessments or charges of any kind whatsoever together with any interest, penalties, additional

taxes, fines and other charges and additions that may become payable in respect thereof;

- (jjj) **"Third Payment"** has the meaning given to such term in Section 2.1(a)(iii);
- (kkk) **"Transactions"** means the transactions contemplated by this Agreement;
- (lll) **"Vendors"** has the meaning given to such term in the recitals;
- (mmm) **"Vendors' Disclosure Letter"** means the disclosure letter dated the date of this Agreement, delivered by the Vendors to the Purchaser with this Agreement;
- (nnn) **"Vendors' Fundamental Representations"** means the representations and warranties contained in Sections 4.1(a), 4.1(b), 4.1 (c), 4.1(d), 4.1(e), 4.1(f), 4.1(g), 4.1(i)(A), 4.1(ii)-(iv), 4.1(k), 4.1(r), 4.1(t) and 4.1(kkk).

1.2 Headings and Section Numbers. The division of this Agreement into articles, sections and the inclusion of headings are for convenience of reference only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision thereof.

1.3 Extended Meanings. The words "hereof", "herein", "hereunder" and similar expressions used in any clause, paragraph or section of this Agreement shall relate to the whole of this Agreement and not to that clause, paragraph or section only, unless otherwise expressly provided.

1.4 Number and Gender. Whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed to mean the plural or feminine or body corporate where the context of this Agreement or the parties hereto so require.

1.5 Section References. Any reference to a particular "article", "section", "subsection" or other subdivision is to the particular article, section or other subdivision of this Agreement.

1.6 Currency. All sums of money to be paid or calculated pursuant to this Agreement shall be paid or calculated in the currency of Canada unless otherwise expressly stated.

1.7 Knowledge. The term "knowledge" or any other similar knowledge qualification means the actual or constructive knowledge of any senior officer of the Vendors, Antilla or the Purchaser, after due inquiry.

1.8 Certain Phrases and References, etc. The words "**including**", "**includes**" and "**include**" mean "including (or includes or include) without limitation". The term "**Agreement**" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it. The word "**or**" includes "and/or".

1.9 Statutes. Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

1.10 **Performance on Holidays.** If any act is required by the terms of this Agreement to be performed on a day which is not a Business Day, the act will be valid if performed on the next succeeding Business Day.

1.11 **Schedules.** The attached schedules are incorporated into this Agreement and form part of it. All terms defined in this Agreement shall have the same meaning in the schedules, unless otherwise defined therein. The schedules to this Agreement are:

Schedule A	-	Antilla Shares
Schedule B	-	Antilla Properties
Schedule C	-	Shareholders' Agreement
Schedule D	-	Third Payment Trigger Map

ARTICLE 2 PURCHASE AND SALE OF SECURITIES

2.1 **Purchase and Sale.** Subject to the terms and conditions of this Agreement, the Vendors will sell to the Purchaser and the Purchaser will purchase from the Vendors all of the Vendors beneficial right, title and interest in and to the Purchased Shares free and clear of all Liens except Permitted Liens in exchange for the Purchase Price (which shall first be transferred to Antilla's Peruvian bank account and then immediately paid to the Vendors for the purpose of being captured as a cost basis for the Purchased Shares). Specifically:

- (a) the Purchase Price shall be paid to the Vendors by the Purchaser in exchange for the transfer of the Purchased Shares from the Vendors to the Purchaser as follows:
 - (i) CAD\$10,000,000 payable on the Closing Date in exchange for seventy five percent (75%) of the issued and outstanding Antilla Shares (and such 75% ownership interest in the Antilla Shares to be transferred at this point in time must include any and all Antilla Shares not held by Panoro as part of such calculation) (the "**First Payment**") in accordance with the terms hereof;
 - (ii) CAD\$3,000,000 payable the earlier of ten (10) months following the Closing Date or thirty (30) calendar days following the listing of the Purchaser's common shares on a stock exchange in North America (the "**Second Payment**"), and, for greater certainty, the Second Payment shall be considered to be a follow-on payment in addition to the First Payment and part of the Purchase Price for the transfer of seventy five percent (75%) of the issued and outstanding Antilla Shares, as mentioned above, and shall not, at the time of the Second Payment, entitle the Purchaser to an additional transfer of Antilla Shares; and
 - (iii) CAD\$7,000,000 payable on the earlier of: twelve (12) months following receipt of (A) all Authorizations and Permits (acceptable to all Parties, acting reasonably, that, as applicable, comply with Peruvian regulations and are recorded in the Peruvian Public Registry relating to environmental matters and drilling, (B) and a fulsome land use and community agreement (e.g. "*convenios*") that complies with Applicable Laws and is recorded in the Peruvian Public Registry enabling the Purchaser and the Operator to freely access the Antilla

Properties and commence all field exploration activities (including drilling) on those portions of the Antilla Properties located east of the red line on the Antilla Properties map attached as Schedule D hereto free from any claims from third parties (that, despite receipt of (A) and (B) above, prevents the Purchaser and the Operator from freely accessing the Antilla Properties for the purpose of commencing all field exploration activities (including drilling) on those portions of the Antilla Properties located east of the red line on the Antilla Properties map attached as Schedule D hereto), such applications or negotiations to be initiated and pursued on a best efforts basis by the Purchaser within three (3) months of the First Payment (so long as the Purchaser has received from the Vendors all baseline data in their possession relevant to such applications); or twelve (12) months following the public disclosure by the Purchaser of the results of a Purchaser-commissioned Study (as defined herein), in exchange for an additional fifteen percent (15%) of the issued and outstanding Antilla Shares (being in combination with the Antilla Shares transferred pursuant to Section 2.1(a)(i), an aggregate of ninety percent (90%) of the issued and outstanding Antilla Shares (excluding any additional Antilla Shares issued to the Purchaser as a result of (if applicable) the dilution of the Vendors' Antilla Share ownership interest hereunder or under the Shareholders' Agreement) and 100% of the Purchased Shares) (the "**Third Payment**"). Subject to Section 2.11, the Purchaser may accelerate the Third Payment at any time and at its sole discretion.

- (b) Upon making each of the First Payment and the Third Payment, the Vendors shall deliver to the Purchaser:
 - (i) documents (e.g., stock ledger – *Matrícula de Acciones*) representing the relevant portion of the Antilla Shares being transferred in connection with such payment accompanied by duly executed instruments of transfer, including the registration of such transfer of such Antilla Shares in the Company stock ledger along with any waiver of right of first refusal relating to such transferred shares (if applicable); and
 - (ii) all such other assurances, consents and other documents as the Purchaser may reasonably request to effectively transfer to the Purchaser title to the Antilla Shares owing in exchange for such payment free and clear of all Liens except Permitted Liens.
- (c) USD\$183,750 shall be subtracted from the Second Payment owing to the Vendors at Closing in respect of deferred Antilla Property mineral concession license fees amounting to approximately USD\$22,500 and the related penalties amounting to approximately USD\$161,250.

2.2 Contingent Payments. The Purchase Price shall include a right to additional payments (that shall form part of the Purchase Price) as follows:

- (a) if a maiden NI 43-101 pre-feasibility study or feasibility study is commissioned by the Purchaser (or its successors and assigns) and the results are publicly disclosed by the Purchaser (or its successors and

assigns) (a "**Study**") relating to the Antilla Properties, the Study shall include an NPV calculation conducted on that portion of the mineral reserves and resources located on the Antilla Properties (the "**NPV Calculation**");

- (b) if the NPV Calculation results in an NPV at an eight percent (8%) discount rate (an "**NPV 8%**") above USD\$310,000,000, then the Purchaser will pay to the Vendors an additional CAD\$10,000,000 in cash within twelve (12) months of the public disclosure of the Study; and
- (c) if an NPV Calculation results in an NPV 8% above USD\$360,000,000, then the Purchaser will pay to the Vendors an aggregate CAD\$ cash amount equal to a thirteen percent (13%) of such NPV 8% value ($0.13 \times \text{NPV 8\%}$) less any cash payments made to the Vendors up until that point in time (including any payments made in Sections 2.1 or 2.2 hereof)) within twelve (12) months of the public disclosure of the results of the Study,

(the "**Contingent Payment**").

The total potential cash payable by the Purchaser to the Vendors is CAD\$70,000,000, comprised of the CAD\$20,000,000 Purchase Price and up to a CAD\$50,000,000 Contingent Payment cap.

- (d) The NPV Calculation shall use a discount rate of eight percent (8%) and the same copper price assumptions used in the Study, which shall be based on industry-standard median or long-term street consensus copper prices for the years listed in the BMO Report published in the year in which the Study is published¹.

No mine construction shall be undertaken on the Antilla Properties in the absence of a Purchaser-commissioned publically disclosed Study. The Purchaser shall use its commercially reasonable best efforts to have prepared a fair and optimized NI 43-101 pre-feasibility study or feasibility study on the Antilla Properties as soon as reasonably practicable.

2.3 Expenditures. Other than Expenditures required to maintain the concessions comprising the Antilla Properties in good standing under applicable Laws, there are no mandatory or minimum Expenditures required. However, as the operator, the Purchaser will set programs and budgets and the shareholders must fund such programs and budgets, in the case of the Purchaser as to the greater of 75% and its pro rata shareholding in Antilla and in the case of the Vendors as to the lesser of 25% and its pro rata shareholding in Antilla, and failing to do so will result in the dilution of the non-contributing party's shareholding in Antilla in accordance with the terms hereof and the terms of the Shareholders' Agreement. Any such dilution (or double dilution) will be based on a CAD\$30,000,000 valuation, and such dilution (or double-dilution) shall occur in accordance with the formula below (the "**Dilution Formula**") and the terms of the Shareholder's Agreement. An Antilla shareholder whose

¹ The industry-standard "median" and "long-term (LT)" street consensus copper prices are the prices identified as such in the then-current BMO Capital Markets Street Consensus Copper Price Forecasts (the "**BMO Report**"). The median street consensus copper price for any given year included in the BMO Report shall be applied to any identical year in the Study. The long-term (LT) consensus copper price included in the BMO Report shall be applied to any years included in the Study that go beyond the year specifically included in the BMO Report. If a BMO Report does not exist for the year that the Study is announced, then consensus pricing shall be aggregated from the banks / brokerages named in the 2021 BMO Report that have individually published such copper pricing for such future announcement year.

ownership interest is diluted below five percent (5%) will have a capital reduction (without return of contributions) of their Antilla Shares such that their remaining Antilla Shares are cancelled and such Antilla shareholder (or such Antilla shareholder's nominee) will receive a one percent (1%) NSR royalty on mineral production from the Antilla Properties in accordance with the terms outlined in the Shareholders' Agreement. Any such dilution shall be calculated as follows:

$$\text{Dilution Formula} = ((A \times B) - C) / D$$

Where:

A = the approved Antilla program and budget for the relevant period

B = an Antilla shareholder's ownership percentage of issued and outstanding Antilla Shares

C = an Antilla shareholder's actual financial commitment to their pro-rata portion of the approved Antilla program and budget for the relevant period

$$\text{Dilution Valuation} = \text{CAD\$30,000,000}$$

If an Antilla shareholder who agrees to contribute to an approved Antilla program and budget defaults on such contribution, such Antilla shareholder's default shall be subject to double dilution under the Dilution Formula².

Such Dilution Formula calculation shall occur no later than the end of each calendar year, and any shareholder's diluted Antilla Share ownership position shall be adjusted accordingly thereafter on January 1st of the following calendar year.

The Purchaser will have the option to buy back 1.0% of the aggregate 3% NSR (comprised of the above-noted 1% NSR and the existing 2% NSR granted to Panoro Copper Royalties Ltd.) for CAD\$4,000,000 in cash at any time following the creation of the above-noted 1% NSR.

2.4 Panoro Explora SAC Technical Services. For so long as either of the Vendors is a shareholder of Antilla, Explora will, unless another provider is chosen by the Purchaser, provide technical services to Antilla to help ensure a smooth transition of the mining operations, development, and marketing of the Antilla Properties. Initially, the provision of such services shall be governed by the Existing Explora Services Agreement. If the Existing Explora Services Agreement expires or is terminated and the Purchaser desires that Explora continue to provide such services to Antilla, Explora will use its commercially reasonable efforts to negotiate and enter into a new services agreement substantially in the form of the Existing Explora Services Agreement. The amount of time required of Explora and the number of hours available are to be negotiated by the Parties. Services will be provided at cost plus

² By way of example, if Antilla's year 1 approved program and budget was CAD\$10,000,000, and Panoro starts the year with a 25% Antilla Share ownership position and agrees to commit zero dollars to Antilla's year 1 approved program and budget, then the Dilution Formula would be $((10 \times 0.25) - 0) / 30 = 8.3\%$ and, following the dilution calculation, the Purchaser would own 83.33% of the Antilla Shares and Panoro would own 16.67% of the Antilla Shares. Furthermore, if Antilla's year 2 approved program and budget was CAD\$10,000,000, and Panoro starts the year with a 16.67% Antilla Share ownership position and agrees to commit zero dollars to Antilla's year 2 approved program and budget, then the Dilution Formula would be $((10 \times 0.1667) - 0) / 30 = 5.33\%$ and, following the dilution calculation, the Purchaser would own 88.86% of the Antilla Shares and Panoro would own 11.14% of the Antilla Shares

5% in accordance with Explora's practices on other projects pursuant to the Existing Explora Services Agreement. The Purchaser will have the right to inspect any and all service proposals and invoices in connection with any services to be provided or provided by Explora.

2.5 Purchaser's Conditions Precedent. The Purchaser shall be obliged to complete the Transactions only if each of the following conditions precedent have been satisfied in full at or before the Closing Time (each of which conditions precedent is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) all of the representations and warranties of the Vendors made in or pursuant to this Agreement shall be true and correct as at the date hereof and as at the Closing Time with the same effect as if made at and as of the Closing Time;
- (b) the Vendors shall have complied with or performed all of the obligations, covenants and agreements under this Agreement to be complied with or performed by the Vendors at or before the Closing Time including the delivery of the Closing Deliverables under Section 6.2, to the satisfaction of the Purchaser, acting reasonably;
- (c) as applicable, the Vendors shall have obtained all shareholder, third party, and regulatory approvals or waivers required to effect the First Payment (and the related transfer and registration of the Antilla Shares being purchased in connection therewith);
- (d) the Vendors shall have effected or delivered, or caused to be effected or delivered, to the Purchaser, the following:
 - (i) except for any existing director of Antilla appointed by Panoro as its representative pursuant to Section 5.2 of the Shareholders' Agreement appended as Schedule C hereto, the resignations of the directors and officers of Antilla, and the appointment, or assistance with the appointment, of the Purchaser's directors, officers or representatives pursuant to the terms hereof and pursuant to the terms of the Shareholders' Agreement;
 - (ii) as applicable, the amendment of Antilla's governing documents (including, as applicable, Antilla's By-laws) and registration of the Shareholders' Agreement in the stock ledger (*Matrícula de Acciones*) of Antilla, and any required Peruvian regulatory filings relating thereto;
 - (iii) mutual releases between Antilla and all directors and officers of Antilla who are resigning;
 - (iv) a certificate of the Vendors dated the Closing Date certifying that the conditions set out in Section 2.5(a) and Section 2.5(b) have been satisfied;
- (e) the Shareholders' Agreement, approved, executed and delivered by the Vendors;

- (f) the Vendors have transferred seventy-five percent (75%) of the Antilla Shares (which must also include any and all Antilla Shares not held by Panoro as part of the calculation) to the Purchaser in exchange for the First Payment;
- (g) letters from the Vendors to the Company waiving the Vendors' right of first refusal triggered by the sale and transfer of the Antilla Shares to the Purchaser in exchange for the First Payment, granted under the By-laws of Antilla;
- (h) an initial community and land access letter approved by the Antilla community assembly and compliant with applicable Laws, which, at a minimum, enables the Purchaser and the Operator to access the Antilla Properties for the purpose of conducting surface exploration work (including geological mapping, surface sampling and ground-based geophysics) and airborne geophysics; and
- (i) a simple month-to-month agreement (on terms agreeable to the Purchaser, acting reasonably) between and approved, executed and delivered by Antilla and Panoro (or its relevant affiliate) providing for the ongoing storage and safekeeping, at their current location and by Panoro (or its relevant affiliate), of the core samples from the Antilla Properties in exchange for a reasonable monthly fee to be paid by Antilla, such agreement to continue until the Purchaser can make alternative arrangements for storage. The Purchaser shall use reasonable efforts to arrange for alternate storage within a reasonable amount of time following Closing.

2.6 Waiver of Purchaser's Conditions Precedent. The conditions precedent as set forth in Section 2.5 hereof shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder, be waived by it in writing, in whole or in part, at any time at or before the Closing Date or such other date as hereinbefore set forth. In the event that any of the conditions precedent set forth in Section 2.5 shall not be complied with, or waived by the Purchaser at or before the Closing Date or such other date as hereinbefore set forth, the Purchaser may terminate this Agreement by written notice to the Vendors and, in such event, the Purchaser and the Vendors shall be released from all obligations hereunder.

2.7 Vendors' Conditions Precedent. The Vendors shall be obliged to complete the Transactions only if each of the following conditions precedent have been satisfied in full at or before the Closing Time (each of which conditions precedent is acknowledged to be for the exclusive benefit of the Vendor):

- (a) all of the representations and warranties of the Purchaser made in or pursuant to this Agreement shall be true and correct as at the date hereof and as at the Closing Time with the same effect as if made at and as of the Closing Time;
- (b) the Purchaser shall have complied with or performed all of the obligations, covenants and agreements under this Agreement to be complied with or performed by the Purchaser at or before the Closing Time, including the delivery of the Closing Deliverables under Section 6.3, to the satisfaction of the Purchaser, acting reasonably;

- (c) as applicable, the Purchaser shall have obtained all required shareholder, third party and regulatory approvals or waivers required to effect the First Payment (and the related transfer and registration of the Antilla Shares being purchased in connection therewith);
- (d) the Purchaser has delivered, or caused to be delivered, to the Vendors the following:
 - (i) the First Payment;
 - (ii) the Shareholders' Agreement, approved, executed and delivered by the Purchaser; and
 - (iii) a certificate of the Purchaser dated the Closing Date certifying that the conditions set out in Section 2.7(a) and Section 2.7(b) have been satisfied;
- (e) evidence that the Purchaser has completed and received the proceeds from a financing of not less than CAD\$10,000,000; and
- (f) [Commercially sensitive information redacted]

2.8 Waiver of Vendors' Conditions Precedent. The conditions precedent as set forth in Section 2.7 hereof shall be for the benefit of the Vendors and may, without prejudice to any of the rights of the Vendors hereunder, be waived by the Vendors in writing, in whole or in part, at any time, at or before the Closing Date or such other date as hereinbefore set forth. In the event that the conditions precedent as set forth in Section 2.7 hereof shall not be complied with, or waived by the Vendors at or before the Closing Date or such other date as hereinbefore set forth, the Vendors may terminate this Agreement by written notice to the Purchaser and, in such event, the Purchaser and the Vendors shall be released from all obligations hereunder.

2.9 Vendors' Condition Precedent to the Second Payment. Once the trigger in Section 2.1(a)(ii) hereof has been met, the Vendors shall be entitled to receive the Second Payment, so long as Panoro shall have:

- (a) [Commercially sensitive information redacted]
- (b) [Commercially sensitive information redacted]

2.10 Waiver of Vendors' Conditions Precedent. The condition precedent as set forth in Section 2.9 hereof shall be for the benefit of the Vendors and may, without prejudice to any of the rights of the Vendors hereunder, be waived by them in writing, in whole or in part, at any time at or before the payment of the Second Payment.

2.11 Vendors' Condition Precedent to the Third Payment. Once the trigger in Section 2.1(a)(iii) hereof has been met, the Vendors shall be entitled to receive the Third Payment in exchange for the transfer an additional fifteen percent (15%) of the issued and outstanding Antilla Shares, so long as:

- (a) [Commercially sensitive information redacted]
- (b) [Commercially sensitive information redacted]

2.12 **Waiver of Vendors' Conditions Precedent.** The condition precedent as set forth in Section 2.11 hereof shall be for the benefit of the Vendors and may, without prejudice to any of the rights of the Vendors hereunder, be waived by them in writing, in whole or in part, at any time at or before the payment of the Third Payment.

2.13 **Vendors' Condition Precedent to the Contingent Payment.** Once the trigger in Section 2.2(b) or (c) hereof has been met, the Vendors shall be entitled to receive the Contingent Payment, so long as:

(a) [Commercially sensitive information redacted]

(b) [Commercially sensitive information redacted]

2.14 **Waiver of Vendors' Conditions Precedent.** The condition precedent as set forth in Section 2.13 hereof shall be for the benefit of the Vendors and may, without prejudice to any of the rights of the Vendors hereunder, be waived by them in writing, in whole or in part, at any time at or before the payment of the Contingent Payment.

2.15 [Commercially sensitive information redacted]

ARTICLE 3 ADDITIONAL COVENANTS

3.1 **Area of Interest.** Each Vendor covenants that it shall not, and shall cause its affiliates, representatives or consultants not to, acquire or obtain the right to acquire, directly or indirectly, any interest in real or personal property (including, without limitation, any mining concessions or mining applications (*peritorios mineros*) or mineral deposit, land and associated water rights) that in whole or in part covers, is a burden upon, or attaches to the Antilla Properties plus the area that is included within ten (10) kilometers from the outermost boundaries of all Antilla Properties while a member of the Vendor group holds Antilla Shares and for a period of one (1) year from the date all Vendor group members cease to hold Antilla Shares (the "**Area of Interest**"). If a Vendor acquires any such interest in contravention of this Section 3.1, such Vendor shall notify the Purchaser immediately and such Vendor shall promptly, if the Purchaser so requests in writing within thirty (30) calendar days of the Vendor's notification, convey all of such interest to the Company at no cost to the Company. The foregoing restriction in this Section 3.1 shall not prohibit a Vendor or its affiliates, representatives or consultants from, without any obligation or liability to the Purchaser, acquiring any interests in any property or right to acquire an interest in properties covering lands completely outside of the Area of Interest at any time or within the Area of Interest where such interest is voluntarily surrendered or relinquished by the Company or its affiliates.

3.2 Additional Covenants of the Vendors.

(a) From the date hereof until the Closing Date, the Vendors shall use all commercially reasonable efforts to satisfy the conditions precedent set out in Section 2.5.

(b) From the Closing Date until the Second Payment and the Third Payment, respectively, the Vendors shall use all commercially reasonable efforts to satisfy the conditions precedent set out in Section 2.9 and 2.11, respectively, unless the Purchaser has waived such conditions precedent;

- (c) From the date hereof until the Closing Date, the Vendors shall not take any action or inaction, nor cause or otherwise allow Antilla to take any action or inaction, that results in any of the representations and warranties set out in Section 4.1 not being true and correct.
- (d) From the date hereof until the Closing Date, the Vendors shall promptly notify the Purchaser in writing of any fact, circumstance, event or action the existence, occurrence or taking of which: (i) has had, or could reasonably be expected to have, individually or in the aggregate, a material adverse effect on Antilla; (ii) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Vendors hereunder not being true and correct; or (iii) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 2.5 to be satisfied.
- (e) [Commercially sensitive information redacted]
- (f) [Commercially sensitive information redacted]

3.3 Additional Covenants of the Purchaser.

- (a) From the date hereof until the Closing Date, the Purchaser shall use all commercially reasonable efforts to satisfy the conditions precedent set out in Section 2.7.
- (b) From the date hereof until the Closing Date, the Purchaser shall not take any action or inaction that results in any of the representations and warranties set out in Section 5.1 to not be true and correct.
- (c) From the date hereof until the Closing Date, the Purchaser shall promptly notify the Vendors in writing of any fact, circumstance, event or action the existence, occurrence or taking of which: (i) has resulted in, or could reasonably be expected to result in, any representation or warranty made by the Purchaser hereunder not being true and correct; or (ii) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 2.7 to be satisfied.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE VENDORS

4.1 Representations and Warranties. Except as disclosed in the Vendors' Disclosure Letter, the Vendors hereby represent and warrant, on a joint and several basis, to the Purchaser, with the intent that the Purchaser shall rely thereon in entering into this Agreement and in concluding the Transactions, both at the date hereof and at the Closing Time, that:

- (a) the Antilla Shares (which include the Purchased Shares) are the property of the Vendors, the Vendors have good and marketable title to the Antilla Shares (which include the Purchased Shares) and the Vendors have the complete and exclusive right and authority to sell, transfer, assign and deliver the Purchased Shares to the Purchaser free and clear of any Lien whatsoever except Permitted Liens;

- (b) as at the date hereof, the authorized share capital of Antilla consists of 28,272,347 Antilla Shares, all of which are validly issued and outstanding as fully paid and non-assessable shares in the capital of Antilla;
- (c) none of the Antilla Shares are subject to escrow restrictions, pooling arrangements, or voting trusts, whether voluntary or otherwise;
- (d) no person other than the Purchaser hereunder has any contract or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a contract for the purchase or acquisition from the Vendors of any of the Antilla Shares (which includes the Purchased Shares);
- (e) no person has any contract or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a contract, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any issued or un-issued shares, or other securities of Antilla;
- (f) the board of directors of Antilla has approved the sale and transfer of the Purchased Shares in connection with this Agreement;
- (g) this Agreement has been duly executed and delivered by the Vendors and (assuming due execution and delivery by the Purchaser) is a legal, valid and binding obligation of the Vendors enforceable against them in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (h) no Permit, Authorization or consent of any third party is necessary for the consummation by the Vendors of the sale and transfer of the Purchased Shares or the execution and delivery of this Agreement, and the consummation by the Vendors of the Transactions will not result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under any indenture, agreement or other instrument to which Antilla or the Vendors are a party or by which they are bound;
- (i) the execution and delivery by the Vendors of this Agreement and the performance by them of their covenants hereunder (including the transfer of the Purchased Shares) do not and will not violate, conflict with or result in a breach of any provision of the constating documents of Antilla and will not:
 - (i) violate, conflict with or result in a breach of:
 - A. any agreement, Contract, indenture, deed of trust, mortgage, bond, instrument, Authorization, licence or permit to which Antilla is a party, or by which Antilla is bound; or
 - B. any Laws to which Antilla or is subject or by which Antilla is bound;

- (ii) give rise to any right of termination, or the acceleration of any indebtedness, under any such agreement, Contract, indenture, Authorization, deed of trust, mortgage, bond, instrument, licence or permit to which Antilla is a party, or by which Antilla is bound;
 - (iii) result in the creation or imposition of any Liens upon any of the properties or assets of Antilla or restrict, hinder, impair or limit the ability of Antilla to conduct its business as and where it is now being conducted; or
 - (iv) except as waived pursuant to Section 2.5(g), give rise to any rights of first refusal or rights of first offer, trigger any change in control or influence provisions or any restriction or limitation under any such agreement, Contract, indenture, Authorization, deed of trust, mortgage, bond, instrument, licence or permit;
- (j) there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry before or by any Governmental Authority, or any claim, action, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative matter or proceeding (collectively, "**Proceedings**") against or involving the Vendors, Antilla or the Antilla Properties (whether in progress or, to the knowledge of the Vendors or Antilla, threatened). There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority outstanding against Antilla in respect of its businesses, properties or assets or against either of the Vendors or Antilla;
- (k) Antilla is duly incorporated and organized, and is validly subsisting and in good standing as a corporate entity under the Laws of Peru and has full right and authority to acquire and hold recorded title to the Antilla Properties;
- (l) the Vendors have disclosed and delivered to the Purchaser, or will at Closing, deliver to the Purchaser, all information and data in the possession or under the control of the Vendors including, without limitation, all historical documentation with respect to title, all geological, geophysical and assay results, maps, environmental studies, tests and assessments and notification from regulatory authorities, and corporate records, concerning Antilla and the Antilla Properties (including any prior exploration, development, reclamation and remediation work carried out on the Antilla Properties and within the Vendor's or Antilla's knowledge);
- (m) Antilla has filed all applicable Tax returns required to be filed to date and has paid, or made provisions for the payment of, all Taxes and no assessments have been issued and no re-assessments have been made questioning or challenging in any way the returns filed;
- (n) [Commercially sensitive information redacted]
- (o) other than this Agreement, the Existing Explora Services Agreement and the agreements pursuant to which it acquired the Antilla Properties, Antilla

has not entered into any Contracts, written or verbal agreements, obligations or liabilities of any nature to any person;

- (p) Antilla has not made any payment or loan to, or borrowed any moneys from or is otherwise indebted to the Vendors, except for indebtedness owing to the Vendors or subsidiaries of either of the Vendors that shall be capitalized for the issuance of Antilla Shares before the Closing Date;
- (q) Antilla has no liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, and is not a party to or bound by any agreement of guarantee, support, indemnification, assumption or endorsement of, or any other similar commitment with respect to the liabilities, obligations, indebtedness or commitments (whether accrued, absolute, contingent or otherwise) of any entity, except for indebtedness owing to the Vendors or subsidiaries of either of the Vendors that shall be capitalized for the issuance of Antilla Shares before the Closing Date;
- (r) Antilla was incorporated on August 13, 2018, and other than its ownership of the Antilla Properties, has not carried on any business activity and has never had any employees;
- (s) except for the Purchaser's rights pursuant to this Agreement, no person has any agreement, Contract or option or any right or privilege capable of becoming an agreement or option for the purchase the whole or part of the assets of Antilla (including the Antilla Properties), and there are no active areas of mutual interest provisions or areas of exclusion in any contracts binding upon Antilla, or otherwise to which the assets of Antilla (including the Antilla Properties) are subject;
- (t) Antilla is not in conflict with, or in default (including cross defaults) under or in violation of: (i) its constating documents or, as applicable, equivalent organizational documents; or (i) any agreement, Contract or understanding to which it or by which any of the Antilla Properties in which it has a controlling interest or an option to acquire a controlling interest is bound or affected;
- (u) to the knowledge of the Vendors, each of Antilla and the respective predecessors in title to the Antilla Properties have (prior to ownership by the Vendors) conducted their activities in compliance with all applicable Laws, including Environmental Laws, tariffs and directives of each jurisdiction in which the Antilla Properties are located and possesses all Authorizations issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on by it, is in compliance in all material respects with the terms and conditions of all such Authorizations and with all Laws, tariffs and directives, and Antilla has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such Authorization;
- (v) neither Antilla nor any of its directors, officers, supervisors, managers, employees, or agents has: (i) violated any applicable anti-bribery, anti-

corruption, export control, and economic sanctions Laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *United States Foreign Corrupt Practice Act*, including the applicable Peruvian Anti-Money Laundering Laws, the Peruvian Criminal Code, Law No. 30424 and its regulations approved by Supreme Decree No. 002-2019-JUS, as amended; (ii) made or authorized any contribution, payment or gift of funds, property or anything else of value to any official, employee or agent of any Governmental Authority, authority or instrumentality in Canada, Peru or any other jurisdiction other than in accordance with applicable Laws; (iii) used any corporate funds, or made any direct or indirect unlawful payment from corporate funds, to any foreign or domestic government official or employee or for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; or (iv) violated or is in violation of any provision of the *Criminal Code* (Canada) and the Peruvian Criminal Code relating to foreign corrupt practices, including making any contribution to any candidate for public office, in either case, where either the payment or gift or the purpose of such contribution payment or gift was or is prohibited under the foregoing or any other applicable Laws of any locality;

- (w) the operations of Antilla are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-Governmental Authority involving Antilla with respect to the Money Laundering Laws is pending or, to the knowledge of the Vendors, threatened;
- (x) neither of the Vendors, nor any person not dealing at arm’s length with the Vendors, owns or controls, directly or indirectly, any interest in any property located within ten (10) kilometers of the outermost boundaries of the Antilla Properties;
- (y) the Antilla Properties are properly and accurately described in Schedule B hereto;
- (z) the Current PEA complied in all material respects with the requirements of NI 43-101 at the effective date thereof. Antilla does not have knowledge of a change in any material information set out in the Current PEA, other than as disclosed in Panoro’s press release dated September 4, 2018;
- (aa) all of the material facts, assumptions and conclusions set out in the Current PEA were reasonable and appropriate at the date of the Current PEA;
- (bb) no material exploration, development or mining activities have been undertaken on the Antilla Properties since September 2010;
- (cc) Antilla:

- (i) has good and sufficient title, free and clear of any title defect or Liens, except the Permitted Liens, to the Antilla Properties, except, for the avoidance of doubt, surface rights must be acquired or registered by Antilla in order to further explore and develop the Antilla Properties;
 - (ii) holds all mineral concessions to the Antilla Properties necessary to explore for, develop, mine, produce ore or metals for development purposes on the Antilla Properties as described Schedule B hereto free and clear of any Liens, except the Permitted Liens; and
 - (iii) Antilla owns all of its drill core relating to the Antilla Properties.
- (dd) Antilla is the sole and exclusive legal and beneficial owner of all right, title and interest in and to the Antilla Properties, free and clear of all Liens, except Permitted Liens, pursuant to valid, subsisting and enforceable title documents and Antilla is not in default of any of the provisions of such documents nor has any such default been alleged, and no third parties hold any rights or claims relating to the Antilla Properties, except, for the avoidance of doubt, the surface rights must be acquired or registered by Antilla in order to further explore and develop the Antilla Properties;
- (ee) the Antilla Properties have been properly located and registered in compliance with applicable Laws, and the Antilla Properties include valid and subsisting mineral concessions as disclosed in Schedule B hereto;
- (ff) all assessment work required to be performed and filed in connection with the Antilla Properties, under the applicable Laws prior to the date hereof, has been performed and filed, all related Taxes and other payments required to be paid prior to the date hereof have been paid and all related filings have been made, except for mining concessions, license fees and penalties (*derechos de vigencia y penalidad*) deferrals as are permitted under Peruvian Law without affecting the good standing of the Antilla Properties;
- (gg) the Antilla Properties are in good standing under applicable Laws and there is no cause that may trigger their termination, and Antilla has complied with all payments for license fees (*derecho de vigencia*) and penalties (*penalidades*) up to year 2020, except for such deferrals as are permitted under Peruvian Law without affecting the good standing of the Antilla Properties;
- (hh) there are no restrictions on the ability of the Antilla to use, transfer or exploit the Antilla Properties, except pursuant to the applicable Laws;
- (ii) except as disclosed herein, Antilla has no liability or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the Antilla Properties other than the Permitted Lien;
- (jj) there is no Claim, or to the knowledge of the Vendors, no threat of a Claim against or challenge to the title of Antilla, or its ownership of, the Antilla Properties;

- (kk) the agents and representatives of Antilla have to negotiate, enter into a new community and land access letter in respect of the Antilla Properties as discussed in Section 2.5(h), which will be done prior to the Closing;
- (ll) Antilla has the exclusive right to deal with the Antilla Properties;
- (mm) no other person has any interest in the Antilla Properties or the production from any of the underlying properties or mineral deposits or any right to acquire any such interest. In particular, Wheaton Precious Metals International Ltd. has no potential claims, rights or interest in connection with Antilla, the Antilla Shares, the Purchased Shares or the Antilla Properties;
- (nn) there are no back-in rights, earn-in rights, rights of first refusal or similar provisions that would affect the interest of Antilla in the Antilla Properties;
- (oo) Antilla has not received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke or amend any of its interests in any of the Antilla Properties and there is no reasonable basis to expect that such a revocation or amendment of any of its interests in any of the Antilla Properties may occur;
- (pp) there are no illegal or informal or unauthorized mining activities carried on in the areas covered by the Antilla Properties;
- (qq) the area covered by the Antilla Properties has not been declared as a "Protected Natural Area" (or similar characterization) by any Governmental Authority;
- (rr) except as identified in Permits previously issued in respect of the Antilla Properties, none of the areas covered by the Antilla Properties (nor any of its respective parts, constructions, remains or similar elements located on such area) has been declared as a "Protected Archaeological Site" (or similar characterization) by any Governmental Authority;
- (ss) no Antilla Properties or any other property or asset of Antilla have been taken or expropriated by any Governmental Authority nor has any notice or Proceeding in respect thereof been given or commenced nor, to the knowledge of the Vendors, is there any intent or proposal to give any such notice or to commence any such Proceeding;
- (tt) no dispute between Antilla and any non-governmental organization, community, or community group exists or, to the knowledge of the Vendors, is threatened or imminent with respect to any of the Antilla Properties or Antilla's operations;
- (uu) if applicable, Antilla has operated in all material respects, including through the contractual relationship with Explora for the provision of management services, in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights, labour relations and privacy, and there are no current, pending, or, to the knowledge of the Vendors, threatened

Proceedings before any Governmental Authority with respect to any such matters;

- (vv) the Agreement for the Provision of Management Services dated January 2, 2020 among the Vendors and Explora complies with all applicable Laws;
- (ww) the activities of Antilla and its predecessors in connection with the Antilla Properties have been conducted, and, if applicable, are now, in compliance with all Environmental Laws and any other applicable Laws;
- (xx) Antilla has been at all times and continues to be in compliance with all applicable Laws, including but not limited to environmental, labour and Tax Laws;
- (yy) Antilla is in possession of no current Environmental Approvals or other current Permits for the Antilla Properties and has provided no historical or current and enforceable guarantees or undertakings or issued such bonds under any Environmental Laws with respect to the Antilla Properties;
- (zz) no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities (including, but not limited to, fines, compensation requests or administrative or judicial claims) presently exist with respect to any portion of any currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Antilla (including the Antilla Properties) and there is no basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business;
- (aaa) Antilla is not subject to any Proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any work, repairs, remediation, construction or expenditures;
- (bbb) Antilla has not received from any person or Governmental Authority any notice, formal or informal, of any Claim, liability or potential liability arising under any Environmental Law that is pending, or to the knowledge of the Vendors, threatened, against Antilla;
- (ccc) no Claims are currently pending or, to the knowledge of the Vendors, threatened against Antilla alleging a breach of any Environmental Laws;
- (ddd) there are no Environmental Approvals held by Antilla or any renewal, modification, revocation, reassurance, alteration, transfer or amendment of any such Environmental Approvals previously held by Antilla which have expired, or any review by, or approval of, any Governmental Authority of such Environmental Approvals previously held by Antilla which have expired that were required in connection with the past exploration and drilling;
- (eee) to the knowledge of the Vendors, the Antilla Properties not have been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance in all material respects with all Environmental Laws. To the knowledge of the Vendors, neither Antilla nor any other person in control

of the Antilla Properties have caused or permitted the Reportable Environmental Incident relating to any Hazardous Substances at, in, on, under or from any Antilla Properties, except in material compliance with all Environmental Laws;

- (fff) all Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the Antilla Properties by the Vendors or Antilla have been handled, recycled, disposed of, treated and stored in material compliance with all Environmental Laws;
- (ggg) to the knowledge of the Vendors, there are no Hazardous Substances at, in, on, under or migrating from any Antilla Properties, except in compliance with all Environmental Laws;
- (hhh) Antilla has made available to the Purchaser all audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental matters;
- (iii) to the knowledge of the Vendors, Antilla is not subject to any past or present fact, condition or circumstance that could reasonably be expected to result in a Claim under any Environmental Laws;
- (jjj) all Books and Records of Antilla have been maintained all material respects in accordance with all applicable Laws, and the minute books of Antilla are complete and accurate in all material respects. The corporate minute books for Antilla contain minutes of all meetings and resolutions of the directors and securityholders. The financial books and records and accounts of Antilla have been maintained in accordance with good business practices and in accordance with the accounting principles generally accepted in Peru, on a basis consistent with prior years;
- (kkk) Antilla has not incurred any obligation or liability, contingent or otherwise, or agreed to pay or reimburse any broker, finder, financial adviser or investment banker, for any brokerage, finder's, advisory or other fee or commission, or for the reimbursement of expenses, in connection with this Agreement, the Transactions or any alternative transaction in relation to Antilla;
- (III) all Diligence Information has been provided and is true and correct in all respects and does not contain any omissions as at its respective date as stated therein, or, if any Diligence Information is undated, as of the date of its delivery to the data site for purposes of the transactions contemplated by this Agreement. None of the Diligence Information has been amended except as provided in the Diligence Information. Additionally, all information provided to the Purchaser in relation to the Purchaser's due diligence requests is true and correct in all respects and does not contain any omissions as at its respective date as stated therein and has not been amended except as provided to the Purchaser. The Vendors acknowledge that the Purchaser is relying on all information provided by the Vendors and Antilla to it in entering into this Agreement;
- (mmm) there is no agreement, judgment, injunction, order or decree binding upon Antilla that has or could reasonably be expected to have the effect of

prohibiting, restricting or impairing any business practice of Antilla, any acquisition of property by Antilla, or the conduct of business by Antilla as currently conducted (including following completion of the purchase and transfer of the Purchased Shares);

(nnn) [Commercially sensitive information redacted]

(ooo) to the knowledge of the Vendors there is, and throughout the ownership of the Antilla Property by the Vendors and Panoro Apurimac there has been, no basis for any Governmental Authority by any applicable Law or by the terms of any mining right, mining concession, mining concession application or Permit to terminate any mining right, mining concession, mining concession application or Permit relating to the Antilla Property or to require any undisclosed annual or other payments as a condition of their continuance; and

(ppp) to the knowledge of the Vendors, there are no active and existing Liens that have been created in the ordinary course by a Governmental Authority in connection with operations conducted with respect to the Antilla Property to the extent that those Liens relate to costs and expenses for which payment is not due, delinquent or deferred.

4.2 Full Disclosure. No representation or warranty by the Vendors in this Agreement and no statement contained in the schedules and disclosure documents relating hereto and furnished or to be furnished to the Purchaser under this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading. Section 4.2 shall fall away if either of Antilla or the Purchaser are subsequently sold to a third party purchaser.

4.3 Survival. The representations and warranties contained in Section 4.1 shall survive the completion of the Transactions contemplated by this Agreement and shall continue in full force and effect for the benefit of the Purchaser thereafter, notwithstanding any independent enquiry or investigation by the Purchaser, for eighteen (18) months after the Closing Date. Notwithstanding the foregoing, all of the Vendors' Fundamental Representations shall survive indefinitely and all representations and warranties relating to labour, environmental, Permits, communities, ownership of and title to all Antilla assets and the Antilla Properties (including the Antilla mineral concessions), the Purchased Shares and any indemnities relating thereto shall survive until the expiration of their related statute of limitations. All covenants and agreement of the Vendors shall survive Closing indefinitely or for the period explicitly specified therein.

4.4 Indemnity. The Vendors covenant to jointly and severally indemnify and hold harmless the Purchaser and any of its successors and assigns from and against any loss, claims, damages, liability, expenses, costs and Taxes, including any payment made in good faith in settlement of any claim or potential claim, arising from or relating to any of the representations and warranties set forth in Section 4.1 being incorrect or breached, or any failure by the Vendors to observe or perform any obligation contained in this Agreement or in any document delivered pursuant to this Agreement to be observed or performed by the Vendor.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

5.1 Representations and Warranties. The Purchaser hereby represents and warrants to the Vendors, with the intent that the Vendors shall rely thereon in entering into this Agreement and in concluding the Transactions contemplated hereby, both at the date hereof and at the Closing Time, that:

- (a) the Purchaser is duly incorporated and organized, and is validly subsisting and up to date with its annual filings under the Laws of the Province of British Columbia;
- (b) the Purchaser has the corporate power and authority to enter into this Agreement and the contracts, agreements and instruments required by this Agreement to be delivered by it, including the Shareholders' Agreement, and to carry out the Transactions contemplated hereby and thereby, and the execution and delivery of this Agreement and the Shareholders' Agreement and the completion of the Transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of the Purchaser;
- (c) this Agreement has been duly executed and delivered by the Purchaser and (assuming due execution and delivery by the Vendors) is a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;
- (d) no Permit, Authorization or consent of any third party is necessary for the consummation by the Purchaser of the Transactions or the execution and delivery of this Agreement, and the consummation by the Purchaser of the Transactions will not result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under any indenture, Agreement or other instrument to which the Purchaser is a party or by which it is bound;
- (e) the execution and delivery by the Vendors of this Agreement and the performance by them of their covenants hereunder and the completion of the Transactions do not and will not violate, conflict with or result in a breach of any provision of the constating documents of the Purchaser and will not:
 - (i) violate, conflict with or result in a breach of:
 - A. any agreement, Contract, indenture, deed of trust, mortgage, bond, instrument, Authorization, licence or permit to which the Purchaser is a party, or by which the Purchaser is bound; or
 - B. any Laws to which the Purchaser or is subject or by which the Purchaser is bound;

- (ii) give rise to any right of termination, or the acceleration of any indebtedness, under any such agreement, Contract, indenture, Authorization, deed of trust, mortgage, bond, instrument, licence or permit to which the Purchaser is a party, or by which the Purchaser is bound;
- (f) the Purchaser is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Purchaser has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of its undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing;
- (g) the Purchaser acknowledges and agrees that:
- (i) the Purchaser has, or will have, conducted its own independent investigation, review and analysis of the Purchased Shares, has been provided adequate access to the personnel, Antilla Properties, assets, premises, materially complete books and records, and other materially complete documents and data of the Vendors as the Purchaser deems necessary to enable it to make a reasonably informed decision with respect to the execution, delivery and performance of this Agreement and the Transactions contemplated hereby;
- (ii) in making its decision to enter into this Agreement and to consummate the Transactions, the Purchaser has relied upon its own investigations, the information and documentation provided by the Vendors and the express representations and warranties of the Vendors set forth in this Agreement (including all related portions of the schedules and exhibits hereto); and
- (iii) the Purchaser has completed its reasonable due diligence as to Antilla and the Vendors, the Antilla Properties and the Purchased Shares;
- (h) there is no court, administrative, regulatory or similar Proceeding against or involving the Purchaser (whether in progress or, to the knowledge of the Purchaser, threatened). There is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority outstanding against the Purchaser in respect of its businesses, properties or assets or against either of the Purchaser;
- (i) neither the Purchaser nor any of its directors, officers, supervisors, managers, employees, or agents has: (i) violated any applicable anti-bribery, anti-corruption, export control, and economic sanctions Laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *United States Foreign Corrupt Practice Act*, including the applicable Peruvian anti-money laundering regulations, the Peruvian Criminal Code,

Law No. 30424 and its regulations approved by Supreme Decree No. 002-2019-JUS, as amended; (ii) made or authorized any contribution, payment or gift of funds, property or anything else of value to any official, employee or agent of any Governmental Authority, authority or instrumentality in Canada, Peru or any other jurisdiction other than in accordance with applicable Laws; (iii) used any corporate funds, or made any direct or indirect unlawful payment from corporate funds, to any foreign or domestic government official or employee or for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; or (iv) violated or is in violation of any provision of the *Criminal Code* (Canada) and the Peruvian Criminal Code relating to foreign corrupt practices, including making any contribution to any candidate for public office, in either case, where either the payment or gift or the purpose of such contribution payment or gift was or is prohibited under the foregoing or any other applicable Laws of any locality;

- (j) the Purchaser has completed at least a \$10,000,000 financing; and
- (k) the Purchaser has not taken, and will not take, any action that would cause either of the Vendors to become liable to any claim for a brokerage commission, finder's fee or other similar arrangement in respect of the Transactions.

5.2 Survival. The representations and warranties contained in Section 5.1 shall survive the completion of the transactions contemplated by this Agreement and shall continue in full force and effect for the benefit of the Vendors thereafter, notwithstanding any independent enquiry or investigation by the Vendors, for eighteen (18) months after the Closing Date. Notwithstanding the foregoing, all of the Purchaser's Fundamental Representations shall survive indefinitely. All covenants and agreement of the Vendors shall survive Closing indefinitely or for the period explicitly specified therein.

5.3 Indemnity. The Purchaser covenants to indemnify and hold harmless the Vendors from and against any loss, claims, damages, liability, expenses and costs, including any payment made in good faith in settlement of any claim or potential claim, arising from any of the representations and warranties set forth in Section 5.1 being incorrect or breached, or any failure by the Purchaser to observe or perform any obligation contained in this Agreement or in any document delivered pursuant to this Agreement to be observed or performed by the Purchaser.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing. Subject to the satisfaction or waiver of the conditions set out in Sections 2.5 and 2.7, the Closing shall take place at the Closing Time at the offices of McMillan LLP in Vancouver, British Columbia, Canada or at such other place as may be agreed to by the Vendors and the Purchaser.

6.2 Vendors' Closing Deliveries. At Closing, the Vendors shall deliver or cause to be delivered to the Purchaser the following:

- (a) documents representing the Purchased Shares (e.g. stock ledger – *Matricula de Acciones*) being transferred in exchange for the First Payment accompanied by duly executed instruments of transfer, and all such other

assurances, consents and other documents as the Purchaser may reasonably request to effectively transfer to the Purchaser title to the Purchased Shares free and clear of all encumbrances;

- (b) if required, receipts issued by each Vendor for the transfer of the corresponding Purchased Shares, issued according to and compliant with the applicable Law of the Vendors. A different receipt will be issued by the corresponding Vendor when the Third Payment occurs;
- (c) resignation letters of current Antilla directors and officers, subject to any appointment rights granted (to the Vendors and the Purchaser) under the Shareholders' Agreement;
- (d) a copy of the Shareholders' meeting minutes accepting resignation of the current directors and appointment of new directors, as applicable and pursuant to the terms hereof and pursuant to the terms of the Shareholders' Agreement;
- (e) the Stock Ledger (*Matrícula de Acciones*) evidencing the registration of the transfer of the Purchased Shares and the Shareholders' Agreement in such register, in accordance with the Peruvian General Corporations Act (*Ley General de Sociedades del Perú*) and the By-laws of the Company; as well as all the General Shareholders Meeting and Board of Directors minutes books and all Books and Records and any other corporate records, and corporate seal if applicable;
- (f) original share registers, share transfer ledgers, all minute books and corporate seals (if any) of Antilla;
- (g) a copy of a resolution of the board of directors of each of the Vendors consenting to the transfer of the Purchased Shares from the Vendors to the Purchaser as contemplated by this Agreement and authorizing the execution, delivery and performance of all contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Vendors;
- (h) a certificate of status for Antilla or its equivalent under the laws of the jurisdiction of its incorporation;
- (i) copies of the resolutions adopted by the Vendors' relevant corporate body approving the execution of this Agreement;
- (j) the certificate set out in Section 2.5(d)(iv);
- (k) an executed copy of the Shareholders' Agreement and a copy of the Shareholders' meeting minutes modifying the By-laws of the Company in order to reflect the main provisions agreed under the Shareholders' Agreement and the registration of the Shareholders' Agreement in the Stock Ledger (*Matrícula de Acciones*) of Antilla;
- (l) an executed copy of the community and land access letter entered into between Antilla and the local community as discussed in Section 2.5(h);

- (m) [Commercially sensitive information redacted]
- (n) such other documentation as set out in Section 2.5 and as the Purchaser may reasonably request in order to establish the completion of the Transactions and the taking of all corporate proceedings in connection with the Transactions (as to certification and otherwise), in each case in form and substance satisfactory to the Purchaser, acting reasonably.

6.3 Purchaser's Closing Deliveries. At Closing, the Purchaser shall deliver or cause to be delivered to the Vendors the following:

- (i) the First Payment;
- (ii) a receipt for the Stock Ledger (Matrícula de Acciones) evidencing the registration of the transfer of the Purchased Shares in such register;
- (iii) a copy of a resolution of the board of directors of the Purchaser approving this Agreement and the Transaction, and authorizing the execution, delivery and performance of all Contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Purchaser;
- (iv) a certificate of status for the Purchaser or its equivalent under the laws of the jurisdiction of its incorporation;
- (v) the certificate set out in Section 2.7(d)(iii); and
- (vi) such other documentation as set out in Section 2.7 and as the Vendors may reasonably request in order to establish the completion of the Transactions and the taking of all corporate proceedings in connection with the Transactions (as to certification and otherwise), in each case in form and substance satisfactory to the Vendors, acting reasonably.

ARTICLE 7 GENERAL PROVISIONS

7.1 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, telecopied, emailed or mailed postage prepaid to the addresses set forth below or to such other address as may be given in writing by the Parties and shall be deemed to have been received, if delivered by hand, on the date of delivery; if telecopied to the telecopier numbers located at the addresses set out below, if any, on the Business Day next following the date of transmission; and if mailed as aforesaid to the addresses set out above, on the fifth (5th) Business Day following the posting thereof; provided that if there shall be, between the time of mailing and the actual receipt of the notice, a mail strike, slowdown or other labour dispute which might affect the delivery of the notice by the mails, then the notice shall only be effective if actually delivered or telecopied to the telecopier numbers set out above.

If to Panoro:

Panoro Minerals Ltd.
480 – 505 Burrard Street

Vancouver, British Columbia
Canada V7X 1M3
Attention: Luquman Shaheen [Email address redacted]

with a copy to (which shall not constitute notice):

Borden Ladner Gervais LLP
200 Burrard Street
P.O. Box 48600
Vancouver, BC V7X 1T2
Attention: Fred R. Pletcher (fletcher@blg.com)

If to Holdings:

Panoro Holdings Ltd.
480 – 505 Burrard Street
Vancouver, British Columbia
Canada V7X 1M3
Attention: Luquman Shaheen [Email address redacted]

with a copy to (which shall not constitute notice):

Borden Ladner Gervais LLP
200 Burrard Street
P.O. Box 48600
Vancouver, BC V7X 1T2
Attention: Fred R. Pletcher (fletcher@blg.com)

If to the Purchaser:

Heeney Capital Acquisition Company Inc.
1500 – 1055 West Georgia Street, Vancouver, British Columbia,
Canada V6E 4N7
Attention: Jim Bannantine [Email address redacted]

with a copy to:

McMillan LLP
1500 – 1055 West Georgia Street, Vancouver, British Columbia,
Canada V6E 4N7
Attention: Roland T. Hurst (roland.hurst@mcmillan.ca)

7.2 Expenses. All fees, costs and expenses incurred by the Purchaser in connection with this Agreement and the Transactions shall be paid by Purchaser. All fees, costs and expenses incurred by the Vendors and Antilla in connection with this Agreement and the Transactions shall be paid by the Vendors and Antilla.

7.3 Time of Essence. Time is hereby expressly made of the essence of this Agreement with respect to the performance by each of the Parties of their respective obligations under this Agreement.

7.4 Binding Effect. This Agreement and the Shareholders' Agreement set out as Schedule C hereto entered into among the Parties on the date hereof shall enure to the benefit

of and be binding upon each of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

7.5 Entire Agreement. This Agreement, its schedules (including the Shareholders' Agreement set out as Schedule C hereto entered into among the parties on the date hereof) and the deliverables in connection herewith constitutes the entire Agreement between the Parties with respect to the subject matter hereof and shall supersede all previous expectations, understandings, communications, representations and agreements whether verbal or written between the Parties with respect to the subject matter hereof.

7.6 Further Assurances. Each of the Parties hereto hereby covenants and agrees to execute such further and other documents and instruments and to do such further and other things as may be necessary or desirable to implement and carry out the intent of this Agreement.

7.7 Assignment. None of the Parties may assign or transfer their respective rights under this Agreement.

7.8 Amendments. No amendment to this Agreement shall be valid unless it is evidenced by a written agreement executed by all of the Parties hereto.

7.9 Severability of Clauses. In the event that any provision of this Agreement or any part thereof is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

7.10 Governing Law. This Agreement and all matters arising hereunder shall be governed by, construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and all disputes arising under this Agreement shall be referred to the Courts of the Province of British Columbia.

7.11 Counterparts. This Agreement may be executed in as many counterparts as may be necessary and by facsimile or electronic means, and each such executed counterpart will be deemed to be an original and such counterparts together will constitute one and the same instrument.

Signature page follows.

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

PANORO MINERALS LTD.

PANORO HOLDINGS LTD.

Per: (signed) Luquman Shaheen
Authorized Signatory

Per: (signed) Luquman Shaheen
Authorized Signatory

**HEENEY CAPITAL ACQUISITION
COMPANY INC.**

Per: (signed) Henry Heeney
Authorized Signatory

Execution page to Share Purchase Agreement

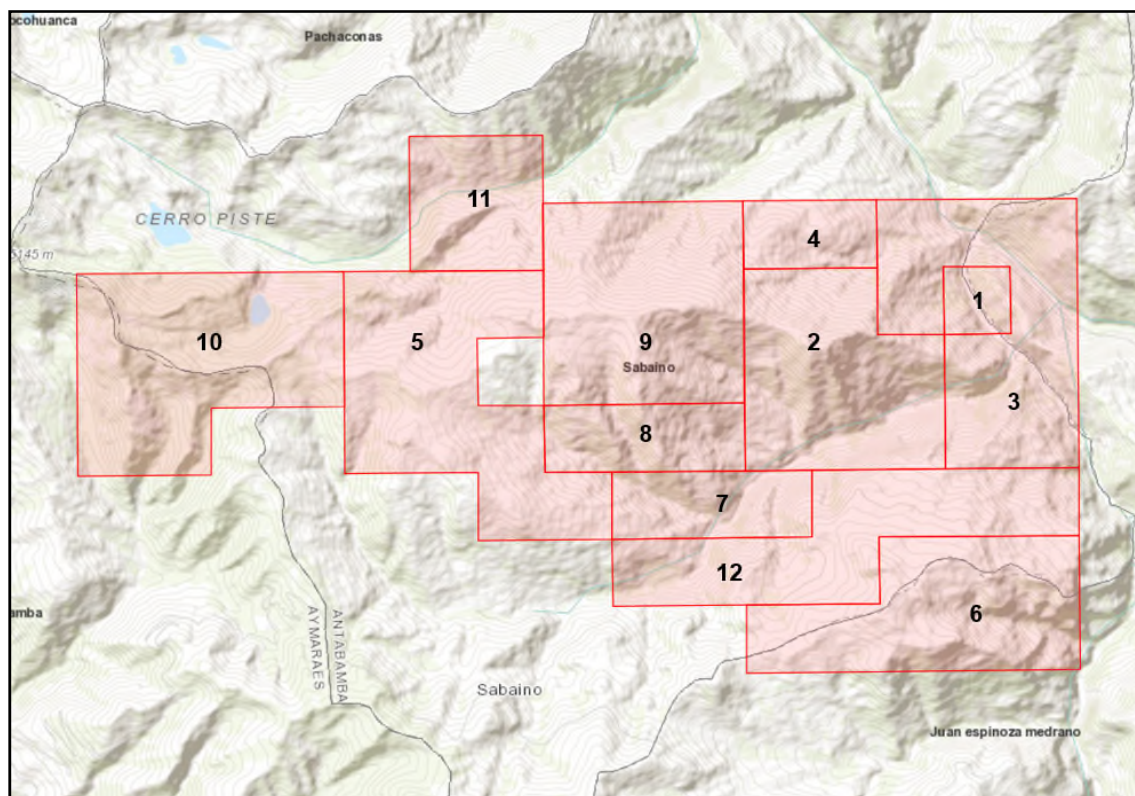
SCHEDULE A
PURCHASED SHARES

The Antilla Shares means the following, which are 100% of the outstanding securities of Antilla:

Full Name and Address of Shareholder	Antilla Copper S.A. Common Shares	Percentage Ownership
PANORO MINERALS LTD. , a company incorporated under the laws of the Province of British Columbia and having an office located at 480 – 505 Burrard Street, Vancouver, British Columbia, Canada V7X 1M3	28,272,346	99.9%
PANORO HOLDINGS LTD. , a company incorporated under the laws of the Province of British Columbia and having a registered office located at 480 – 505 Burrard Street, Vancouver, British Columbia, Canada V7X 1M3	1	0.1%
Total	28,272,347	100.00%

SCHEDULE B ANTILLA COPPER S.A. PROPERTIES

The properties in which Antilla owns or holds any right, title or interest in are as follows:



1.	Mining right	Aluno Cinco 2002
	Code	010170402
	Area	100.0000 hectares (mining title) 100.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Huaquirca / Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 172-2003-INACC/J (01/31/2003)
	File in the Public Registry	11027526 (Cusco Office)
2.	Mining right	Aluno Cuatro 2002
	Code	010170302
	Area	900.0000 hectares (mining title) 800.0000 hectares (mining roster)
	Substance	Metallic
	Location	District of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 144-2003-INACC/J (01/31/2003)
	File in the Public Registry	11027524 (Cusco Office)

3.

Mining right	Aluno Quince 2002
Code	010200202
Area	900.0000 hectares (mining title) 900.0000 hectares (mining roster)
Substance	Metallic
Location	Districts of Huaquirca / Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 708-2003-INACC/J (03/21/2003)
File in the Public Registry	11074624 (Cusco Office)

4.

Mining right	Antilla Uno
Code	010059709
Area	200.0000 hectares (mining title) 200.0000 hectares (mining roster)
Substance	Metallic
Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 2170-2009-INGEMMET/PCD/PM (07/16/2009)
File in the Public Registry	11092677 (Cusco Office)

5.

Mining right	Antillana 2003
Code	010344303
Area	1,000.0000 hectares (mining title) 1,000.0000 hectares (mining roster)
Substance	Metallic
Location	District of Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 588-2004-INACC/J (02/26/2004)
File in the Public Registry	11087019 (Cusco Office)

6.

Mining right	Antillana Uno 2003
Code	010344203
Area	800.0000 hectares (mining title) 800.0000 hectares (mining roster)
Substance	Metallic
Location	Districts of Juan Espinoza Medrano / Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 364-2004-INACC/J (02/16/2004)
File in the Public Registry	11074938 (Cusco Office)

7.

Mining right	Don Martin 1
Code	010313306
Area	300.0000 hectares (mining title) 300.0000 hectares (mining roster)

Substance	Metallic
Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 4851-2006-INACC/J (11/17/2006)
File in the Public Registry	11067064 (Cusco Office)

8.	Mining right	Macla 2003
	Code	010002003
	Area	300.0000 hectares (mining title) 300.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 1488-2003-INACC/J (06/17/2003)
	File in the Public Registry	11030017 (Cusco Office)

9.	Mining right	Valeria Dieciséis 2003
	Code	010043903
	Area	900.0000 hectares (mining title) 900.0000 hectares (mining roster)
	Substance	Metallic
	Location	District of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 2540-2003-INACC/J (09/09/2003)
	File in the Public Registry	11076503 (Cusco Office)

10.	Mining right	Valeria Quince 2003
	Code	010043803
	Area	1,000.0000 hectares (mining title) 1,000.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Caraybamba / Sabaino, Provinces of Antabamba / Aymaraes, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 150-2004-INACC/J (01/27/2004)
	File in the Public Registry	11074940 (Cusco Office)

11.	Mining right	Valeria Sesentauno 2004
	Code	010166404
	Area	400.0000 hectares (mining title) 400.0000 hectares (mining roster)
	Substance	Metallic

Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 2802-2004-INACC/J (08/09/2004)
File in the Public Registry	11074939 (Cusco Office)

12.

Mining right	Valeria Treintaidos
Code	010329903
Area	800.0000 hectares (mining title) 800.0000 hectares (mining roster)
Substance	Metallic
Location	District of Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 649-2004-INACC/J (03/04/2004)
File in the Public Registry	11074941 (Cusco Office)

DRILL CORE SAMPLES

Project_id	Company	Zone	Campaign	Hole_id	Total_depth	Existing in Warehouse Metres	Boxes
PA-02	CDLM	Area 2	2003	ANT-01-03	250.15	215.60	90
PA-02	CDLM	Area 2	2003	ANT-02-03	67.35	67.35	22
PA-02	CDLM	Area 2	2003	ANT-02A-03	305.00	205.00	101
PA-02	CDLM	Area 2	2003	ANT-03-03	57.95	57.95	8
PA-02	CDLM	Area 2	2003	ANT-04-03	299.80	275.78	98
PA-02	CDLM	Area 2	2003	ANT-05-03	291.05	291.05	107
PA-02	CDLM	Area 2	2003	ANT-06-03	165.55	148.25	53
PA-02	CDLM	Area 2	2003	ANT-07-03	200.80	200.80	73
PA-02	CDLM	Area 2	2003	ANT-08-03	200.10	200.10	71
PA-02	CDLM	Area 2	2003	ANT-09-03	29.15	No exist	
PA-02	CDLM	Area 2	2003	ANT-09A-03	71.25	63.15	12
PA-02	CDLM	Area 2	2003	ANT-09B-03	44.95	42.00	8
PA-02	CDLM	Area 2	2004	ANT-09C-04	8.05	No exist	
PA-02	CDLM	Area 2	2004	ANT-09D-04	32.10	No exist	
PA-02	CDLM	Area 2	2005	ANT-09E-05	170.70	170.70	53
PA-02	CDLM	Area 2	2003	ANT-10-03	54.15	54.15	18
PA-02	CDLM	Area 2	2003	ANT-10A-03	150.20	150.20	49
PA-02	CDLM	Area 2	2004	ANT-11-04	200.00	200.00	75
PA-02	CDLM	Area 2	2004	ANT-12-04	130.80	130.80	46
PA-02	CDLM	Area 2	2004	ANT-13-04	208.40	200.40	72
PA-02	CDLM	Area 2	2004	ANT-14-04	96.45	96.45	30
PA-02	CDLM	Area 2	2004	ANT-15-04	112.40	112.40	44
PA-02	CDLM	Area 2	2004	ANT-16-04	97.75	59.40	16
PA-02	CDLM	Area 2	2004	ANT-16A-04	117.85	117.85	36
PA-02	CDLM	Area 2	2005	ANT-16B-05	129.15	129.15	45
PA-02	CDLM	Area 2	2005	ANT-17-05	160.55	160.55	63
PA-02	CDLM	Area 2	2005	ANT-18-05	196.90	196.90	77
PA-02	CDLM	Area 2	2005	ANT-19-05	163.45	163.45	50
PA-02	PANORO	Area 2	2008	ANT-20-08	180.50	183.00	44
PA-02	PANORO	Area 2	2008	ANT-21-08	149.90	149.90	45
PA-02	PANORO	Area 2	2008	ANT-22-08	191.95	188.75	55

PA-02	PANORO	Area 2	2008	ANT-23-08	142.80	140.10	39	
PA-02	PANORO	Area 2	2008	ANT-24-08	140.00	140.00	41	
PA-02	PANORO	Area 2	2008	ANT-25-08	144.60	141.60	42	
PA-02	PANORO	Area 2	2008	ANT-26-08	140.00	140.00	41	
PA-02	PANORO	Area 2	2008	ANT-27-08	141.60	137.80	44	
PA-02	PANORO	Area 2	2008	ANT-28-08	150.00	146.00	42	
PA-02	PANORO	Area 2	2008	ANT-29-08	140.50	136.10	43	
PA-02	PANORO	Area 2	2008	ANT-30-08	143.30	142.30	40	
				ANT-30A		19.75	6	
PA-02	PANORO	Area 2	2008	ANT-31-08	161.15	160.00	45	
PA-02	PANORO	Area 2	2008	ANT-32-08	137.20	137.35	44	
PA-02	PANORO	Area 2	2008	ANT-33-08	160.00	160.00	46	
PA-02	PANORO	Area 2	2008	ANT-34-08	135.90	136.90	34	
PA-02	PANORO	Area 2	2008	ANT-35-08	165.00	165.00	50	
PA-02	PANORO	Area 2	2008	ANT-36-08	133.75	133.75	39	
PA-02	PANORO	Area 2	2008	ANT-37-08	150.00	151.00	47	
PA-02	PANORO	Area 2	2008	ANT-38A-08	69.00	69.00	17	
				ANT-38B		30.00	7	
PA-02	PANORO	Area 2	2008	ANT-38C-08	155.00	155.00	40	
PA-02	PANORO	Area 2	2008	ANT-39-08	190.80	190.80	58	
PA-02	PANORO	Area 2	2008	ANT-40-08	160.00	160.00	50	
PA-02	PANORO	Area 2	2008	ANT-41-08	149.25	149.00	46	
PA-02	PANORO	Area 2	2008	ANT-42-08	120.80	120.80	38	
PA-02	PANORO	Area 2	2008	ANT-43-08	140.00	140.00	39	
PA-02	PANORO	Area 2	2008	ANT-44-08	119.30	119.00	34	
PA-02	PANORO	Area 2	2008	ANT-45-08	134.70	134.00	40	
PA-02	PANORO	Area 2	2008	ANT-46-08	150.85	127.00	34	
PA-02	PANORO	Area 2	2008	ANT-47-08	150.00	155.00	43	
PA-02	PANORO	Area 2	2008	ANT-48-08	147.80	144.80	42	
PA-02	PANORO	Area 2	2008	ANT-49-08	132.80	132.80	36	
PA-02	PANORO	Area 2	2008	ANT-50-08	185.00	185.00	55	
PA-02	PANORO	Area 2	2008	ANT-51-08	180.80	181.00	51	
PA-02	PANORO	Area 2	2008	ANT-52-08	189.60	189.60	58	
PA-02	PANORO	Area 2	2008	ANT-53-08	151.00	No exist		
PA-02	PANORO	Area 2	2008	ANT-54-08	200.50	No exist		
PA-02	PANORO	Area 2	2008	ANT-55-08	131.30	No exist		
PA-02	PANORO	Area 2	2008	ANT-56-08	71.60	No exist		
PA-02	PANORO	Area 2	2008	ANT-57-08	77.30	No exist		
PA-02	PANORO	Area 2	2008	ANT-58-08	201.60	No exist		
PA-02	PANORO	Area 2	2008	ANT-59-08	104.60	104.60	30	
PA-02	PANORO	Area 2	2008	ANT-60-08	134.40	No exist		
PA-02	PANORO	Area 2	2008	ANT-61-08	272.15	No exist		
PA-02	PANORO	Area 2	2008	ANT-62-08	757.70	357.55	85	- 194
PA-02	PANORO	Area 2	2008	ANT-63-08	234.00	234.00	65	
PA-02	PANORO	Area 2	2008	ANT-64-08	364.20	364.20	95	
PA-02	PANORO	Area 2	2008	ANT-65-08	186.00	186.00	51	
PA-02	PANORO	Area 2	2008	ANT-66-08	759.25	759.25	195	
PA-02	PANORO	Area 2	2008	ANT-67-08	401.10	401.10	98	
PA-02	CHCentauro	Area 2	2010	ANT-68-10	161.85	161.85	40	
PA-02	CHCentauro	Area 2	2010	ANT-69-10	24.50	No exist		
PA-02	CHCentauro	Area 2	2010	ANT-69A-10	165.00	165.00	33	
PA-02	CHCentauro	Area 2	2010	ANT-70-10	188.60	155.60	52	
PA-02	CHCentauro	Area 2	2010	ANT-71-10	123.75	123.75	34	
PA-02	CHCentauro	Area 2	2010	ANT-72-10	124.00	124.00	34	
PA-02	CHCentauro	Area 2	2010	ANT-73-10	108.70	108.70	29	
PA-02	CHCentauro	Area 2	2010	ANT-74-10	132.30	134.00	36	

PA-02	CHCentauro	Area 2	2010	ANT-75-10	119.50	119.50	33
PA-02	CHCentauro	Area 2	2010	ANT-76-10	117.80	117.80	34
PA-02	CHCentauro	Area 2	2010	ANT-77-10	105.60	110.00	27
PA-02	CHCentauro	Area 2	2010	ANT-78-10	81.40	88.40	23
PA-02	CHCentauro	Area 2	2010	ANT-79-10	110.20	111.00	28
PA-02	CHCentauro	Area 2	2010	ANT-80-10	106.90	107.00	27
PA-02	CHCentauro	Area 2	2010	ANT-81-10	151.60	151.60	39
PA-02	CHCentauro	Area 2	2010	ANT-82-10	85.60	44.00	10
PA-02	CHCentauro	Area 2	2010	ANT-82A-10	152.20	152.20	36
PA-02	CHCentauro	Area 2	2010	ANT-83-10	57.80	52.00	13
PA-02	CHCentauro	Area 2	2010	ANT-84-10	125.50	128.30	37

METALLURGICAL SAMPLES

[List of approximately 7,188 sample codes redacted]

SCHEDULE C
FORM OF SHAREHOLDERS' AGREEMENT

[See Attached]

SHAREHOLDERS AGREEMENT

Between:

Heeney Capital Acquisition Company Inc.

-and-

Panoro Minerals Ltd.

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APPENDIX AND EXHIBITS

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Exhibit C	Form of Net Smelter Returns Royalty
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**SHAREHOLDERS' AGREEMENT
OF
ANTILLA COPPER S.A.**

This Shareholders' Agreement (this "**Agreement**") is effective as of the ____ day of _____, 2021 (the "**Effective Date**"), between Heeney Capital Acquisition Company Inc., a company incorporated under the laws of the Province of British Columbia, Canada _____ ("**HCAC**"), and Panoro Minerals Ltd., a company incorporated under the laws of the Province of British Columbia, Canada ("**Panoro**"), as the initial Shareholders (as defined herein).

With the intervention of Antilla Copper S.A., a company duly incorporated under the laws of Peru, with Taxpayer Registration (RUC) No. 20603536569, domiciled at Av. Santa Maria No. 130, district of Miraflores, department of Lima, acting by and through its representative, ●, identified with Peruvian ID No. ● (the "**Company**" or "**Antilla Copper**").

Recitals

A. The Company owns a 100% right, title and interest in and to certain Properties (as defined herein) located in Peru and as described in Exhibit A hereto.

B. HCAC and Panoro entered into an SPA (as defined herein) dated the ____ day of _____, 2021, pursuant to which HCAC purchased Company Shares comprising a 75% Percentage Interest (as defined herein) with an exclusive right to purchase additional Company Shares comprising up to a 90% Percentage Interest (subject to additional dilution pursuant to the terms of the SPA and this Agreement).

C. In connection with entering into the SPA, HCAC and Panoro wish to enter into this Agreement for the purpose of governing their ownership and Operations of the Company.

In consideration of the covenants and agreements in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HCAC and Panoro agree as follows:

**ARTICLE I
DEFINITIONS AND INTERPRETATION**

1.1 Definitions. In addition to the capitalized terms defined in other Sections of this Agreement, as used in this Agreement, capitalized terms have the meanings given in Appendix A.

1.2 Interpretation. In interpreting this Agreement, except as otherwise indicated in this Agreement or as the context may otherwise require, (a) the words “include,” “includes,” and “including” are deemed to be followed by “without limitation” whether or not they are in fact followed by those words or words of similar import, (b) the words “hereof,” “herein,” “hereunder,” and comparable terms refer to the entirety of this Agreement, including the Appendix or Exhibits, and not to any particular Article, Section, or other subdivision of this Agreement or Appendix or Exhibit to this Agreement, (c) any pronoun shall include the corresponding masculine, feminine, and neuter forms, (d) the singular includes the plural and vice versa, (e) references to any agreement (including this Agreement) or other document are to the agreement or document as amended, modified, supplemented, and restated now or from time to time in the future, (f) references to any Law are to it as amended, modified, supplemented, and restated now or from time to time in the future, and to any corresponding provisions of successor Laws, (g) except as otherwise expressly provided in this Agreement, references to an “Article,” “Section,” “preamble,” “recital,” or another subdivision, or to the “Appendix” or an “Exhibit,” are to an Article, Section, preamble, recital or subdivision of this Agreement, or to the “Appendix” or an “Exhibit” to this Agreement, (h) references to any Person include the Person’s respective successors and permitted assigns, (i) references to “dollars” or “\$” shall mean the lawful currency of Canada, (j) references to a “day” or number of “days” (without the explicit qualification of “Business”) refer to a calendar day or number of calendar days, (k) if interest is to be computed under this Agreement, it shall be computed on the basis of a 365-day, 12 month year, (l) if any action or notice is to be taken or given on or by a particular calendar day, and the calendar day is not a Business Day, then the action or notice may be taken or given on the next succeeding Business Day, (m) any financial or accounting terms that are not otherwise defined herein shall have the meanings given under IFRS; and (n) the word “or” includes “and/or”.

1.3 Coordination With Exhibits. Notwithstanding Section 1.2(g), except as otherwise expressly provided in an Exhibit, references in the Exhibit to an “Article,” or “Section” or another subdivision, are to an “Article,” “Section” or subdivision of the Exhibit. Except as otherwise provided in an Exhibit, capitalized terms used in the Exhibit that are not defined in the Exhibit shall have the meanings given to them in this Agreement. If any provision of an Exhibit conflicts with any provision in the body of this Agreement, the provision in the body of this Agreement shall control.

ARTICLE II **THE COMPANY**

2.1 General. The Company has been duly incorporated under the Act (as defined herein) as a *sociedad anonima* (corporation) by public deed granted on August 13, 2018, before Notary Public of Lima, Mr. Julio Antonio del Pozo Valdez, and was duly registered in Electronic File No. 14144577 of the Corporations Registry of Lima. The Company obtained its formal registration in the Peruvian Public Registry on August 24, 2018. The Shareholders agree that their rights relating to the Company, the Assets (as defined herein) and Operations (as defined herein) shall be subject to and governed by this Agreement. To the fullest extent permitted by the Act, this Agreement shall control as to any conflict between this Agreement and the Act or as to any matter provided for in this Agreement that also is provided for in the Act, and the Company’s constating documents will reflect and align with this Agreement.

2.2 Name. The name of the Company shall remain “Antilla Copper S.A.”, unless otherwise decided by Shareholders holding at least a 75% Company Shares Percentage Interest. The Operator (as defined herein) shall accomplish any filings or registration required by jurisdictions in which the Company conducts its Business.

2.3 Purposes. The Company has been formed for the following purposes:

(a) to conduct Exploration (as defined herein) on the Properties, within the Area of Interest (as defined herein) and beyond the Area of Interest (if the Company expands its property holdings in the future);

(b) to acquire additional real property and other interests within or beyond the Area of Interest;

(c) to evaluate the possible Exploration (as defined herein), Development and Studies (as defined herein) and Mining (as defined herein) of the Properties and other Assets acquired within or beyond the Area of Interest;

(d) to engage in Exploration, Development and Studies, and Mining on the Properties and other Assets acquired within or beyond the Area of Interest;

(e) to engage in the marketing, sale and distribution of Products (as defined herein); and

(f) to perform any other activities necessary, appropriate or incidental to any of the foregoing or to satisfy or comply with Environmental Compliance (as defined herein) obligations, Continuing Obligations (as defined herein) and Laws (as defined herein).

2.4 Limitation. Unless the Shareholders otherwise agree in writing, the Business of the Company shall be limited to the purposes described in Section 2.3, and nothing in this Agreement shall be construed to enlarge those purposes.

2.5 The Shareholders. The Operator shall maintain a register containing the name, business address, Company Share ownership and Representatives (as defined herein) of each Shareholder, updated to reflect the admission of additional or substituted Shareholders, changes of address, changes in Company Share ownership and other changes in accordance with this Agreement, and shall provide the updated register to any Shareholder promptly after the written request of the Shareholder.

2.6 Issuance of Additional Company Shares. Additional Company Shares (as defined herein) or other Company securities beyond the 28,272,347 Company Shares outstanding as of the date hereof may be only be issued for such Cash Call Amounts (as defined herein) or Additional Cash Call Amounts (as defined herein) and with such rights, privileges and preferences as shall be unanimously approved by the Board (as defined herein) or Shareholders, as applicable and in compliance with Peruvian Laws, for so long as a Shareholder owns at least 5% of the Company – for added clarity, Unanimous Board approval is not required in connection with dilution of a Delinquent Shareholder’s interest pursuant to Section 3.5(e) or dilution of a Non-Contributing Shareholder’s diluted Percentage Interest pursuant to Section 6.6(c). If a Shareholder owns less than 5% of the Company Shares and its ownership interest ceases to exist due to a capital reduction and a cancellation of its Common Shares and a New NSR (as defined herein) is granted, such remaining Shareholder may issue additional Company Shares or other Company securities at their sole discretion and in compliance with applicable Laws. If the issuance of additional Company Shares or other Company securities has been properly approved under this Section 2.6, the Persons to whom such additional Company Shares or other Company securities has been issued shall automatically be admitted to the Company as Shareholders. The Shareholders shall cause the General Shareholders Meeting of the Company to approve, no later than fifteen (15) days after approval, minutes reflecting the issuance of Company Shares for Cash Call amounts or Additional Cash Call amounts or unanimous decisions adopted by the Board or Shareholders for the issuance of additional Company Shares or other Company securities. The Shareholders shall execute, as soon as practicable, all additional documents required to implement and formalize the issuance of additional Company Shares or other Company securities as prescribed in this Section 2.6.

2.7 Term. The Company has indefinite existence; provided, that the Company shall be dissolved upon the occurrence of an event described in Section 9.3.

2.8 Registered Agent; Offices. The initial registered office and registered agent of the Company are in the Company’s registrations before the Peruvian tax authority and before the Peruvian Public Registry. The Operator may from time to time designate a successor registered office and registered agent and may amend the certificate of formation of the Company to reflect the change following receipt of any required Shareholders or Board approval. The location of the principal place of business of the Company shall be the Operator’s principal place of business or other location selected by the Operator.

ARTICLE III **INTERESTS; CASH CALLS**

3.1 Interests.

(a) **Percentage Interests.** The initial Company Share ownership interest of HCAC is 75%. The initial Company Share ownership interest of Panoro is 25%.

(b) **Adjustments to Interests.** The Percentage Interests of the Shareholders shall be adjusted:

(i) upon the resignation or deemed resignation of a Shareholder under Sections 3.3, 3.4, 3.5 or 9.1 or upon the redemption of a Shareholder's Company Shares, to reflect the cancellation of the Shareholder's Company Shares;

(ii) upon an election by a Non-Contributing Shareholder to fund an adopted Program and Budget in a percentage that is less than its Funding Percentage at that time (as defined herein), as provided in Section 6.6;

(iii) upon the default by a Shareholder in making its required funding to an adopted Program and Budget, followed by a proper election by the Non-Defaulting Shareholder under Section 3.5;

(iv) upon the Transfer by a Shareholder of all or less than all of its Company Shares under Article X;

(v) upon the issuance of additional Company Shares under Section 2.6;

(vi) upon the Transfer of Company Shares from Panoro to HCAC pursuant to the SPA; and

(vii) upon any failure by HCAC to make the CAD\$3,000,000 second payment (less USD\$183,750) pursuant to Section 2.1(a)(ii) of the SPA by the date provided for therein, whereupon HCAC shall immediately transfer to Panoro such number of Company Shares comprising seventeen and three tenths (17.3%) of the issued and outstanding Company Shares.

3.2 Initial Contributions.

(a) HCAC Initial Contribution. As its initial contribution under the SPA, HCAC purchased Company Shares comprising a 75% Percentage Interest by paying Panoro CAD\$13,000,000 in connection with the first payment and the second payment under the SPA.

(b) Panoro Initial Contribution. At the time of signing the SPA, the Company already owned 100% of the Assets, and Panoro and Panoro Holdings Ltd. sold Company Shares comprising a 75% Percentage Interest to HCAC for CAD\$13,000,000, and Panoro retained Company Shares comprising a 25% Percentage Interest, subject to the terms and conditions of the SPA and this Agreement.

3.3 Joint Funding. The Shareholders shall fund the adopted Programs and Budgets by subscribing for additional Company Shares and, if applicable, making capital premium contributions in respect of such shares, all in accordance with Section 3.4 ("**Joint Funding**").

3.4 Cash Calls.

(a) As Operator, HCAC will set Programs and Budgets and the Shareholders must fund such Programs and Budgets, subject to the terms hereof and elections under Section 6.6, as to its Percentage Interest at the time of any cash call pursuant to Section 3.4(b) (each, a "**Funding Percentage**"), and failing to do so will result in the dilution of the Delinquent

Shareholder's (as defined herein) Percentage Interest in accordance with the terms of this Agreement.

(b) On the basis of the adopted Program and Budget then in effect, the Operator shall submit to each Shareholder which has elected, or is deemed to have elected, to participate in a Program and Budget pursuant to Section 6.6(a) at least 30 calendar days before the last day of each calendar quarter, or as otherwise required by the Operator from time to time, an invoice for estimated cash requirements for each such Shareholder for the next ensuing calendar quarter or other shorter interval as may be determined by the Operator in its sole discretion (the "**Cash Call Amount**").

(c) A Shareholder shall fund 100% of its Cash Call Amount pro rata to its Percentage Interest, and, within 30 calendar days after receipt of such Cash Call Amount (inclusive of any required Board or Shareholder approvals) by subscribing for new Company Shares ("**New Company Shares**") for one (1) Peruvian sol per Company Share in proportion to their Percentage Interests. For greater certainty, the Company shall not be required to issue shares until it has received the full Cash Call Amount, subject to the remedies described in Section 3.5.

(d) Subject to receipt of such Cash Call Amounts or other funds under this Agreement, the Operator (i) shall maintain a minimum cash reserve of the amount the Operator estimates will be required to pay Company costs and expenses that are or will become payable within 30 calendar days after the date of determination, and (ii) shall have the right to maintain an additional cash reserve of up to the amount the Operator estimates will be required to pay Company costs and expenses that are or will become payable within an additional three (3) months after the date of determination.

(e) Subject to Section 6.9, if the Cash Call Amount is less than the actual costs incurred or charged during the calendar quarter, or such other interval, to which such invoice relates, the Operator may invoice the Shareholders which have elected, or have been deemed to have elected, to participate in a Program and Budget pursuant to Section 6.6(a) the Cash Call Amount for the difference at any time (the "**Additional Cash Call Amount**"). Within 30 calendar days after receipt of such Additional Cash Call Amount, such Shareholders shall fund the Additional Cash Call Amount pro rata to its Percentage Interest in accordance with Section 3.4(c), above.

(f) Time is of the essence as concerns funding under this Agreement. All funds in excess of the immediate cash requirements of the Company shall be invested in one or more interest-bearing accounts reasonably selected by the Operator.

3.5 Remedies for Failure to Meet Cash Calls.

(a) If a Shareholder (the "**Delinquent Shareholder**") which has elected, or is deemed to have elected, to participate in a Program and Budget pursuant to Section 6.6(a), does not fully contribute the Cash Call Amount or Additional Cash Call Amount pro rata to its Percentage Interest (the "**Funding Amount**") that such Shareholder elected to contribute pursuant to Section 3.4(c) or (e) (the "**Default Amount**"), then the other Shareholder (the "**Non-Defaulting**")

Shareholder”) may elect to exercise its rights under this Section 3.5 by written notice to the Delinquent Shareholder within 15 Business Days after the occurrence of the default.

(b) The Non-Defaulting Shareholder may elect to fund the Default Amount. If such election is made, the Non-Defaulting Shareholder must fund such Default Amount within 30 calendar days of the default notice mentioned in Section 3.5(d) below, in accordance with Section 3.5(d), below.

(c) In the event that a Non-Defaulting Shareholder elects not to fund a Default Amount, the Operator may, at its sole discretion, choose to adjust the relevant Program and Budget to reflect the funds available or the Operator can determine that the Program and Budget is deemed to be withdrawn, subject to the right of the Operator to propose a new Program and Budget.

(d) If there is a Default Amount in respect of a Delinquent Shareholder, the Percentage Interest of the Delinquent Shareholder shall be diluted in accordance with the below-noted dilution formula. Any such dilution will be based on a CAD\$30,000,000 valuation of the Company.

$$\text{Double Dilution Formula} = 2 \times ((A \times B) - C) / D$$

Where:

A = the approved Company program and budget for the relevant period

B = a Delinquent Shareholder’s Percentage Interest

C = a Delinquent Shareholder’s actual financial commitment to their pro-rata portion of the approved Company program and budget for the relevant period

Dilution Valuation = CAD\$30,000,000

(e) The Delinquent Shareholder’s diluted Percentage Interest calculated in accordance with Section 3.5(d) shall be effected by having the Contributing Shareholder subscribe for additional Company Shares and make capital contributions in respect of such Company Shares, as required.

(f) If a Shareholder’s Percentage Interest is diluted below 5%: (i) the Company will perform a capital reduction (without return of contributions) that will solely affect the Shareholder who has been diluted below a 5% Percentage Interest in such a way that its remaining Company Shares are cancelled; and (ii) concurrently with such capital reduction the Shareholders shall cause the Company to, and the Company shall, grant to the diluted Shareholder (or such diluted Shareholder’s nominee) a 1% New NSR payable by the Company on Products from the Properties, which New NSR shall be in addition to the Existing NSR (as defined herein). In particular, the Shareholder shall cause such 1% New NSR to be granted by the Company, and the Company shall: (A) execute and deliver to the Diluting Shareholder an agreement in respect of the

1% New NSR in the form attached as Exhibit C to this Agreement; and (B) grant a public deed for such agreement in respect of the 1% New NSR, and register the public deed in the registry in which each of the Properties is located. Upon such dilution, the diluted Shareholder will cause its nominated director(s) to resign from the Board and this Agreement shall terminate (and the New NSR will be governed by the form of agreement attached as Exhibit C to this Agreement, which shall be translated to Spanish for purposes of the issuance of the corresponding public deed). The New NSR will be freely transferable and assignable. The Company will have the option to buy back 1.0% of the aggregate 3% New NSR and Existing NSR for CAD\$4,000,000 at any time following the creation of the New NSR. Any proposed transfer or assignment of the New NSR must first be communicated to the Company at least five (5) Business Days prior to any transfer or assignment so that the Company can decide if they want to buy back the New NSR prior to such proposed transfer or assignment.

3.6 Return of Funding. Except as expressly provided in this Agreement, no Shareholder shall be entitled to the return of any funding provided hereunder or to be paid interest on such funding. No funding that has not been returned shall constitute a liability of the Company, the Operator or any Shareholder. A Shareholder is not required to contribute or to lend cash or property to the Company to enable the Company to return any Shareholder's funding.

3.7 Cooperation and Paramourncy. Notwithstanding any other provision of this Agreement, the Shareholders covenant and agree at all times to do all such things and take all such actions as may reasonably be required so as to give full effect to the provisions and to the spirit of this Agreement, including without limitation to ensure that at all times (and to the extent permitted by applicable Law) the shareholdings of the Company reflect the Shareholders' Percentage Interests intended by this Agreement, in particular in relation to funding and dilution under Article III and Article VI. Such actions include but are not limited to: (i) causing such meetings of the Board or Shareholders to be called and held for the purposes of approving such things and actions; (ii) causing each of their respective Representatives on the Board to attend such meetings of the Board and to approve such acts and things; (iii) appointing representatives to attend such Shareholders' meetings for the purposes of approving such things and actions, (iv) voting, or causing to be voted, the Company Shares held or controlled by them and to otherwise exercise their rights as Shareholders of the Company to approve such things and actions; and (v) causing such minutes, agreements or other documents to be executed, delivered or recorded before appropriate registries to effect such things and actions.

In the case of a conflict between the provisions of this Agreement and the provisions of the By-Laws or other constating documents of the Company, the Shareholders covenant and agree at all times to do all such things and take all such actions as may reasonably be required under applicable Law to ensure that the affairs of the Company are conducted so as to give full effect to the provisions and spirit of this Agreement and to amend the By-Laws or other constating documents to resolve such conflict so that the provisions of this Agreement will, to the extent permitted by Law, at all times prevail.

ARTICLE IV

SHAREHOLDERS

4.1 Limited Liability. Notwithstanding anything to the contrary, except to the extent that any liability existed prior to, or relates to facts, acts or circumstances existing prior to, the Effective Date and the acts or omissions of any historical Shareholder in relation thereto, the liability of each Shareholder hereunder shall be limited as provided by the Act, the SPA and this Agreement, and no Shareholder or the Operator, or any combination thereof, shall be liable under any judgment of a court, or in any other manner, for any debt, obligation or liability of the Company relating to facts, acts or circumstances occurring after the Effective Date, whether such debt, obligation or liability arises in contract, tort or otherwise, solely by reason of being a Shareholder or the Operator or any combination thereof.

4.2 Company Indemnification of Shareholders. Except as provided in Section 4.1 and 4.5, the Company shall indemnify, defend and hold harmless each Shareholder and its Affiliates, and their respective directors, officers, employees, agents and attorneys from and against any and all Adverse Consequences (as defined herein) incurred or suffered by them that arise out of or relate to (a) the Company or Operations, including Environmental Liabilities (as defined herein) and Continuing Obligations, (b) any Assets distributed to such Shareholder as an objecting Shareholder under Section 10.2, but only to the extent arising out of or relating to Operations, including Environmental Liabilities and Continuing Obligations, conducted before the date of such distribution, and (c) any reimbursements by the Shareholder under Section 4.4. In all cases of this Section 4.2, and without limiting Sections 4.1, 4.3 or 4.4, indemnification shall be provided only out of and to the extent of the net assets of the Company, and no Shareholder shall have any personal liability whatsoever for indemnification under this Section 4.2. Notwithstanding the foregoing provisions of this Section 4.2, the Company's indemnification obligations under this Section 4.2 as to third party claims shall be only with respect to Adverse Consequences not otherwise compensated by insurance carried for the benefit of the Company or carried by the Company for the benefit of the Shareholders.

4.3 Shareholder Indemnification.

(a) **Indemnification Obligations.** Except as provided in Section 4.5, each Shareholder (the "**Indemnifying Shareholder**") shall indemnify, defend and hold harmless each other Shareholder and its Affiliates, and their respective directors, officers, employees, agents and attorneys (collectively, the "**Indemnified Shareholder Parties**") and the Company from and against any and all Adverse Consequences that arise out of or result from the Misconduct of the Indemnifying Shareholder.

(b) **Notice.** If any claim or demand is asserted against an Indemnified Shareholder Party or the Company with respect to which the Indemnified Shareholder Party or the Company may be entitled to indemnification under this Agreement, then the Indemnified Shareholder Party shall cause notice of the claim or demand (together with a reasonable description), to be given to the Indemnifying Shareholder promptly after the Indemnified Shareholder Party has knowledge or notice of the claim or demand. Failure to promptly provide the notice shall not relieve the Indemnifying Shareholder of its indemnification obligations, except to the extent the Indemnifying Shareholder is materially prejudiced by the failure.

(c) Assumption of Defense by Indemnifying Shareholder. The Indemnifying Shareholder shall have the right, but not the obligation, by written notice to the Indemnified Shareholder Party with a copy to the Company delivered within 30 calendar days after the receipt of a notice under Section 4.3(b), to assume the entire control of the defense, compromise and settlement of the claim or demand that is the subject of the notice, including the use of counsel chosen by the Indemnifying Shareholder, all at the sole cost and expense of the Indemnifying Shareholder. Notwithstanding the foregoing, the Indemnified Shareholder Party may participate in the defense at the sole cost and expense of the Indemnified Shareholder Party. The assumption of the defense of the claim or demand by the Indemnifying Shareholder shall constitute a waiver by the Indemnifying Shareholder of its right to contest or dispute its indemnification obligation for the claim or demand. Any Adverse Consequences to the assets or business of the Indemnified Shareholder Party or the Company caused by the failure of the Indemnifying Shareholder to defend, compromise or settle a claim or demand in a diligent manner after having given notice that it will assume control of the defense, compromise and settlement of the matter shall be included in the Adverse Consequences for which the Indemnifying Shareholder shall be obligated to indemnify the Indemnified Shareholder Parties and the Company. Any settlement or compromise of any claim or demand by the Indemnifying Shareholder shall be made only with the consent of the Indemnified Shareholder Party, which may not be unreasonably withheld or delayed. An Indemnified Shareholder Party shall not be considered unreasonable in withholding its consent unless the settlement or compromise includes a full release of all claims and liabilities against the Indemnified Shareholder Parties and the Company arising out of or relating to the claim or demand, provides for the payment of only money damages, and the Indemnifying Shareholder has provided to the Indemnified Shareholder Parties assurance acceptable to the Indemnified Shareholder Parties of the payment of such money damages immediately upon the settlement or compromise.

(d) Defense by Indemnified Shareholder Party or the Company. Before the assumption of the defense of any claim or demand subject to indemnification by an Indemnifying Shareholder, the Indemnified Shareholder Party or the Company may file any motion, answer or other pleading, or take such other action as it deems appropriate, to protect its interests or those of the Company or the Indemnifying Shareholder. If it is finally determined that the Indemnifying Shareholder is responsible for indemnification of any such claim or demand, or if the Indemnifying Shareholder elects to assume the defense of the claim or demand under Section 4.3(c), then the Indemnifying Shareholder shall promptly reimburse the Indemnified Shareholder Party or the Company for all costs and expenses incurred under the previous sentence. If the Indemnifying Shareholder does not elect to control the defense, compromise and settlement of a claim or demand under Section 4.3(c), and it is finally determined that the Indemnifying Shareholder is responsible for indemnification of the claim or demand, then the Indemnifying Shareholder shall be bound by the results of the defense, compromise or settlement, and all costs and expenses incurred by the Indemnified Shareholder Parties and the Company in conducting the defense, compromise or settlement shall be included in the Adverse Consequences for which the Indemnifying Shareholder is obligated to indemnify the Indemnified Shareholder Parties and the Company.

4.4 Shareholder Reimbursement Obligations. Each Shareholder shall be liable to each other Shareholder (including in its capacity as the Operator) to reimburse and pay to such other Shareholders, based on its Percentage Interest, of any and all Adverse Consequences incurred or suffered by such other Shareholders and their Affiliates that arise out of or relate to (a) the Company or the Operations, including Environmental Liabilities and Continuing Obligations, and (b) any Properties distributed to the other Shareholder as an objecting Shareholder under Section 10.2, but only to the extent in the case of this clause (b) arising out of or relating to Operations, including Environmental Liabilities and Continuing Obligations, conducted before the date of such distribution. For purposes of this Section 4.4, each Shareholder's share of such liability shall be equal to its Percentage Interest at the time of the actions, omissions or events giving rise to the Adverse Consequences. Neither the resignation nor deemed resignation of a Shareholder, any Transfer or redemption of all or any portion of a Shareholder's Percentage Interest, any reduction of a Shareholder's Percentage Interest, the distribution to the other Shareholder of Properties under Section 10.2, nor the dissolution, liquidation nor termination of the Company, shall relieve a Shareholder of its share of any such liability accruing before such resignation, deemed resignation, Transfer, redemption, reduction, distribution, dissolution, liquidation or termination. Notwithstanding the foregoing provisions of this Section 4.4, this Section 4.4 shall apply only in the case that the Shareholder from whom the other Shareholder is requesting reimbursement or any of its Affiliates is finally determined to be personally liable for the Adverse Consequences, and shall not be construed as a waiver or reduction of the limitations under the Act or other applicable Law of the liability of a Shareholder or the Operator for Company debts, obligations and liabilities.

4.5 Coordination. Notwithstanding anything to the contrary in this Article IV, (a) the provisions of Sections 4.2, 4.3 and 4.4 shall not apply to Adverse Consequences arising out of or relating to the breach of any representations or warranties under the SPA that are covered by the indemnification obligations under the SPA, and (b) no Shareholder, or any of its Affiliates, or any of their respective directors, officers, employees, agents or attorneys shall be entitled to indemnification or reimbursement under Sections 4.2, 4.3 and 4.4 for Adverse Consequences, to the extent the Adverse Consequences arise out of or result from the Misconduct of the Indemnifying Shareholder (including in its capacity as the Operator).

4.6 Exclusive Rights of Shareholders. Notwithstanding anything in this Agreement to the contrary, no Person other than a Shareholder (on its own behalf and on behalf of the Company and its Indemnified Shareholder Parties) shall have the right to enforce any representation, warranty, covenant or agreement of a Shareholder or the Operator under this Agreement or the SPA, and specifically neither the Company nor any lender or other third party shall have any such rights, it being expressly understood that the representations, warranties, covenants and agreements contained in this Agreement and the SPA shall be enforceable only by a Shareholder (on its own behalf and on behalf of the Company and its Indemnified Shareholder Parties) against another Shareholder or the Operator. For the avoidance of doubt, the Company shall be bound by the provisions of this Agreement, but shall have no right to enforce those provisions against a Shareholder or the Operator, such rights being exclusively vested in the Shareholders. Any Shareholder may bring a direct action on behalf of the Company against any other Shareholder or the Operator without the requirement to bring a derivative action or otherwise satisfy the requirements of the Act or other similar requirements.

4.7 Meetings; Written Consent. Meetings of the Shareholders shall not be required for any purpose unless expressly required under this Agreement or otherwise required under the Act or under the Company's constituting documents. In case the Shareholders are required to hold a meeting, the voting thresholds set forth in Sections 5.2(b) and 5.2(f) shall be applicable to the required Shareholders' vote. Any action required or permitted to be taken by Shareholders may be taken without a meeting if the action is evidenced by a written consent describing the action taken, signed by all of the Shareholders.

4.8 No Shareholder Fees. Except as otherwise provided in this Agreement, no Shareholder shall be entitled to compensation for attendance at Shareholder meetings or for time spent in its capacity as a Shareholder.

4.9 No Partnership. The Shareholders intend that the Company not be a partnership (including a limited partnership) or joint venture, and that no Shareholder, Operator or Representative be a partner or joint venturer of any other Shareholder, Operator or Representative for any purposes, and this Agreement may not be construed to suggest otherwise.

4.10 No Implied Covenants; No Fiduciary Duties. There are no implied covenants contained in this Agreement other than the contractual duty of good faith and fair dealing. The Shareholders, the Operator and the Representatives shall not have any fiduciary or other duties to the Company or the other Shareholders except as specifically provided by this Agreement and the SPA, and the Shareholders', the Representatives', and the Operator's duties and liabilities otherwise existing at law or in equity are restricted and eliminated by the provisions of this Agreement and the SPA to those duties and liabilities specifically set forth in this Agreement and the SPA.

4.11 Other Business Opportunities. Except as provided in Sections 9.2 and 10.1, (a) each Shareholder (including in its capacity as a Operator) and its Representatives shall have the right independently to engage in and receive the full benefits from business activities, whether or not competitive with the Operations, without consulting the Company or any other Shareholder, (b) the doctrines of "corporate opportunity" and "business opportunity" shall not be applied to any other activity, venture, or operation of any Shareholder or Representative or the Operator, and (c) no Shareholder or Representative or the Operator shall have any obligation to any other Shareholder or the Company with respect to any opportunity to acquire any property outside the Area of Interest at any time, or within the Area of Interest after the earlier of termination of the Company and the date that is 36 months after the date that a Person is no longer a Shareholder in the Company for any reason.

ARTICLE V

COMPANY MANAGEMENT

5.1 Management Authority. Except as delegated to the Operator under Section 5.3, the Board shall have the exclusive power and authority to approve Major Decisions and other decisions. The Operator shall have the power and authority to make any other decision or take any other action on behalf of the Company that does not require the approval of the Board under this Agreement. In connection with the implementation, consummation or administration of any matter within the scope of the Operator's authority, the Operator is authorized, without the approval of the Shareholders or the Board, to execute and deliver on behalf of the Company contracts, instruments, conveyances, checks, drafts and other documents of any kind or character to the extent the Operator deems it necessary or desirable. The Operator may delegate to officers, employees, agents, contractors or representatives of the Company or the Operator any or all of its powers by written authorization identifying specifically or generally the powers delegated or acts authorized, but no such delegation shall relieve the Operator of its obligations hereunder.

5.2 Board.

(a) Organization and Composition. The Shareholders hereby establish a board (the "**Board**") consisting of four (4) Board directors ("**Representatives**"), of which (i) three (3) Representatives shall be appointed by HCAC, and (ii) one (1) Representative shall be appointed by Panoro. A Representative of the Shareholder that holds at least 50% or more of the Company Shares shall serve as the chair of the Board. For so long as a Shareholder holds at least 10% of the Company Shares, that Shareholder will have the right to appoint one (1) Representative. For so long as a Shareholder holds at least 50% of the Company Shares, that Shareholder shall have the right to appoint two (2) Representatives. For so long as a Shareholder holds at least 75% of the Company Shares, that Shareholder shall have the right to appoint three (3) Representatives.

Each Shareholder may appoint alternate Representatives to act in the absence of a regular Representative. Appointments of Representatives may be made or changed at any time by notice to the other Shareholder. Representatives shall not be considered Operators under the Act, but derive all of their right, power and authority from the Shareholders. No Shareholder or Representative shall have the power to bind the Company or to execute documents and instruments on behalf of the Company, unless such Shareholder or Representative is also the Operator or such power and authority has been delegated by the Operator to such Shareholder or Representative, and then only in that capacity.

(b) Voting. Each Shareholder, acting through its Representatives, shall vote on the Board in accordance with such Shareholder's Percentage Interest. The Representatives appointed by HCAC shall vote as a group on HCAC's behalf, and the Representative appointed by Panoro shall vote on Panoro's behalf. If all Representatives appointed by a Shareholder are not present at a meeting of the Board, the Representatives appointed by such Shareholder that are present shall vote the entire Percentage Interest of their appointing Shareholder. Whenever any provision of this Agreement requires or permits the vote, consent or approval of the Shareholders or the Board, such provision shall be deemed to require or permit, as applicable, the vote, consent or approval of Shareholders having, or Representatives whose appointing Shareholders have, a Percentage Interest greater than 50%, unless Section 5.2(f) specifically requires a greater

percentage of the Percentage Interest, or the consent or approval of a greater number of Shareholders or Representatives or a greater percentage of the Percentage Interest.

(c) Meetings. Board meetings shall be held at least quarterly, at such times and at such place as the Board shall determine. In addition to regularly scheduled meetings, the Operator or any Representative may call a special meeting of the Board upon 15 calendar days' notice. In case of emergency, reasonable notice of a special meeting shall suffice. There shall be a quorum if at least one Representative appointed by each Shareholder is present. Each notice of a meeting shall include an agenda or statement of the purpose of the meeting prepared by the Operator in the case of a regular meeting, or by the Operator or Representative calling the meeting in the case of a special meeting, but any matters may be considered at the meeting.

(d) Conduct of Meetings. Meetings of the Board may be held by means of conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting by such communications equipment shall constitute presence in person at the meeting. The Operator shall prepare minutes of all meetings and shall distribute copies of such minutes to the Representatives within seven (7) Business Days after the meeting. The minutes, when approved by one or more Representatives, shall be the official record of the decisions made by the Board and shall be binding on the Board, the Operator and the Shareholders. If the Representatives are unable to agree on the minutes within 30 calendar days after receipt of the Operator's proposed minutes, then the minutes prepared by the Operator together with proposed objections submitted to the Operator before the expiration of such 30 calendar day period shall be the official record of the meeting. The reasonable costs of the attendance of Representatives, officers and personnel at meetings shall be charged to the Business Account (as defined herein).

(e) Action Without a Meeting. Except for the approval of Programs and Budgets or Major Decisions, any action required or permitted to be taken at a meeting of the Board may be taken without a meeting and without prior notice if the action is evidenced by a written consent describing the action taken, signed by Representatives whose appointing Shareholders have the requisite Percentage Interest to take such action at a meeting; provided that notice of all actions taken by Representatives with less than 100% of the Percentage Interest shall be provided to all Representatives (other than Representatives executing the consent) not later than 10 calendar days after the taking of such action.

(f) Major Decisions. Unless otherwise stated herein, decisions of the Board will be adopted by a simple majority vote of the attending Representatives. That said, neither the Operator nor any Representative, nor any officer, employee or agent of the Company or the Operator, shall have any authority to bind or take any action on behalf of the Company with respect to any Major Decision unless such Major Decision has been consented to or approved by the Board in accordance with this Section 5.2. Each of the following matters shall constitute a **"Major Decision"**:

(i) The following Major Decisions of the Board must be adopted by not less than a unanimous vote of the Board:

(A) a decision for the Company to conduct any business which is not substantially within the purposes set forth in this Agreement;

(B) making or approving any change in this Agreement, including the admission of a new Shareholder (as distinct from the transfer of a Shareholder's Company Shares);

(C) any adoption, approval or recommendation of any plan to reorganize or restructure the Company or convert the Company into another form or structure;

(D) effecting or approving the winding up, dissolution or liquidation of the Company; and

(E) effecting or approving the Transfer, surrender or abandonment of any Owned Property prior to a mine construction decision, except in accordance with Section 10.2.

(ii) The following Major Decisions of the Board must be adopted by a 75% or greater vote of the Board:

(A) approval of all contracts between the Company and the Operator or a related person of the Operator with a value above CAD\$1,000,000;

(B) making or approving any loans or guarantees or incurring any other debt by the Company that are not contemplated in an adopted Program and Budget;

(C) sale or disposition of any Company Assets which exceeds CAD\$2,000,000 and which are material to the operation of the Company;

(D) any increase to an adopted Program and Budget involving an aggregated budgeted expenditure of greater than: (i) 20% of the total budget set out in an adopted Program and Budget during the Exploration or Mining phases; or (ii) 5% of the total capital budget set out in an adopted Program and Budget during the Development and Studies or construction phases;

(E) making or approving any decision to suspend or curtail Operations for a period of greater than 180 calendar days, other than as required by Law or for reasons related to health and safety;

(F) any mine construction decision;

(G) commencement of litigation or arbitration involving more than CAD\$2,000,000 or settlement of any litigation or arbitration that involves a payment by or to the Company in excess of CAD\$2,000,000; and

(H) encumbering, or permitting an encumbrance, on the Properties, other than Permitted Encumbrances in the ordinary course or as permitted hereunder.

For greater certainty, the Shareholders covenant and agree at all times to do all such things and take all such actions as may reasonably be required to give full effect to the foregoing voting

thresholds for Major Decisions and to the spirit of such voting thresholds, irrespective of whether a lower voting threshold by the Board or Shareholders is permissible under applicable Law or the Company's By-Laws or constating documents.

5.3 Operator; Duties. The Company shall be managed by one operator (the “Operator”). The initial Operator appointed by the Board shall be HCAC, an Affiliate of HCAC or some other Person selected by HCAC in respect of all Programs, including Exploration programs, Development and Studies programs, Construction programs and Mining activities, and all cash calls and Programs and Budgets with respect thereto, in each case under the supervision or direction of the Board. Any increase or decrease in the number of Operators, and the appointment of any Operator, shall be approved by Representatives whose appointing Shareholders hold 50% or more of the Company Shares. The HCAC-appointed Operator will resign if HCAC's Percentage Interest falls below 50%. Subject to Sections 5.4 and 5.5 and the other provisions of this Agreement, the Operator shall have the following duties:

(a) Programs and Budgets. The Operator shall manage, direct and control Operations in accordance with adopted Programs and Budgets, and shall prepare and present to the Board proposed Programs and Budgets under Section 6.3 and proposed Amendments under Section 6.5.

(b) Implementation. The Operator shall implement Major Decisions and other decisions of the Board or Shareholders, shall make from Company funds all expenditures necessary to carry out adopted Programs and Budgets, and shall promptly advise the Board if the Company lacks sufficient funds for the Operator to carry out its responsibilities under this Agreement.

(c) Procurement. The Operator shall (i) purchase or otherwise acquire all material, supplies, equipment, water, utility and transportation services required for Operations, such purchases and acquisitions to be made to the extent reasonably possible on the best terms available, taking into account all of the circumstances, and (ii) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions.

(d) Removal. The Operator shall remove from the Properties and dispose of reasonable quantities of rock and minerals, including surface samples, drill core samples, underground samples, channel samples or bulk samples, and to transport and handle the same for the purpose of testing, grading, processing or assaying in furtherance of approved Programs and Budgets;

(e) Title; Encumbrances. The Operator shall conduct such title examinations and cure such title defects as may be advisable in the Operator's reasonable judgment, and keep the Assets free and clear of Encumbrances, except for Permitted Encumbrances.

(f) Taxes. The Operator shall (i) make or arrange for all payments required, and (ii) pay all Corporate Taxes for the Company and all Taxes on Operations and Assets, except Taxes determined or measured by a Shareholder's revenue or net income. The Operator shall also arrange for the Company to withhold all applicable Taxes from dividends paid by the Company in cash. When the dividends are paid in kind, the Company shall pay the applicable Taxes

corresponding to the Products or other assets distributed to Shareholders and the corresponding Shareholders will have the obligation to reimburse such amounts to the Company; provided, that if authorized by the Board, the Operator shall have the right to contest the validity or amount of any Taxes the Operator deems to be unlawful, unjust, unequal or excessive, and to undertake such other steps or proceedings as the Operator may deem reasonably necessary to secure a cancellation, reduction, readjustment or equalization of such Taxes before such Taxes are required to be paid, but the Operator shall not permit or allow title to the Assets to be lost as the result of the nonpayment of any such Taxes. For this purpose, the term Taxes include the concepts known as “impuestos”, “tasas” and “contribuciones”, according to the Peruvian Tax Code.

(g) Compliance with Laws. The Operator shall (i) apply for all necessary Permits and notify the Shareholders promptly of all Permits issued, (ii) comply with applicable Laws, (iii) promptly provide notice to the Board of any allegations of a material violation of Laws, and (iv) prepare and file all reports or notices required by any Governmental Authority (as defined herein) for Operations. The Operator shall timely cure or dispose of any violation of Laws through performance, or payment of fines and penalties, or both, the cost of which shall be charged to the Business Account.

(h) Litigation. The Operator shall prosecute and defend, but shall not initiate without the approval of the Board, all litigation, arbitrations or administrative proceedings arising out of Operations. The Operator shall keep the Board reasonably informed of the progress of any such litigation, arbitrations or proceedings. The Board shall approve in advance in accordance with this Agreement any settlement involving payments, commitments or obligations in excess of CAD\$2,000,000 in cash or value.

(i) Insurance. The Operator shall obtain insurance for the benefit of the Company, the Shareholders and the Operator as provided in Exhibit D or as may otherwise be determined from time to time by the Board.

(j) Disposition of Assets. The Operator may dispose of Assets, whether by abandonment, surrender or Transfer in the ordinary course of business, except that Properties may be abandoned or surrendered only as provided in Section 10.2. Without prior majority approval from the Board, however, the Operator shall not: (i) dispose of Assets in any one transaction (or in any series of related transactions) having a value in excess of CAD\$2,000,000 and which are material to the operation of the Company; (ii) enter into any sales contracts or commitments for Product; (iii) wind-up, dissolve or begin a liquidation of the Company; (iv) dispose of all or a substantial part of the Assets necessary for the Business; or (v) take any other action that, pursuant to this Agreement or applicable Law, requires approval of the Board or the Shareholders (subject to such approval thresholds as are set out in Section 5.2(f)).

(k) Maintenance of Assets. The Operator shall perform all assessment and other work and pay all Governmental Fees required by Law in order to maintain the mineral concessions included within the Properties. The Operator may perform the assessment work under a common plan of exploration, and continued actual occupancy of such mineral concessions is not required. The Operator shall not be liable for any determination by any Governmental Authority that the work performed by the Operator did not constitute the required annual assessment work, reached minimum production levels or occupancy to preserve or maintain ownership of the mineral

concessions; provided that the work was performed in accordance with accepted industry standards and the adopted Program and Budget. The Operator shall timely record and file with the appropriate Peruvian Governmental Authority, any required affidavits, notices of intent to hold and other documents in proper form attesting to the payment of Governmental Fees, the performance of assessment work or intent to hold the mineral concessions, in each case in sufficient detail to reflect compliance with applicable requirements.

(l) Changes to Mineral Rights. If authorized by at least 50% or more of the Board and subject to applicable Law, the Operator may (i) apply to combine, split (but not reduce the aggregate area of) or expand the mineral concessions included within the Properties; or (ii) exchange with or convey to the appropriate Peruvian Governmental Authority any of the mineral concessions included within the Properties for the purpose of acquiring new mineral concessions to the area covered thereby and other adjacent ground.

(m) Accounting. The Operator shall (i) keep and maintain all required accounting and financial records under the Accounting Procedure and in accordance with customary cost accounting practices in the mining industry, (ii) keep and maintain current balances of Funding Amounts provided, and (iii) keep all Company accounts separate and segregated from the individual accounts of the Operator.

(n) Reporting; Audits. The Operator shall (i) provide the reports to the Board and Shareholders required under Section 6.10, (ii) permit the audits, inspections and access rights under Section 6.11, and (iii) obtain the independent audit required under Section 6.12. The Operator shall further record all work against the Properties, and provide the Board with technical data generated by Programs and Budgets.

(o) Environmental Compliance Plan. The Operator shall prepare an Environmental Compliance plan for all Operations consistent with the requirements of applicable Laws or contractual obligations and shall include in each proposed Program and Budget sufficient funding to implement the Environmental Compliance plan and to satisfy the financial assurance requirements of applicable Laws and contractual obligations pertaining to Environmental Compliance. To the extent practical, the Environmental Compliance plan shall incorporate concurrent reclamation of Properties disturbed by Operations.

(p) Continuing Obligations. The Operator shall undertake to perform Continuing Obligations when and as economic and appropriate, whether before or after termination of Operations. The Operator shall have the right to delegate performance of Continuing Obligations to Persons having demonstrated skill and experience in relevant disciplines. As part of each proposed Program and Budget, the Operator shall specify the measures to be taken for performance of Continuing Obligations and the cost of such measures. The Operator shall keep the Board reasonably informed about the Operator's efforts to discharge Continuing Obligations. Authorized representatives of each Shareholder shall have the right from time to time to enter the Properties to inspect work directed toward satisfaction of Continuing Obligations, and to audit books, records, and accounts related thereto.

(q) Environmental Compliance Fund. Funds deposited into the Environmental Compliance Fund shall be maintained by the Operator in a separate, interest bearing cash

management account, which may include money market investments and money market funds, or longer term investments approved by the Board. Such funds shall be used solely for Environmental Compliance and Continuing Obligations, including committing such funds, interests in property, insurance or bond policies, or other security to satisfy Laws regarding financial assurance for the reclamation or restoration of the Properties, and for other Environmental Compliance requirements.

(r) Indemnity. The Operator shall indemnify the Company for any willful misconduct or gross negligence by the Operator in performing its obligations and duties.

(s) Other Activities. The Operator shall undertake all other activities reasonably necessary to fulfill the foregoing.

(t) Delegation. The Operator shall have the right to carry out its duties and responsibilities under this Agreement through Affiliates, agents, consultants or independent contractors, but no such Persons shall have any rights under this Agreement.

5.4 Standards of Care. Subject to Section 5.5, the Operator shall discharge its duties under Section 5.3 and conduct all Operations in a good, workmanlike and efficient manner, in accordance with sound mining and other applicable industry standards and practices, and in material compliance with applicable Laws and Permits pertaining to the Assets and in accordance with the terms and provisions of this Agreement and the SPA.

5.5 Exculpation. Notwithstanding any contrary provision of this Agreement, the Operator shall not be liable or responsible to the Company or any Shareholder and shall not be in breach or default of its duties under this Agreement for any act or omission (a) that is not caused by or attributable to the Operator's willful misconduct or gross negligence, (b) if the inability to perform results from (i) the failure of any Shareholder or Representatives (other than the Operator, any Affiliate of the Operator, or any Representative designated by the Operator or any such Affiliate), to perform acts or to contribute amounts required under this Agreement, (ii) a lack of Company funds, to the extent the Operator and its Affiliates have funded all Funding Amounts required to be made by them under this Agreement, or (iii) the failure to carry out or perform in accordance with a Program and Budget for any period, if a Program and Budget has not been adopted for the period, or (c) taken in good faith reliance on an adopted Program and Budget or information, opinions, reports or statements presented by any other Shareholder or Representative of any other Shareholder, or by any other Person as to matters the Operator reasonably believes are within the other Person's professional or expert competence.

5.6 Indemnification of Operator and Representatives. Subject to the limitations of the Act, the Company shall indemnify, defend and hold harmless the Representatives and the Operator from and against any Adverse Consequences arising as a result of any act or omission of any such Representative or the Operator with respect to the Company believed in good faith to be within the scope of authority conferred in accordance with this Agreement, except for willful misconduct or gross negligence.

(a) Contract Rights. The rights granted under this Section 5.6 are contract rights, and no amendment, modification or repeal of this Section 5.6 shall have the effect of

limiting or denying any such rights with respect to actions taken, omissions, or proceedings arising before any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Section 5.6 could involve indemnification for negligence or strict liability. Notwithstanding the foregoing, the Company's indemnification of the Operator and the Representatives as to third party claims shall be only with respect to such Adverse Consequences that are not otherwise compensated by insurance.

(b) Advancement of Expenses. The rights to indemnification conferred in this Section 5.6 shall include the right to be paid or reimbursed by the Company the reasonable expenses incurred by any Person entitled to be indemnified under this Section 5.6 who was, is or is threatened to be made a named defendant or respondent in an action, suit, proceeding or arbitration in advance of the final disposition of the action, suit, proceeding or arbitration and without any determination as to the Person's ultimate entitlement to indemnification; provided, that the payment of such expenses in advance of the final disposition or award of an action, suit, proceeding or arbitration shall be made only upon delivery to the Company of a written affirmation by such Person of his or its good faith belief that he or it has met the standard of conduct necessary for indemnification under this Section 5.6 and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified Person is not entitled to be indemnified under this Section 5.6 or otherwise.

(c) Non-Exclusive Rights. The right to indemnification and the advancement and payment of expenses conferred in this Section 5.6 are not exclusive of any other right that any such indemnified Person may have or acquire under any Law, provision of this Agreement, vote of the Board or the Shareholders or otherwise.

(d) Invalidity. If this Section 5.6 or any portion shall be invalidated on any ground by any court of competent jurisdiction or arbitration panel, then the Company shall indemnify and hold harmless the Operator or Representatives indemnified under this Section 5.6 as to the Adverse Consequences to the full extent permitted by any portion of this Section 5.6 that has not been invalidated, and to the fullest extent permitted by applicable Law.

(e) Insufficient Funds. If the assets of the Company are insufficient to fund any indemnity to which the Operator or any Representative is entitled under this Section 5.6, then the Operator may, in its sole discretion, ask Shareholders to subscribe for Company Shares (or if the Company has been terminated, pay to the indemnified Person) in accordance with their respective Percentage Interest to fund any such indemnification obligations. In the case of Continuing Obligations, proportionate liability of the Shareholders (including the Operator) for any indemnification hereunder arising from such Continuing Obligations shall be determined in accordance with Section 4.4.

5.7 Resignation; Removal; Replacement.

(a) Voluntary Resignation. The Operator may voluntarily resign at any time upon three (3) months' prior notice to the Board. Acceptance of such resignation shall not be necessary.

(b) Deemed Resignation. The Operator shall automatically be deemed to resign without the requirement of notice or other notice of any kind effective immediately upon the occurrence of an Insolvency Event with respect to the Operator.

(c) Removal. The Operator may be removed by notice of the other Shareholder to the Operator if the Percentage Interest of HCAC becomes less than 50%.

(d) Replacement. If the Operator resigns voluntarily under Section 5.7(a), the other Shareholder may elect to become the successor Operator by notice to the Board within 60 calendar days after the date of the voluntary resignation. If the other Shareholder does not make such an election within such 60 calendar day period, the successor Operator (who may be a Shareholder, an Affiliate of a Shareholder or a third party) shall be elected by the Board. If the Operator is deemed to resign under Section 5.7(b) or is removed under Section 5.7(c), the Representatives of the other Shareholder may appoint the successor Operator (who may be a Shareholder, an Affiliate of a Shareholder or a third party) by notice to the Board. Any successor Operator shall execute a joinder to this Agreement agreeing to be bound by the provisions of this Agreement that relate to the Operator. The appointment of a successor Operator shall be deemed to pre-date any event causing a deemed resignation of the Operator under Section 5.7(b).

(e) No Effect on Interest. Except as otherwise provided, the resignation or removal of a Person as the Operator shall not require or result in the resignation or removal of such Person as a Shareholder, reduce such Shareholder's or its Representatives' Percentage Interest, or restrict the right of such Shareholder to appoint Representatives to the Board.

5.8 Payments to Operator. The Operator shall be compensated for its services and reimbursed for its costs in accordance with the Accounting Procedure. The Operator may charge customary fees for services and overhead - limited to 10% of Exploration costs, 75% of Development and Studies costs, 2% of Construction costs and 3% of Production costs - which would be a liquidated amount to reimburse the Operator and its Affiliates for its and their home office overhead and general and administrative expenses to conduct operations and which would be in lieu of any management fee. The Operator may not charge fees for any technical services provided by Explora under the Services Agreement (if in place).

5.9 Affiliate Transactions. The Company shall not enter into any agreement or contract (including the payment of any fees or other compensation) with the Operator, any Affiliate of the Operator or any Shareholder, or any material modification or amendment to any such agreement or contract, except (a) on terms no less favorable than would be the case with unrelated third parties in arms' length transactions, (b) with the approval of the Board, or (c) as specifically provided in this Agreement or in the then current approved Program and Budget; provided that Shareholders acknowledge that the services to be performed by the Operator may be delegated to any Affiliate of the Operator and performed by such Affiliate, and costs and charges for such services shall be paid and reimbursed by the Company from the Business Account to the same extent as if such services were performed directly by the Operator.

ARTICLE VI
PROGRAMS AND BUDGETS; ACCOUNTING AND REPORTING

6.1 Initial Program and Budget. Programs and Budgets shall be set by the Operator on an annual basis, or for such other reasonable time periods as the Board may determine. The Operator shall have the right to set the initial budget immediately following making the first payment under the SPA.

6.2 Operations Under Programs and Budgets. All Operations shall be conducted, expenses shall be incurred, and Assets shall be acquired consistent with adopted Programs and Budgets. Each Program and Budget shall provide for (a) accrual of reasonably anticipated Environmental Compliance expenses for all Operations contemplated under the Program and Budget, and (b) payment of all obligations of the Company for the following year.

6.3 Presentation of Proposed Programs and Budgets. Not later than 45 calendar days prior to the year for which a Program and Budget is being submitted, the Operator shall prepare a proposed Program and Budget for the succeeding calendar year or longer such period approved by the Board, and submit the proposed Program and Budget for such calendar year or other period to the Board for its review and approval. The proposed Program and Budget shall be accompanied by a notice of the date and time of the meeting to be held under Section 6.4 to consider the proposed Program and Budget, and the Board will meet to review and approve such Program and Budget within 20 calendar days of its submission.

6.4 Approval of Proposed Programs and Budgets. At the meeting of the Board, the Representatives of each Shareholder shall submit in writing to the Board whether such Representatives (a) approve the proposed Program and Budget, (b) propose modifications to the proposed Program and Budget, or (c) reject the proposed Program and Budget. If the Representatives of a Shareholder do not approve the proposed Program and Budget, then the Board shall call another meeting to be held within 15 calendar days after the first meeting to consider the Program and Budget and to vote on a revised Program and Budget. During such 15 calendar day period, the Operator shall negotiate in good faith with the Representatives to develop a revised Program and Budget that is acceptable to all of the Representatives, and shall deliver its revised Program and Budget to the Representatives at or before the subsequent meeting. At the subsequent meeting to again vote on the Program and Budget (taking into account any revisions proposed by the Representatives during the negotiation period), the Representatives of each Shareholder shall vote to either accept or reject the revised Program and Budget, but may not propose additional modifications. If one or more Representatives do not attend any meeting of the Board, the purpose of which is to review and approve a Program and Budget or an Amendment, then the Representatives present at the meeting may approve the proposed Program and Budget by a simple majority vote, but no other action may be taken at the meeting.

6.5 Amendments. The Operator may propose amendments (“**Amendments**”) to any currently approved Program and Budget from time to time before incurring costs under the Amendment. The Representatives of each Shareholder shall have 15 calendar days after the proposal of an Amendment by the Operator to submit in writing to the Board one of the responses described in Section 6.4(a), (b) or (c) (substituting “Amendment” for “Program and Budget” in each case). If the Representatives of a Shareholder fail to respond within the 15 calendar day period, then those Representatives shall be deemed to have approved the proposed Amendment. If the Representatives of a Shareholder timely submit to the Board their rejection of, or proposed modifications to, the proposed Amendment, then the Operator may call a special meeting of the Board under Section 5.2(c) to vote on an Amendment. If the Operator calls such a meeting, the Operator shall negotiate in good faith with the Representatives to develop an Amendment that is acceptable to all of the Representatives, and shall deliver its revised Amendment to the Representatives at or before the meeting. At the meeting to vote on the Amendment (taking into account any revisions made by the Operator during the negotiation period), the Representatives of each Shareholder shall vote to either accept or reject the revised Amendment, but may not propose additional modifications. If the Amendment relates to Operations on existing Properties and does not increase the aggregate original Program and Budget by more than 25% (taking into account other Amendments adopted after the date of the original Program and Budget), then the Shareholders shall continue to participate in the Joint Funding of the Program and Budget, as amended, based on their original elections under Section 6.6. If the Amendment does not relate to Operations on existing Properties or increases the aggregate original Budget by more than 25% (taking into account other Amendments adopted after the date of the original Budget), then the Program and Budget, as amended, shall be treated as a new Program and Budget and each Shareholder shall be entitled to make new elections under Section 6.6 as to their participation in Joint Funding with respect to the remaining period under the amended Program and Budget.

6.6 Election to Participate.

(a) By notice to the Operator, the other Shareholder and the Board within five (5) Business Days after the Board’s adoption of a Program and Budget, a Shareholder may (i) elect to participate in 100% of such Program and Budget in accordance with its Funding Percentage, or (ii) elect not to participate at all (a “**Non-Contribution Notice**”, and a Shareholder giving such notice shall be a “**Non-Contributing Shareholder**”). If a Shareholder does not provide a Non-Contribution Notice to the Board within five (5) Business Days, such Shareholder shall be deemed to have elected to contribute to the Program and Budget in proportion to its Funding Percentage as of the beginning of the period covered by the Program and Budget.

(b) If a Non-Contributing Shareholder delivers a Non-Contribution Notice, the Percentage Interest of the Non-Contributing Shareholder shall be diluted as Funding Amounts are required, in accordance with the below-noted Dilution Formula. Any such dilution will be based on a CAD\$30,000,000 Company valuation.

$$\text{Dilution Formula} = ((A \times B) - C) / D$$

Where:

A = the approved Company Program and Budget for the relevant period

B = a Non-Contributing Shareholder's Percentage Interest

C = a Non-Contributing Shareholder's actual financial commitment to their pro-rata portion of the approved Company Program and Budget for the relevant period

Dilution Valuation = CAD\$30,000,000

(c) The Non-Contributing Shareholder's diluted Percentage Interest shall be effected having the Contributing Shareholder subscribe for Company Shares or having Non-Contributing Shareholder's Company Share cancelled.

6.7 Recalculation and Restoration for Actual Contributions

(a) If a Non-Contributing Shareholder timely delivers a Non-Contribution Notice for a Program and Budget and the Company Share ownership interests of the Shareholders are adjusted under Sections 6.6(b) and 6.6(c), then within 30 calendar days after the completion of the Program and Budget, the Operator shall deliver a written report to the Shareholders of the total Cash Call Amounts and Additional Cash Call Amounts actually funded by the Shareholders under cash calls for the Program and Budget.

(b) If the actual amount of Cash Call Amounts and Additional Cash Call Amounts funded by the Shareholders is more or less than the budgeted amount in the adopted Program and Budget, the Shareholder's Company Share ownership interest shall be recalculated under Section 6.6(b) by substituting for the approved Company Program and Budget for the relevant period the actual amount of Cash Call Amounts and Additional Cash Call Amounts funded by the Shareholders (including any deemed Cash Call Amounts and Additional Cash Call Amounts made by the Non-Contributing Shareholder under Section 6.7(c)) during the relevant period.

(c) If the actual amount of Cash Call Amounts and Additional Cash Call Amounts funded by the Shareholders is less than twenty percent (20%) of the budgeted amount in the adopted Program and Budget, the Non-Contributing Shareholder may elect to reimburse the Contributing Shareholder for all (but not less than all) of the difference between the Budget for the Program and the actual amount of Cash Call Amounts and Additional Cash Call Amounts funded by the Shareholders (the "**Excess Amount**") by delivering a notice of its election to the Contributing Shareholder within 10 calendar days after receipt of the Operator's report. The notice shall be accompanied by payment of the Excess Amount pro rata the Non-Contributing Shareholder's Percentage Interest prior to delivering its Non-Contribution Notice for such Program and Budget, together with interest at the Prime Rate from the date of each such Cash Call Amounts and Additional Cash Call Amounts to the date such portion of the Excess Amount is paid. If the Non-Contributing Shareholder makes this election and payment, for all purposes under this Agreement (including the readjustment to the Interests under Section 6.7(b)), each Cash Call Amount and Additional Cash Call Amount previously made by the Contributing Shareholder for the Excess Amount shall instead be deemed to have been a loan from the Contributing Shareholder to the Non-Contributing Shareholder on the date of the contribution, followed by an immediate

funding of the Cash Call Amount and Additional Cash Call Amount of the same amount by the Non-Contributing Shareholder to the Company.

(d) If the Company Share ownership interests are recalculated under Section 6.7(b), and distributions were made during the period covered by the Program and Budget based on the Percentage interests as adjusted under Sections 6.6(b) and (c) the beginning of the Program and Budget period, the amount of subsequent distributions to be made to the Contributing Shareholder shall be decreased, and the amount of subsequent distributions to the Non-Contributing Shareholder shall be increased, until the Non-Contributing Shareholder has received distributions from the Company, to the extent possible, in the amounts that the Non-Contributing Shareholder would have received.

6.8 Deadlock on Proposed Programs and Budgets. If the Shareholders, acting through the Board, fail to approve a Program and Budget in accordance with the terms of this Agreement and by the beginning of the period to which the proposed Program and Budget applies, subject to the contrary direction of the Board and to the receipt of necessary funds, the Operator shall continue Operations (a) if an initial Program and Budget has not been adopted, at levels sufficient to maintain the then current Operations and Properties based on an Program and Budget to be decided by the Operator at their sole discretion, if necessary, and (b) if an initial Program and Budget has been adopted, at levels substantially comparable with the last adopted Program and Budget. The Shareholders which elected, or have been deemed to have elected, to participate in the last adopted Program and Budget pursuant to Section 6.6(a) shall continue to fund Cash Call Amount and Additional Cash Call Amounts in accordance with their Funding Percentage applicable to such last adopted Program and Budget in response to cash calls from the Operator to fund such Operations during a deadlock.

6.9 Budget Overruns; Program Changes. The Operator shall immediately provide notice to the Board of any material departure from an adopted Program and Budget. Budget overruns equal to or less than (i) 20% of the total budget set out in an adopted Program and Budget during the Exploration or Mining phases, or (ii) 5% of the total capital budget set out in an adopted Program and Budget during the Development and Studies or Construction phases, shall be considered costs and expenses of the Company, and shall be funded by the Shareholders funding Cash Call Amounts or Additional Cash Call Amounts in proportion to their Funding Percentage. Budget overruns greater than (A) 20% of the total budget set out in an adopted Program and Budget during the Exploration or Mining phases, or (B) 5% of the total capital budget set out in an adopted Program and Budget during the Development and Studies or Construction phases, unless directly caused by an emergency or unexpected event pursuant to Section 6.9 or unless approved by the Board as a Major Decision pursuant to Section 5.2(f)(ii)(D), shall be for the sole account of the Operator and such excess shall not be included in the calculations of the Shareholders' Percentage Interest.

6.10 Emergency or Unexpected Expenditures. In case of an emergency, the Operator may take any reasonable action it deems necessary to protect life, limb or property, to protect the Assets or to comply with Laws. The Operator may also make reasonable expenditures for unexpected events that are beyond its reasonable control and that do not result from a breach by it of its standard of care in Section 5.4, subject to Section 5.5. The Operator shall promptly provide notice to the Shareholders of the emergency or unexpected expenditure, and shall be reimbursed for all resulting costs by the Company, which costs shall be funded by Cash Call Amounts or Additional Cash Call Amounts from the Shareholders which elected, or have been deemed to have elected, to participate in the last adopted Program and Budget pursuant to Section 6.6(a) under Sections 3.3 and 3.4 in proportion to their respective Funding Percentages at the time the emergency or unexpected expenditures are incurred.

6.11 Reports. The Operator shall promptly submit to the Board the following reports:

- (a) quarterly statements of account reflecting in reasonable detail the charges and credits to the Business Account during the preceding month;
- (b) quarterly progress reports that include statements of expenditures and comparisons of such expenditures to the adopted Program and Budget;
- (c) quarterly reports on Operations including Exploration results and technical data generated from such Operations (in addition to informal monthly reports);
- (d) copies of any reports prepared by or on behalf of the Company concerning Operations;
- (e) a detailed final report within 90 calendar days after completion of each Program and Budget, which report shall include comparisons between actual and budgeted expenditures and comparisons between the objectives and results of Programs and Budget; and
- (f) such other reports as the Board may reasonably request.

6.12 Inspection Rights. The Operator shall (a) provide to the Representatives, accountants, advisors and other representatives of each Shareholder, access to, and the right to inspect all maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and other information in the possession or control of the Operator pertaining to the Company or the Operations, and (b) at the sole risk of the requesting Shareholder, and subject to the safety requirements of applicable Laws and the Operator's reasonable safety policies and procedures, permit the Representatives, accountants, advisors and other representatives of each Shareholder to inspect the Assets and Operations. The requesting Shareholder shall use commercially reasonable efforts to prevent any such inspections from unreasonably interfering with Operations or the other business and operations of the Operator. The cost and expense of any such access, inspection shall be borne entirely by the requesting Shareholder, and the requesting Shareholder shall indemnify, defend and hold harmless the Company, the Operator and the Affiliates of the Operator, and their respective directors, officers, managers, employees and agents, from and against any Adverse Consequences for bodily injury or property damage arising from or caused by any such inspections. Inspection right cease after a Shareholders hold less than 10% of the Company Shares.

6.13 Independent Audit.

(a) On an annual basis and within three (3) months after the end of any calendar year (or, if the Board has adopted an accounting period other than the calendar year, within three (3) months after the end of such period), the Operator shall cause an independent accounting firm selected by the Operator (following approval by the Board of such appointment) (the "**Independent Accountant**") to conduct an independent audit of the financial statements of the Company for such preceding calendar year. Promptly after the completion of any such independent audit, the Operator shall deliver a copy of the report of the Independent Accountant on the financial statements of the Company, together with a detailed report of costs and expenditures of the Company (including all costs and expenditures for which the Operator sought reimbursement) for such year prepared in accordance with IFRS and reconciled to the financial statements audited by the Independent Accountant and to the quarterly reports provided to the Shareholders under Section 6.10. All written exceptions to and claims (other than exceptions or claims based on fraud) upon the Operator by any Shareholder relating to costs and expenditures incurred by or on behalf of the Company for such preceding year or other accounting period shall be made by notice to the Operator delivered not more than four (4) months after receipt of the audit report and the related report of costs and expenditures or shall be deemed forever waived and released unless a non-Operator Shareholder elects to have a Shareholder Audit conducted under Section 6.13(b), in which case any such exceptions and claims, if any, by such Shareholder shall be made as provided in Section 6.13(b).

(b) Notwithstanding the annual audit conducted by the Independent Accountant, the non-Operator Shareholder has the right, not more than once annually, at its own expense, to have an independent audit of all of the Company's books, records and accounts conducted, including all charges to the Business Account of the Company for any year or other accounting period of the Company (a "**Shareholder Audit**"), by a firm of independent accountants elected by such Shareholder in its sole discretion; provided that such accountants are independent of each Shareholder, the Operator and the Company. Written notice of a Shareholder Audit shall be delivered to the Operator not later than three (3) months after receipt by the non-Operator

Shareholder of the report of the Independent Accountant of its audit conducted under Section 6.13(a) and not less than one month prior to the date such Shareholder Audit is to commence. A Shareholder Audit shall be conducted during the Operator's normal business hours and shall not unreasonably interfere with the Operations or the other business and operations of the Operator. A copy of the independent accountant's report of the Shareholder Audit shall be delivered to the Operator, together with all written exceptions to and claims upon the Operator by the non Operator Shareholder relating to costs and expenditures incurred by or on behalf of the Company for such year or other accounting period not more than three (3) months after completion of the Shareholder Audit, or any such exceptions or claims (other than exceptions or claims based on fraud) shall be deemed forever waived and released. The non-Operator Shareholder's Shareholder Audit right ceases after it holds less than 10% of the Company Shares.

ARTICLE VII

DISTRIBUTIONS; DISPOSITION OF PRODUCTION

7.1 Distributions.

(a) Generally. Except as otherwise provided in this Article VII, the aggregate amount of all distributions to the Shareholders and the timing of all such distributions shall be determined by the Board.

(b) Cash Distributions. All cash distributions shall be made to the Shareholders pro rata in proportion to their respective Percentage Interests, in all cases net of any applicable withholding Taxes.

(c) Distributions In Kind. During the existence of the Company, no Shareholder shall be entitled or required to receive as distributions from the Company any Company Asset other than money. Except as otherwise determined by the Board, (a) all distributions to the Shareholders shall be in cash, (b) no Shareholder shall have the right to demand distributions in cash or in kind, and (c) all distributions to the Shareholders in kind shall be made to the Shareholders pro rata in proportion to their respective Percentage Interests.

ARTICLE VIII

TRANSFERS AND ENCUMBRANCES OF INTERESTS

8.1 Restrictions on Transfer. Except for Permitted Transfers, Permitted Encumbrances and Permitted Interest Encumbrances, no Shareholder shall Transfer or create an Encumbrance on all or any part of its Percentage Interest. Any attempted Transfer of, or creation of an Encumbrance on, all of a Shareholder's Percentage Interest not in accordance with the terms of this Article VIII shall be null and void and of no legal effect.

8.2 Permitted Transfers and Permitted Interest Encumbrances.

(a) To the extent not otherwise prohibited under Section 8.3, the following Transfers ("**Permitted Transfers**") are permitted:

(i) a Shareholder may Transfer all of its Percentage Interest to an Affiliate of such Shareholder without the approval of the other Shareholder or the Operator or any

other Person; provided that such Percentage Interest is Transferred back to the original Shareholder prior to such Affiliate ceasing to be an Affiliate of the original Shareholder;

(ii) a Shareholder may Transfer all of its Percentage Interest to any Person with the written approval of the other Shareholder, which approval may be withheld in the sole and absolute discretion of such other Shareholder;

(iii) a Shareholder may Transfer all of its Percentage Interest in connection with the merger, amalgamation, consolidation or reorganization of such Shareholder with or into any other Person without the approval of the other Shareholder or the Operator or any other Person; provided, that the surviving entity in such merger, amalgamation, consolidation or reorganization (i) possesses all or substantially all of the stock, limited liability company or other equity interests, or all of the property rights and interests of the transferring Shareholder, and (ii) is subject to all or substantially all of the liabilities and obligations of the transferring Shareholder; and

(iv) a Shareholder may Transfer all of its Percentage Interest to any Person without the approval of the other Shareholder or the Operator or any other Person; provided that such Shareholder complies with the provisions of Section 8.4.

(b) To the extent not otherwise prohibited under Section 8.3, the following Encumbrances (“**Permitted Interest Encumbrances**”) are permitted:

(i) a Shareholder may create an Encumbrance on all or any portion of its Percentage Interest with the written approval of the other Shareholder, which approval shall not be unreasonably withheld or delayed; and

(ii) a Shareholder may create an Encumbrance on all (but not less than all) of its Percentage Interest following Board approval to secure debt for borrowed money incurred for the purpose of satisfying such Shareholder’s obligations for Cash Call Amounts or Additional Cash Call Amounts under this Agreement without the approval of the other Shareholder or the Operator or any other Person.

Notwithstanding that Permitted Interest Encumbrances are permitted, any transferee in connection with a foreclosure or a Transfer or power of sale in lieu of foreclosure of any Permitted Interest Encumbrance shall be subject to all of the provisions of this Agreement, and shall not be admitted to the Company as a substitute Shareholder except as provided in Section 8.5.

8.3 Additional Limitations on Transfers and Encumbrances. Notwithstanding Section 8.2:

(a) no Transfer permitted by this Article VIII shall relieve the transferring Shareholder of its share of any liability, whether accruing before or after such Transfer, that arises out of Operations conducted before such Transfer, including as provided in Section 4.4;

(b) the transferring Shareholder and the transferee shall bear all tax consequences of any Transfer;

(c) if a Shareholder Transfers less than all of its Percentage Interest, the transferring Shareholder and its transferee shall thereafter act and be treated as one Shareholder, with the Shareholder with the greater Percentage Interest hereby appointed the agent and attorney-in-fact of the Shareholder with the lesser Percentage Interest with respect to the exercise of all rights to vote, consent, approve or otherwise make any decisions with respect to the management or Operations or the Company; and

(d) no Shareholder shall create an Encumbrance on all or any portion of a Percentage Interest or any economic interest therein, unless the Encumbrance expressly is subordinate to the terms of any pledge or security interest of the Percentage Interest or portion thereof that secures or is contemplated by this Agreement to secure in the future any obligation of the Company to any third party lenders, including any project financing in relation to the Properties.

8.4 Right of First Refusal.

(a) Except for Permitted Transfers described in Section 8.2(a)(i) through (a)(iv), no Shareholder (the “**Selling Shareholder**”) may Transfer any or all of its Percentage Interest to any arm’s-length third party Person, unless the Selling Shareholder first provides an offer notice (an “**Offer Notice**”) to the other Shareholder (the “**Notified Shareholder**”) stating that the Selling Shareholder desires to Transfer all (and not less than all) of its Percentage Interest (the “**Offered Interest**”) that the Selling Shareholder desires to Transfer, and specifying the proposed purchase price (the “**Offered Price**”) and all of the other proposed terms and conditions of the proposed Transfer of the Offered Interest (the “**Offered Terms**”).

(b) The Notified Shareholder shall have the right, but not the obligation, for a period of 45 calendar days after its receipt of the Offer Notice, to elect to purchase all, but not less than all, of the Offered Interest for the Offered Price and on the other Offered Terms. Any such election shall be made by providing notice of such election to the Selling Shareholder within such 45 calendar days.

(c) If the Notified Shareholder timely elects to purchase the Offered Interest, the parties shall close the sale of the Offered Interest for the Offered Price and on the Offered Terms on the later of (A) 30 calendar days after the Selling Shareholder provides the Offer Notice, or (B) five (5) Business Days after the receipt of all required consents and approvals, if any, with respect to such Transfer from all Governmental Authorities. If the Notified Shareholder does not elect to purchase the Offered Interest or the Notified Shareholder fails to close the purchase thereof within the time period specified above, the Selling Shareholder may Transfer all, but not less than all, of the Offered Interest to any third-party purchaser during the later of (i) the 120 calendar day period after the expiration of such 45 calendar day election period, or (ii) if the Notified Shareholder elects to purchase but fails to close within the time period specified above, the 120 calendar day period after the expiration of such period, but only for a cash value of the consideration received by the Selling Shareholder that is greater than or equal to the Offered Price and on the Offered Terms, and only in accordance with Section 8.3. If the Selling Shareholder does not sell the Offered Interest in accordance with the terms described above within the foregoing 120 calendar day period, the Selling Shareholder shall again afford the Notified Shareholder the purchase rights in this Section 8.4 with respect to any offer to sell, assign or

dispose of all of the Offered Interest or any other Interest held by the Selling Shareholder. Any publicly traded securities or non-cash consideration offered in connection with the Offered Price will be valued and matched by an equivalent value in cash under the right of first refusal. Any non-cash consideration, other than publicly traded securities, offered as part of the Offered Price must be valued by an independent, mutually acceptable third party valuator chosen by all Shareholders. Publicly traded securities offered in connection with the Offered Price will be valued based on their volume weighted average trading price on the principal stock exchange upon which they trade for the 20 trading days prior to the Offer Notice. A Shareholder's Company Shares may not be offered for sale together with or in conjunction with other assets of the Shareholder.

8.5 Substitution of a Shareholder.

(a) Except as provided in Section 8.5(c), no transferee (by conveyance, foreclosure, operation of Law or otherwise) of all of a Shareholder's Percentage Interest shall become a substituted Shareholder without the unanimous approval of the Representatives of the Board, which approval may be withheld in the sole discretion of each such Representative. A transferee of a Percentage Interest that receives unanimous approval to become a Shareholder shall succeed to all of the rights and interest of his transferor in the Company. A transferee of a Shareholder that does not receive unanimous approval to become a Shareholder shall not become a Shareholder, and shall have no rights under this Agreement or the Act applicable to a Shareholder.

(b) Except as provided in Section 8.5(c) or Section 8.8, if a Shareholder shall be dissolved, merged, amalgamated or consolidated, its successor in interest shall have the same obligations and rights to profits or other compensation that such Shareholder would have had if it had not been dissolved, merged, amalgamated or consolidated, except that the representative or successor shall not become a substituted Shareholder without the unanimous approval of the Representatives of the Board, which approval may be withheld in the sole discretion of each such Representative. Such a successor in interest that receives unanimous approval to become a Shareholder shall succeed to all of the rights and interests of its predecessor in the Company. A successor in interest that does not receive unanimous approval to become a Shareholder shall not become a Shareholder, and shall have no rights under this Agreement or the Act applicable to a Shareholder.

(c) Notwithstanding Sections 8.5(a) and (b), subject to compliance with Sections 8.3, 8.5(d), 8.6 and 8.7, a transferee of all or a portion of a Percentage Interest in connection with a Permitted Transfer shall automatically be admitted to the Company as a substituted Shareholder with respect to the transferred interest without the consent of any other Shareholder or the Board.

(d) No Transfer of any Percentage Interest otherwise permitted under this Agreement, including a Permitted Transfer, shall be effective for any purpose whatsoever until the transferee shall have assumed the transferor's obligations to the extent of the Percentage Interest Transferred, and shall have agreed to be bound by all the terms and conditions of this Agreement, by written instrument in form and substance reasonably satisfactory to the non-transferring Shareholders.

(e) Upon the unanimous determination of the Board that a transferee or the successor or representative of a Shareholder has met the requirements for admission as a Shareholder, the Operator shall have the authority and duty to amend this Agreement and to execute on behalf of the Shareholders and the Company such amendments and other documents to the extent necessary to reflect the admission of such transferee as a substituted Shareholder.

(f) Upon the admission of a transferee as a substituted Shareholder, the transferor shall have no further obligations under this Agreement with respect to that portion of its Percentage Interest Transferred to the transferee; provided, that no Shareholder or former Shareholder shall be released, either in whole or in part, from any liability of such Shareholder to the Company or the other Shareholders under this Agreement or otherwise relating to periods through the date of such Transfer (whether as the result of a voluntary or involuntary Transfer) or any obligation that under Section 11.13 survives the Transfer of all of a Shareholder's Percentage Interest, unless each other Shareholder agrees in writing to any such release.

8.6 Conditions to Substitution. As conditions to its admission as a Shareholder, an assignee, transferee or successor of a Shareholder shall (a) execute and deliver any instruments, in form and substance satisfactory to the non-transferring Shareholders, as the non-transferring Shareholders reasonably request, and (b) pay all reasonable expenses in connection with its admission as a substituted Shareholder.

8.7 Admission as a Shareholder. No Person shall be admitted to the Company as a Shareholder unless either (a) the Shareholder's Percentage Interest or part thereof acquired by such Person has been registered under any applicable Laws or (b) the Company has received a favorable opinion of the transferor's legal counsel or of other legal counsel acceptable to the non-transferring Shareholders to the effect that the Transfer of the Shareholder's Percentage Interest to such Person is exempt from registration under those Laws. The non-transferring Shareholders, however, may waive the requirements of this Section 8.7.

8.8 Economic Interest Holders. A transferee or successor to all of a Shareholder's Percentage Interest that is not admitted as a substituted Shareholder of the Company shall be subject to all of the economic and non-economic obligations of a Shareholder under this Agreement, including obligations to fund Funding Amounts and reimbursement obligations, but shall not have any of the non-economic rights of a Shareholder under this Agreement. For clarity, the non-economic rights of a Shareholder include, without limitation, rights to vote, consent or approve matters under this Agreement, inspection rights, audit rights, rights to indemnification, and all rights to make any claims or demands against the Company, any Shareholder or the Operator under this Agreement, the Act or otherwise. Each Shareholder, by execution of this Agreement, acknowledges and agrees that any of its transferees or successors that is not admitted as a substituted Shareholder of the Company shall be bound by this Section 8.8 and the other provisions of this Agreement.

ARTICLE IX

RESIGNATION, DISSOLUTION AND LIQUIDATION

9.1 Resignation. A Shareholder may resign as a Shareholder of the Company only pursuant to the provisions of this Section 9.1.

(a) Resignation for Default in Funding. Upon the capital reduction (without return of contributions) that will solely affect a Delinquent Shareholder or a Non-Contributing Shareholder under Section 3.5(f), such Shareholder shall, as applicable and subject to and in accordance with Section 9.1(c), be deemed to have resigned as a Shareholder of the Company and relinquish to the Company for cancellation its remaining Company Shares, free and clear of any Encumbrances created by, through or under such Shareholder, and such Shareholder shall receive the New NSR. Other than the New NSR and the rights of such Shareholder that under Section 11.13 expressly survive the resignation or deemed resignation of a Shareholder, the capital reductions and cancellation of such Shareholder's Percentage Interest under this Section 9.1(a) shall be for no consideration whatsoever. The New NSR shall be governed by an agreement in the form attached as Exhibit C.

(b) Voluntary Resignation. Any Shareholder may resign as a Shareholder of the Company for any reason or no reason effective as of the end of the then current Program and Budget period by giving notice to the other Shareholder not later than 60 calendar days before the end of such Program and Budget period. Upon such resignation, the resigning Shareholder shall, subject to and in accordance with Section 9.1(c), relinquish to the Company its entire Percentage Interest, free and clear of Encumbrances created by, through or under the resigning Shareholder, for no consideration whatsoever, other than the rights of such Shareholder that under Section 11.13 expressly survive the resignation of a Shareholder.

(c) Actions Upon Resignation. Recalculation and Restoration of Interest. Notwithstanding Sections 3.5(f) and 9.1(a), if a Shareholder's Percentage Interest would be cancelled under Section 9.1(a) because of an adjustment to a Shareholder's Percentage Interest under Section 6.6(b) in connection with the Shareholder's election not to contribute to a Program and Budget, the resignation of the Shareholder and the cancellation of its Company Share ownership interest shall be deferred until after the completion of the Program and Budget period to take into account any recalculation of the Shareholder's Company Share ownership interest under Section 6.7(b) and any reimbursement by the Shareholder of an Excess Amount under Section 6.7(c). If, after taking into account the recalculation and reimbursement, if any, there should be a capital reduction (without return of contributions) in such a way that the Shareholder's Percentage Interest is below 5%, then the Shareholder shall immediately be deemed to resign as a Shareholder and the Company will perform a capital reduction (without return of contributions) that will solely affect the Shareholder and its remaining Company Shares shall be cancelled subject to and in accordance with Section 9.1(a); provided, however, that the resignation and cancellation shall be deemed effective as of the beginning of the Program and Budget period. If, after taking into account the recalculation and reimbursement, if any, the Shareholder's Company Share ownership interest should not be cancelled, then the Shareholder shall not be required to resign or relinquish its Company Share ownership interest for cancellation under Section 9.1(a). The Operator shall make, and the Shareholders shall cooperate with the Operator in making, the distributions required by Section 6.7(d), and such other distributions and payments as the Operator reasonably determines are necessary or appropriate to effect the intent and accomplish the purposes of this Section 9.1(c).

9.2 Non-Compete Covenant. A Shareholder that has resigned or is deemed to have resigned or that has relinquished its Percentage Interest under Section 9.1, shall not, and shall cause its Affiliates not to, directly or indirectly acquire any interest in property within the Area of Interest for 36 months after the effective date of the resignation, deemed resignation, or relinquishment. If such former Shareholder, or any Affiliate of such former Shareholder, breaches this Section 9.2, such former Shareholder shall or shall cause its Affiliate to offer to convey to the Company (or any other Person designated by the Company), without cost other than applicable Taxes, any such property or interest so acquired. Such offer shall be made in writing and may be accepted by the Company at any time within 90 calendar days after its receipt by the Company. In addition to any other remedies provided by this Agreement and applicable Law, each Shareholder agrees that the Company (or any remaining Shareholder, on behalf of the Company), may enforce this Section 9.2 through such legal or equitable remedies, including an injunction, as a court of competent jurisdiction shall allow without the necessity of bringing an arbitration action or proving actual damages or bad faith, and each Shareholder waives, and shall cause its Affiliates to waive, any claim or defense that the Company (or any remaining Shareholder, on behalf of the Company) has an adequate remedy at law and any requirement for the securing or posting of any bond in connection with such equitable remedy.

9.3 Dissolution. The Company shall be dissolved only upon the unanimous agreement of the Shareholders.

9.4 Liquidation.

(a) **Liquidator.** Promptly after the dissolution of the Company, the Board shall appoint in writing one or more liquidators (who may be a Shareholder or the Operator) who shall have full authority to wind up the affairs of the Company and to make a final distribution as provided in this Agreement. The liquidator shall continue to conduct Operations with all of the power and authority of the Board and the Operator. Without limiting the previous sentence, the liquidator shall have the power and authority to complete any transaction and satisfy any obligation, unfinished or unsatisfied, at the time of dissolution, if the transaction or obligation arises out of Operations before the time of dissolution. The liquidator shall have the power and authority to grant or receive extensions of time or change the method of payment of an already existing liability or obligation, prosecute and defend actions on behalf of the Company, encumber Assets, and take any other reasonable action in any matter with respect to which the Company continues to have, or appears or is alleged to have, an interest or liability.

(b) **Steps of Liquidator.** The steps to be accomplished by the liquidator are as follows, unless otherwise provided by applicable Peruvian Law:

(A) As promptly as possible after dissolution, the liquidator shall cause a proper accounting to be made of the Company's assets, liabilities and Operations through the last day of the month in which the dissolution occurs.

(B) The liquidator shall pay all of the debts and liabilities of the Company or otherwise make adequate provision for such debts and liabilities (including, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine) to the extent required by the Act.

(C) The liquidator shall then by payment of cash or property (at the election of the liquidator) distribute to the Shareholders such amounts or property as are required to distribute all remaining amounts or property to the Shareholders in proportion with their Percentage Interest.

(c) Distributions in Liquidation. In connection with the liquidation of the Company, those Shareholders that agree in writing may be distributed in-kind undivided interests in the Assets of the Company. For purposes of this Section 9.4, a distribution of an asset or an undivided interest in an asset in-kind to a Shareholder shall be considered a distribution of an amount equal to the fair market value of such asset or undivided interest. Each Shareholder shall have the right to designate another Person to receive any property that otherwise would be distributed in kind to that Shareholder under this Section 9.4. Any real property, including any mineral interests, distributed to the Shareholders shall be conveyed subject to all Encumbrances, contracts and commitments then in effect with respect to such property, which shall be assumed by the Shareholders receiving such real property. The distribution of cash or property to the Shareholders in accordance with the provisions of this Section 9.4 shall constitute a complete distribution to the Shareholders of their respective interests in the Company and all Company property.

(d) Compliance with Laws; Timing. Except as expressly provided herein, the liquidator shall comply with any applicable requirements of the Act and all other applicable Laws pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

9.5 Termination. Upon the completion of the distribution of the Company's Assets as provided in Section 9.4, the Company shall be terminated and the liquidator shall file a request to register the termination of the Company in the Peruvian Public Registries and shall take such other actions as may be necessary to terminate the existence of the Company.

ARTICLE X

AREA OF INTEREST; ABANDONMENT

10.1 Acquisitions Within Area of Interest.

(a) General. Except as provided in this Section 10.1, no Shareholder or former Shareholder shall, or permit any of its Affiliates to, acquire any interest or right to acquire any interest in any real property, minerals or water rights relating to real property wholly or partially within the Area of Interest (collectively, "**Covered Real Property**"), either directly or indirectly, at any time until the earlier of (i) the termination of the Company and (ii) the date that is 36 months after the date that such Person no longer is a Shareholder in the Company for any reason. In addition to any other remedies provided by this Agreement and applicable Law, each Shareholder agrees that the Company (or any Shareholder, on behalf of the Company), may enforce this Section 10.1 through such legal or equitable remedies, including an injunction, as a court of competent jurisdiction shall allow without the necessity of bringing an arbitration action under this Agreement proving actual damages or bad faith, and each Shareholder waives, and shall cause its Affiliates to waive, any claim or defense that the Company (or any remaining Shareholder, on behalf of the Company) has an adequate remedy at law and any requirement for the securing or posting of any bond in connection with such equitable remedy.

(b) Notice to Other Shareholder. Within 15 calendar days after the acquisition by any Shareholder (the “**Acquiring Shareholder**”) or any Affiliate of the Acquiring Shareholder of any Covered Real Property (excluding Covered Real Property acquired by or on behalf of the Company under a Program and Budget), the Acquiring Shareholder shall provide notice to the other Shareholder of such acquisition. The Acquiring Shareholder’s notice shall describe in detail the terms of the acquisition (including the associated costs), the Covered Real Property subject to the acquisition, whether or not the Acquiring Shareholder believes the acquisition of the Covered Real Property by the Company is in its best interests, and the reasons for its conclusions. In addition to the notice, the Acquiring Shareholder shall make any and all information concerning the Covered Real Property and the terms of the acquisition available for inspection by the other Shareholder.

(c) Option Exercised. If, within 30 calendar days after receiving the Acquiring Shareholder’s notice, the other Shareholder provides notice to the Acquiring Shareholder that it elects to participate in the Covered Real Property, the Acquiring Shareholder shall, or shall cause its Affiliate to, convey to the Company (or to the other Shareholder or another entity as mutually agreed by the Shareholders), by special warranty deed, its entire interest or right to acquire the Covered Real Property (or if to the other Shareholder, a proportionate undivided interest in the Covered Real Property based on the Percentage Interest of the Shareholders), free and clear of all Encumbrances arising by, through or under the Acquiring Shareholder and its Affiliates, other than those to which both Shareholders have agreed. If conveyed to the Company, the Covered Real Property shall become a part of the Properties for all purposes of this Agreement immediately upon the notice of such other Shareholder’s election to participate. Such other Shareholder shall promptly pay to the Acquiring Shareholder its proportionate share based on the Percentage Interest of the Acquiring Shareholder’s and its Affiliates’ actual out-of-pocket acquisition costs and all applicable Taxes.

(d) Option Not Exercised. If the other Shareholder does not give notice of its election to participate within the 30 calendar day period in Section 10.1(c), neither such other Shareholder nor the Company shall have any interest in the Covered Real Property, and the Covered Real Property shall not be a part of the Properties or otherwise be subject to this Agreement.

10.2 Surrender or Abandonment of Property. Upon unanimous approval of the Board, the Company may surrender or abandon part or all of the Properties. If a Shareholder wishes to individually retain such surrendered or abandoned Properties, subject to the terms of any project financing in relation to the Properties or any Company indebtedness or other contractual or legal restrictions binding on the Company and preventing the surrender or abandonment of such Properties, the Shareholder that desires to retain such Properties shall be distributed such Properties without cost to such Shareholder, other than applicable Taxes, by special warranty deed, free and clear of all Encumbrances (but subject to any Encumbrances previously created thereon by the Company or existing at the time such Properties were acquired by the Company). As and to the extent provided in Section 4.4, the Shareholder that abandons or surrenders such Properties shall remain liable to reimburse the acquiring Shareholder and its Indemnified Shareholder Parties for its share (determined by their Percentage Interest as of the date of such distribution) of any Adverse Consequences with respect to such Properties, including Continuing Obligations, Environmental Liabilities and Environmental Compliance, whether accruing before or after the date of such distribution, arising out of activities after the date hereof and before the date of such distribution.

ARTICLE XI **MISCELLANEOUS**

11.1 Confidentiality.

(a) Subject to Section 11.1(b), each Shareholder and the Operator shall keep confidential and not use, reveal, provide or transfer to any third party any Confidential Information that it obtains or has obtained concerning the Company or the other Shareholder without the prior written consent of the other Shareholder, which consent shall not be unreasonably withheld or delayed, except (i) to the extent that disclosure to a third party is required by Law, (ii) information that, at the time of disclosure, is generally available to the public (other than as a result of a breach of this Agreement or any other confidentiality agreement to which such Person is a party or of which it has knowledge), as evidenced by generally available documents or publications, and (iii) information that was in the disclosing party's possession before the Effective Date (as evidenced by appropriate written materials) and was not acquired directly or indirectly from the Company or the other Shareholder (including in its capacity as the Operator).

(b) Notwithstanding Section 11.1(a), Confidential Information may be disclosed without consent to (i) a consultant, contractor, subcontractor, officer, director or employee of the Company, the Operator or any Shareholder or any of their respective Affiliates that has a bona fide need to be informed of the Confidential Information, (ii) any third party to whom the disclosing Shareholder or Operator contemplates a Transfer of all or any part of its Percentage Interest or the Assets, (iii) any actual or potential lender, underwriter or investor for the sole purpose of evaluating whether to make a loan to or an investment in the disclosing Shareholder or the Company, or (iv) in connection with a press release or public announcement under Section 11.2.

(c) As to any disclosure under clause (i), (ii) or (iii) of Section 11.1(b), (i) the disclosing Shareholder or Operator shall give notice to the other Shareholder concurrently with the making of the disclosure, (ii) only such Confidential Information as the recipient has a legitimate

business need to know shall be disclosed, (iii) the recipient shall first agree in writing to protect the Confidential Information from further disclosure to the same extent as the Shareholders and the Operator are obligated under this Section 11.1, and (iv) the disclosing Shareholder or Operator shall be responsible and liable for any use or disclosure by any such recipient that would constitute an impermissible use or disclosure by the disclosing Shareholder or Operator.

(d) A Shareholder or Operator shall continue to be bound by this Section 11.1 until the earlier of (i) the date that is 2 years after the cancellation of the certificate of formation of the Company (notwithstanding the resignation or deemed resignation of such Shareholder or Operator or the Transfer by such Shareholder of its entire Interest), and (ii) the date that is 2 years after the resignation or deemed resignation of such Shareholder or Operator or, in the case of a Shareholder, the Transfer by such Shareholder of its entire Percentage Interest.

11.2 Public Announcements. Any Shareholder may issue any press release or make any public disclosure concerning the Company or Operations that it believes in good faith is required by applicable Law or any listing or trading agreement concerning its publicly traded securities or the publicly traded securities of any of its Affiliates; *provided* that if a Shareholder or any of its Affiliates intends to issue such a press release or make such a disclosure, it shall use commercially reasonable efforts to advise the other Shareholder before issuing the press release or making the disclosure. Except as provided in the previous sentence, neither the Company, any Shareholder, the Operator, nor any of their respective Affiliates, shall issue any press release or make any public announcement relating to the Company or Operations without the prior written approval of at least 50% of the Representatives.

11.3 Notices. All notices to the Shareholders or the Operator shall be in writing to the applicable address on the signature page to this Agreement, and shall be given (i) by personal delivery or recognized international overnight courier, (ii) by electronic communication, with a confirmation sent by registered or certified mail return receipt requested, or (iii) by registered or certified mail return receipt requested. All notices shall be effective and shall be deemed delivered (a) if by personal delivery or by overnight courier, on the date of delivery if delivered before 5:00 p.m. local destination time on a Business Day, otherwise on the next Business Day after delivery, (b) if by electronic communication on the Business Day after receipt of the electronic communication, and (c) if solely by mail, on the Business Day after actual receipt. A Shareholder or Operator may change its address by notice to the other Shareholders.

11.4 Headings. The subject headings of the Articles, Sections and subsections of this Agreement and the Exhibits to this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of their provisions.

11.5 Waiver. Except for waivers specifically provided for in this Agreement, rights under this Agreement may not be waived except by an instrument in writing signed by the Shareholder or Operator to be charged with the waiver. The failure of a Shareholder or the Operator to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the Shareholder's or the Operator's rights thereafter to enforce any provision or exercise any right.

11.6 Amendment. Except for (a) amendments executed by the Operator in connection with the admission of additional or substituted Shareholders under Sections 2.6 or 8.5(e), and (b) deemed amendments under Section 11.7, notwithstanding any other contrary provision of the Act, no amendment, restatement, modification, or supplement of or to this Agreement shall be valid unless it is made in a writing duly executed by each Shareholder, which writing specifically indicates that it is amending, restating, modifying or supplementing this Agreement.

11.7 Severability. If at any time any covenant or provision contained in this Agreement is deemed in a final, non-appealable ruling of an arbitration panel to be invalid or unenforceable, such covenant or provision shall be considered divisible and shall be deemed immediately amended and reformed to include only such portion of such covenant or provision as such arbitration panel has held to be valid and enforceable. Such covenant or provision, as so amended and reformed, shall be valid and binding as though the invalid or unenforceable portion had not been included in this Agreement.

11.8 Force Majeure. Except for any obligation to fund Cash Call Amounts, Additional Cash Call Amounts or other payments when due under this Agreement, the obligations of a Shareholder or the Operator shall be suspended to the extent and for the period that performance is prevented in whole or in part by a Force Majeure Event. The affected Shareholder or Operator shall promptly give notice to the other Shareholder of the Force Majeure Event and the suspension of performance, stating in the notice the nature of and the reasons for the Force Majeure Event and its estimated duration. The affected Shareholder or Operator shall resume performance as soon as reasonably possible. The affected Shareholder or Operator shall (i) take all commercially reasonable steps to remove or remedy the Force Majeure Event as soon as reasonably possible; and (ii) endeavor to mitigate any effect which the Force Majeure Event might have on performance. The affected Shareholder or Operator shall provide the other Shareholder with regular written reports summarizing the status of the Force Majeure Event and updating its estimated duration.

11.9 Rules of Construction. Each Shareholder, Operator or other party to or bound by this Agreement acknowledges that it has been represented by counsel during the negotiation, preparation and execution of this Agreement. Each such party therefore waives the application of any Law or rule of construction providing that ambiguities in an agreement or other document shall be construed against the drafter of the agreement or document.

11.10 Governing Law. This Agreement, and the rights and liabilities of the Shareholders under this Agreement, shall be governed by and interpreted in accordance with the Laws of the Province of British Columbia and the federal laws of Canada applicable therein, subject to the application of the Act and Peruvian corporate Laws where appropriate.

11.11 Waiver of Jury Trial; Consent to Jurisdiction. Any dispute hereunder will be referred to and finally determined by confidential arbitration administered by ICDR Canada in accordance with its Canadian Arbitration Rules. Any such arbitration shall be overseen by a single arbitrator selected by the Shareholders and, if the Shareholders cannot decide on such arbitrator within 30 calendar days, one shall be chosen for them under the Canadian Arbitration Rules. The seat or arbitration will be Vancouver, British Columbia, Canada. The language of arbitration will be English.

11.12 Further Assurances. Each Shareholder and the Operator agrees to 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. With respect each Shareholder, this also includes the obligation to cause that the Representatives appointed by such Shareholder, 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.

11.13 Survival.

(a) Resignation, Relinquishment, Redemption and Transfer. After the resignation or deemed resignation of a Shareholder, the relinquishment or redemption of a Shareholder's Percentage Interest, or the Transfer by a Shareholder of its entire Percentage Interest, such former Shareholder shall have no further rights or obligations as a Shareholder of the Company relating to periods after the date of the resignation, deemed resignation, relinquishment, redemption or Transfer; provided, that after such resignation, deemed resignation, relinquishment, redemption or Transfer, such former Shareholder shall (i) not be released, either in whole or in part, from any liability of such Shareholder to the Company or the other Shareholders under this Agreement or otherwise relating to periods through the date of such resignation, deemed resignation, relinquishment, redemption or Transfer, unless each other Shareholder agrees in writing to any such release, (ii) remain liable to each other Shareholder and former Shareholder and their respective Indemnified Shareholder Parties for its reimbursement and indemnification obligations under Sections 4.3 and 4.4, and (iii) shall continue to have the right to enforce the indemnification and reimbursement obligations of the Company, the other Shareholders and the former Shareholders under Sections 4.2, 4.3 and 4.4 with respect to actions, omissions or events occurring before the date of such resignation, deemed resignation, relinquishment, redemption or Transfer, notwithstanding any amendment, restatement, modification or supplement to this Agreement adopted after the date of such resignation, deemed resignation, relinquishment, redemption or Transfer that attempts to limit or restrict such rights. In addition, a former Shareholder shall continue to be subject to its obligations, if any, under Sections 9.1(c) and 9.2 after the resignation or deemed resignation of such former Shareholder.

(b) Dissolution, Liquidation and Termination. After the dissolution, liquidation and termination of the Company, (i) each Person that was a Shareholder as of the date of the dissolution of the Company shall be entitled to copies of all information acquired by or on behalf of the Company on or before the date of termination and not previously furnished to such Person, (ii) if any former Shareholder continues to own all or any portion of the Properties, each Person that was a Shareholder as of the date of dissolution of the Company shall continue to have rights of ingress and egress to such Properties for purposes of ensuring Environmental Compliance, and (iii) each former Shareholder (regardless whether such Person was a Shareholder as of the date of the dissolution of the Company) shall remain liable for (A) its indemnification and reimbursement obligations under Sections 4.3 and 4.4, subject to Section 4.5, and (B) its funding obligations under Sections 3.3 and 3.4, but only in the case of this clause (B) to the limited extent provided in Section 5.6(e).

(c) Survival of Provisions. The provisions of this Agreement shall survive any event described in Section 11.13(a) and (b) to the fullest extent necessary for the enforcement of

such provisions and the protection of the Shareholders, the Operator or other Persons in whose favor such provisions run.

11.14 No Third Party Beneficiaries. Except to the extent specifically provided in this Agreement with respect to the Indemnified Shareholder Parties (who are express third party beneficiaries of this Agreement solely to the extent provided in this Agreement), this Agreement is for the sole benefit of the Shareholders, the Operator and the Representatives, and no other Person (including any creditor of the Company, the Shareholders, the Indemnified Shareholder Parties and the Operator), is intended to be a beneficiary of this Agreement or shall have any rights under this Agreement. Except as specifically provided in this Agreement, no Person (including any named third party beneficiary) shall have a right to approve any amendment or modification, or waiver under, this Agreement.

11.15 Entire Agreement. This Agreement and the SPA contain the entire understanding of the Shareholders and the Operator with respect to the Company and supersede all prior agreements, understandings and negotiations relating to the subject matter of this Agreement and the SPA.

11.16 Parties in Interest. This Agreement shall inure to the benefit of the permitted successors and permitted assigns of the Shareholders and the Operator, and shall be binding upon the successors and assigns of the Shareholders and the Operator (whether or not permitted).

11.17 Counterparts. This Agreement may be executed in multiple counterparts and may be executed by electronic means, and all such counterparts taken together shall constitute one and the same whole document.

11.18 Rule Against Perpetuities. The Shareholders do not intend that there shall be any violation of the Rule Against Perpetuities, the Rule Against Unreasonable Restraints on the Alienation of Property, or any similar rule. Accordingly, if any right or option to acquire any interest in the Properties, in a Company Share, in the Assets, or in any real property exists under this Agreement, such right or option must be exercised, if at all, so as to vest such interest within time periods permitted by applicable rules. If, however, any such violation should inadvertently occur, the provisions of this Agreement shall be revised in such a way as to approximate most closely the intent of the Shareholders within the limits permissible under such rules.

11.19 Intervention of the Company. The Company intervenes in this Agreement in order to (a) acknowledge in writing the terms of this Agreement; (b) agree to carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so; and (c) to agree to record this Agreement in an entry in the Stock Ledger of the Company.

[Signatures on Next Page]

The parties have executed this Agreement on the dates indicated below to be effective for all purposes as of the Effective Date.

SHAREHOLDERS:

HEENEY CAPITAL ACQUISITION COMPANY INC.

Address: _____

Attention: _____
Facsimile: _____

By: _____
Name: _____
Title: _____
Date: _____

PANORO MINERALS LTD.

Address: _____

Attention: _____
Facsimile: _____

By: _____
Name: _____
Title: _____
Date: _____

COMPANY:

ANTILLA COPPER S.A.

By: _____
Name: _____
Title: _____
Date: _____

Address: _____

Attention: _____
Facsimile: _____

Acknowledged and agreed as to those provisions
applicable to the Operator:

OPERATOR:

HEENEY CAPITAL ACQUISITION COMPANY INC.

By: _____
Name: _____
Title: _____
Date: _____

Address: _____

Attention: _____
Facsimile: _____

APPENDIX A

DEFINED TERMS

1. **Defined Terms.** Unless defined elsewhere in the Agreement, the following capitalized terms have the following meanings given:

“Accounting Procedure” means the accounting and other procedures in Exhibit B.

“Act” means the Peruvian General Corporations Law approved by Law No. 26887.

“Adverse Consequences” mean with respect to a Person, claims, actions, causes of action, damages, losses, liabilities, obligations, penalties, judgments, amounts paid in settlement, assessments, costs, disbursements and expenses (including reasonable attorneys’ fees and costs, experts’ fees and costs, and consultants’ fees and costs) of any kind or nature against, suffered or incurred by the Person, including, if the Person is a Shareholder, any of the foregoing suffered or incurred by the Company to the extent funded by share subscriptions or capital premium contributions of the Shareholder to the Company, but excluding any diminution in the value of the Company or its Assets or any Percentage Interest.

“Affiliate” means with respect to a Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with, the subject Person. Notwithstanding the previous sentence, the Company shall not be considered an Affiliate of either Shareholder or any of their respective Affiliates.

“Area of Interest” means the area described as the “Area of Interest” in Exhibit A, which is based on a 10km distance from the outer boundaries from all existing Properties.

“Assets” means the Properties, Products and all other real and personal property, tangible and intangible, including existing or after-acquired properties, and all contract rights, in each case held by the Company.

“Board” means the board of directors of the Company.

“Budget” means a detailed estimate of all costs to be incurred and a schedule of Cash Call Amounts to be made by the Shareholders with respect to a Program.

“Business” means the conduct of the business of the Company in furtherance of the purposes stated in Section 2.3 and in accordance with this Agreement.

“Business Account” means the account maintained by the Operator for the Company in accordance with the Accounting Procedure.

“Business Day” means any day on which federally chartered banks are generally open for business in Vancouver, British Columbia, Canada.

“Company” or **“Antilla Copper”** means Antilla Copper S.A., a Peruvian company owning the Assets and governed by this Agreement.

“Company Share” means a common share in the capital of Antilla Copper S.A.

“Confidential Information” means all information, data, knowledge and know-how (including formulas, patterns, compilations, programs, devices, methods, techniques and processes) provided by the Company, a Shareholder or the Operator, any of their respective Affiliates, or any of their respective employees or agents, to any of the foregoing that either (a) derive independent economic value, actual or potential, as a result of not being generally known to, or readily ascertainable by, third parties and that are the subject of efforts that are reasonable under the circumstances to maintain their secrecy, or (b) that are designated by the providing Person as confidential, in each case including all analyses, interpretations, compilations, studies and evaluations based on the information, data, knowledge and know-how that are generated or prepared by or on behalf of the recipient of the information, data, knowledge or know-how.

“Construction” means the construction of a mine and facilities for the removal and recovery of Products, including pre-stripping, stripping, mining and the construction or installation of all mineral processing and recovery facilities and equipment required for the beneficiation of Products, including all required support infrastructure, and all related Environmental Compliance.

“Continuing Obligations” means obligations or responsibilities that are reasonably expected to or actually continue or arise after Operations on a particular area of the Properties have ceased or are suspended, such as future monitoring, stabilization, or Environmental Compliance.

“Control” means (a) when used as a verb, (i) with respect to an entity, the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the entity through the legal or beneficial ownership of voting securities or the right to appoint Operators, directors or corporate management, or by contract, operating agreement, voting trust or otherwise, and (ii) with respect to a natural person, the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise, and (b) when used as a noun, an interest that gives the holder the ability to exercise any of the powers described in clause (a).

“Development and Studies” means all early works in preparation (other than Exploration and Construction) for the removal and recovery of Products, all related Environmental Compliance, planning, engineering, procurement, potential project finance, land or right of way acquisition and associated permitting.

“Encumbrance” means any mortgage, deed of trust, security interest, pledge, lien, right of first refusal, right of first offer, other preferential right, profits interest, net profits interest, royalty interest, overriding royalty interest, conditional sale or title retention agreement, or other burdens of any nature.

“Environmental Compliance” means actions performed during or after Operations to comply with the requirements of all Environmental Laws or contractual commitments related to reclamation of the Properties or other compliance with Environmental Laws.

“Environmental Compliance Fund” means the account established under Section 2.14 of Exhibit B.

“Environmental Laws” means Laws aimed at reclamation or restoration of the Properties; abatement of pollution; protection of the environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; employee health and safety; protection of cultural or historic resources; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment, including ambient air, surface water and groundwater; and all other Laws relating to the existence, manufacture, processing, distribution, use, treatment, storage, disposal, recycling, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

“Environmental Liabilities” means any and all Adverse Consequences (including liabilities for studies, testing or investigatory costs, cleanup costs, response costs, removal costs, remediation costs, containment costs, restoration costs, corrective action costs, closure costs, reclamation costs, natural resource damages, property damages, business losses, personal injuries, penalties or fines) that are asserted against the Company, either Shareholder or the Operator, by any Person other than the other Shareholders, arising out of, based on or resulting from (a) the presence, release, threatened release, discharge or emission into the environment of any hazardous materials or substances existing or arising on, beneath or above the Properties or emanating, migrating or threatening to emanate or migrate from the Properties to off-site properties, (b) physical disturbance of the environment, or (c) the violation or alleged violation of any Environmental Laws.

“Existing Data” means (a) all records, information and data relating to title to the Properties or environmental conditions at or pertaining to the Properties, (b) all maps, assays, surveys, technical reports, drill logs, samples, mine, mill, processing and smelter records, and metallurgical, geological, geophysical, geochemical, and engineering data, and interpretive reports derived therefrom, and (c) all production reports, accounting and financial records, and other material information, in each case pertaining to or developed in operations on the Properties in the possession of, or reasonably available to, Panoro as of the Effective Date, as described in Exhibit A.

“Existing NSR” means the permanent 2% net smelter return royalty granted in favour of Panoro Copper Royalties Ltd. over the Properties constituted by the Mining Royalty Agreement dated December 14, 2018 between Panoro Apurimac and Panoro Copper Royalties Ltd., which is recorded before the Peruvian Public Registry.

“Exploration” means all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products, including drilling required after discovery of potentially commercial mineralization, and all related Environmental Compliance.

“Force Majeure Event” means, with respect to the Operator or any Shareholder, any cause, condition, event or circumstance, whether foreseeable or unforeseeable, beyond its reasonable control, including the following to the extent beyond its reasonable control: (a) labor

disputes (however arising and whether or not employee demands are reasonable or within the power of the Shareholder or Operator to grant), (b) the inability to obtain on reasonably acceptable terms any Permit or private license, consent or other authorization, and any actions or inactions by any Governmental Authorities or private third parties that delay or prevent the issuance or granting of any Permits or other authorization required to conduct Operations beyond the reasonable expectations of the Shareholder or Operator seeking the Permit or other authorization, including (i) the failure to complete any review and analysis required by any Environmental Laws within 6 months of initiation of that process, and (ii) an appeal of the issuance of a Permit or authorization that revokes, suspends or curtails the right under the Permit or authorization to conduct Operations, (c) changes in Law, and instructions, requests, judgments and orders of Governmental Authorities, (d) curtailments or suspensions of activities to remedy or avoid an actual or alleged, present or prospective violation of Environmental Laws, (e) acts of terrorism, acts of war, and conditions arising out of or attributable to terrorism or war, whether declared or undeclared, (f) riots, civil strife, insurrections and rebellions, (g) fires, explosions and acts of God, including earthquakes, storms, floods, sink holes, droughts and other adverse weather conditions, (h) delays and failures of suppliers to supply, or of transporters to deliver, materials, parts, supplies, services or equipment, (i) contractors' or subcontractors' shortage of, or inability to obtain, labor, transportation, materials, machinery, equipment, supplies, utilities or services, (j) accidents, (k) breakdowns of equipment, machinery or facilities, (l) actions by native rights groups, environmental groups, or other similar special interest groups, and (m) other similar causes, conditions, events and circumstances beyond its reasonable control.

“Governmental Authority” means any domestic or foreign national, regional, state, tribal, or local court, governmental department, commission, authority, central bank, board, bureau, agency, official, or other instrumentality exercising executive, legislative, judicial, taxing, regulatory, or administrative powers or functions of or pertaining to government.

“Governmental Fees” means all location fees, mining claim rental fees, mining claim maintenance payments, recording or filing fees and other payments required by Law to be paid to any Governmental Authority to locate or maintain any licenses, permits, unpatented mining claims, concessions, fee lands, mining leases, surface leases or other tenures included in the Properties.

“IFRS” means the international financial reporting standards used in Canada.

“Insolvency Event” means, with respect to a Person, the occurrence of any of the following events: (a) a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of the Person's assets is appointed and the appointment is neither made ineffective nor discharged within 60 calendar days after the making thereof, or the appointment is consented to, requested by, or acquiesced in by the Person, (b) the Person commences a voluntary case, or consents to the entry of any order for relief in an involuntary case, under any applicable bankruptcy, insolvency or similar Law, (c) the Person consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of any substantial part of its assets, (d) the Person makes a general assignment for the benefit of creditors or fails generally to pay its debts as they become due, or (e) entry is made against the Person of a judgment, decree or order for relief affecting a

substantial part of its assets by a court of competent jurisdiction in an involuntary case commenced under any applicable bankruptcy, insolvency or other similar Law.

“Law” means all applicable federal, state, local, municipal, tribal and foreign laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature.

“Misconduct” means, with respect to a Shareholder (a) an unauthorized act or assumption of liability by the Shareholder, or any of its directors, officers, employees, agents and attorneys done or undertaken, or apparently done or undertaken, on behalf of the Company or the other Shareholder, except under the authority expressly granted in this Agreement or as otherwise agreed in writing by the Shareholders, (b) a material breach by the Shareholder in its capacity as a Shareholder (but not in its capacity as Operator or a Representative) of any covenant contained in this Agreement, or (c) if the Shareholder or an Affiliate of the Shareholder is the Operator, a material breach by the Operator of any of its obligations under this Agreement that (i) constitutes a breach of its standard of care under Section 5.4, as limited by Section 5.5 and (ii) continues for 30 calendar days after notice from any other Shareholder demanding performance (unless the Operator in good faith disputes the existence of the material breach).

“Mining” means the mining, extracting, producing, handling, milling or other processing of Products.

“New NSR” means the new 1% net smelter returns royalty that will be granted to a Shareholder (or such Shareholder’s nominee) after a capital reduction and cancellation of their Company Shares due to their Percentage Interest having dropped below five percent (5%).

“Operations” means the activities and operations of the Company.

“Owned Property” means the undivided 100% interest in certain unpatented mining claims in Peru, as more particularly described as the “Owned Property” in Exhibit A.

“Percentage Interest” means the percentage of the total outstanding Company Shares that a Shareholder holds, as such interest may from time to time be adjusted hereunder.

“Permit” means any permit, franchise, license, authorization, order, certificate, registration, variance, settlement, compliance plan or other consent or approval granted by any Governmental Authority.

“Permitted Encumbrance” means the Existing NSR and any New NSR.

“Person” means a natural person, corporation, joint venture, partnership, limited liability partnership, limited partnership, limited liability limited partnership, limited liability company, trust, estate, business trust, association, Governmental Authority or other entity.

“Prime Rate” means the interest rate quoted as “Prime” by the Bank of Canada, as the rate may change from day to day (which quoted rate may not be the lowest rate at which the bank loans funds).

“Products” means all ores, minerals, mineral resources, concentrates and refined metals produced from the Properties.

“Program” means a description in reasonable detail of Operations to be conducted and objectives to be accomplished by the Operator for a year or any longer period.

“Properties” means (a) the Owned Property, together with all water and water rights, easements and rights-of-way, and other appurtenances attached to or associated with the Owned Property, and (b) all other interests in real property within the Area of Interest that are acquired by the Company.

“Services Agreement” means the services agreement between the Company and Antilla Explora S.A. (if any)

“Shareholder” and **“Shareholders”** mean HCAC and Panoro and any other Person admitted as a substituted or additional Shareholder of the Company under this Agreement. The term “Shareholder” also includes a former Shareholder, but only to the extent of any rights or obligations under this Agreement that expressly survive the resignation of the Shareholder, the Transfer of the Shareholder’s Company Shares or the dissolution and liquidation of the Company.

“SPA” means the share purchase agreement dated the ____ day of _____, 2021 among HCAC, Panoro and Panoro Holdings Ltd.

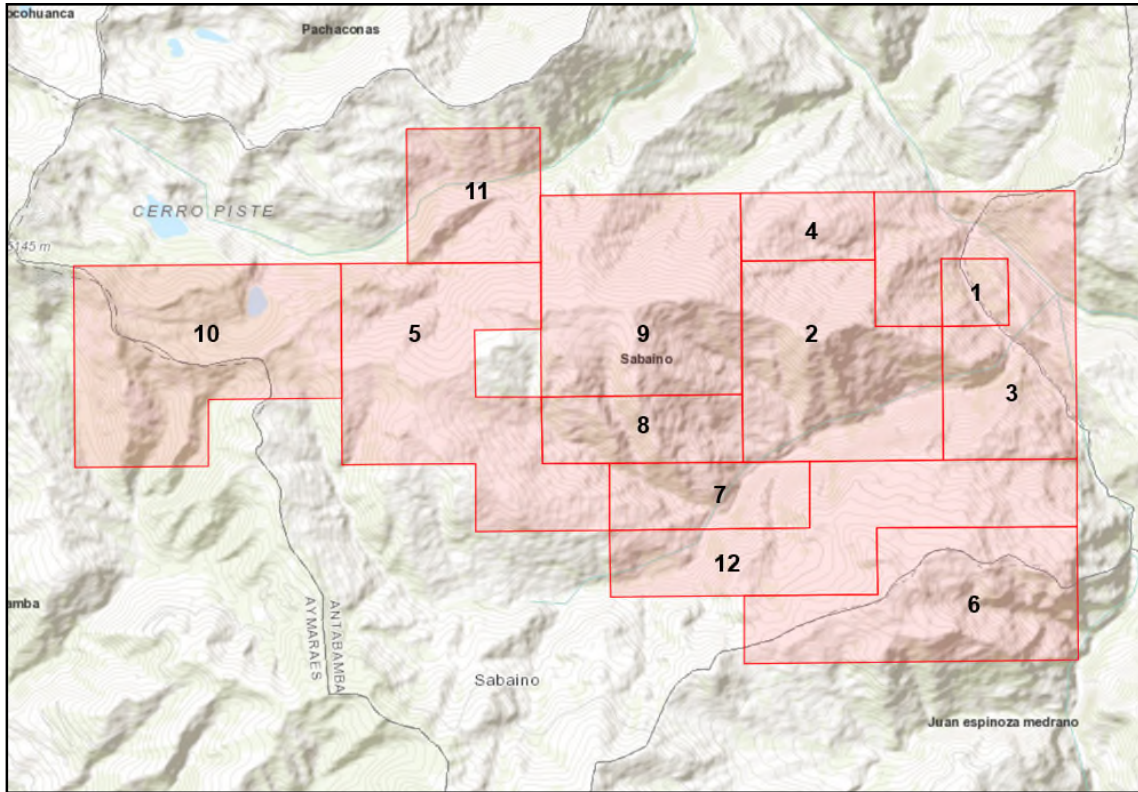
“Transfer” means, with respect to any asset, including any Company Shares or other interest in the Company (including any right to receive distributions from the Company or any other economic interest in the Company, but excluding the Existing NSR and any New NSR), a sale, assignment, transfer, conveyance, gift, exchange or other disposition of the asset, whether the disposition is voluntary, involuntary or by merger, exchange, consolidation, bankruptcy or other operation of Law, including (a) in the case of an asset owned by a natural person, a transfer of the asset upon the death of its owner, whether by will, intestate succession or otherwise, (b) in the case of an asset owned by a Person that is not a natural person, a distribution of the asset, including in connection with the dissolution, liquidation, winding up or termination of the Person (other than a liquidation under a deemed termination solely for tax purposes), and (c) a disposition in connection with, or in lieu of, a foreclosure of an Encumbrance on the asset; provided, that the creation of an Encumbrance on an asset shall not constitute a Transfer of the asset; and provided further that any capital reduction, relinquishing and cancellation of Company Shares and grant of New NSR pursuant to Sections 3.5(e) or 9.1(a) shall not constitute a Transfer of the asset.

“Underlying Agreement” means any agreement, conveyance or instrument to which any of the Properties are subject and that contain unperformed, ongoing or surviving obligations or liabilities of any party, including the Leases and the other agreements, conveyances and instruments described on Exhibit A.

EXHIBIT A

PROPERTY DESCRIPTION AND AREA OF INTEREST

1. Owned Property



1.	Mining right	Aluno Cinco 2002
	Code	010170402
	Area	100.0000 hectares (mining title) 100.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Huaquirca / Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 172-2003-INACC/J (01/31/2003)
	File in the Public Registry	11027526 (Cusco Office)

2.	Mining right	Aluno Cuatro 2002
	Code	010170302
	Area	900.0000 hectares (mining title) 800.0000 hectares (mining roster)
	Substance	Metallic

Location	District of Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 144-2003-INACC/J (01/31/2003)
File in the Public Registry	11027524 (Cusco Office)

3.	Mining right	Aluno Quince 2002
	Code	010200202
	Area	900.0000 hectares (mining title) 900.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Huaquirca / Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 708-2003-INACC/J (03/21/2003)
	File in the Public Registry	11074624 (Cusco Office)

4.	Mining right	Antilla Uno
	Code	010059709
	Area	200.0000 hectares (mining title) 200.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 2170-2009-INGEMMET/PCD/PM (07/16/2009)
	File in the Public Registry	11092677 (Cusco Office)

5.	Mining right	Antillana 2003
	Code	010344303
	Area	1,000.0000 hectares (mining title) 1,000.0000 hectares (mining roster)
	Substance	Metallic
	Location	District of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 588-2004-INACC/J (02/26/2004)
	File in the Public Registry	11087019 (Cusco Office)

6.	Mining right	Antillana Uno 2003
	Code	010344203
	Area	800.0000 hectares (mining title) 800.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Juan Espinoza Medrano / Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 364-2004-INACC/J (02/16/2004)
	File in the Public Registry	11074938 (Cusco Office)

7.	Mining right	Don Martin 1
	Code	010313306
	Area	300.0000 hectares (mining title) 300.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 4851-2006-INACC/J (11/17/2006)
	File in the Public Registry	11067064 (Cusco Office)

8.	Mining right	Macla 2003
	Code	010002003
	Area	300.0000 hectares (mining title) 300.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 1488-2003-INACC/J (06/17/2003)
	File in the Public Registry	11030017 (Cusco Office)

9.	Mining right	Valeria Dieciséis 2003
	Code	010043903
	Area	900.0000 hectares (mining title) 900.0000 hectares (mining roster)
	Substance	Metallic

Location	District of Sabaino, Province of Antabamba, Department of Apurimac
Titleholder	Antilla Copper S.A.
Mining Title	Resolution No. 2540-2003- INACC/J (09/09/2003)
File in the Public Registry	11076503 (Cusco Office)

10.	Mining right	Valeria Quince 2003
	Code	010043803
	Area	1,000.0000 hectares (mining title) 1,000.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Caraybamba / Sabaino, Provinces of Antabamba / Aymaraes, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 150-2004-INACC/J (01/27/2004)
	File in the Public Registry	11074940 (Cusco Office)

11.	Mining right	Valeria Sesentaiuno 2004
	Code	010166404
	Area	400.0000 hectares (mining title) 400.0000 hectares (mining roster)
	Substance	Metallic
	Location	Districts of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 2802-2004-INACC/J (08/09/2004)
	File in the Public Registry	11074939 (Cusco Office)

12.	Mining right	Valeria Treintaidos
	Code	010329903
	Area	800.0000 hectares (mining title) 800.0000 hectares (mining roster)
	Substance	Metallic
	Location	District of Sabaino, Province of Antabamba, Department of Apurimac
	Titleholder	Antilla Copper S.A.
	Mining Title	Resolution No. 649-2004-INACC/J (03/04/2004)
	File in the Public Registry	11074941 (Cusco Office)

2. Underlying Agreements

Existing NSR

Services Agreement

3. Existing Data

DRILL CORE SAMPLES

						Existing	in
						Warehouse	
Project_id	Company	Zone	Campaign	Hole_id	Total_depth	Metres	Boxes
PA-02	CDLM	Area 2	2003	ANT-01-03	250.15	215.60	90
PA-02	CDLM	Area 2	2003	ANT-02-03	67.35	67.35	22
PA-02	CDLM	Area 2	2003	ANT-02A-03	305.00	205.00	101
PA-02	CDLM	Area 2	2003	ANT-03-03	57.95	57.95	8
PA-02	CDLM	Area 2	2003	ANT-04-03	299.80	275.78	98
PA-02	CDLM	Area 2	2003	ANT-05-03	291.05	291.05	107
PA-02	CDLM	Area 2	2003	ANT-06-03	165.55	148.25	53
PA-02	CDLM	Area 2	2003	ANT-07-03	200.80	200.80	73
PA-02	CDLM	Area 2	2003	ANT-08-03	200.10	200.10	71
PA-02	CDLM	Area 2	2003	ANT-09-03	29.15	No exist	
PA-02	CDLM	Area 2	2003	ANT-09A-03	71.25	63.15	12
PA-02	CDLM	Area 2	2003	ANT-09B-03	44.95	42.00	8
PA-02	CDLM	Area 2	2004	ANT-09C-04	8.05	No exist	
PA-02	CDLM	Area 2	2004	ANT-09D-04	32.10	No exist	
PA-02	CDLM	Area 2	2005	ANT-09E-05	170.70	170.70	53
PA-02	CDLM	Area 2	2003	ANT-10-03	54.15	54.15	18
PA-02	CDLM	Area 2	2003	ANT-10A-03	150.20	150.20	49
PA-02	CDLM	Area 2	2004	ANT-11-04	200.00	200.00	75
PA-02	CDLM	Area 2	2004	ANT-12-04	130.80	130.80	46
PA-02	CDLM	Area 2	2004	ANT-13-04	208.40	200.40	72
PA-02	CDLM	Area 2	2004	ANT-14-04	96.45	96.45	30
PA-02	CDLM	Area 2	2004	ANT-15-04	112.40	112.40	44
PA-02	CDLM	Area 2	2004	ANT-16-04	97.75	59.40	16
PA-02	CDLM	Area 2	2004	ANT-16A-04	117.85	117.85	36
PA-02	CDLM	Area 2	2005	ANT-16B-05	129.15	129.15	45
PA-02	CDLM	Area 2	2005	ANT-17-05	160.55	160.55	63
PA-02	CDLM	Area 2	2005	ANT-18-05	196.90	196.90	77
PA-02	CDLM	Area 2	2005	ANT-19-05	163.45	163.45	50
PA-02	PANORO	Area 2	2008	ANT-20-08	180.50	183.00	44
PA-02	PANORO	Area 2	2008	ANT-21-08	149.90	149.90	45
PA-02	PANORO	Area 2	2008	ANT-22-08	191.95	188.75	55
PA-02	PANORO	Area 2	2008	ANT-23-08	142.80	140.10	39
PA-02	PANORO	Area 2	2008	ANT-24-08	140.00	140.00	41
PA-02	PANORO	Area 2	2008	ANT-25-08	144.60	141.60	42
PA-02	PANORO	Area 2	2008	ANT-26-08	140.00	140.00	41
PA-02	PANORO	Area 2	2008	ANT-27-08	141.60	137.80	44

PA-02	PANORO	Area 2	2008	ANT-28-08	150.00	146.00	42
PA-02	PANORO	Area 2	2008	ANT-29-08	140.50	136.10	43
PA-02	PANORO	Area 2	2008	ANT-30-08	143.30	142.30	40
				ANT-30A		19.75	6
PA-02	PANORO	Area 2	2008	ANT-31-08	161.15	160.00	45
PA-02	PANORO	Area 2	2008	ANT-32-08	137.20	137.35	44
PA-02	PANORO	Area 2	2008	ANT-33-08	160.00	160.00	46
PA-02	PANORO	Area 2	2008	ANT-34-08	135.90	136.90	34
PA-02	PANORO	Area 2	2008	ANT-35-08	165.00	165.00	50
PA-02	PANORO	Area 2	2008	ANT-36-08	133.75	133.75	39
PA-02	PANORO	Area 2	2008	ANT-37-08	150.00	151.00	47
PA-02	PANORO	Area 2	2008	ANT-38A-08	69.00	69.00	17
				ANT-38B		30.00	7
PA-02	PANORO	Area 2	2008	ANT-38C-08	155.00	155.00	40
PA-02	PANORO	Area 2	2008	ANT-39-08	190.80	190.80	58
PA-02	PANORO	Area 2	2008	ANT-40-08	160.00	160.00	50
PA-02	PANORO	Area 2	2008	ANT-41-08	149.25	149.00	46
PA-02	PANORO	Area 2	2008	ANT-42-08	120.80	120.80	38
PA-02	PANORO	Area 2	2008	ANT-43-08	140.00	140.00	39
PA-02	PANORO	Area 2	2008	ANT-44-08	119.30	119.00	34
PA-02	PANORO	Area 2	2008	ANT-45-08	134.70	134.00	40
PA-02	PANORO	Area 2	2008	ANT-46-08	150.85	127.00	34
PA-02	PANORO	Area 2	2008	ANT-47-08	150.00	155.00	43
PA-02	PANORO	Area 2	2008	ANT-48-08	147.80	144.80	42
PA-02	PANORO	Area 2	2008	ANT-49-08	132.80	132.80	36
PA-02	PANORO	Area 2	2008	ANT-50-08	185.00	185.00	55
PA-02	PANORO	Area 2	2008	ANT-51-08	180.80	181.00	51
PA-02	PANORO	Area 2	2008	ANT-52-08	189.60	189.60	58
PA-02	PANORO	Area 2	2008	ANT-53-08	151.00	No exist	
PA-02	PANORO	Area 2	2008	ANT-54-08	200.50	No exist	
PA-02	PANORO	Area 2	2008	ANT-55-08	131.30	No exist	
PA-02	PANORO	Area 2	2008	ANT-56-08	71.60	No exist	
PA-02	PANORO	Area 2	2008	ANT-57-08	77.30	No exist	
PA-02	PANORO	Area 2	2008	ANT-58-08	201.60	No exist	
PA-02	PANORO	Area 2	2008	ANT-59-08	104.60	104.60	30
PA-02	PANORO	Area 2	2008	ANT-60-08	134.40	No exist	
PA-02	PANORO	Area 2	2008	ANT-61-08	272.15	No exist	
PA-02	PANORO	Area 2	2008	ANT-62-08	757.70	357.55	85 - 194
PA-02	PANORO	Area 2	2008	ANT-63-08	234.00	234.00	65
PA-02	PANORO	Area 2	2008	ANT-64-08	364.20	364.20	95
PA-02	PANORO	Area 2	2008	ANT-65-08	186.00	186.00	51
PA-02	PANORO	Area 2	2008	ANT-66-08	759.25	759.25	195
PA-02	PANORO	Area 2	2008	ANT-67-08	401.10	401.10	98
PA-02	CHCentauro	Area 2	2010	ANT-68-10	161.85	161.85	40
PA-02	CHCentauro	Area 2	2010	ANT-69-10	24.50	No exist	
PA-02	CHCentauro	Area 2	2010	ANT-69A-10	165.00	165.00	33

PA-02	CHCentauro	Area 2	2010	ANT-70-10	188.60	155.60	52
PA-02	CHCentauro	Area 2	2010	ANT-71-10	123.75	123.75	34
PA-02	CHCentauro	Area 2	2010	ANT-72-10	124.00	124.00	34
PA-02	CHCentauro	Area 2	2010	ANT-73-10	108.70	108.70	29
PA-02	CHCentauro	Area 2	2010	ANT-74-10	132.30	134.00	36
PA-02	CHCentauro	Area 2	2010	ANT-75-10	119.50	119.50	33
PA-02	CHCentauro	Area 2	2010	ANT-76-10	117.80	117.80	34
PA-02	CHCentauro	Area 2	2010	ANT-77-10	105.60	110.00	27
PA-02	CHCentauro	Area 2	2010	ANT-78-10	81.40	88.40	23
PA-02	CHCentauro	Area 2	2010	ANT-79-10	110.20	111.00	28
PA-02	CHCentauro	Area 2	2010	ANT-80-10	106.90	107.00	27
PA-02	CHCentauro	Area 2	2010	ANT-81-10	151.60	151.60	39
PA-02	CHCentauro	Area 2	2010	ANT-82-10	85.60	44.00	10
PA-02	CHCentauro	Area 2	2010	ANT-82A-10	152.20	152.20	36
PA-02	CHCentauro	Area 2	2010	ANT-83-10	57.80	52.00	13
PA-02	CHCentauro	Area 2	2010	ANT-84-10	125.50	128.30	37

METALLURGICAL SAMPLES

[List of approximately 7,188 sample codes redacted]

4. Area of Interest

10 Km from the outer boundaries from all existing Properties.

EXHIBIT B

ACCOUNTING PROCEDURE

This Exhibit B describes the financial and accounting procedures to be followed by the Operator under the Agreement. The purpose of these Accounting Procedures is to establish equitable methods for determining charges and credits applicable to Operations. It is the intent of the Shareholders that no Shareholder shall lose or profit by reason of the designation of one of them to exercise the duties and responsibilities of the Operator. The Shareholders shall meet and in good faith endeavor to agree upon changes deemed necessary to correct any unfairness or inequity.

ARTICLE I

GENERAL REQUIREMENTS

1.1 General Accounting Records. The Operator shall maintain detailed and comprehensive cost accounting records in accordance with applicable Law and this Accounting Procedure, including general ledgers, supporting and subsidiary journals, invoices, checks and other customary documentation, sufficient to provide a record of revenues and expenditures and periodic statements of financial position and the results of operations for Operatorial, tax, regulatory or other financial reporting purposes. Such records shall be retained for the duration of the period allowed the Shareholders for audit or the period necessary to comply with tax or other regulatory requirements. The records shall reflect all obligations, advances and credits applicable to the Company or allocable to the Shareholders.

1.2 Bank Accounts. The Operator shall maintain one or more separate bank accounts for the payment of all expenses and the deposit of all cash receipts for the Company.

1.3 Statements and Billings. The Operator shall prepare quarterly statements and bill the Shareholders for Cash Call Amounts as provided in Sections 3.5 and 6.10 of the Agreement. Subject to Article VI of the Agreement, payment of any billing by a Shareholder (including the Operator) shall not prejudice such Shareholder's right to protest or question the correctness of the billing for up to 12 months after the date the billing was received by the Shareholder.

ARTICLE II

CHARGES TO BUSINESS ACCOUNT

Subject to the limitations contained in this Accounting Procedure, the Operator shall charge the Business Account with the costs, expenditures and other charges described in this Article II.

2.1 Rentals, Royalties and Other Payments. All property acquisition and holding costs, including claim maintenance fees, filing fees, license fees, costs of Permits and assessment work, delay rentals, Mining royalties, including any required advances, and all other payments made by the Operator that are necessary to acquire or maintain title to the Assets.

2.2 Labor and Employee Benefits.

(a) **Salaries and Wages.** Salaries and wages of the Company's or the Operator's employees directly engaged in Operations, including salaries or wages of employees who are temporarily assigned to and directly employed by same.

(b) Benefits. The Operator's or the Company's, as applicable, cost of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable under Sections 2.2(a) and 2.12. Such costs may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages. If percentage assessment is used, the rate shall be applied to wages or salaries excluding overtime and bonuses. Such rate shall be based on the Operator's or the Company's, as applicable, cost experience and shall be periodically adjusted at least annually to ensure that the total of such charges does not exceed the actual cost of such charges to the Operator or the Company, as applicable.

(c) Benefit Plans. The Operator's or the Company's, as applicable, actual cost of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus (except production or incentive bonus plans under a union contract based on actual rates of production, cost savings and other production factors, and similar non-union bonus plans customary in the industry or necessary to attract competent employees, which bonus payments shall be considered salaries and wages under Sections 2.2(a) or 2.12 rather than benefit plans) and other benefit plans of a like nature applicable to salaries and wages chargeable under Sections 2.2(a) or 2.12; provided, that the plans are limited to the extent feasible to those customary in the industry.

(d) Employment Taxes. Cost of Taxes imposed by any Governmental Authority that are applicable to salaries and wages chargeable under Sections 2.2(a) and 2.12, including all penalties except those resulting from the willful misconduct or gross negligence of the Operator.

2.3 Materials, Equipment and Supplies. The cost of materials, equipment and supplies ("**Material**") purchased from unaffiliated third parties or furnished by the Operator or any Shareholder as provided in Article III. The Operator shall purchase or furnish only so much Material as may be required for near-term or medium-term use in efficient and economical Operations. The Operator also shall maintain inventory levels of Material at reasonable levels to avoid unnecessary accumulation of surplus stock.

2.4 Equipment and Facilities Furnished by Operator. The cost of machinery, equipment and facilities owned by the Operator and used in Operations or used to provide support or utility services to Operations charged at rates commensurate with the actual costs of ownership and operation of such machinery, equipment and facilities. Such rates shall include costs of maintenance, repairs, other operating expenses, insurance, taxes, depreciation and interest at a rate not to exceed 15% per annum. Such rates shall not exceed the average commercial rates currently prevailing in the vicinity of the Operations.

2.5 Transportation. Reasonable transportation costs incurred in connection with the transportation of employees and material necessary for the Operations.

2.6 Contract Services and Utilities. The cost of contract services and utilities procured from outside sources, other than services described in Sections 2.9 and 2.13. If contract services are performed by the Operator or an Affiliate of the Operator, the cost charged to the

Business Account shall not be greater than that for which comparable services and utilities are available in the open market within the vicinity of the Operations.

2.7 Insurance Premiums. Net premiums paid for insurance required to be carried for Operations for the protection of the Operator and the Shareholders. When the Operations are conducted in an area where the Operator or the Company, as applicable, may self-insure for workmen's compensation or employer's liability under applicable Laws, the Operator may elect to include such risks in its self-insurance program and shall charge its costs or the Company's costs, as applicable, of self-insuring such risks to the Business Account.

2.8 Damages and Losses. All costs in excess of insurance proceeds necessary to repair or replace damages or losses to any Assets resulting from any cause other than the willful Misconduct or gross negligence of the Operator. The Operator shall furnish the Board with written notice of damages or losses as soon as practicable after a report of such damages or losses has been received by the Operator.

2.9 Legal and Regulatory Expense. Except as otherwise provided in Section 2.13, all legal and regulatory costs and expenses incurred in or resulting from the Operations or necessary to protect or recover the Assets of the Company.

2.10 Audit. The cost of audits under Section 6.13 of the Agreement if requested by a Shareholder.

2.11 Taxes. All Taxes (except income Taxes and similar Taxes measured based on the income of a Shareholder) of every kind and nature assessed or levied upon or in connection with the Assets, the Mining of Products or Operations.

2.12 District and Camp Expense (Field Supervision and Camp Expenses). A pro rata portion of (a) the salaries and expenses of the Operator's superintendent and other employees serving Operations whose time is not allocated directly to such Operations, (b) the costs of maintaining and operating an office (the "**Operator's Project Office**") and any necessary sub-office, and (c) all necessary camps, including housing facilities for employees, used for Operations. The expense of those facilities, less any revenue therefrom, shall include depreciation or a fair monthly rental in lieu of depreciation of the investment. The total of such charges for all properties served by the Operator's employees and facilities shall be apportioned to the Business Account on the basis of a ratio, the numerator of which is the direct labor costs of the Operations and the denominator of which is the total direct labor costs incurred for all activities served by the Operator.

2.13 Administrative Charge.

(a) Amount of Charge. Each month, the Operator may charge the Company an "**Administrative Charge**" for customary fees for services and overhead for each Phase of Operations equal to the following:

- (i) Exploration Phase. 10% of all costs.
- (ii) Development and Studies Phase. 5% of all costs.

(iii) Construction Phase. 2% of all costs.

(iv) Mining / Production Phase. 3% of all costs.

(b) Defined Terms. As used in this Agreement, the following terms have the meanings indicated:

“Phase” means the Exploration Phase, the Development and Studies Phase, the Construction Phase or the Mining Phase, as applicable. Phases may be conducted concurrently, in which case Allocable Costs shall be reasonably allocated by the Operator to each such Phase and the Administrative Charge shall be calculated separately for Allowable Costs attributable to each Phase.

“Exploration Phase” means Operations conducted to ascertain the existence, location, extent or quantity of any deposit of ore or mineral. The Exploration Phase shall cease when the Operator determines that commercially recoverable reserves exist on the Properties.

“Development and Studies Phase” means Operations conducted to prepare for the removal and recovery of Products (other than Exploration and Construction), all related Environmental Compliance, planning, engineering, procurement, potential project finance, land or right of way acquisition and associated permitting.

“Construction Phase” means the construction of a mine and facilities for the removal and recovery of Products, including pre-stripping, stripping mining and the construction or installation of all mineral processing and recovery facilities and equipment required for the beneficiation of Products, including all required support infrastructure, and all related Environmental Compliance.

“Mining / Production Phase” means all early works in preparation (other than Exploration and Construction) for the removal and recovery of Products, all related Environmental Compliance, planning, engineering, procurement, potential project finance, land or right of way acquisition.

(a) Allocation Among Properties. The monthly Administration Charge determined for each Phase shall be reasonably allocated among the Properties and all other properties served by the Operator during each monthly period.

(b) Amounts Covered By Administrative Charge. The Administrative Charge shall be a liquidated amount (in lieu of a separate management fee) to reimburse the Operator for its home office overhead and general and administrative expenses to conduct each Phase of Operations, including the following principal business office expenses that are expressly covered by the Administrative Charge:

(i) administrative supervision, including services rendered by Operators, department supervisors, officers and directors of the Operator for Operations, except to the extent that such services represent a direct charge to the Business Account, as provided in Section 2.2;

(ii) accounting, data processing, personnel administration, billing and record keeping in accordance with governmental regulations and the provisions of the Agreement, and preparation of reports;

(iii) the services of tax counsel and tax administration employees for all tax matters, including any protests, except any outside professional fees which the Board may approve as a direct charge to the Business Account;

(iv) legal services rendered by outside sources and the Operator's legal staff not otherwise charged to the Business Account under Section 2.9; and

(v) rentals and other charges for office and records storage space, telephone service, office equipment and supplies.

2.14 Environmental Compliance Fund. Costs of reasonably anticipated Environmental Compliance which, on a Program basis, shall be determined by the Board and shall be based on proportionate contributions in an amount sufficient to establish the Environmental Compliance Fund, which through successive proportionate contributions during the life of the Company, will pay for ongoing Environmental Compliance conducted during Operations and that will aggregate the reasonably anticipated costs of mine closure, post-Operations Environmental Compliance and Continuing Obligations. The Operator shall invest amounts in the Environmental Compliance Fund as provided in Section 5.3(q) of the Agreement.

2.15 Other Expenditures. Any reasonable direct expenditure, other than expenditures that are covered by the foregoing provisions, incurred by the Operator for the necessary and proper conduct of Operations.

ARTICLE III BASIS OF CHARGES TO BUSINESS ACCOUNT

3.1 Purchases. Material purchased and services procured from third parties shall be charged to the Business Account by the Operator at invoiced cost, including applicable transfer Taxes, less all discounts taken. If any Material is determined to be defective or is returned to a vendor for any other reason, the Operator shall credit the Business Account when an adjustment is received from the vendor.

3.2 Material Furnished by the Operator or a Shareholder. Any Material furnished by the Operator or any Shareholder from its stocks or distributed to either Shareholder by the Company shall be priced on the following basis:

(a) **New Material:** New Material transferred from the Operator or Shareholder shall be priced F.O.B. the nearest reputable supply store or railway receiving point, where similar Material is available, at the current replacement cost of the same kind of Material, exclusive of any available cash discounts, at the time of the transfer (the "**New Price**").

(b) Used Material.

(i) Used Material in sound and serviceable condition and suitable for reuse without reconditioning shall be priced as follows:

(A) used Material transferred by the Operator or a Shareholder shall be priced at 75% of the New Price for such Material; and

(B) used Material distributed to either Shareholder shall be priced (1) at 75% of the New Price for such Material, if such Material was originally charged to the Business Account as new Material, or (2) at 65% of the New Price for such Material if such Material was originally charged to the Business Account as good used Material at 75% of the New Price.

(ii) Other used Material that, after reconditioning will be further serviceable for original function as good secondhand Material, or that is serviceable for original function but not substantially suitable for reconditioning, shall be priced at 50% of the New Price for such Material. The cost of any reconditioning shall be borne by the transferee.

(iii) All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose shall be priced on a basis comparable with items normally used for such other purposes.

(c) Obsolete Material. Any Material that is serviceable and usable for its original function, but its condition is not sufficient to justify a price as provided above shall be priced by the Board. Such price shall be set at a level that will result in a charge to the Business Account equal to the value of the service to be rendered by such Material.

3.3 Premium Prices. Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual circumstances over which the Operator has no control, the Operator may charge the Business Account for the required Material on the basis of the Operator's direct cost and expenses incurred in procuring such Material and making it suitable for use. The Operator shall give Notice of the proposed charge to the Company before the time when such charge is to be billed to the Shareholders, whereupon any Shareholder shall have the right, by providing Notice to the Operator within 10 days after the delivery of the Notice from the Operator, to furnish at the usual receiving point all or part of its proportionate share, based on a Shareholder's Percentage Interest, of Material suitable for use and acceptable to the Operator.

3.4 Warranty of Material Furnished by the Operator or Shareholders. Neither the Operator nor any Shareholder warrants the Material furnished beyond any dealer's or manufacturer's warranty and no credits shall be made to the Business Account for defective Material until adjustments are received by the Operator from the dealer, manufacturer or their respective agents.

ARTICLE IV DISPOSAL OF MATERIAL

4.1 Disposition Generally. The Operator shall have no obligation to purchase any surplus Material from the Company. The Board shall determine the disposition of major items of surplus Material; provided, the Operator shall have the right to dispose of normal accumulations of junk and scrap Material either by sale or by distributing such Material to the Shareholders as provided in Section 4.2.

4.2 Distribution to Shareholders. Any Material to be distributed to the Shareholders shall be made in proportion to their respective Percentage Interests, and corresponding credits shall be made to the Business Account on the basis provided in Section 3.2.

4.3 Sales. Sales of Material to third parties shall be credited to the Business Account at the net amount received. Any damages or claims by the Purchaser shall be charged back to the Business Account if and when paid.

ARTICLE V INVENTORIES

5.1 Periodic Inventories, Notice and Representations. At reasonable intervals, physical inventories shall be taken by the Operator, which shall include all such Material as is ordinarily considered controllable by operators of mining properties. The expense of conducting such periodic physical inventories shall be charged to the Business Account. The Operator shall give Notice to the Shareholders of its intent to take any physical inventory at least 30 days before such physical inventory is scheduled to occur. A Shareholder shall be deemed to have accepted the results of any physical inventory taken by the Operator if the Shareholder fails to be represented at the taking of such physical inventory.

EXHIBIT C

FORM OF NET SMELTER RETURN ROYALTY

[See Attached]

NET SMELTER RETURN ROYALTY AGREEMENT

THIS NET SMELTER RETURN ROYALTY is made as of the ____ day of _____ (this “Agreement”).

BETWEEN:

ANTILLA COPPER S.A., a company incorporated under the laws of Peru

(the “Payor”)

AND:

_____, a company incorporated under the laws of the Province of British Columbia, Canada

(the “Royalty Holder”)

WHEREAS the Payor is the holder of title of the Mineral Claims in the Antilla property (defined below as the “Property”) located in the Apurimac region in the Provinces of Antabamba and Sabiano, Peru.

AND WHEREAS the Payor and the Royalty Holder are parties to a shareholders’ agreement dated [●], 2021 (the “Shareholders’ Agreement”), pursuant to which if a shareholder of the Payor is diluted below a 5% ownership interest in the common shares of the Payor, the Payor will perform a capital reduction (without return of contributions) that will solely affect such shareholder in such a way that its remaining common shares of the Payor are cancelled and such shareholder will receive a 1% Net Smelter Returns royalty.

AND WHEREAS on [●], the Royalty Holder’s shareholdings in the Payor were diluted below 5%, the Payor performed a capital reduction (without return of contributions) that solely affected the Royalty Holder in such a way that its remaining shareholdings in the Payor were cancelled, and the Payor wishes to grant the Royalty Holder a 1% Net Smelter Returns royalty payable on all Minerals mined, produced or otherwise recovered from the Property, pursuant to and in accordance with the terms of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, it is agreed as follows:

1. DEFINITIONS

(a) “Acceptable Accounting Principles” means the accounting principles generally accepted in Canada for public enterprises, being international financial reporting standards adopted by the International Accounting Standard Board as of the date of this Agreement.

(b) “Affiliate” means with respect to any person, another person that is, at any time now or hereafter, directly or indirectly Controlling, Controlled by or under direct or indirect common Control with, such person.

(c) “Applicable Laws” means applicable laws, statutes, by-laws, rules, regulations, orders, ordinances, codes, guidelines, treaties, restrictions, regulatory policies or guidelines, by-laws (zoning or

otherwise), policies, notices, directives, directions decrees, judgments or awards, of any Governmental Authority having jurisdiction, including any judicial or administrative interpretation thereof.

(d) **“Buy-back Right”** shall have the meaning set out in Section 2(b).

(e) **“Calendar Quarter”** means each three-month period ending March 31st, June 30th, September 30th and December 31st of each calendar year.

(f) **“Confidential Information”** has the meaning set forth in Section 9 of this Agreement.

(g) **“Control”** or **“Controlled”** means:

(i) when used as a verb:

(1) with respect to an entity, the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of the entity through the legal or beneficial ownership of voting securities or the right to appoint managers, directors or corporate management, or by contract, voting trust or otherwise; and

(2) with respect to a natural person, the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise; and

(ii) when used as a noun, an interest that gives the holder the ability to exercise any of the powers described in clause (i).

(h) **“Governmental Authority”** means any national, international, federal, state, provincial or municipal government including any governmental agency, department, ministry, authority, tribunal, regulatory body, commission, official or stock exchange having jurisdiction.

(i) **“Hedging Transactions”** has the meaning set forth in Section 8 of this Agreement.

(j) **“Interest Rate”** means six percent (6%) per annum.

(k) **“Minerals”** means any naturally occurring:

(i) base or precious metal;

(ii) coal;

(iii) mineral deposit in respect of which the principal mineral extracted is ammonite gemstone, calcium chloride, diamond, gypsum, halite, kaolin or sylvite; or

(iv) mineral deposit in respect of which the principal mineral extracted is silica that is extracted from sandstone or quartzite,

that is mined, produced or otherwise recovered from the Property as it currently exists (together with any substitute, replacement, renewal, extension, or successor properties thereto) whether in the form of doré, concentrates, tailings or otherwise, including without limitation, gold, silver, copper, and all beneficiated or derivative products thereof;

(l) **“Mining Claims”** means the mining concessions situated in the Property listed in **Schedule “A”**.

(m) **“Net Smelter Returns”** means the gross proceeds received by or payable to the Payor or any of its Affiliates from the sale or other disposition of Minerals, all without deduction in respect of any other royalty owing to a person, less the following expenses (if actually incurred by the Payor or any of its Affiliates or the operator of the Property):

- (i) charges and costs, if any, for transportation (including, but not limited to, direct insurance costs while in transit) of Minerals from the Property to places where such Minerals are smelted, refined and/or sold or otherwise disposed of; and
- (ii) charges, costs (including assaying, sampling and sales costs) and all penalties, if any, charged by a smelter or refiner of the Minerals; but, if smelting and/or refining are carried out in facilities owned or controlled, in whole or in part, by the Payor or any Affiliates thereof, then the charges and costs for such smelting or refining of such Minerals shall be the lesser of: (A) the charges and costs the Payor would have incurred if such smelting or refining was carried out at facilities that are not owned or controlled by the Payor or any Affiliates thereof and that are offering comparable services for comparable products; and (B) the actual charges and costs incurred by the Payor with respect to such smelting and refining.

For the avoidance of doubt, the terms “charges” and “costs” referred to in this Section 1(j)(i) and (ii) do not include amounts for depreciation and amortization.

(n) **“Payor”** has the meaning set forth on page 1 of this Agreement, or such successor or assign that becomes obligated to pay the Royalty, as provided in this Agreement.

(o) **“Processor”** means any smelter, refiner, mint or other processor, purchaser or other user of the Minerals.

(p) **“Property”** means any mining concessions, exploration concessions, mining concessions or any other type of mineral rights or other property rights or interests (including any successions, renewals, extensions, replacements, modifications, substitutions, amalgamations or other variations of any such rights whether extending over the same or lesser area), now existing under the laws of Peru and associated with the Antilla property situated in the Apurimac region in the Sabiano District, Province of Antabamba, Peru and for clarity are more fully described in **Schedule “A”**.

(q) **“Royalty”** means the 1% Net Smelter Returns royalty on all Minerals mined, produced or otherwise recovered from the Property.

(r) **“Royalty Holder”** has the meaning set forth on page 1 of this Agreement or its successors or assigns that become entitled to the Royalty, as provided in this Agreement.

(s) **“Taxes”** means all taxes of any kind or nature whatsoever including net proceeds of mines tax, privilege taxes, excise taxes, business taxes, property transfer taxes, income taxes, sales taxes, customs duties, payroll taxes, levies, stamp taxes, royalties, duties, and all fees, including claim fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future, by any Governmental Authority of any jurisdiction whatsoever having power to tax, together with penalties, fines, additions to tax and interest thereon.

(t) **“Transfer”** means the sale, transfer, assignment, encumbrance or other disposal of all or any portion of the Property, whether direct or indirect.

2. GRANT OF ROYALTY

(a) Subject to the terms of this Agreement, the Payor hereby grants, sells, assigns, transfers, conveys and agrees to pay to the Royalty Holder a Royalty equal to 1% of Net Smelter Returns. The Payor and the Royalty Holder expressly acknowledge and agree that the grant, sale, transfer and conveyance of the Royalty herein is effective as of the date of this Agreement and is intended to run with and bind the Property and the title of the Payor thereto and be binding upon the successors and assigns of the Payor and all successors of the Payor in title to the Property.

(b) The Royalty Holder hereby grants to the Payor, on the terms and conditions contained herein, an option to purchase, at any time, from the Royalty Holder, and to require the Royalty Holder to sell to the Payor, the entire 1.0% of the Royalty for CAD\$4.0 million cash (the **“Buy-back Right”**).

(c) The Buy-back Right shall be exercised by delivering written notice to the Royalty Holder advising the Royalty Holder that the Buy-back Right is being exercised. The Payor shall be obligated to deliver the Buy-back Right payment (by way of a certified cheque or their successors or assigns, bank draft or wire transfer) to the Royalty Holder simultaneously with the execution (by the parties hereto) of all documents necessary to implement the Buy-Back Right (including the corresponding de-registration in the Peruvian Public Registry, which includes the execution of a Public Deed that amends or cancels the Royalty Agreement). Both parties hereto agree to execute any additional documents reasonably required to implement and fully formalize the Buy-back Right. Upon the Royalty Holder’s receipt of notice and payment from the Payor in accordance with this Section **Error! Reference source not found.**, the Payor may cease paying the Royalty hereunder.

3. CONSIDERATION

Pursuant to the terms of the Shareholders Agreement, the Payor performed a capital reduction (without return of contributions) that solely affected the Royalty Holder in such a way that its remaining shareholdings in the Payor were cancelled and the Payor granted, sold, transferred and conveyed the Royalty to the Royalty Holder.

4. TIME AND MANNER OF ROYALTY PAYMENTS

(a) **Payment of the Royalty.** The Royalty shall be payable by the Payor on or before the 30th day following the end of each Calendar Quarter. The Royalty payment for each Calendar Quarter shall be paid to the Royalty Holder by the Payor by certified cheque, bank draft or wire transfer (in the sole and absolute discretion of the Royalty Holder and as communicated to the Payor in writing) in Soles and shall be accompanied by a statement, which includes the details set out in Section 4(b) below, in reasonable detail showing the calculation of the payment. The Payor will withhold from the Royalty payments and remit to the appropriate Peruvian Governmental Authority, any withholding Taxes payable under Applicable Laws, including, without limitation, the Canada-Peru tax treaty. For the avoidance of doubt, notwithstanding the Tax withholding obligation of the Payor, the Royalty Holder will be considered the debtor in respect of any Taxes derived from the Royalty payments made pursuant to this Agreement.

(b) **Royalty Statements.** With each Royalty payment sent to the Royalty Holder, the Payor shall prepare and provide a detailed statement of the manner in which such Royalty payment was calculated, including: (i) the quantity of Minerals to which such Royalty payment is applicable; (ii) the calculation of the applicable Net Smelter Returns; and (iii) the price(s) received or receivable by the Payor for the applicable Minerals. The Royalty Holder may object in writing to any statement or Royalty payment amount within six (6) months after receipt by the Royalty Holder of the relevant statement or payment.

(c) **Delinquent Payments.** If any Royalty payment has not been paid in full as provided herein, the Royalty Holder may give to the Payor notice in writing of such default and, unless the Royalty Holder has received such payment within five (5) business days after receipt of such notice by the Payor, the Payor shall pay interest on the delinquent payment (as well as interest on interest) at the Interest Rate, commencing on the date on which such delinquent payment was due and continuing until the Royalty Holder receives payment in full of such delinquent payment and all accrued interest thereon.

5. REPRESENTATIONS AND WARRANTIES OF THE PAYOR

The Payor hereby represents and warrants as follows:

(a) The Payor is a corporation duly incorporated, amalgamated or continued, as the case may be, organized, validly existing and in good standing under the Applicable Laws of its current governing jurisdiction.

(b) The Payor has all necessary corporate power and authority to enter into and perform its obligations under this Agreement and to own and operate the Property and to carry on its business as now conducted and as currently proposed to be conducted.

(c) Neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance with the terms, conditions and provisions of this Agreement will conflict with or result in a breach of any terms, conditions or provisions of the charter documents or by-laws of the Payor, any law, rule or regulation having the force of law, any contractual restrictions that are binding upon the Payor or the Property, or any writ, judgement, injunction, determination or award that is binding upon the Payor.

(d) The execution and delivery of this Agreement and the consummation by the Payor of the transactions contemplated herein have been duly authorized by all necessary corporate action, and all necessary third party consents have been obtained, including from a Governmental Authority or a stock exchange in Canada.

(e) This Agreement has been duly executed and delivered by the Payor and constitutes a valid and legally binding obligation of the Payor, enforceable in accordance with its terms against the Payor.

(f) Once registered in the Peruvian Public Registry files for the Property, the Royalty will constitute an interest in the Property that runs with the Property and is enforceable against the Payor and will be enforceable against any third party acquiror, assignee or transferee of all, or any part of, the Property.

6. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations, warranties, covenants and agreements of the Payor and the Royalty Holder set forth in this Agreement shall survive the purchase hereunder of the Royalty, notwithstanding that the purchase of the Royalty by the Royalty Holder and any investigation made by or on behalf of the Payor and Royalty Holder, respectively, and all such representations, warranties, covenants and agreements of the

Payor and the Royalty Holder shall continue in perpetuity in full force and effect for the benefit of the Royalty Holder and the Payor, respectively.

7. TERM

This Agreement shall continue in perpetuity, it being the intent of the parties hereto that the Royalty shall constitute a lien running with the Property and all successions thereof, whether created privately or through governmental action, and including, without limitation, any leasehold interest. If any right, power or interest of either party under this Agreement would violate the rule against perpetuities, then such right, power or interest shall terminate at the expiration of 20 years after the death of the last survivor of all the lineal descendants of Her Majesty, Queen Elizabeth II of England, living on the date of this Agreement.

8. COMMINGLING

The Payor shall have the right to commingle Minerals from the Property with minerals mined from other properties. Not less than sixty (60) days before commencement of commingling, the Payor shall notify the Royalty Holder and shall deliver to the Royalty Holder the Payor's proposed commingling plan for the Royalty Holder's review. Before the Payor commingles any Minerals produced from the Property with minerals from other properties, the Minerals produced from the Property and other properties shall be measured and sampled in accordance with sound mining and metallurgical practices for metal, commercial minerals and other appropriate content. The Royalty Holder shall have the right to have a representative present at the time such samples and measurements are taken. The Royalty Holder's representatives shall have the right to secure sample splits for the purpose of confirming the accuracy of all such samples and measurements. The Payor shall keep detailed accounts and records of all such samples and measurements. From this information, the Payor shall determine the amount of the Royalty due and payable to the Royalty Holder for Minerals produced from the Property which are commingled with minerals from other properties.

9. STOCKPILING

The Payor may stockpile any materials, Minerals or ores from the Property at such place or places as the Payor elects. If the Payor stockpiles or holds an inventory of any ore or other Minerals that have been processed and are in the form that is saleable without sale for more than one hundred twenty (120) days, such dore and other Minerals shall be deemed to have been sold at the "spot price" on the last day of the one hundred twenty (120) day period and the Payor shall pay to the Royalty Holder the Royalty due to the Royalty Holder on such deemed sale price on such date. Before the Payor stockpiles or stores materials, Minerals or ores off the Property, the Payor shall first execute and cause the owner of such other property to execute a written instrument which recognizes the Royalty Holder's Royalty interest in and to the stockpiled materials, Minerals or ores and assures and grants to the Royalty Holder and the Payor rights of access and use so as to process or retrieve such materials, Minerals or ores.

10. HEDGING TRANSACTIONS

(a) All profits, losses and expenses resulting from the Payor engaging in any commodity futures trading, option trading, metals trading, gold loans or any combination thereof, and any other hedging transactions (collectively "**hedging transactions**") are specifically excluded from calculations of Royalty payments pursuant to this Agreement. All hedging transactions by the Payor and all profits, losses and expenses associated therewith, if any, shall be solely for the Payor's account.

(b) The amount of Royalty to be paid on all Minerals subject to hedging transactions by the Payor shall be determined pursuant to the provisions of this Section 10. With respect to Minerals subject to

hedging transactions by the Payor, Net Smelter Returns shall be determined without reference to hedging transactions and shall be determined by using the “spot price(s)” of the applicable Mineral(s) on the day on which such Minerals are delivered or credited to the account of the Payor by the Processor. The “spot price” of gold shall be determined using the price of gold in U.S. dollars on the London Bullion Market Afternoon Fix on such day, and the “spot price” of any other Mineral shall be determined using the price of such Mineral quoted at the close of business on such day by the New York Commodity Exchange. If for any reason the London Bullion Market or the New York Commodity Exchange is no longer in operation or the spot price of a particular Mineral is not quoted on the London Bullion Market or the New York Commodity Exchange, the spot price of such Mineral shall be determined by reference to the price of such Mineral on another similar commercial exchange entity having the largest volume of trading in such Mineral on such day.

11. BOOKS; RECORDS; INSPECTIONS

(a) The Payor shall keep true and accurate books and records of all of its operations and activities with respect to the Property and the Minerals, prepared on an accrual basis in accordance with the Acceptable Accounting Principles, consistently applied. The Royalty Holder may, once a year, perform audits or other examinations of all of the Payor’s books and records to confirm all calculations made by the Payor and compliance with the terms of this Agreement, including without limitation, calculations of Net Smelter Returns. The Royalty Holder shall promptly commence, and diligently complete, any audit or other examination permitted hereunder. The reasonable expenses of any audit or other examination permitted hereunder shall be paid by the Royalty Holder, unless the results of such audit or other examination permitted hereunder disclose a deficiency in respect of the Royalty payments paid to the Royalty Holder hereunder in an amount greater than \$5,000, in which event the costs of such audit or other examination shall be paid by the Payor.

(b) Within sixty (60) days following the end of each calendar year, the Payor shall provide the Royalty Holder with an annual report of Minerals mined, Minerals milled, recoveries, grades, Net Smelter Return expenses and capital and development expenses with respect to the Property during such calendar year. Such annual report shall include estimates of proposed expenditures upon, anticipated production from and estimated remaining Mineral reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mine plan or any “life of mine” plan with respect to the Property. The Payor shall provide the Royalty Holder with a copy of any “life of mine plan”, if produced, within thirty (30) days of its approval by the Payor and any changes to, or replacements of, any such “life of mine” plan or any mine plan within thirty (30) days after such change or replacement thereof. The Payor agrees to provide the Royalty Holder with such other data or reports as may be reasonably required to file with Canadian stock exchanges or securities commissions in connection with any listing applications or prospectus filings or other obligations under Applicable Laws.

(c) Upon not less than five (5) business days’ notice to the Payor, the Royalty Holder, or its authorized agents or representatives, may, once a year, under the direction and control of the Payor, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Property, including without limitation, records and data that are electronically maintained.

12. CONFIDENTIALITY

(a) Subject to Subsections 12(b) and 12(c), the Royalty Holder shall not, without the express written consent of the Payor, which consent shall not be unreasonably withheld, disclose any non-public information received under this Agreement relating to the Payor or the Property (the “**Confidential**

Information”), other than to employees, agents or consultants of the Royalty Holder, or issue any press releases relating to the Payor (except in relation to the Royalty Holder’s interest in Property). In addition, the Royalty Holder shall not use any Confidential Information for its own use or benefit except for the purpose of enforcing its rights under this Agreement.

- (b) The Royalty Holder may disclose Confidential Information to any third party:
 - (i) to whom the Royalty Holder, in good faith, anticipates selling or assigning its interest hereunder, or to a prospective lender to whom the Royalty Holder may grant an interest in Royalty payments as security for the Royalty Holder’s obligations to such lender, in each case only if the Payor has been provided with a confidentiality agreement that includes protections substantially similar to the confidentiality provisions of Subsection 12(a), and that has been executed by such third party or lender, as the case may be.
 - (ii) if the Confidential Information:
 - (A) is already known to the receiving party as of the date of disclosure;
 - (B) is already in the public domain or becomes available in the public domain other than through the act of omission of the Royalty Holder;
 - (C) is required to be disclosed under Applicable Laws, stock exchange requirement or by a securities regulator, governmental order, decree, regulation or rule (provided that the Royalty Holder shall give, to the extent reasonably practicable, a written notice to the disclosing party prior to such disclosure); or
 - (D) is acquired independently from a third party that may lawfully disseminate such Confidential Information at the time it is acquired by the receiving party after due investigation by the receiving party.
- (c) The Royalty Holder may disclose Confidential Information if such disclosure is required for compliance with Applicable Laws, rules, regulations or orders of any governmental agency or stock exchange having jurisdiction over the Royalty Holder or its Affiliates.

13. CONDUCT OF OPERATIONS

- (a) All decisions concerning methods, the extent, times, procedures and techniques of any exploration, development, mining, leaching, milling, processing, extraction treatment, if any, and the materials to be introduced into the Property or produced therefrom, and all decisions concerning the sale or other disposition of Minerals (including, without limitation, decisions as to buyers, times of sale, whether to store or stockpile Minerals for a reasonable length of time without selling the same) shall be made by the Payor, acting reasonably and in accordance with good mining and engineering practice in the circumstances.
- (b) The Payor shall not be responsible for nor obliged to make any Royalty payments for Mineral values lost in any mining or processing of the Minerals conducted pursuant to customary mining practices. The Payor shall not be required to mine or to preserve or protect the Minerals which under customary mining practices cannot be mined or shipped at a reasonable profit by the Payor at the time mined.

(c) Subject to Section 17(b), the Payor will maintain title to the Mining Claims, except for the expiration term included in Article 40 of the Peruvian General Mining Law.

14. NO IMPLIED COVENANTS

The parties agree that no implied covenants or duties relating to exploration, development, mining or the payment of production royalties or any other monies provided for herein shall affect any of their respective rights or obligations hereunder, and that the only covenants or duties which affect such rights and obligations shall be those expressly set forth and provided for in this Agreement.

15. ABANDONMENT/SURRENDER OF THE PROPERTY

(a) If the Payor intends to abandon or surrender part or all of the Mining Claims (the “**Abandonment Property**”), the Payor shall first give notice of such intention to the Royalty Holder at least seventy (70) days in advance of the proposed date of abandonment or surrender. If not later than ten (10) days before the proposed date of abandonment the Payor receives from the Royalty Holder written notice that the Royalty Holder desires the Payor to convey the Abandonment Property to the Royalty Holder, the Payor shall, without additional consideration, convey the Abandonment Property in good standing by quitclaim deed, without warranty, to the Royalty Holder and shall thereafter have no further obligation to maintain the title to the Abandonment Property. In that event, the Royalty Holder shall pay for any applicable Taxes. If the Royalty Holder does not timely give such notice to the Payor, the Payor may abandon the Abandonment Property and shall thereafter have no further obligation to maintain the title to the Abandonment Property; provided, however, if the Payor reacquires any of the ground covered by the Abandonment Property at any time within one (1) year following abandonment, the production of Minerals from such ground shall be subject to this Agreement.

(b) Notwithstanding Subsection 15(a), the Payor shall not abandon or surrender, or allow to lapse or expire, any mining claims or leases relating to or comprising the Property for the purpose of permitting any third party to restake such claim and avoid the Royalty; and if the Payor, or any associate, Affiliate or related party of the Payor or joint venturer, restakes any expired claims or leases relating to or comprising all or part of the Property, the calculation of Royalty payments pursuant to this Agreement shall include Net Smelter Returns directly or indirectly received by the Payor in respect of any such restaked claims.

16. ASSIGNMENT

(a) The Royalty Holder may at any time assign or otherwise dispose of its interest in the Royalty.

(b) If at any time the Payor desires to directly or indirectly Transfer the Property, the Payor shall provide the Royalty Holder with ten (10) days written notice of such Transfer and before such Transfer shall become effective, the third party or Affiliate to whom the Payor proposes to Transfer the Property shall undertake to assume any obligations of the Payor under, and be bound by the terms and conditions of, this Agreement and any amendments hereto and deliver to Royalty Holder an executed counterpart of this Agreement as if it were an original party hereto, following which the Payor will be released from its obligations under this Agreement.

17. GENERAL PROVISIONS

(a) Further Assurances: Registration of Interest

Each party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, in each case at the cost and expense of the party requesting such further investment, document or action, unless expressly indicated otherwise. Any successor or assignee or other acquiror of the Property, or any interest therein, shall be subject to this Agreement and shall be obligated to comply with the terms hereof, including the obligations to register this Agreement.

(b) Binding Effect

All covenants, conditions, and terms of this Agreement shall be of benefit to and run as a covenant with the Property and shall bind and inure to the benefit of the parties hereto, their respective successors and assigns, including, without limitation, partners, joint venture partners, lessees and mortgagees. Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship between the Payor and the Royalty Holder.

(c) Entire Agreement

This Agreement together with the attached Schedule contains the entire agreement between the Payor and the Royalty Holder, and no oral agreement, promise, statement or representation which is not contained herein or in the attached Schedule shall be binding upon the parties, unless the parties hereto consent in writing thereto. The provisions of this Agreement shall supersede all previous oral or written agreements between the parties hereto. All references to “this Agreement” shall mean this Agreement, as amended, supplemented or replaced from time to time in accordance with the terms hereof.

(d) Governing Law

This Agreement and any disputes in relation to it shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the parties hereto hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia

If the Peruvian Public Registry does not accept, or subsequently rejects, the registration of a foreign law governed royalty in Peru, the parties hereto shall change the governing law to Peruvian law, and any disputes hereunder would thereafter be decided by Peruvian arbitration before the Lima Chamber of Commerce, using the following alternative clause:

“Governing Law and Dispute Resolution

This Agreement and any disputes in relation to it shall be governed by and construed in accordance with the laws of the Republic of Peru.

All disputes arising out of or in connection with the present Agreement shall be finally settled by Peruvian arbitration before the Lima Chamber of Commerce, under the rules of the Arbitration Centre of the Lima Chamber of Commerce, by three arbitrators appointed in accordance with the said Rules. The arbitration shall take place in Lima and the language of the proceeding shall be conducted in Spanish. For any intervention by the judges and ordinary

courts according to the applicable law, the Parties expressly submit themselves to the jurisdiction of the judges and courts of the city of Lima-Cercado.”

(e) Currency

All currency amounts referred to herein, unless indicated expressly to the contrary shall refer to the Soles (S/.), the lawful currency of Peru.

(f) Time of Essence

Time is of the essence in this Agreement.

(g) Notice

Any notice or other communication required or permitted to be given hereunder shall be personally delivered or mailed by registered or certified mail or transmitted by electronic transmission (including email), in each case addressed as follows:

If to the Payor:

Antilla Copper S.A.

[●]

Attention: [●]

Email: [●]

If to the Royalty Holder:

[●]

Attention: [●]

Email: [●]

Any of the parties may change its address for notice by giving the other parties notice of such change in the manner specified in this Section. Any notice given in accordance with this Section, if transmitted by electronic transmission, shall be deemed to have been received on the next business day following the transmission or, if delivered by hand, shall be deemed to have been received when delivered.

(h) Licenses

The Payor shall ensure that it continues to possess, or obtains, all material licences, approvals and consents from third parties that are required in respect of the Property and the Payor’s operations thereon.

(i) Headings

The headings of all the sections in this Agreement are inserted for convenience of reference only and shall not affect the interpretation thereof.

(j) Severability

If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of this Agreement which shall be construed as if this Agreement had been executed without the invalid portion. It is hereby declared to be the intention of the parties that this Agreement would have been executed without reference to any portion which may, for any reason, hereafter be declared or held invalid.

(k) Accounting Principle

All calculations hereunder shall be made in accordance with the Acceptable Accounting Principles.

(l) Counterparts

This Agreement may be executed in two or more counterparts, each of which when executed and delivered (by facsimile, scanned email or otherwise) shall be deemed to be an original, and all of which together shall constitute one and the same document.

[Signature page follows]

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

ANTILLA COPPER S.A.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE “A”**PROPERTY**

Name of Concession	Registration Number	Holder of Title	Area (Hectares)
ALUNO CINCO 2002	010170402	Antilla Copper S.A.	100.00
ALUNO CUATRO 2002	010170302	Antilla Copper S.A.	800.00
ALUNO QUINCE 2002	010200202	Antilla Copper S.A.	900.00
VALERIA QUINCE 2003	010043803	Antilla Copper S.A.	1,000.00
VALERIA DIECISEIS 2003	010043903	Antilla Copper S.A.	900.00
VALERIA TREINTAIDOS	010329903	Antilla Copper S.A.	800.00
ANTILLANA 2003	010344303	Antilla Copper S.A.	1,000.00
ANTILLANA UNO 2003	010344203	Antilla Copper S.A.	800.00
VALERIA SESENTAIUNO 2004	010166404	Antilla Copper S.A.	400.00
MACLA 2003	10002003	Antilla Copper S.A.	300.00
DON MARTIN 1	10313306	Antilla Copper S.A.	300.00
ANTILLA UNO	10059709	Antilla Copper S.A.	200.00
			7,500.00

EXHIBIT D
INSURANCE

This Exhibit D sets forth the insurance requirements of the Operator under the Agreement.

1. Insurance Coverage. At all times, the Operator shall obtain and maintain the following policies of insurance, which may be obtained in the name of the Operator or the Company, for the protection of the Operator, the Company and the Shareholders:

(a) worker's compensation or similar insurance for the statutory limits under applicable Law and voluntary compensation insurance covering all employees not subject to applicable worker's compensation Law;

(b) employer's liability insurance with minimum limits of \$1,000,000 per each accident;

(c) commercial general liability insurance or comprehensive general liability insurance with broad form CGL endorsement, either of which shall include bodily injury, death and property damage, with limits of \$1,000,000 per each occurrence and \$1,000,000 in the aggregate, which shall include (i) contractual liability (including liability assumed under this Agreement), (ii) tortious liability, (iii) non-owned automobile liability, (iv) products and completed operations, (v) explosion, collapse and underground damage, and (vi) sudden and accidental pollution liability; and

(d) automobile liability insurance covering owned, non-owned, or hired vehicles in the amount of \$1,000,000 per each occurrence and covering hired vehicles in the amount of \$50,000 per each occurrence, and in each case covering bodily injury to or death of persons, and loss or damage to property of persons.

2. Policy Requirements. All policies of insurance described in Sections 1(c) and 1(d) above ("**Liability Policies**") shall contain:

(a) an endorsement naming each Shareholder and the Company, as applicable, as an additional insured;

(b) provision that such insurance is primary insurance with respect to the interests of the Company and each Shareholder and that any other insurance maintained by the Company or any Shareholder is excess and not contributing insurance with the insurance required by this Exhibit D;

(c) sufficient endorsements to extend the full policy coverage to all areas in which any Operations are or will be conducted;

(d) no exclusions for damage to underground property, collapse of structure, or damage resulting from explosion or blasting;

(e) a waiver by the insurer of any rights to subrogation against any of the parties comprising the insured; and

(f) a statement that acts, omissions, non-disclosure or misrepresentations by any insured shall not affect or prejudice the insurance with respect to any other insured.

3. Certificates and Policies of Insurance. Within 90 calendar days after the execution of this Agreement, but in any event before the performance of any Operations under the Agreement, the Operator shall deliver to each Shareholder certificates of insurance for each insurance policy required under Section 1. The certificates of insurance for the Liability Policies shall contain:

(a) a statement that the Company and each Shareholder are named as the primary or an additional insured;

(b) a statement that the insurance provider has waived subrogation rights with respect to the Company and each Shareholder;

(c) a statement that the policy will not be materially changed or canceled without at least 30 days prior written notice to each Shareholder; and

(d) a statement that the policy coverages apply to the Agreement and any operations performed under the Agreement.

Upon demand, the Operator shall promptly furnish to each Shareholder copies of the policies of insurance required by this Exhibit D, which shall be deemed Confidential Information, except that each Shareholder shall have the right to disclose such policies to the extent necessary to pursue claims under the policies.

4. Miscellaneous.

(a) Except as otherwise provided in this Exhibit D, the obligations of the Company, the Operator and each Shareholder under the Agreement, including their respective indemnification obligations, shall not be limited, altered or relieved by the Operator's compliance or noncompliance with this Exhibit D.

(b) If the Operator subcontracts any Operations, then the Operator shall require (i) the same insurance coverage and liability limits required of the Operator in this Exhibit D (or such other coverage as may be approved in writing by the other Shareholder) from its subcontractors and (ii) such subcontractors to certify such insurance coverage to such other Shareholder before commencing work.

(c) All insurance policies required under this Exhibit D shall be obtained from insurance providers having a reasonably acceptable industry rating.

(d) If the Operator elects to self-insure, then the Operator may charge to the Business Account an amount equal to the premiums it would have paid had it obtained and maintained the policy or policies of insurance on a competitive bid basis.

SCHEDULE D
ANTILLA PROPERTIES MAP RE: THIRD PAYMENT TRIGGER

