

MINERAL PROPERTY EARN-IN AGREEMENT

made between

Freeport-McMoRan Mineral Properties Canada Inc.

and

Amarc Resources Ltd.

Dated May 11, 2021

in respect of

JOY PROPERTY – BRITISH COLUMBIA, CANADA

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THIS MINERAL PROPERTY EARN-IN AGREEMENT (this “**Agreement**”) is dated May 11, 2021

AMONG:

Freeport-McMoRan Mineral Properties Canada Inc., a company organized under the laws of British Columbia

(“**Freeport**”)

AND:

Amarc Resources Ltd., a company organized under the laws of British Columbia

(“**Amarc**”)

WHEREAS:

A. Amarc is the legal and beneficial holder of 100% of the right, title and interest in and to certain British Columbia mineral claims referred to as the Joy Claims, the Staked Claims, the Pine Claims and the Paula Claim;

B. The Parties wish to enter into this Agreement to set out the terms and conditions by which Freeport can acquire, by directing and funding exploration work on the Property, a 60% beneficial Interest in the Assets, whereupon an operating company (the “**JVCo**”) will be formed to hold and operate the Assets and the Parties will hold equity shares in JVCo initially on a 60:40 basis; and

C. Freeport will thereupon have the option (i.e. the Second Option) to increase its interest to a 70% shareholding in JVCo by funding further exploration and related work and following the date that Freeport elects not to proceed with Stage II or the date the Second Option terminates without exercise, and continuing until the termination of the Shareholders Agreement, the Shareholders must fund JVCo pro rata to their shareholdings in it or else suffer equity dilution.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, and other good and valuable consideration, the Parties agree as follows:

1. DEFINITIONS, SCHEDULES AND STAGES

1.1 Definitions

The following terms shall have the following meanings in this Agreement:

“**Aboriginal Peoples**” means “aboriginal peoples of Canada” as such term is defined in section 35(2) of the *Constitution Act, 1982*;

“**Acquiring Party**” has the meaning set out in Section 10.1(b);

“**Acquisition Costs**” has the meaning set out in Section 10.1(b)(i);

“**Acquisition Notice**” has the meaning set out in Section 10.1(b)(ii);

“**Additional Rights**” has the meaning set out in Section 10.1(b);

“**Additional METC**” has the meaning set out in Section 15.17(b);

“**Affiliate**” means any corporation, company, partnership, joint venture or firm that controls, is controlled by or is under common control with a Person. For purposes of this definition, “control” shall mean (a) in the case of corporate entities, direct or indirect ownership of more than 50% of the stock or shares entitled to vote for the election of directors; and (b) in the case of non-corporate entities, direct or indirect ownership of more than 50% of the equity interest with the power to direct the management and policies of such non-corporate entities;

“**Agreement**” means this Mineral Property Earn-in Agreement together with all schedules, as it may be amended pursuant to its terms from time to time;

“**Amarc**” means Amarc Resources Ltd. a company organized under the laws of British Columbia;

“**Amarc Representatives**” has the meaning set out in Section 8.5;

“**Amarc Subco**” 1130346 B.C. Ltd., a company organized under the laws of British Columbia, which was formerly a wholly-owned subsidiary of Amarc and was lawfully wound-up into Amarc and dissolved on March 31, 2021;

“**Annual Expenditure Report**” has the meaning set out in Section 1(m) of Schedule B;

“**Applicable Law**” or “**Applicable Laws**” means all applicable federal, provincial, territorial, state, regional and local laws (statutory or common), rules, ordinances (including zoning and mineral removal ordinances), regulations, grants, concessions, franchises, licences, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature (including any applicable securities laws or regulations, and any applicable rules of any stock exchange, imposing disclosure requirements, and including, for greater certainty, Relevant Laws and Environmental Laws);

“**Area of Interest**” means [REDACTED] as depicted on the map set out at Schedule A-2; [REDACTED] property boundaries are confidential

“**Assets Holder**” means the Person holding title to the Assets as contemplated by Schedule B and, for clarity, initially means Amarc in connection with the Mineral Rights;

“**Assets**” means the Property, all Mineral Rights comprising the Property and, including, without limitation, all associated licences, claims, leases, permits, lease agreements, contracts, real property rights, water rights, data, maps, information, technical reports, drill core, samples and assays together with exploration tools, equipment, cash, cash receivables, financial instruments and supplies thereafter acquired by a Party in relation to the Property, and all Mineral Rights applied for or granted at any time hereafter in respect of, from or relating to the Property or another Asset under this definition;

“**BCICAC**” has the meaning set out in Section 14.1(b);

“**Budget**” has the meaning set out in Section 8.6(a);

“**Business Day**” means any day other than a Saturday, Sunday or day that is a statutory holiday in any of Phoenix, Arizona or Vancouver, British Columbia;

“**Cascadero**” means Cascadero Copper Corporation;

“**Cazador**” means collectively Cazador Resources Ltd. and Alex Walcott, businessman;

“**Cazador Royalty**” means the 1% net smelter return royalty, capped at \$500,000, on the Paula Claim granted to Cazador pursuant to the Paula Claim Purchase Agreement;

“**CEE**” means Canadian Exploration Expense under the ITA as set out in Section 15.17(d);

“**Claimant**” has the meaning set out in Section 14.1(a);

“**Community Policy**” has the meaning set out in Section 15.9(c);

“**Confidential Information**” has the meaning set out in Section 11.1;

“**Defaulting Party**” has the meaning set out in Section 13.3;

“**Designated Accounting Firms**” means one or more of the member firms of PricewaterhouseCoopers International Limited, Ernst & Young Global Limited, KPMG International Cooperative and Deloitte Touche Tohmatsu Limited, or any successor or resulting firm or entity created by a merger, amalgamation, business combination or like transaction of one of such firms with another firm or entity;

“**Dispute**” has the meaning set out in Section 14.1(a);

“**Effective Date**” means the date of this Agreement written on the cover page notwithstanding a later date of execution by any Party;

“**Electrum**” means Electrum Resources Corporation;

“**Electrum Joy Royalty Agreement**” means the capped net smelter returns royalty agreement between United Mineral Services Ltd., as royalty payor (whose interest in the

Electrum Joy Royalty Agreement was subsequently assigned to Amarc), and Electrum, as royalty holder, dated June 17, 2016;

“**Electrum Pine Royalty Agreement**” means the capped net smelter returns royalty agreement between Amarc, as royalty payor, and Electrum, as royalty holder, dated July 25, 2017;

“**Electrum Royalties**” means:

- (a) the 3% net smelter returns royalty on the Joy Claims granted to Electrum pursuant to the Electrum Joy Royalty Agreement, which such royalty is capped at \$3,500,000 (the “**Electrum Joy Royalty**”); and
- (b) the 3% net smelter returns royalty on the Pine Claims granted to Electrum pursuant to the Electrum Pine Royalty Agreement, which such royalty is capped at \$5,000,000 (the “**Electrum Pine Royalty**”);

“**Electrum Royalty Agreements**” means the Electrum Joy Royalty Agreement and the Electrum Pine Royalty Agreement;

“**Encumbrance**” means any lien or trust (deemed, statutory or otherwise), charge, hypothecation, pledge, mortgage, title retention agreement or arrangement, conditional sale agreement, right of set-off or arrangement, option or earn-in agreement, covenant, condition, lease, license, security interest of any nature, claim, exception, reservation, easement, encroachment, right of occupation, right-of-way, right-of-entry, matter capable of registration against title, assignment, right of first refusal, right of pre-emption, royalty, right, privilege or any other encumbrance or other adverse Third Party interest of any nature (including any execution, seizure, attachment or garnishment which binds property), regardless of form, whether or not registered or registrable and whether or not consensual or arising by any Applicable Law, and includes agreement to give or create any of the foregoing provided that excluded are any encumbrances arising out of the Underlying Agreements, and rights of First Nations and governmental entitlements of general application;

“**Environmental Laws**” means all Applicable Laws relating to the protection of the environment, including with respect to air, soil, surface water, ground water, biota, wildlife or personal or real property, or to employee and public health and safety, and includes those laws that regulate, ascribe, provide for or pertain to liabilities or obligations in relation to the existence, use, production, manufacture, processing, distribution, transport, handling, storage, removal, treatment, disposal, emission, discharge, migration, seepage, leakage, spillage or release of Substances or the construction, alteration, use or operation, demolition or decommissioning of any facilities or other real or personal property;

“**Event of Default**” means:

- (a) a breach of any of the covenants in Sections 2.1, 2.2, 3.5, 6.1 or 9.3 of this Agreement; and/or
- (b) any of Amarc's representations or warranties under in Sections 3.1(a), (b), (c), and (d) and (e) of this Agreement being incorrect, incomplete or misleading when made or deemed to be made; and

[REDACTED]

certain remedies are confidential

“Event of Force Majeure” means any event or circumstance, or a combination of events and/or circumstances:

- (a) that causes or results in the prevention or delay of a Party from performing any of its obligations under this Agreement;
- (b) which is beyond the reasonable control of that Party; and
- (c) could not, or the effects of which event or circumstance (or combination thereof) could not have been prevented or delayed, mitigated, overcome or remedied by the relevant Party acting reasonably,

and, provided the event or circumstance meets the foregoing criteria, includes:

- (i) acts of war (whether war be declared or not);
- (ii) public disorders, insurrection, rebellion, revolution, terrorist acts, sabotage, riots or violent demonstrations;
- (iii) civil disobedience, including as caused by indigenous peoples, environmental activists, non-governmental organizations or community groups or other Persons;
- (iv) injunctions imposed by any Governmental Authority except if caused by a breach of Applicable Law or a court resolution;
- (v) explosions, fires or floods not attributable to a Party's gross negligence or wilful misconduct;
- (vi) fires, floods, earthquakes, hurricanes or other natural calamities or acts of God;
- (vii) shortages in workforce or supplies, travel and access restrictions imposed by Governmental Authority or other Third Parties, or delay caused by endemics, epidemics or pandemics;

- (viii) strike or lockout or other industrial labour action or disruption (including unlawful but excluding lawful strikes or lockouts or other industrial labour action) which:
 - (A) has national, regional, provincial or state-wide application,
 - (B) directly affects the performance of the obligations under this Agreement, and
 - (C) lasts for more than seven consecutive calendar days;
- (ix) any action or failure to act within a reasonable time without justifiable cause by any Governmental Authority, its employees or agents including the denial of, or delay in granting, any land tenure, concession, authorization, licence, permit, lease, consent, approval or right which denial or delay shall imply a material adverse effect on the construction or operation of any project in respect of the Assets, upon due application and diligent effort by the Party to obtain same, or the failure once granted to remain in full force and effect or to be renewed on substantially similar terms;
- (x) denial of access to the Assets by any surface-landowner in the area where the Assets are located;
- (xi) interference with the Assets by way of delaying the issuance of any land tenure, concession, authorization, licence, permit, lease, consent, approval or right or by denying access to the Assets, by any First Nation (or any members thereof) in connection with land claims, native title rights or interests, cultural heritage or other disputes relating thereto, or other occupants of the lands comprising, or around, the Assets; and
- (xii) injunctions (granted by a court or other Governmental Authority) not caused by any breach of this Agreement by any Party whether of the kind enumerated above or whether foreseen, foreseeable or otherwise unforeseeable;

“**Expenditures**” means all costs and expenses of whatever kind or nature funded, spent or incurred in the conduct of activities (including Operations) directly on, or in relation to, the Assets, including: description of Expenditure categories are confidential

(a)

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“**Firm Commitment**” has the meaning set out in Section 5.2(ii);

“**First Nation**” means any Aboriginal Peoples, native, first nation, aboriginal, or other indigenous peoples of Canada;

“**First Option**” has the meaning set out in Section 5.1;

“**First Option Conditions**” has the meaning set out in Section 5.2;

“**First Option Exercise Date**” means the date Freeport completes the requirements to acquire a 60% interest in the Assets, as more particularly set out in Section 5.3;

[REDACTED]

[REDACTED]

[REDACTED]

“**Freeport**” means Freeport-McMoRan Mineral Properties Canada Inc., a company organized under the laws of British Columbia;

“**Freeport Representatives**” has the meaning set out in Section 8.5;

“**Gold Fields**” means Gold Fields Exploration Toodoggone Corporation;

“**Gold Fields Dispute**” has the meaning set out in Section 14.1(f);

“**Gold Fields Royalties**” means the royalties reserved by, and granted to, Gold Fields pursuant to the Underlying Option Agreement being:

- (a) a 1% net smelter returns royalty on certain of the Pine Claims, as specified at Exhibit 3 of Schedule A-1, one-half (0.5%) of which can be purchased for \$2,500,000; and

- (b) a 2.5% net profits interest royalty on all of the other Pine Claims (being for the avoidance of doubt, those Pine Claims not subject to the 1% net smelter returns royalty described in (a) above), one-half (1.25%) of which can be purchased for \$2,500,000.

“Governmental Authority” means any foreign, domestic, national, federal, provincial, territorial, state, regional, municipal or local government or authority, quasi government authority, fiscal or judicial body, government or self-regulatory organization, commission, board, tribunal, organization, or any regulatory, administrative or other agency, or any political or other subdivision, department, or branch of any of the foregoing;

“Government Official” means any Person qualifying as a public official or a “foreign official” under the laws of Canada, the United States or any other Relevant Laws, including but not limited to (a) a person holding an official position, such as an employee, officer, or director, with any Governmental Authority, or agency, department or instrumentality thereof, including a state-owned-or-controlled enterprise; (b) any individual “acting in an official capacity”, such as a delegation of authority, from a Governmental Authority to carry out official responsibilities, including with respect to a specific project assignment; or (c) an official of a Public International Organization such as the United Nations, the World Bank, the International Monetary Fund, or regional development banks, such as the Inter-American Development Bank;

“Human Rights Policy” has the meaning set out in Section 15.9(a);

“Indemnitees” has the meaning set out at Schedule B;

“Interest” means a Party’s undivided, legal and beneficial interest in the Assets, subject to its rights and obligations under this Agreement, until formation of the JVCo and thereupon will convert to a Participating Interest (through an equity share interest in JVCo, expressed as percentage to four decimals) upon the formation of JVCo pursuant to Section 6.1(a)(i), and subject to a Party’s rights and obligations under the Shareholders Agreement;

“International Human Rights” means the fundamental principles and standards that enable individuals everywhere to have freedom to live in dignity. All human rights are universal, interrelated, interdependent, and indivisible. International human rights include, but are not limited to, right to safe and healthy working conditions, right to life, liberty, and security of person, right to health, right not to be subjected to forced and compulsory labor or child labor, right to freedom of association, etc. The full definition of International Human Rights can be found within the 30 articles of the United Nations’ Universal Declaration of Human Rights (UDHR);

“Joy Claims” means the Mineral Rights described at Exhibit 1 of Schedule A-1;

“**JVCo**” means the British Columbia entity to be formed pursuant to Section 6.1(a)(i), having the form and structure set out in the Shareholders Agreement, that shall hold, fund exploration in respect of, and if warranted, develop, the Assets;

“**Maintenance Default**” has the meaning set out in Section 8.8;

“**Maintenance Filings**” has the meaning set out in Section 8.8;

“**Maintenance Payments**” has the meaning set out in Section 8.8;

“**METC**” has the meaning set out in Section 15.17(b);

“**Minerals**” means all Ores, and concentrates or metals derived from them, containing those groups of precious, base and industrial minerals and which are found in, on or under or derived from the lands subject to the Mineral Rights and may lawfully be explored for, mined and sold pursuant to the rights granted by such Mineral Rights or other instruments of title under which any of such Mineral Rights are held;

“**Mineral Rights**” means mining rights, mineral claims, exploration licences, prospecting licences, large-scale mining licences, mining leases, miscellaneous purpose licences, tenements, concessions and other forms of mineral tenure or other rights to or concerning Minerals, or to work upon lands for the purpose of searching for, developing or extracting Minerals under any forms of mineral title or right recognized under the laws applicable in British Columbia or any subdivision thereof, whether contractual, statutory or otherwise, or any interest therein, and any applications for such Mineral tenure or other rights to Minerals, and any Mineral tenure or other rights to Minerals including any renewals, extensions, amendments, consolidations or other rights derived from such applications.

“**MTO**” means Mineral Titles Online, the British Columbia government’s internet-based electronic mineral titles administration system;

“**Non-Acquiring Party**” has the meaning set out in Section 10.1(b)(i);

“**Non-Operator**” has the meaning set out in Section 8.1(a);

“**Notice**” has the meaning set out in Section 15.4;

“**Notice of Dispute**” has the meaning set out in Section 14.1(a);

“**Notice of Security Interest**” means the notice in the form set out at Schedule E;

“**Operations**” includes every kind of work done on or in respect of the Assets or the products therefrom and, without limiting the generality of the foregoing, includes the work of prospecting, exploration, assessment, geophysical, geochemical and geological surveys, assays, studies and mapping, investigating, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, cross-cutting and drifting, searching for, digging, trucking, sampling, working, mining and procuring Minerals in

connection with the Assets, surveying and applying for and obtaining the grant of Mineral Rights, and doing all other work usually considered to be prospecting, exploration, development and/or mining work;

“**Operator**” has the meaning set out in Section 8.1(a);

“**Operator’s Costs**” means the costs of the Operator incurred in managing the procurement or provision of all services to conduct Operations and to incur Expenditures;

“**Operator’s Fee**” has the meaning set out in Section 8.2(a);

“**Operator’s Shortfall**” has the meaning set out in Section 7(c)(iii);

“**Ore**” means mineralised material from which Minerals can be economically recovered;

“**Parties**” means all the parties to this Agreement, and a reference to “**Party**” means one of them unless the context requires otherwise;

“**Participating Interest**” has the meaning defined in the Shareholders Agreement;

“**Paula Claim**” means the Mineral Rights described at Exhibit 4 of Schedule A-1;

“**Paula Claim Purchase Agreement**” means the mineral claim purchase agreement between Amarc and Cazador dated November 9, 2019 pursuant to which Amarc acquired the Paula Claim and granted the Cazador Royalty;

“**Person**” means an individual, corporation, trust, partnership, limited liability company, contractual mining company, joint venture, unincorporated organization, firm, estate, Governmental Authority or any agency or political subdivision thereof, or other entity;

“**Person of Concern**” means and includes: (a) a Government Official; (b) a political party, an official of a political party (including any member of an advisory council or executive council of a political party), or a candidate for political office; (c) an immediate family member, such as a parent, spouse, sibling, or child of a person in category (a) or (b); or (d) an agent, intermediary, or close business associate of any person in the foregoing categories;

“**Pine Claims**” means the Mineral Rights described at Exhibit 3 of Schedule A-1;

“**Property**” forms part of the Assets and means, collectively, the Mineral Rights described at Schedule A-1 and Schedule A-2, including, for the avoidance of doubt, the Joy Claims, the Pine Claims, Paula Claim and the Staked Claims, and any additional Mineral Rights or other rights acquired pursuant to Article 10;

“**Pro Rata Contribution Stage**” has the meaning set out in Section 1.3(c);

“**PUC**” means paid-up capital of JVCo for purposes of the Tax Act;

“**Quarterly Expenditure Report**” has the meaning set out at Schedule B;

[REDACTED]

expense definition is confidential

“**Relevant Laws**” means and includes applicable anti-bribery, anti-corruption, and anti-money laundering laws, rules, regulations, decrees and/or official governmental orders of Canada or the United States, including the Corruption of Foreign Public Officials Act (Canada), the United States Foreign Corrupt Practices Act of 1977 (FCPA), as well as any other applicable legislation implementing either the United Nations Convention Against Corruption or the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;

“**Respondent**” has the meaning set out in Section 14.1(a);

“**Rules**” has the meaning set out in Section 14.1(c);

“**Second Option**” has the meaning set out in Section 6.3;

“**Second Option Exercise Date**” means the date Freeport completes the exercise requirements for the Second Option and has the meaning more particularly set out in the Shareholders Agreement;

“**Security Interest**” has the meaning set out in Section 2.2(b);

“**Shareholder**” means a Party (or its designated Wholly Owned Affiliate) with an Interest;

“**Shareholders Agreement**” means the form of shareholders agreement among the Shareholders governing the affairs of JVCo in the form set out at Schedule D;

“**Shortfall**” means any difference between the amount funded by Freeport minus the actual amount spent on Expenditures by the Operator, as determined by an audit conducted pursuant to Section 7(c)(i);

“**Stages**” has the meaning set out in Section 1.3;

“**Stage I**” has the meaning set out in Section 1.3(a);

“**Stage II**” has the meaning set out in Section 1.3(b);

“**Staked Claims**” means the Mineral Rights described at Exhibit 2 of Schedule A-1;

“**Substance**” means any contaminant, pollutant or hazardous substance that is likely to cause harm or degradation to the environment or risk to human health or safety, including

any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in any Environmental Law;

“**Tax**” means all federal, provincial, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, net of credits and recoveries, and including:

- (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, property transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, customs or excise tax;
- (b) all withholdings on amounts paid to or by the relevant Person;
- (c) all employment insurance premiums, government pension plan contributions or premiums;
- (d) any fine, penalty, interest, or addition to tax;
- (e) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee; and
- (f) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of Applicable Law,

but excluding taxes in the nature of income taxes and capital gains taxes payable by a Party in its separate capacity.

“**Tax Act**” means the Income Tax Act (Canada) as amended from time to time;

“**Technical Committee**” has the meaning set out in Section 8.5;

“**Termination Event**” has the meaning set out in Section 12.3(a);

“**Term Sheet**” has the meaning set out in Section 15.7;

“**Third Party**” means a Person that is not a Party or an Affiliate of a Party;

“**Third Party Operator Contracts**” has the meaning set out in Section 8.2(a);

“**Transfer**” means to sell, transfer, grant, assign, donate, create an Encumbrance in respect of, grant a right to purchase, or in any other manner convey, transfer, alienate, dispose of, or commit to do any of the foregoing;

“**Underlying Agreements**” means the agreements which impose royalties on the Mineral Rights and as of the date hereof include the Underlying Option Agreement, the Electrum Royalty Agreements and the Paula Claim Purchase Agreement;

“**Underlying Joint Venture Agreement**” means the option and joint venture agreement between Cascadero and Gold Fields dated March 3, 2009, to which parties Amarc and Amarc Subco, respectively, succeeded by separate agreements, and which agreement automatically terminated upon the wind-up of Amarc Subco;

“**Underlying Option Agreement**” means the mineral interests option agreement among Amarc, Amarc Subco and Gold Fields dated August 11, 2017 as amended December 6, 2019, by which agreement Amarc Subco completed the acquisition of a 51% Participating Interest in the Pine Claims (as defined in the Underlying Joint Venture Agreement) which agreement was assumed by Amarc upon the wind-up of Amarc Subco;

“**Wholly Owned Affiliate**” means an Affiliate of a Party that is wholly owned by such Party or its parent; and, for clarity, in the case of Freeport the ultimate parent company is Freeport-McMoRan Inc.; and

“**Work Program**” has the meaning set out in Section 8.6(a).

1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) “**this Agreement**” means this Agreement, including the Schedules hereto, as it may from time to time be supplemented or amended;
- (b) the words “**herein**”, “**hereof**” and “**hereunder**” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, subsection or Schedule;
- (c) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and where applicable to a body corporate;
- (d) the word “**or**” is not exclusive and the word “**including**” is not limiting (whether or not non-limiting language such as “**without limitation**” or “**but not limited to**” or other words of similar import are used with reference thereto);
- (e) where the phrase “**to the best of the knowledge of**” or phrases of similar import are used in this Agreement, it shall be a requirement that the Person in respect of whom the phrase is used shall have made such due enquiries as a prudent business Person in comparable circumstances would make and that are reasonably necessary to enable such Person to make the statement or disclosure;

- (f) the headings to the Articles and sections of this Agreement are inserted for convenience 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 hereof;
- (g) any reference to a corporate entity includes, and is also a reference to, any corporate entity that is a successor to such entity;
- (h) the representations, warranties, covenants and agreements contained in this Agreement shall not merge and shall continue in full force and effect from and after the date hereof for the applicable period set out in this Agreement; and
- (i) all Schedules attached to this Agreement form part of this Agreement.

1.3 Stages

The stages (the “**Stages**”, and singularly a “**Stage**”) of the Transaction contemplated by this Agreement are as follows:

- (a) “**Stage I**” means the period from the Effective Date until the first to occur of (i) the First Option Exercise Date, (ii) the termination of this Agreement pursuant to Section 12.1; and (iii) Freeport elects termination of the First Option under Section 5.6;
- (b) “**Stage II**” means the period from the First Option Exercise Date until the first to occur of (i) the Second Option Exercise Date (ii) the termination of the Second Option without exercise pursuant to the Shareholders Agreement; and (iii) Freeport elects termination of the Second Option pursuant to the procedures in the Shareholders Agreement; and
- (c) “**Pro Rata Contribution Stage**” means the period commencing from earliest of (i) the Second Option Exercise Date; (ii) the date Freeport elects not to proceed with Stage II; and (iii) the date the Second Option terminates without exercise, and continuing until the termination of the Shareholders Agreement, during which period the Shareholders must fund JVCo pro rata to their shareholdings in it or else suffer equity dilution.

2. PRELIMINARY MATTERS

■ [REDACTED] Certain title and security matters are confidential

■ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

■ [REDACTED]

[REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties of Amarc

Amarc represents, warrants and covenants to Freeport as follows:

- (a) the Mineral Rights comprising the Assets are properly and accurately described at Schedule A-1 and illustrated at Schedule A-2;

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- (b) the Mineral Rights comprising the Assets have been duly and validly issued and acquired (as applicable) pursuant to all Applicable Laws and are in good standing to the date set out on Schedule A-1;
 - (c) Amarc is the lawful successor to all of Amarc Subco's assets, liabilities, rights and obligations pursuant to the wind-up of Amarc Subco into Amarc on March 31, 2021;
 - (d) Amarc is the sole recorded, legal and beneficial owner of the Assets and Amarc has good and marketable title to the Assets, free and clear of all Encumbrances and has the sole and exclusive rights to the Mineral Rights comprising the Assets, other than with respect to the Electrum Royalties, the Cazador Royalty and the Gold Fields Royalties;
 - (e) other than the Parties, Gold Fields (with respect to the Gold Fields Royalties) and Electrum (with respect to the Electrum Royalties), Cazador (with respect to the Cazador Royalty) no Person has any right, royalty, earn-in, or other interest whatsoever, or, any agreement, option or commitment to acquire or purchase any such interest, in the Assets (or to otherwise deal with the Assets), or in any production or profits from the Assets, or that may otherwise be triggered by virtue of this Agreement or the transactions contemplated hereby;
 - (f) the Underlying Joint Venture Agreement was automatically terminated upon the assignment of all Amarc Subco assets and liabilities into Amarc, concurrent with the wind-up of Amarc Subco, and Amarc, Cascadero and Gold Fields have each satisfied all of its obligations under the Underlying Joint Venture Agreement, including, without limitation, post-termination obligations;
 - (g) Amarc Subco had, prior to its wind-up, duly and validly exercised the underlying option pursuant to the Underlying Option Agreement, and for greater certainty, Amarc has issued the Exercise Consideration (as defined in the Underlying Option Agreement) to Gold Fields pursuant to the terms of the Underlying Option Agreement, and, other than the Gold Fields Royalties, Gold Fields does not have any legal or beneficial right, royalty or other interest whatsoever, or any agreement, option or commitment with regard to any such interest, in the Assets (including, without limitation, the Pine Claims);
 - (h) the failure of Amarc to issue the Contingent Consideration (as that term is defined in the Underlying Option Agreement) to Gold Fields pursuant to the term of the Underlying Option Agreement shall in no way affect the Assets, nor shall it create, result in, or otherwise give rise to, any Encumbrance on the Assets;
 - (i) the Gold Fields Royalties are in full force and effect, the terms of which are not in breach by Amarc (or the best of the knowledge of Amarc any other Person), have not been Transferred by Amarc or Amarc Subco to any Person (or the best of the

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- knowledge of Amarc, by Gold Fields), in whole or in part; and are valid and legally binding obligations of Amarc;
- (j) the Electrum Joy Royalty Agreement is in full force and effect, the terms of which are not in breach by Amarc (or the best of the knowledge of Amarc, any other Person), has not been Transferred by Amarc to any Person (or the best of the knowledge of Amarc, by Electrum), in whole or in part, was duly and validly assigned to Amarc from United Mineral Services Ltd., and is a valid and legally binding obligation of Amarc;
 - (k) Amarc's 100% right, title and interest in the Joy Claims is subject to the Electrum Joy Royalty;
 - (l) the Electrum Pine Royalty Agreement is in full force and effect, the terms of which are not in breach by Amarc, has not been Transferred by Amarc to any Person (or the best of the knowledge of Amarc, by Electrum), in whole or in part, and is a valid and legally binding obligation of Amarc;
 - (m) Amarc's 100% right, title and interest in the Pine Claims is subject to the Electrum Pine Royalty and the Gold Fields Royalties;
 - (n) the Paula Claim Purchase Agreement is in full force and effect, the terms of which are not in breach by Amarc (or the best of the knowledge of Amarc, any other Person), has not been Transferred by Amarc to any Person (or the best of the knowledge of Amarc, by Cazador), in whole or in part, and is a valid and legally binding obligation of Amarc;
 - (o) Amarc's 100% right, title and interest in the Paula Claim is subject to the Cazador Royalty;
 - (p) there are no privately-owned Minerals within the Property;
 - (q) Amarc has obtained all permits, consents and agreements necessary under Applicable Law to conduct Operations to date regarding the Property, and all such permits, consents and agreements are valid and currently in good standing;
 - (r) other than the Underlying Option Agreement (with respect to the Gold Fields Royalties), the Electrum Royalty Agreements (with respect to the Electrum Royalties), and the Paula Claim Purchase Agreement (with respect the Cazador Royalty), no shareholder agreement, investment agreement, or any other agreement exists with Amarc nor does any agreement exist that could affect the Assets or the ability of Amarc, Freeport or JVCo to conduct exploration or development activities or other Operations on the Assets in any way or that affects or is required to Transfer the Assets, or a direct or indirect in interest in them, as contemplated by this Agreement;

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- (s) all work or expenditure obligations applicable to the Assets, all statements and reports of the work or expenditures and other requirements to be satisfied or filed to keep the Mineral Rights comprising the Assets in good standing to the date hereof have been satisfied or filed (and all applicable expiry dates extended), and have satisfied the applicable Governmental Authority;
 - (t) all rentals, duties, taxes, assessments, payments, fees and other governmental charges applicable to, or imposed on, the Assets, or in connection with holding the Assets, which were due to be paid on or before the date hereof have been submitted and paid in full;
 - (u) no consent or approval of any Third Party (including, without limitation, Gold Fields or Electrum) or Governmental Authority is required for the execution or delivery of this Agreement by Amarc;
 - (v) there is no action, suit, litigation, arbitration proceeding, governmental proceeding, challenge, prosecution, investigation, claim, including appeals and applications for review, injunction, judgement, order or other proceeding, outstanding or in progress or threatened or pending against, or relating to Amarc or affecting any of its assets or business, including, without limitation, the Assets;
 - (w) Amarc and, to the best of the knowledge of Amarc, each former operator of the Property or any lands included wholly or partially within the area of the Property, has conducted all operations in material compliance with all Applicable Laws and no condition exists or event has occurred which, with or without notice or the passage of time or both, would constitute a violation of or give rise to material liability under any Applicable Laws;
 - (x) Amarc has enjoyed customary access to the Mineral Rights comprising the Assets, to enable it to explore for Minerals, and the terms of the Mineral Rights and Applicable Law permit customary access the surface area for exploration purposes upon compliance with Applicable Laws in regards to providing notice of proposed work covered by the Property. To the best of Amarc's knowledge, there is no reason to believe the Parties will be unable to carry out all actions contemplated under the scope of this Agreement (including, but not limited to, conducting Operations on the Property);
 - (y) the Mineral Rights comprising the Assets do not lie within any alienated lands (as defined in the *Mineral Tenure Act Regulation*, BC Reg 52/2004), legacy claim, crown grant, privately held mineral rights, protected area, rescued area, reserve, reservation, reserved area, protected area or special needs lands as designated by any Governmental Authority having jurisdiction, that would materially and adversely impair the exploration for Minerals or the development of a mining project on the Property, and to the best of the knowledge of Amarc, there is no intention of such Governmental Authority in making such a designation and the

of, or is located or stored on the Property, including, but not limited to, as a result of the activities of Amarc, and, to the best of the knowledge of Amarc, any Third Parties (including former operators of the Property);

- (ee) no activity (or omission to act) on the Property by or on behalf of Amarc, nor to the best of the knowledge of Amarc, any Third Parties has resulted in any toxic or hazardous substance or waste being disposed of or located or treated or stored on the Property;
- (ff) Amarc has made available to Freeport all material maps, assays, surveys, drill logs, samples, metallurgical, geological, geophysical, geochemical and engineering data within its or its Affiliates control, in respect of the Property; and
- (gg) all information supplied to Freeport or its advisors or its personnel either directly, or via electronic data room, is to the best of the knowledge of Amarc, accurate and correct in all aspects.

The representations and warranties of Amarc contained in Section 3.1 and Section 3.2 are provided for the exclusive benefit of Freeport and a breach of any one or more of them may be waived by Freeport in writing in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty. The right of Freeport to enforce any breach (and any remedy as a result of such enforcement) of any of the representations and warranties set out in Section 3.1 or Section 3.2 shall not be affected by any investigation conducted, or any knowledge acquired, by Freeport at any time, whether before or after the execution and delivery of this Agreement with respect to the accuracy or inaccuracy of, or compliance with, such representation or warranty.

3.2 Mutual Representations and Warranties

Each Party represents and warrants to the other Parties as follows:

- (a) such Party is duly organized and validly existing under the laws of the place of its establishment or incorporation and such Party is in good standing and existing under the laws of the place of its establishment or incorporation;
- (b) this Agreement constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms by appropriate legal remedy;
- (c) such Party is not insolvent under the laws of the place of its establishment or incorporation and is able to pay its debts as they fall due;
- (d) neither the execution and delivery of this Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the performance of its obligations hereunder or thereunder, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of, constitutes a default under, or

- accelerates the performance required by, any provision of any agreement to which such Party is a party or is subject;
- (e) such Party has all requisite power and authority required to enter into this Agreement and each other document or instrument delivered in connection herewith and has all requisite power and authority to perform fully each and every one of its obligations hereunder;
 - (f) such Party has taken all internal actions necessary to authorize it to enter into this Agreement and its representatives whose signatures are affixed hereto are fully authorized to sign this Agreement and to bind such Party thereby;
 - (g) such Party has not recklessly or knowingly provided any false or misleading information to any Governmental Authority;
 - (h) neither the execution and delivery of this Agreement nor any of the agreements referred to herein or contemplated hereby, nor the performance of its obligations hereunder, nor the consummation of the transactions hereby contemplated, shall conflict with, or result in a breach of, or constitute a default under, any provision of the constitutional documents, articles or by-laws of such Party, or any law, regulation, rule, authorization or approval of any Governmental Authority to which such Party is a party or is subject; and
 - (i) all documents, statements and information in the possession of such Party relating to the transactions contemplated by this Agreement which may have a material adverse effect on such Party's ability to fully perform its obligations hereunder, have been disclosed to the other Party, and no document previously provided by such Party to the other Party contains any untrue statement of material fact or omits to state any material fact necessary in order to make the statements contained therein not misleading.

3.3 Survival of Representations and Warranties

- (a) Amarc hereby confirms that its representations and warranties contained in this Agreement are true and correct as of the date of execution of this Agreement.
- (b) The representations and warranties contained in this Agreement are conditions on which the Parties have relied in entering into this Agreement, and enforcement of such representations and warranties shall survive the execution hereof for the term of this Agreement [REDACTED].
- (c) A Party may waive any of such representations, warranties, covenants, agreements or conditions in whole or in part at any time without prejudice to its right in respect of any other breach of the same or any other representation, warranty, covenant, agreement or condition.

3.4 Mutual Covenant

None of the Parties shall do or omit to do any act or thing which is in material breach of any Applicable Law, to which each is subject which mutual covenant is in addition to the requirements under Section 8.1 when a Party is acting in the capacity as Operator (which actions are subject to the standard in paragraph (b) of Schedule B).

3.5 Amarc Covenants

Except with the prior written consent of Freeport, in its sole and absolute discretion, or as determined by the Technical Committee or otherwise permitted by this Agreement, Amarc covenants to Freeport as follows:

- (a) Amarc shall perform and comply with all covenants, obligations, agreements and conditions required to be performed or complied with by Amarc under the Underlying Option Agreement, including, without limitation, the issuance by Amarc of the Contingent Consideration (as that term is defined in the Underlying Option Agreement) to Gold Fields as required pursuant to the terms of the Underlying Option Agreement;
- (b) not Transfer all or any of its interest in, or amend or otherwise vary the terms of, the Underlying Option Agreement, the Gold Fields Royalties, the Cazador Royalty or the Electrum Royalties;
- (c) except for the Electrum Royalties, the Cazador Royalty and the Gold Fields Royalties, and as provided for in this Agreement, Amarc shall not directly or indirectly, incur, assume or permit to exist any Encumbrance of any nature whatsoever on the Assets;
- (d) Amarc shall at all times maintain its corporate existence and conduct its business in accordance with Applicable Laws;
- (e) Amarc shall not commence or institute, nor shall it cause or permit the commencement or institution by any Person, any application, proceeding or other action under any statute, rule or regulation relating to bankruptcy, insolvency, winding-up, reorganization, administration, plans of arrangement, relief or protection of debtors including without limitation any bankruptcy, insolvency and other similar laws and any applicable corporate legislation, seeking (A) to have an order for relief entered with respect to it, or (B) to adjudicate it as bankrupt or insolvent, or (C) reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition, compromise, arrangement, stay of proceedings of creditors generally, or other relief with respect to it or its debts, or (D) appointment of a receiver, interim receiver, receiver and manager, trustee, custodian, conservator or other similar official for it or for all or any part of its assets;

- (f) Amarc shall not make a general assignment for the benefit of its creditors, declare a general moratorium on payment of its indebtedness or interest thereon, propose a compromise or arrangement between it and any of its creditors or take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any Event of Default;
- (g) Amarc shall keep proper books of record and account in which full and correct entries shall be made of all financial transactions in accordance with IFRS in all material respects;
- (h) Amarc shall keep its assets, property, business and operations insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business in comparable circumstances; and
- (i) Amarc shall not take, and shall not permit or cause to be taken, any action that would result in a breach by Amarc of any of its obligations under Sections 2.1, 2.2, or 8.8.

4. INDEMNITIES

4.1 Indemnity for Breach of Representations, Warranties and Covenants

Each Party shall indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made or to be fulfilled by it hereunder.

4.2 Indemnity for Existing Obligations and Liabilities

In addition to the indemnity in Section 4.1, Amarc assumes, and releases Freeport from, all existing obligations and liabilities as of the date hereof, howsoever arising relating to the Assets, and indemnifies and saves harmless Freeport from and against all costs, liabilities, losses or expenses suffered or incurred by, and all suits, claims or demands by Third Parties relating thereto, made against Freeport, any Affiliates thereof and any of their respective officers, directors, employees and representatives with respect to any existing obligations and liabilities as of the date hereof, howsoever arising, relating to the Assets.

4.3 Exclusion of Consequential Losses

No Party shall be liable to the other under or in connection with this Agreement in respect of punitive damages, loss of profit, indirect or consequential loss, loss of opportunity, loss of profit, or loss of goodwill.

5. FIRST OPTION

5.1 Grant of First Option

Amarc hereby grants to Freeport the sole, exclusive and irrevocable right and option to earn and acquire a 60% Interest (the “**First Option**”), free and clear of all Encumbrances except the Electrum Royalties, the Cazador Royalty, and the Gold Fields Royalties.

5.2 Conditions of Exercise of First Option

The right of Freeport to exercise the First Option and acquire a 60% Interest is conditional on Freeport, subject further to Sections 5.4 (right to accelerate), Section 5.5 (right to place cash in lieu), 7(c)(ii) (Operator fault), 7(c)(iii) (Operator fault), 8.6(b) (delay caused by Applicable Law), and 13 (Force Majeure), funding Expenditures on the Mineral Rights comprising the Assets of an aggregate of \$35,000,000 (the “**First Option Conditions**”), to be funded as follows:

- (i) [REDACTED] which the Parties acknowledge and agree was funded and paid by Freeport to Amarc [REDACTED];
- (ii) \$3,385,463,14 on or before the date that is 12 months after the Effective Date (of which [REDACTED] is a firm commitment (the “**Firm Commitment**”));
- (iii) \$5,000,000 (for aggregate Expenditures of \$9,000,000) on or before the date that is 24 months after the Effective Date;
- (iv) \$7,000,000 (for aggregate Expenditures of \$16,000,000) on or before the date that is 36 months after the Effective Date;
- (v) \$9,000,000 (for aggregate Expenditures of \$25,000,000) on or before the date that is 48 months after the Effective Date; and
- (vi) \$10,000,000 (for aggregate Expenditures of \$35,000,000) on or before the date that is 60 months after the Effective Date.

5.3 Exercise of First Option

Upon Freeport satisfying the First Option Conditions within the timeframes set out in Section 5.2, subject further to Sections 5.4 (right to accelerate), 5.5 (right to place cash in lieu), 7(c)(ii) (Operator fault), 7(c)(iii) (Operator fault), 8.6(b) (delay caused by Applicable Law), and 13 (Force Majeure), (the date the First Option Conditions are so fully satisfied being the “**First Option Exercise Date**”):

- (a) Freeport shall be deemed to have earned and acquired a 60% Interest and Amarc shall thereupon have a 40% Interest;

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- (b) Freeport shall give Notice to Amarc that it has satisfied the First Option Conditions in accordance with Section 15.4 (Notice); and
 - (c) Stage II shall commence, and the Parties shall immediately undertake the actions set forth in Section 6.1 (formation of JVCo).

5.4 Accelerated First Option Conditions

Any First Option Conditions may be funded within a shorter time frame than set out in Section 5.2 at the sole and absolute discretion of Freeport.

5.5 Cash Deposited in Lieu of Expenditures and Excess Expenditures

- (a) Subject to Section 5.5(b), Freeport may, in its sole discretion, make up any shortfall in the First Option Conditions required to be funded by Freeport by the end of the periods set out in Section 5.2 by making a cash payment to Amarc before the end of the applicable period set out in Section 5.2, and the payment of such shortfall shall be deemed to have satisfied such requirement for the completion of the First Option Conditions during such period. The amount of any such shortfall so paid to Amarc shall be forwarded to and held by the Operator and be used for future Expenditures at the discretion of the Technical Committee, and may not be distributed to any of the Parties.
- (b) If the amount of Expenditures actually funded by Freeport in a given period set out in Section 5.2 are below the minimum required Expenditures to be funded in such period because either (i) the work performed by the Operator pursuant to an approved Work Program and Budget cost less than the Budget, or (ii) the Operator did not, or was not able to, complete the required Expenditures set out in an approved Work Program and Budget within such period, or (iii) the Operator did not submit to Freeport cash calls equal to the required Expenditures set out in an approved Work Program and Budget within such period, then:
 - (A) the minimum required Expenditures to be funded in such period shall be deemed to be reduced to the amount actually funded by Freeport during such period; and
 - (B) the difference between the amount of Expenditures required to be funded in such period and the amount of Expenditures actually funded by Freeport during such period shall be added to the amount of Expenditures required to be funded by Freeport in the immediately succeeding 12 month period set out in Section 5.2.
- (c) Any excess Expenditures completed in advance of a period specified in Section 5.2 shall be carried over and shall qualify and be accounted for as Expenditures made by Freeport during a subsequent period specified in Section 5.2, and in the case of any excess Expenditures completed in advance of the period specified in Section

5.2(vi), shall be carried over and shall qualify and be accounted for as Expenditures made by Freeport during the next period of Stage II or the Pro Rata Contribution Stage, as applicable.

5.6 Freeport's Right to Terminate the First Option

Other than the Firm Commitment, the funding of the First Option Conditions is within the sole and unfettered discretion of Freeport and is not a committed amount. The First Option shall be of no further force or effect, and shall automatically terminate if Freeport:

- (a) provides 90 days Notice to Amarc not to advance with the transactions contemplated by this Agreement at any time during the currency of this Agreement; or
- (b) subject to Sections 5.4, 5.5, 7(c)(ii), 7(c)(iii), 8.6(b) and 13, does not satisfy the First Option Conditions within the timeframes set out in Section 5.2.

5.7 Termination Consequences

If the First Option is terminated pursuant to Section 5.6, then:

- (a) Freeport shall acquire no Interest and shall promptly execute and register such documents as are required to fully and absolutely release its Security Interest; and
- (b) Article 12 shall thereupon apply.

6. STAGE II

6.1 Formation of JVCo

Stage II shall commence upon the occurrence of the First Option Exercise Date pursuant to Section 5.3.

- (a) Subject to Section 6.2, upon the commencement of Stage II, Amarc shall take all actions and do all things necessary (at the sole cost of Freeport, such costs to constitute Expenditures) to, within 30 days of the First Option Exercise Date:
 - (i) form JVCo as a new British Columbia corporate entity, having the form and structure set out in the Shareholders Agreement;
 - (ii) cause JVCo to effect, allot and issue (or Transfer) to Freeport and Amarc sufficient shares in the capital of JVCo to provide Freeport (or a nominee thereof acceptable to Amarc, acting reasonably) with a 60% Interest and Amarc with a 40% Interest (which, for greater certainty, results in Freeport and Amarc being the only two registered shareholders of JVCo);

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- (iii) Transfer the Property into the name of JVCo on MTO, and other Assets to JVCo (unless Amarc remains Operators at Freeport's request); and
 - (iv) take all actions and do all things necessary to, and to cause JVCo to, duly execute and deliver the Shareholders Agreement to Freeport.
- (b) Subject to completion of the transactions set forth in Section 6.1(a), Freeport shall, and shall take all actions and all things necessary to duly execute and deliver the Shareholders Agreement to Amarc and JVCo.

For greater certainty, the Security Interest shall remain in full force and effect until all the transactions set out in Sections 6.1(a) and 6.1(b) have been completed, and the Notice of Security Interest shall remain registered until after all such transactions have been completed and thereupon Freeport shall promptly execute and register such documents as are required to fully and absolutely release its Security Interest.

6.2 Structure of Transaction

At the time of formation of JVCo, the Parties will investigate the feasibility of allowing each of Amarc and Freeport to be able to elect (for Tax Act purposes) to use either cost or fair value for the Transfer of their respective Interests into JVCo for shares of JVCo. Facilitating such elections may involve the use of JVCo shares which are of different kinds, classes or series, provided that all material rights of the two kinds of shares are identical other than the PUC of the kind attributable to each Party's shares and provided further that the use of such dual share structure shall require unanimous agreement of the Parties. The steps, procedures and structure set out in this Section 6.2 and in Section 6.1 may be modified by mutual agreement of the Parties to optimize operational and tax efficiencies and on the basis that neither Amarc nor Freeport is materially disadvantaged.

6.3 Freeport Second Option

On the First Option Exercise Date, Amarc hereby agrees to grant to Freeport the sole, exclusive and irrevocable right and option to earn and acquire an additional 10% Interest (the "**Second Option**"). The right of Freeport to exercise the Second Option and acquire an additional 10% Interest is conditional on Freeport satisfying the terms and conditions of the Second Option set forth in the Shareholders Agreement.

7. FUNDING AND AUDIT

- (a) Other than the Firm Commitment, Freeport has the right to fund or not fund, in its sole and absolute discretion, the First Option Conditions. In order to facilitate such funding process, the Parties agree to use a cash call procedure whereby, when Amarc is the Operator, (i) funds necessary to carry out the respective Work Programs and Budgets, each of which to be settled for a minimum of 90 days period from its commencement, shall be paid to Amarc in advance of any Operations being carried out; (ii) Amarc shall submit to Freeport each month, or on such other intervals it deems reasonable, a cash call for the estimated cash requirements for

the calendar month commencing at least thirty (30) days later so that Freeport has a minimum fifteen (15) days' Notice in connection with such respective cash call; and (iii) Freeport shall make such cash call payment at least fifteen (15) days before the commencement of the month for which the respective cash call was issued; and (iv) Amarc shall at least quarterly summarize and reconcile the cash-call Notices, cash received, applicable Budget and Expenditures by way of a form of invoice to inform CEE and METC claims.

- (b) During this Agreement, funding of First Option Conditions shall be confirmed by Freeport providing a statement of wire transfers made by Freeport to the Operator for First Option Conditions that have been funded, certified by an officer of Freeport, and such statement shall be conclusive evidence of the funding of such First Option Conditions recorded in the statement.
- (c) During Stage I, when Freeport is the Non-Operator:
 - (i) within 30 days of receipt by the Technical Committee of any Quarterly Expenditure Report or Annual Expenditure Report, Freeport shall have the right to have such Quarterly Expenditure Report or Annual Expenditure Report audited by a Designated Accounting Firm (of Freeport's choice) to determine if the Quarterly Expenditure Report or Annual Expenditure Report, as applicable, accurately reports the Expenditures made by the Operator during the applicable time period;
 - (ii) if the auditor, following the audit of any Quarterly Expenditure Report or Annual Expenditure Report pursuant to Section 7(c)(i), determines that such Quarterly Expenditure Report or Annual Expenditure Report, as applicable, overstated the amount of Expenditures actually spent by the Operator during the applicable time period, resulting in a Shortfall, then, without limiting Section 8.4(a), (A) the costs of the audit shall be borne by the Operator, (B) the Operator shall be required to provide funds in the amount of such Shortfall and, in Freeport's sole and absolute discretion, apply such funds to: (1) the Work Program from which such Shortfall arose; or (2) if such Work Program is already completed, to a subsequent Work Program; or (3) such other funding commitment as Freeport may direct, (C) at Freeport's option, the time limits in Section 5.2 shall be extended by the amount of time necessary to complete the Operations funded by the Operator pursuant to Section 7(c)(ii)(B) above, and (D) Freeport shall have the right, in the event that an audit determines a Shortfall in an amount equal to ■% or more of the reported Expenditures, to replace the Operator in accordance with Section 8.4(b);
 - (iii) if the Operator is unable to provide the funds set out in Section 7(c)(ii)(B) (a "Operator's Shortfall") then:

doubt, the First Option Conditions) and shall not be in addition to such amounts required to exercise the First Option.

- (c) If Freeport is the Operator, the Operator's Fee shall be equal [REDACTED].
- (d) If Freeport is not the Operator, promptly after the end of a month during which the Operator has provided services under this Agreement, the Operator shall send to Freeport (by electronic mail or hand delivery) an invoice for the Operator's Costs and Operator's Fee due and owing to the Operator, including any applicable value added or similar tax, if any. Not later than thirty (30) Business Days after receipt of an invoice for the Operator's Costs and Operation's Fee, Freeport shall pay to the Operator the amounts due and owing for the relevant period (which such amounts shall be deemed to be Expenditures).
- (e) If Freeport is the Operator, Freeport may elect, in lieu of receiving the Operator's Costs and Operator's Fee pursuant to Section 8.2(c), to have such amount withheld and such withheld amount shall be deemed to be Expenditures (including, for the avoidance of doubt, First Option Conditions) equal to the amount of the Operator's Costs and Operator's Fee so withheld.
- (f) All payments by Freeport to the Operator under this Agreement shall be made in Canadian dollars in a manner and at such account at such bank as the Operator may from time to time direct.

8.3 Operator's Obligations

The Operator's obligations are set out at Schedule B and the Non-Operator shall do all things necessary on its part to permit the Operator to fulfill such obligations. The Operator's obligations are subject at all times to Work Programs and Budgets being approved by the Technical Committee, and to funding being made available in accordance with this Agreement.

8.4 Non-Performance of Operator

- (a) Subject to Section 8.4(b), when Freeport is the Non-Operator:
 - (i) the Operator fails to perform work on the Assets in a manner that is consistent with good Canadian exploration, engineering and mining practices or fails to perform in a manner consistent with its duties and responsibilities under this Agreement;
 - (ii) the Operator fails to provide Quarterly Expenditure Reports or Annual Expenditure Reports, or such reports contain fraudulent or misleading information;

- (iii) subject to Article 13, the Operator fails to implement a Work Program and Budget;
- (iv) the Operator is adjudged to be bankrupt or insolvent or a receiver or trustee is appointed for its business and assets; or
- (v) an Event of Default occurs, or the Operator is otherwise in material default of its obligations under this Agreement,

[REDACTED]

Operator's non-performance terms are confidential

- (b) When Freeport is the Non-Operator, if the auditor appointed by Freeport pursuant to Section 7(c)(i) makes a determination pursuant to Section 7(c)(ii) that a Quarterly Expenditure Report or Annual Expenditure Report overstated the amount of Expenditures actually spent by the Operator during the applicable time period (i.e. a Shortfall), then Freeport shall have the right, if the Shortfall is an amount equal to █% or more of the reported Expenditures, to provide a written notice of termination to the Operator designating a date of termination. Upon such written notice of termination being delivered to the Operator, the Operator shall be deemed to have resigned as Operator and Freeport shall have the immediate and irrevocable right to become or appoint the successor Operator (and, for greater certainty, a Third Party may be appointed to be such successor Operator) on such designated date.
- (c) Upon ceasing to be the Operator pursuant to Sections 8.4(a) or 8.4(b), the former Operator shall deliver to the new Operator custody of all Assets and bank accounts required for Operations, as well as all cash funds and financial instruments held by the Operator in respect of the Assets or otherwise in connection with this Agreement, and shall deliver any books and records pertaining to the Assets or the

Operations, including all technical reports prepared thereon, as soon as reasonably practicable after the appointment of the new Operator. All costs incurred in respect of, or associated with, the Transfer of the Assets to the new Operator, including for greater certainty all Taxes levied or payable as a result thereof, shall be borne solely and entirely by the former Operator (and shall not constitute Expenditures).

8.5 Technical Committee

From and following the date hereof, a technical committee (the “**Technical Committee**”) shall be formed comprised of three representatives from Freeport (the “**Freeport Representatives**”) and two representatives from Amarc (the “**Amarc Representatives**”) and it shall have the responsibilities as set out in Section 8.5(a). Each of Freeport and Amarc shall also be entitled to appoint any person as an alternate for any representative appointed by it and to remove any person appointed by it and appoint another person in their place. In the absence of any representative at a Technical Committee meeting, any of the alternates of the Party that appointed the absent representative may attend and exercise the powers of the absent representative to the same extent as if the absent representative were present at the meeting. For the avoidance of doubt, Amarc Representatives (and alternates) shall serve in an advisory capacity only. The procedures applicable to the Technical Committee shall be as follows:

- (a) *Responsibilities* – The Technical Committee shall have the exclusive responsibility to:
 - (i) review Expenditures and technical work progress, including Quarterly Expenditure Reports and Annual Expenditure Reports;
 - (ii) approve Work Programs and Budgets; and
 - (iii) take any decisions in connection with the Operations.
- (b) *Meetings* – Meetings of the Technical Committee shall be held at least quarterly in each year, or as otherwise agreed by the Parties, and shall be called on 30 days’ notice by Freeport. Freeport may on 10 days’ notice call an *ad hoc* meeting of the Technical Committee. For each meeting an agenda must, at least seven days prior to that meeting, be distributed to the Parties by the Person calling that meeting. Meetings of the Technical Committee shall be held in Vancouver, British Columbia, or at such other place as the Technical Committee may from time to time agree. In lieu of meetings, the Technical Committee may convene telephone or video conferences. The aforementioned notice periods for meetings of the Technical Committee may be waived by written agreement of the Parties.
- (c) *Minutes of Meeting* – The Operator must cause minutes of each meeting to be taken and distributed to the Parties for comments within 14 days subsequent to that meeting and shall be the subject of approval at the next meeting.

-
- (d) *Meetings by Conference Call* – Any member of the Technical Committee may attend any meeting by conference telephone or video link, so long as all attendees at that meeting can hear and be heard by all other attendees.
 - (e) *Quorum* – A quorum for a meeting of the Technical Committee shall be at least one representative from Freeport.
 - (f) *Voting* – Each of the Freeport Representatives shall have one vote on the Technical Committee. For greater certainty, Amarc Representatives shall not be entitled to vote on any matter requiring approval of the Technical Committee. All items or matters to be approved by the Technical Committee shall be approved by at least one of the Freeport Representatives.
 - (g) *Resolutions in Writing* – In lieu of a meeting, the Technical Committee may pass resolutions in writing signed by at least one of the Freeport Representatives and provided that the Amarc Representatives shall receive a copy of the written resolutions concurrently with the circulation of such resolutions to the Freeport Representatives.
 - (h) *Additional Rules* – The Technical Committee may establish such rules of procedure for itself and for the Technical Committee as the Technical Committee deems fit, provided that such rules are not inconsistent with this Agreement.

8.6 Work Programs and Budgets

- (a) All Operations shall be conducted and all costs shall be incurred on the basis of an approved work program (a “**Work Program**”), and a budget (“**Budget**”), except in the case of emergency actions in accordance with Section 8.7. All Work Programs and Budgets shall be prepared by Freeport unless otherwise approved by the Technical Committee. The Budget must make provisions for the Operator’s Costs and Operator’s Fee. All proposed Work Programs and Budgets in respect of the Assets must be approved by the Technical Committee, before implementation by the Operator, on an annual basis or more frequently as required, including any Work Programs and Budgets required to keep the Assets in good standing. Work Programs and Budgets shall allow for a reasonable period of planning and implementation by the Operator. Upon approval of a Work Program and Budget, the Operator shall implement such Work Program and Budget within the time periods set out therein.
- (b) If any requirements under Applicable Law applicable to the Assets act to prevent compliance with the time requirements as set out in this Agreement to satisfy the First Option Conditions under Section 5.2, the Technical Committee shall be permitted to adjust such time periods to complete such First Option Conditions to the extent reasonably necessary to enable compliance with such requirements under Applicable Law relevant to the Assets.

8.7 Emergency or Unexpected Funding

Notwithstanding any other provisions hereof, in case of emergency or to address unexpected events or to cover unexpected liabilities or expenses not covered in an approved Work Program and Budget which are necessary to protect against loss, injury or damage to Persons or property, or to protect the Operations and the Assets or to comply with Applicable Laws, the Operator may take any reasonable action the Operator deems necessary and may incur such Expenditures as it deems necessary, notwithstanding that such Expenditures shall exceed allowable Expenditures under an approved Work Program and Budget. The Operator shall promptly notify the Technical Committee of any such emergency or unexpected Expenditures that have been made or taken or that must be made or taken, and the funds necessary to pay for such emergency and unexpected Expenditures shall be added to the current Work Program and Budget.

8.8 Maintenance and Funding of the Assets

The Operator covenants to, at all times, keep the Assets in good standing and to otherwise comply with Applicable Laws and the terms and conditions applicable to the Assets, including by making, or causing to be made, as applicable, all filings, reports, applications (including renewal applications) (the “**Maintenance Filings**”) within the time periods necessary, and making, or causing to be made, as applicable, the minimum required tax, Expenditures and other maintenance payments (the “**Maintenance Payments**”) to keep the Assets in good standing or as otherwise required by Applicable Laws or the terms and conditions applicable to the Assets. and must provide the Technical Committee with written evidence of the Maintenance Filings and the Maintenance Payments, subsequent to filing or payment, respectively, thereof, [REDACTED]

[REDACTED] (a “**Maintenance Default**”)

9. TRANSFERS OF INTEREST

Certain Operator's obligations are confidential

9.1 Assignment to Wholly Owned Affiliates

Either Party may assign all (but not a portion thereof) of its rights under this Agreement or its Interest to a Wholly Owned Affiliate, and in such a case, the transferee shall covenant to be bound by this Agreement and notwithstanding such Transfer, the transferor shall remain liable for all its obligations hereunder and be bound by this Agreement. If such transferee Wholly Owned Affiliate ceases to be a Wholly Owned Affiliate of Freeport or Amarc, as applicable, before ceasing to be a Wholly Owned Affiliate of Freeport or Amarc, such Wholly Owned Affiliate shall be obliged to re-Transfer such rights and/or Interest back to an entity controlled by either Freeport or Amarc, as applicable (which such entity shall covenant to be bound by this Agreement), failing which the non-transferring Party shall be entitled to purchase such rights and/or Interest from such Wholly

Owned Affiliate, and upon exercise of such right, such Wholly Owned Affiliate shall be obligated to sell such rights and/or Interest to the non-transferring Party, at its fair market value. A Party transferring its rights herein to a Wholly Owned Affiliate shall, notwithstanding such Transfer, remain liable to other Party for all the obligations Transferred and nothing herein constitutes a release of the Transferring Party from such obligations.

9.2 Ownership Structure

The Parties shall hold their respective Interests only directly or indirectly through Wholly Owned Affiliates. Amarc may not assign all or any of its rights under this Agreement, or its Interest, or any interest in the Assets other than as provided in this Article 9 or as contemplated by the Shareholders Agreement when in effect.

9.3 Restriction on Transfers

- (a) From the date hereof until the execution of the Shareholders Agreement, except pursuant to Sections 9.1 and Section 9.3:
 - (i) *Assignment of Agreement* —Amarc may not directly or indirectly sell or assign this Agreement, or any of its rights under this Agreement, without the prior written consent of Freeport, in its sole and absolute discretion.
 - (ii) *Restriction on Transfer of Assets* —Amarc shall not Transfer all or any part of the Assets or a direct or indirect interest in the Assets, except as expressly permitted pursuant to Section 9.4 or to JVCo upon the First Option Exercise Date or otherwise with the prior written consent of Freeport, in its sole and absolute discretion.
- (b) *Injunctive and Equitable Remedies for Breach* —each Party acknowledges that damages alone would not be an adequate remedy in the event that a Party Transfers the Assets or Interest of which it is either registered or beneficial (or both) owner in contravention of this Article 9. Accordingly, without prejudice to any other rights and remedies that a non-breaching Party may have, the non-breaching Party shall be entitled to the granting of equitable relief (including without limitation injunctive relief and specific performance, without the requirement of posting a bond or other security) in connection with or arising out of any actual or threatened Transfer of the Assets or an Interest in contravention of this Article 9, pursuant to Section 14.1.
- (c) Notwithstanding anything else in this Agreement, nothing herein restricts Amarc or Freeport-McMoRan Inc. from conducting merger and acquisition activity, from being taken over by bid, merger, plan of arrangement or otherwise nor from creating or issuing any form of debt or equity security.
- (d) On execution of the Shareholders Agreement, the right of Transfer of a Party's Interest shall be as set out in the Shareholders Agreement.

9.4 Realization of Security

If an Event of Default occurs and remains unremedied, or is incapable of remedy, then Freeport shall be entitled, in its sole and absolute discretion (but without any further Expenditure requirements or other obligations of any nature whatsoever) to exercise, without any notice or demand upon Amarc, in addition to the other rights and remedies available to a secured creditor in law and equity (which rights and remedies may be exercised independently or in combination), the following rights and remedies:

Realization rights are confidential

- [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Amarc agrees to pay all reasonable expenses incurred by Freeport or any Receiver in the enforcement of the Security Interest, whether directly incurred or for services rendered including legal and auditor's fees and expenses and remuneration of any Receiver.

10. ACQUISITIONS WITHIN THE AREA OF INTEREST

10.1 Acquisitions within the Area of Interest

- (a) Upon and subject to a written direction or approval of the Technical Committee, the Operator, on behalf of the Parties, shall apply for or acquire Mineral Rights, surface rights and/or ancillary rights including water rights over areas that fall in whole or in part of the Area of Interest.
- (b) If any time after the date hereof, Mineral Rights, rights to or interests in any real property, including, without limitation, any surface rights or any right, concession, authorization, license, permit, or interest in relation to the use or diversion of water, or any other ancillary rights or interests are issued to or acquired by a Party or an Affiliate of a Party (the "Acquiring Party") over areas that are in whole or in part within the Area of Interest (the "Additional Rights"), then:

-
- (i) the Acquiring Party shall promptly provide written notice containing full particulars of the Additional Rights, including the costs of acquisition (“**Acquisition Costs**”) which are to be estimated in such notice, to the Operator, the Technical Committee, and the other Party (the “**Non-Acquiring Party**”);
 - (ii) if the Technical Committee approves including all or any of the Additional Rights in the Assets, the Operator shall, within 60 days following receipt of a notice under Section 10.1(b)(i), provide written notice to the Acquiring Party specifying the Additional Rights that the Technical Committee has so approved, and are therefore required, to be included in the Assets (the “**Acquisition Notice**”), and shall concurrently provide a copy of the Acquisition Notice to the Technical Committee and the Non-Acquiring Party;
 - (iii) following receipt of the Acquisition Notice, the Acquiring Party shall thereafter hold the Additional Rights specified in the Acquisition Notice for the benefit of the Parties under the terms of this Agreement and such Additional Rights shall thereafter be included in, and form part of, the Assets for all purposes of this Agreement; and
 - (iv) the Operator shall reimburse the Acquiring Party (using funds contributed or to be contributed by Freeport pursuant to a cash call) for the actual Acquisition Costs attributable to the relevant Additional Rights, which such Acquisition Costs shall be included in the calculation of Expenditures.
- (c) Subject to Section 10.1(d), if following receipt of a notice under Section 10.1(b)(i), the Operator does not respond with an Acquisition Notice within the 60 day period set out in Section 10.1(b)(ii), then both the Operator and the Non-Acquiring Party forego any future rights under this Article 10 to the Additional Rights set out in such notice.
 - (d) If, within 45 days following receipt of a notice under Section 10.1(b)(i), the Non-Acquiring Party gives notice to the Operator and the Acquiring Party that it wishes to have the Additional Rights included in the Assets, then the Operator shall be required to give the Acquisition Notice in accordance with Section 10.1(b)(ii).
 - (e) The Area of Interest shall not be enlarged by the addition of any Additional Rights to the Assets, pursuant to this Article 10.

11. CONFIDENTIALITY

11.1 Confidentiality of Information

All information provided to or received by the Parties hereunder including the terms and existence of this Agreement shall be treated as confidential (“**Confidential Information**”). The Parties shall

each solicit the consent of the other(s) to the disclosure of Confidential Information in circumstances other than those set forth in Section 11.2 and such consent shall not be unreasonably withheld or delayed.

11.2 Permitted Disclosure

The consent required by Section 11.1 shall not be required with respect to any disclosure:

- (a) subject to Section 15.17(c), required to comply with any Applicable Laws, stock exchange rules or a regulatory authority having jurisdiction, provided that if practicable, the disclosing Party shall give the non-disclosing Party a reasonable opportunity to review the proposed disclosure and shall incorporate into such proposed disclosure, the non-disclosing Party's reasonable comments;
- (b) made to a director, officer, employee or other representative of a Party;
- (c) made to an Affiliate of a Party;
- (d) made to a professional advisor, consultant, contractor or subcontractor of a Party that has a bona fide need to be informed;
- (e) subject to the restrictions in Article 9, made to any Third Party to whom the disclosing Party *bona fide* contemplates a Transfer of all or any part of the Assets or a direct or indirect interest in the Assets, or an interest in any Wholly Owned Affiliate that has a direct or indirect interest in the Assets; and
- (f) made to a bank, financial institution or investor from which the disclosing Party is seeking equity or debt financing or in a prospectus or offering memorandum pursuant to which the relevant Party is seeking to obtain financing.

11.3 Exception

The obligations with respect to Confidential Information and prohibitions against use under this Agreement shall not apply to information that:

- (a) as of the date hereof, was in the public domain;
- (b) prior to the time of receipt, was known to the disclosing Party;
- (c) was furnished to the disclosing Party by a Third Party who is not bound by a confidentiality agreement with, or by any obligation of confidence to, the other Parties;
- (d) was independently acquired or developed by the disclosing Party without use of, or reference to, the Confidential Information of the other Parties and without otherwise contravening the terms and provisions of this Agreement; or

- (e) after the Effective Date, was published or otherwise became part of the public domain (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain through no breach by the disclosing Party of Article 11).

12. TERMINATION

12.1 Termination before First Option Exercise Date

Before the First Option Exercise Date, this Agreement shall terminate upon:

- (a) the First Option terminating pursuant to Section 5.6; or
- (b) the Parties mutually agreeing to terminate this Agreement.

12.2 Termination after First Option Exercise Date

On the First Option Exercise Date, Stage II commences and this Agreement shall, upon completion of the transactions set out in Section 6.1, be deemed terminated and be replaced by the Shareholders Agreement.

12.3 Deliveries, Obligations and Deemed Agreements after Termination

- (a) Forthwith upon the occurrence of any of the events described in Section 12.1 (a “**Termination Event**”), Amarc must deliver to Freeport, copies of all records, information and data in respect of the Assets that existed on the date of the Termination Event or were derived thereafter using Expenditures funded by Freeport and Freeport may keep a copy of, and use the information contained in, such records, subject to the terms of Article 11.
- (b) Subject to Section 12.3(c), forthwith upon the termination of this Agreement, the Operator shall return to Freeport all monies contributed by Freeport in respect of a Work Program or Budget that have not been spent as at the date immediately prior to the date of termination of this Agreement.
- (c) Immediately upon the termination of this Agreement, without the need of any further confirmation or formality, Freeport shall be absolved of any requirement or obligation to fund or incur Expenditures or any other payments under this Agreement, other than as set forth in Section 12.3(d).
- (d) Forthwith upon the delivery of the termination Notice pursuant to Section 5.6(a):
 - (i) any Work Program and Budget in effect shall terminate and the Parties shall use their commercially reasonable efforts to terminate any existing contractual commitments incurred by the Operator pursuant to a Work Program and Budget (or which the Operator is contractually obligated to a Third Party to incur pursuant to a Work Program and Budget) before the

effective date of termination of this Agreement (being, for the avoidance of doubt, 90 days following the delivery of the termination Notice pursuant to Section 5.6(a));

- (ii) Freeport shall pay to Amarc any balance of the Firm Commitment due;
Certain termination obligations are confidential

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

- (e) Freeport, and its directors, officers, employees and other representatives shall have a right of reasonable access, upon reasonable Notice to Amarc, to the Assets, at Freeport's sole risk and expense, for a period of nine months from the date of the termination, for the purposes of completing necessary environmental due diligence in connection with Freeport's "Exploration Protocol".

13. FORCE MAJEURE, CURE PERIOD AND DEFAULT

13.1 First Option Conditions Force Majeure and Cure Period

The time limits set out in Section 5.2 for funding or incurring (as the case may be) the First Option Conditions shall be extended in the context of an Event of Force Majeure, as described in Section 13.2(a), and shall have the benefit of the cure procedure set out in Section 13.3.

13.2 Force Majeure

- (a) No right of a Party shall be affected, and no Party shall be liable under this Agreement or found in default, under this Agreement by the failure of such Party to meet any term or condition of this Agreement where and to the extent that such

failure is caused by an Event of Force Majeure and, in such event, all times specified or provided for in this Agreement (including the timeframes in Article 5) shall be extended by a period commensurate with the period during which the Event of Force Majeure causes such failure.

- (b) A Party affected by an Event of Force Majeure shall take all reasonable steps within its control to avoid and remedy the failure caused by such event.
- (c) Nothing in this Section 13.2 shall require a Party affected by an Event of Force Majeure to settle any labour or industrial dispute, test the constitutionality of any Applicable Law, question the validity of any act of a Governmental Authority or make any payments pursuant to Section 5.5.
- (d) Any Party relying on the provisions of this Section 13.2 shall forthwith give Notice to the other Parties of the commencement of an Event of Force Majeure and of its end.

13.3 Default

Except as otherwise provided in this Agreement, if any Party (in this Section 13.3 a “**Defaulting Party**”) is in default of any requirement herein set forth, the other Party may give Notice to the Defaulting Party specifying the default. The Defaulting Party shall not, except as specifically otherwise provided in this Agreement (including, without limitation, in Section 8.4), lose any rights under this Agreement unless, within [REDACTED] days following [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Certain default cure rights are confidential

14. DISPUTE RESOLUTION

14.1 Arbitration

- (a) The Parties shall attempt to resolve amicably any claims, controversies, failures to agree, disagreements or disputes (each a “**Dispute**”) between them arising under or related to this Agreement. If the Parties cannot resolve any such Dispute, they shall refer such Dispute to each Parties’ responsible officer, which in the case of Freeport, shall be its Business Manager, Exploration, and in the case of Amarc, shall be the chief executive officer, and each Party’s responsible officer shall, within five (5) Business Days of the Dispute being referred to such responsible officer, contact the other Party’s responsible officers and attempt to resolve such Dispute. If there is no resolution of the Dispute by this means within fifteen (15) Business Days of the Dispute being referred to the Parties’ responsible officers, then such Dispute shall be submitted to arbitration by written demand of any Party. To demand arbitration, a Party (the “**Claimant**”) shall give the other Party (the

“Respondent”) a Notice specifying the issues in dispute, the amount involved and the remedy requested (such Notice, a “Notice of Dispute”). Within twenty (20) Business Days after receipt of the Notice of Dispute, the Respondent shall answer the Notice of Dispute in writing, specifying the issues the Respondent disputes.

- (b) The arbitration shall be determined by a one (1) arbitrator to be agreed upon by the Claimant and the Respondent within ten (10) Business Days after the Respondent has responded to the Notice of Dispute. If the Claimant and the Respondent cannot agree on the appointment of an arbitrator, the Claimant and the Respondent shall refer the matter to the British Columbia International Commercial Arbitration Centre (the “BCICAC”) and the BCICAC shall appoint the arbitrator. The arbitrator appointed by the Claimant and the Respondent or by the BCICAC shall be experienced and knowledgeable in respect of the matters in dispute as set out in the Notice of Dispute and any response to the Notice of Dispute. No person shall be appointed or selected as an arbitrator hereunder unless such person agrees in writing to serve. The selection of an arbitrator, either by agreement of the Claimant and the Respondent or by the BCICAC shall be final and binding on the Claimant and the Respondent.
- (c) Except as specifically provided in this Article 14, arbitration hereunder shall be conducted in the English language in accordance with the current BCICAC commercial arbitration rules (the “Rules”). The seat of arbitration is Vancouver, British Columbia. The arbitrator shall fix a time and place in Vancouver, British Columbia reasonably convenient for the Claimant and the Respondent, after giving the Claimant and the Respondent not less than seven (7) Business Days’ notice, for the purpose of hearing the evidence and representations of the Claimant and the Respondent and they shall preside over the arbitration and determine all questions of procedure not provided for under the Rules or this Section 14.1(c). After hearing any evidence and representations that the Claimant and the Respondent may submit, the arbitrator shall make a decision and reduce the same to writing and deliver one copy thereof to the Claimant and the Respondent. The arbitrator shall endeavor to make a decision within forty-five (45) days after its appointment, subject to any reasonable delay due to unavoidable circumstances. Any decision by the arbitrator shall follow and apply the laws applicable to this Agreement pursuant to Section 15.3. The expense of the arbitration, including travel costs, expert witness and legal fees and costs shall be paid as determined in the discretion of the arbitrator, having due regard for the outcome of the arbitration and the relationship of the result to the positions taken by the Claimant and the Respondent. In the absence of fraud or manifest error, the decision of the arbitrator shall be final and binding upon each of the Parties to the Dispute and the Parties expressly exclude any and all rights to appeal, set aside or challenge any award by the arbitrator insofar as such exclusion can be validly made.
- (d) Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant Party or its assets. Except where matters are

expressed herein to be subject to arbitration, the provincial or federal courts sitting in British Columbia, Canada shall have exclusive jurisdiction to hear and determine all matters relating to this Agreement, including enforcement of the obligation to arbitrate. The Parties hereby irrevocably consent, agree and submit to the jurisdiction of the provincial or federal courts sitting in British Columbia, Canada.

- (e) Nothing in this Agreement shall prevent any Party from applying to the provincial or federal courts in British Columbia, Canada for interlocutory, injunctive, provisional, or interim measures, including but not limited to any claim for preliminary injunctive relief.
- (f) Notwithstanding anything in this Agreement, the Parties acknowledge that no suits, claims, demands, liabilities, actions, or other proceedings whatsoever between Gold Fields on the one hand, and Amarc on the other hand (each a “**Gold Fields Dispute**”), shall involve, or adversely affect, Freeport, and Amarc shall indemnify and save Freeport harmless from and against any and all costs, liabilities, losses or expenses suffered or incurred by, and all suits, claims or demands relating thereto, made against or otherwise involving, Freeport, any of its Affiliates and any of their respective officers, directors, employees and representatives with respect to any such Gold Fields Dispute, including, for the avoidance of doubt and without limitation, any disputes arising in connection with this Agreement and the transaction contemplated hereunder or the business relationship among Gold Fields and Amarc.

■ [REDACTED]

Arbitration provision is confidential

15. GENERAL

15.1 Currency

Unless otherwise noted, all dollar amounts expressed herein refer to the lawful currency of Canada. For clarity, a reference to “\$” means the lawful currency of Canada.

15.2 Costs

Except as otherwise provided, all costs incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring them.

15.3 Governing Law

- (a) 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, without regard to any conflict of laws or choice of laws principle that would permit or require the application of the laws of any other jurisdiction.

- (b) Each of the Parties hereby irrevocably attorns and submits to the arbitral jurisdiction set forth in Section 14.1(c) and, with respect to any matters not determined by arbitration, to the exclusive jurisdiction of the courts sitting in British Columbia, Canada, respecting all matters relating to this Agreement and the rights and obligations of the Parties hereunder.

15.4 Notice

- (a) Any notice or writing required or permitted to be given by a Party under this Agreement or any communication otherwise made by a Party in respect of this Agreement (referred to in this Section as a “**Notice**”) shall be sufficiently given if in writing and: (i) delivered personally, either to the individual designated below for such Party, or to an individual having apparent authority to accept deliveries on behalf of such individual at the address set out below for such Party; (ii) by registered mail to the address set out below for such Party; or (iii) transmitted by email at or to the applicable email addresses set out below for such Party.

- (b) In the case of a Notice to Amarc: Notice contact details are private

Amarc Resources Ltd.

[REDACTED]

Attention:

[REDACTED]

with a copy which shall not constitute Notice to:

[REDACTED]

Attention:

Email:

[REDACTED]

- (c) In the case of a Notice to Freeport, at:

Freeport-McMoRan Mineral Properties Canada Inc.

[REDACTED]

[REDACTED]

Attention: Exploration Administration

Email: [REDACTED]

with a copy which shall not constitute Notice to:

[REDACTED]

Attention: [REDACTED]
Email: [REDACTED]

or at such other address as the Party (or Parties) to whom such Notice is to be given shall have last notified the Party giving the same, in the manner provided in this Section.

- (d) Any Notice is effective:
 - (i) if personally delivered as described above, on the day of personal service to the recipient Party;
 - (ii) if by registered mail and (A) in Canada to a Canadian address, on the fourth Business Day following the day on which it is mailed, or (B) if in Canada to a non-Canadian address or not in Canada to any address, on the tenth Business Day, except that if at any time between the date of mailing and the fourth or tenth Business Day (as applicable) thereafter there is a general discontinuance or disruption of postal service, the Notice must be given by means other than registered mail; and
 - (iii) if sent by email, then on the day on which the sender receives confirmation of receipt by return electronic email from the recipient (provided that the confirmation of receipt must not reasonably be suspected of being an automatically generated response and must be received within 72 hours after transmission of the Notice) if that day is a Business Day and if the confirmation was received prior to 5:00 p.m. local time in the place of delivery or receipt, and otherwise, on the next Business Day.

15.5 Further Assurances

Subject to the terms and conditions of this Agreement, the Parties shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under Applicable Laws to carry out all of their respective obligations under this

Agreement and to consummate the transactions contemplated by this Agreement, and from time to time, without further consideration, each Party shall, at its own expense, execute and deliver such documents to any other Party (or Parties) as such Party (or Parties) may reasonably request in order to consummate the transactions contemplated by this Agreement. Each of the Parties agrees to take all such actions as are within its power to control, and to use reasonable commercial efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in this Agreement which are for the benefit of any other Parties.

15.6 Survival

Section 2.2(e) (*Equitable Interests, Registration of Interest & Security Interest*), Section 3.3 (*Survival of Representations and Warranties*), Article 4 (*Indemnities*), Section 5.7 (*Termination Consequences*), Section 9.4 (*Realization of Security*), Article 11 (*Confidentiality*), Article 12 (*Termination*), Article 14 (*Dispute Resolution*), Section 15.3 (*Governing Law*), Section 15.6 (*Survival*) and Section 15.15 (*Specific Remedies*) and Schedule B (as it relates to indemnity of the Non-Operator) and all limitations of liability and rights accrued prior to completion, termination, or expiration of this Agreement shall not merge on completion, termination, or expiration of this Agreement, but shall continue in full force and effect after any termination or expiration of this Agreement as shall any other provision of this Agreement which expressly or by implication from its nature is intended to survive the termination or expiration of this Agreement.

15.7 Entire agreement

This Agreement, including the Schedules to this Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties (including, for greater certainty, the term sheet, dated August 23, 2019, as amended and extended from time to time to the date hereof, describing the transactions contemplated by this Agreement (the “**Term Sheet**”)), and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth in this Agreement and in any agreement or document delivered pursuant to this Agreement. No supplement, modification or waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

15.8 Ethics and Prohibited Corrupt Practices

- (a) No Party, nor any of its directors, officers, agents, employees, consultants or contractors, nor any other Person acting on its or their behalf, has or shall (i) offer, promise, pay, authorize, or take any act in furtherance of any offer, promise, payment or authorization of payment of anything of value to any Person of Concern for the purpose of securing discretionary action or inaction or a decision of a Government Official(s), influence over discretionary action of a Government Official(s), or an improper advantage; or (ii) take any action otherwise inconsistent

with or prohibited by the substantive prohibitions or requirements of any of the Relevant Laws, in connection with any matter relating to this Agreement.

- (b) In the performance of their obligations under this Agreement, the Parties shall cause their respective officers, directors, agents, employees, consultants, contractors, and other Persons acting on their behalf, to (i) comply strictly with all Applicable Laws, including, for greater certainty, the Relevant Laws, including not offering, promising, paying, authorizing, or taking any act in furtherance of any offer, promise, payment or authorization of payment of anything of value to any Person of Concern for the purpose of securing discretionary action or inaction or a decision of a Government Official(s), influence over discretionary action of a Government Official(s), or an improper advantage; and (ii) take no action otherwise inconsistent with or prohibited by the substantive prohibitions or requirements of any of the Relevant Laws, in connection with any matter relating to this Agreement.
- (c) The Parties hereby covenant that in the performance of their obligations under this Section 15.8, they shall take appropriate steps to cause the Parties and their officers, directors, agents, employees, consultants and contractors to implement and maintain, while this Agreement is in effect, policies and procedures designed to ensure compliance with all Applicable Laws, including, for greater certainty, the Relevant Laws. Such policies and procedures shall be consistent with the anti-corruption compliance program administered by Freeport-McMoRan Inc., and shall apply to the Parties' operations, and any directors, officers, agents, employees, consultants and contractors working on behalf of any Party.

15.9 Human Rights Policy; Community Policy

- (a) Each Party acknowledges and agrees that it has read Freeport-McMoRan Inc.'s Human Rights Policy (the "**Human Rights Policy**") (a copy of which may be obtained by following the link for the Human Rights Policy located on this webpage: <http://www.fcx.com/company/business.htm>) and that the Human Rights Policy requires that the Party respect International Human Rights. Consistent with this, each Party represents, warrants and agrees that, in performing any activities contemplated under this Agreement, each Party and any of their respective officers, directors, agents, employees, consultants, contractors, and other Persons acting on their behalf, shall respect and comply with the Human Rights Policy and any International Human Right. Each Party represents, warrants and agrees that it shall (i) promptly investigate any allegations of International Human Rights violations allegedly caused by any Party or any of their respective officers, directors, agents, employees, consultants, contractors, and other Persons acting on their behalf, (ii) notify Freeport and the complainant of the results of that investigation, and (iii) take appropriate remedial action where such investigations confirm International Human Rights violations have occurred. Each Party shall report to Freeport all grievances by Third Parties regarding International Human Rights matters associated with its performance under this Agreement.

- (b) Each Party acknowledges that it has been expressly advised that complying with the Human Rights Policy is a matter of fundamental importance to Freeport, and that the corporate policy of Freeport is to discontinue business relationships with any Person or Persons who fail to do so. Without limiting the generality of the foregoing, Amarc acknowledges that failure on its part, or on the part of any of its officers, directors, agents, employees, consultants, or contractors to comply with the Human Rights Policy may result in a decision by Freeport not to proceed with this Agreement or the transactions contemplated by this Agreement, regardless of the merit of the Property. Freeport shall have the right to conduct an audit of any and all activities related to any actions performed by any Party or any of their respective officers, directors, agents, employees, consultants, contractors, and other Persons acting on their behalf to ensure compliance with the requirements of this Section 15.9.
- (c) Each Party acknowledges and agrees that it has read Freeport-McMoRan Inc.'s Community Policy (the "**Community Policy**") (a copy of which may be obtained by following the link for the Community Policy located on this webpage: <http://www.fcx.com/company/business.htm>). Each Party understands and agrees that it and its officers, directors, agents, employees, consultants, contractors, and other Persons acting on its behalf are expected to perform all actions in a manner that is consistent with the Community Policy.

15.10 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

15.11 Severability

If any provision of this Agreement is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this Agreement.

15.12 Waiver

A waiver of any right, power or remedy under this Agreement must be in writing signed by the Party granting it. A waiver is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

15.13 Amendment

No modification, variation or amendment of this Agreement is of any force unless it is in writing and has been signed by each of the Parties.

15.14 Relationship of the Parties

Nothing in this Agreement or any other agreement relating to the development of the Assets is to constitute or be deemed to constitute a partnership or joint venture for any purpose between the Parties or an agency of one Party to another Party, or in any way create a fiduciary duty of one Party to another Party.

15.15 Specific Remedies

Each of the Parties agrees that its failure to comply with the covenants and restrictions set out in Sections 3.4, 3.5, and 6.1 and Articles 9, 10 and 11 would constitute an injury and cause damage to the other Party impossible to measure monetarily. Therefore, in the event of any such failure, the other Party shall, in addition and without prejudice to any other rights and remedies that it may have at law or in equity, be entitled to injunctive relief (without the requirement of posting a bond or other security) restraining, enjoining or specifically enforcing the provisions of the foregoing sections.

15.16 Parties' Rights to Conduct Other Business

Each Party shall devote such time as may be required to fulfill any obligation assumed by it hereunder but:

- (a) outside of the Area of Interest, the Parties and their respective Affiliates shall be free to engage in any business or other activity, whether or not competitive with the activities of the other Parties, and whether or not such business activity or acquisition is a result of reviewing the information obtained from the transactions contemplated by this Agreement, and in particular, this Agreement may not be construed to prevent a Party from acquiring any mineral rights or interests therein, real property rights, water rights, or other associated rights outside of the boundaries of the Area of Interest;
- (b) no Party shall be under any fiduciary or other obligation to any other Party which shall prevent or impede such Party from participating in, or enjoying the benefits of, competing endeavours of a nature similar to the business or activity undertaken by the Parties hereunder; and
- (c) the legal doctrines of “corporate opportunity” or “business opportunity” sometimes applied to Persons occupying a relationship similar to that of the Parties shall not apply with respect to participation by any Party in any business activity or endeavour outside the transactions contemplated by this Agreement, and, without implied limitation, a Party shall not be accountable to the others for participation in any such business activity or endeavour outside the transactions contemplated by this Agreement which is in direct competition with the business or activity undertaken by the Parties under this Agreement.

15.17 Tax Included and Recoverable Tax to be Reinvested Towards Expenditures

- (a) All amounts and Expenditures to be funded, paid or incurred by Freeport as described in this Agreement are inclusive of any amounts on account of Tax incurred by any Party in funding an approved Work Program (i.e. no tax gross up shall be made). [REDACTED], any such Tax recovered or refunded by the Parties during the term of this Agreement shall be used to fund Expenditures; however such recovered or refunded Tax shall not be credited towards Freeport’s funding obligations in relation to Work Programs. In the event that any Tax is recovered following termination of this Agreement, such Tax shall be reimbursed by the recovering Party forthwith to the Party that funded or incurred, directly or indirectly, such Tax.

[REDACTED]

[REDACTED]

- (d) Any CEE ^{Tax provisions are confidential} that may be accumulated pursuant to the Tax Act that are derived from eligible Expenditures under the Tax Act, shall be for the account of Freeport and for its sole benefit.

15.18 Time of the Essence

Time shall be of the essence hereof provided that the remedy for a breach of this section by a Party shall be either as agreed or resolved under Section 14.

15.19 Execution in Counterparts and by Electronic Delivery

This Agreement may be executed in any number of counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument. Such counterparts may be delivered by regular post, courier or electronic mail.

[INTENTIONALLY LEFT BLANK]

**SCHEDULE A-1
DESCRIPTION OF PROPERTY**

Property information is confidential

[entire schedule redacted]

**EXHIBIT 2
STAKED CLAIMS**

[entire schedule redacted]

**EXHIBIT 3
PINE CLAIMS**

[entire schedule redacted]

**SCHEDULE A-2
MAP OF PROPERTY AND AREA OF INTEREST**

[entire schedule redacted]

**SCHEDULE B
OPERATOR'S OBLIGATIONS**

Operator's duties, insurance obligation are confidential
[entire schedule redacted]

**SCHEDULE C
OPERATOR INSURANCE TERMS**

[entire schedule redacted]

**SCHEDULE D
SHAREHOLDERS AGREEMENT**

See attached.

[FORM OF] SHAREHOLDERS AGREEMENT

Form of future Shareholders Agreement is confidential

[entire schedule redacted]

SCHEDULE E
NOTICE OF SECURITY INTEREST

Form of security notice is confidential

[entire schedule redacted]