

SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated as of the 9th day of August 2020.

AMONG:

TY & SONS EXPLORATIONS (CHILE) INC., a company having an address at Suite 918, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3

(the “**Company**”)

AND:

TY & SONS INVESTMENTS INC., a company having an address at Suite 918, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3

(the “**Vendor**”)

AND:

FEDERAL GOLD CORP., a company having an address at Suite 907, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3

(the “**Purchaser**”)

WHEREAS:

- A. The Company is the registered and beneficial owner of 100% of the right, title and interest in and to the Subsidiary Shares (as hereinafter defined);
- B. The Subsidiary is the registered and beneficial owner of 100% of the right, title and interest in and to the Property (as hereinafter defined);
- C. The Vendor is the registered and beneficial owner of 100% of the right, title and interest in and to the Vendor Shares (as hereinafter defined) which in the aggregate represent all of the issued and outstanding Company Shares (as hereinafter defined); and
- D. The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, 100% right, title and interest in and to all of the Vendor Shares pursuant to the terms and conditions of this Agreement;

THEREFORE this Agreement witnesses that in consideration of the premises and mutual covenants contained herein, payment by each party hereto to the others of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties agree as follows:

1. Definitions and Interpretation

1.1 In this Agreement and in the Schedule and the recitals hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- (a) “**Applicable Law**” means:

- (i) any domestic or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, restriction or bylaw; or
- (ii) any judgment, order, ruling, decision, writ, decree, injunction or award,

of any governmental entity, statutory body or self-regulatory authority (including a stock exchange), to the extent that the same is legally binding on the person referred to in the context in which the term is used.
- (b) **“Closing”** means the completion of the purchase and sale of all of the Vendor Shares and the other transactions contemplated in this Agreement, in accordance with the terms and conditions of this Agreement.
- (c) **“Closing Date”** means the date on which the Closing occurs.
- (d) **“Company”** means TY & Sons Explorations (Chile) Inc., a corporation incorporated under the laws of the Province of British Columbia.
- (e) **“Company Shares”** means the Class A Common shares and the Class B Common shares in the capital of the Company, as presently constituted.
- (f) **“Encumbrance”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, option, lease, lien (statutory or otherwise), charge, title retention agreement or arrangement, contractual commitment, royalty, restrictive covenant or other encumbrance of any nature.
- (g) **“Environmental Laws”** means any Applicable Law with respect to environmental protection or regulating Hazardous Materials or which regulates or provides for liabilities with respect to pollution, the release into the environment of, or the exposure to, Hazardous Materials as such Applicable Laws existed from time to time up to the date of this Agreement.
- (h) **“Existing Royalties”** means the royalties previously disclosed by the Vendor to the Purchaser.
- (i) **“Governmental Authority”** means any domestic or foreign government, whether federal, provincial, state or municipal, and any branch, department or ministry thereof, or any governmental agency, governmental authority, governmental tribunal, board or commission of any kind whatever.
- (j) **“Hazardous Materials”** means any explosive, radioactive materials, asbestos material, urea formaldehyde, hydrocarbon contaminants, underground tanks, pollutants, contaminants, hazardous, corrosive or toxic substance or special waste of any kind, including without limitation, compounds known as chlorobiphenyls, and any substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is prohibited, regulated or licensed under any Environmental Laws.
- (k) **“Legal Proceeding”** means any action, suit, claim, litigation, complaint, grievance, application, arbitration, inquiry, investigation, hearing or other civil, criminal, regulatory, or administrative proceeding or other similar proceeding, at law or in equity, before or by

any court, agency, commission, tribunal, panel or other judicial, governmental or administrative body or authority and includes any appeal or review thereof and any application or leave for appeal or review.

- (l) “**Material Adverse Effect**” means an effect, change, event, occurrence, fact or circumstance that, individually or in the aggregate with another such effect, change, event, occurrence, fact or circumstance, is or would be reasonably expected to be material and adverse to the business, affairs, operations, property, assets, liabilities, financial condition, financial results, capital or prospects (financial or otherwise) of a party or which could or could be reasonably expected to prevent, materially delay or materially impair the ability of the respective parties to complete the transactions contemplated by this Agreement and to otherwise consummate the transactions contemplated in this Agreement, except any such effect resulting from or arising in connection with:
- (i) any adoption, implementation, proposal or change in applicable law or any interpretation thereof by any governmental entity;
 - (ii) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in national or global financial or capital markets or in general economic, business, political, regulatory or market conditions;
 - (iii) any natural disaster;
 - (iv) the announcement of this Agreement or any transactions contemplated herein, or otherwise contemplated by or arising as a result of the terms of this Agreement;

provided, however, that with respect to clauses (ii) and (iii), such matter does not have a materially disproportionate effect on the party, taken as a whole, relative to other comparable companies and entities operating in the industries in which the party operates.

- (m) “**Mineral Products**” means minerals derived from operating the Property as a mine to which has been applied the least number of treatments or processes necessary to render the minerals into a substance or state for which there is a commercially significant market involving arm’s length sales or purchases between unrelated parties.
- (n) “**Property**” means the mining concessions listed in Schedule “A”.
- (o) “**Purchaser**” means Federal Gold Corp., a corporation existing under the laws of the Province of British Columbia.
- (p) “**Subsidiary**” means Rio Explorations SpA, a corporation existing under the laws of Chile.
- (q) “**Subsidiary Shares**” means the common shares in the capital of the Subsidiary;
- (r) “**Vendor**” means TY & Sons Investments Inc., a corporation existing under the laws of the Province of British Columbia.
- (s) “**Vendor Shares**” means the Company Shares held by the Vendor, and which represent all of the outstanding Company Shares.

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) the division of this Agreement into articles, sections and other subdivisions and the use of headings are for convenience only and are not intended to define, interpret or limit the scope, extent or intent of this Agreement;
- (b) all references in this Agreement to “articles”, “sections” and other subdivisions or Schedules are to the designated articles, sections or other subdivisions or Schedules of this Agreement;
- (c) the words “hereof”, “hereto”, “herein”, “hereby”, “herewith” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular article, section or other subdivision;
- (d) the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language is used with reference thereto);
- (e) the words “written” or “in writing” include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including telex, telegraph, telecopy, facsimile or e-mail;
- (f) a “day” shall refer to a calendar day, and references to a “business day” shall refer to days on which banks are ordinarily open for business in Vancouver, British Columbia, other than a Saturday or a Sunday; in calculating all time periods the first day of a period is not included and the last day is included, and if a date is or a time period ends on a day which is not a business day, such date will be extended and the time period will be deemed to expire on the next business day;
- (g) all references to “\$” or “dollars” are references to the lawful currency of the United States of America;
- (h) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- (i) words importing individuals include bodies corporate and other artificial entities, and vice versa; words importing gender include the other gender; words importing one form of body corporate or artificial entity include all other forms of bodies corporate or artificial entities; and words importing the singular includes the plural, and vice versa; and
- (j) the rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the construction or interpretation of any of the terms and conditions of this Agreement.

2. Purchase and Sale

2.1 Subject to the terms and conditions of this Agreement, at the Closing, the Vendor shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from the Vendor, 100% right, title and interest in and to the Vendor Shares (which in the aggregate represent all of the issued and outstanding Company Shares), free and clear of all Encumbrances.

2.2 In consideration for the Vendor Shares, the Purchaser shall pay to the Vendor an aggregate of \$210,000 in cash at the Closing.

3. Additional Covenants

3.1 Each of the parties hereto shall, in good faith, use all commercially reasonable efforts to:

- (a) conduct their business and affairs in a manner such that its respective representations and warranties made by it herein remain true prior to Closing, and to promptly notify the other parties should any representation and warranty made by it herein cease to be true;
- (b) perform and observe the covenants made by it herein; and
- (c) perform and observe matters required to satisfy any other conditions precedent to the completion of the transactions contemplated by this Agreement.

3.2 The Company and the Vendor, as required, shall deliver to the Purchaser, in a timely manner and in form and content satisfactory to the Purchaser, as required, the following information and documents (including for greater certainty any amended or supplementary documents in response to a request for amendments or additional disclosures):

- (a) all financial records of the Company; and
- (b) all other information, documents and records of the Company which may be reasonably requested by the Purchaser.

4. Representations and Warranties

4.1 The Vendor hereby represents and warrants to the Purchaser, and acknowledges that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- (a) if it is not an individual, it is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation, or if it is an individual, it is of full age of majority;
- (b) it has the legal power and capacity and has taken all necessary action and has obtained all necessary approvals to enter into and execute this Agreement and to carry out its obligations hereunder;
- (c) it has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms;
- (d) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein by such Vendor will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) if it is not an individual, its constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which it is a party or by which it is bound, or (iii) any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over it;

- (e) it is the registered holder and beneficial owner of 100% right, title and interest in and to the Vendor Shares; it has good and marketable title to such securities free and clear of all Encumbrances; the Vendor Shares are validly issued and outstanding as fully paid and non-assessable securities in the capital of the Company; there are no restrictions on the transfer of the Vendor Shares; it holds no other securities issued by the Company other than the Vendor Shares; and it holds no right, privilege, option, warrant or agreement to purchase or otherwise acquire, directly or indirectly, any other shares in the capital of the Company;
- (f) no person has any right, privilege, option, warrant or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option, warrant or agreement, to purchase or otherwise acquire, directly or indirectly, any of the Vendor Shares or any interest or entitlement therein (other than as provided by this Agreement);
- (g) it is not a party to any unanimous shareholders agreement, escrow agreement, pooling agreement, voting trust or similar arrangements or obligations in respect of the Vendor Shares, the Subsidiary Shares or any other securities of the Company or the Subsidiary; and
- (h) it does not have any information or knowledge of any facts relating to the Company which if known to the Purchaser would or might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of it to the Purchaser in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Vendor Shares seeking full information as to the Vendor Shares, the Company and its business and affairs.

4.2 The Company represents and warrants to the Purchaser and acknowledges that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- (a) the Company is duly formed, validly existing and in good standing under the laws of British Columbia;
- (b) the Subsidiary is duly formed, validly existing and in good standing under the laws of Chile;
- (c) the Company has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own and lease its property and assets, to conduct its business as presently conducted, and to enter into and execute this Agreement, and to carry out its obligations thereunder;
- (d) the Company has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms except that (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) rights of indemnity and contribution hereunder may be limited under applicable law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;

- (e) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) any of the Company's constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which the Company is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby), or (iii) to the knowledge of the Vendor, any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over the Company; in each case that may result in a Material Adverse Effect on the Company;
- (f) the Company's authorized capital consists of an unlimited number of Class A Common shares and Class B Common shares, of which 100 Class A Common shares and 100 Class B Common shares are validly issued and outstanding, all of which are held by the Vendor free and clear of Encumbrances;
- (g) the Subsidiary's authorized capital consists of 1,000 Subsidiary Shares, of which 1,000 Subsidiary Shares are validly issued and outstanding, all of which are held by the Company free and clear of Encumbrances;
- (h) as of the Closing Date, no person shall have any right, privilege, option, warrant or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option, warrant or agreement, to purchase or otherwise acquire, directly or indirectly, any Company Shares or the Subsidiary Shares, or any other shares in the capital of the Company or the Subsidiary, from the treasury of the Company;
- (i) neither it nor the Subsidiary is a party to any unanimous shareholders agreement, escrow agreement, pooling agreement, voting trust or similar arrangements or obligations in respect of the Company Shares, the Subsidiary Shares, or any other securities of the Company or the Subsidiary;
- (j) the Company has no assets other than the Subsidiary Shares and no subsidiaries other than the Subsidiary;
- (k) the Subsidiary has no assets other than the Property;
- (l) the Subsidiary is qualified to acquire and dispose of interests in, and to explore, develop and exploit, mining properties in Chile;
- (m) the Property is accurately described in Schedule "A" attached hereto, is in good standing under Applicable Laws, is free and clear of all Encumbrances and is not subject to any claims against its validity by any person;
- (n) the Subsidiary is the registered owner of the Property and (i) holds a 100% right, title and interest in and to the Property, subject only to the Applicable Laws and (ii) holds all permits, licenses, registrations and applications required to hold the Property;
- (o) other than this Agreement and the Existing Royalties, the Company is not a party to any outstanding agreement, arrangement, commitment or understanding, oral or written, in relation to the Property or the sale of any Mineral Products to be extracted from the Property, nor to its knowledge, information and belief have any third parties, including the

Subsidiary's predecessors in beneficial title to the Property, entered into any outstanding agreement, arrangement, commitment or understanding, whether oral or written, in relation to the Property or the sale of any Mineral Products to be extracted from the Property;

- (p) no person has any proprietary or possessory interest in the Property other than the applicable Governmental Authorities;
- (q) no person is entitled to any royalty or other payment in the nature of rent or royalty in respect of the Property other than in connection with the Existing Royalties;
- (r) the concessions which comprise the Property were properly located and denounced, all required location and validation was properly performed and the location notices and certificates were properly recorded and filed with appropriate Governmental Authority;
- (s) all assessment work and tax payments required for the Subsidiary to hold the Property has been timely performed and paid;
- (t) all affidavits of assessment work and other filings required to maintain the Property in good standing have been properly and timely recorded and filed with appropriate Governmental Authority;
- (u) other than the Existing Royalties, the Subsidiary's interest in the Property is free and clear of any Encumbrance or other claims of any description and no person has any right, agreement, option or understanding, commitment or privilege capable of becoming an agreement for the purchase from it of any interest in or to the Property;
- (v) there is no adverse claim against or challenge to the Subsidiary's ownership of or title to the Property, nor to the best of its knowledge, information and belief, is there any basis therefor;
- (w) there has been no act or omission by either the Subsidiary or, to its knowledge, information and belief, any of its predecessors in beneficial interest or title to the Property which could by notice, or lapse of time, or by both notice and lapse of time, result in a breach, termination, abandonment, forfeiture, relinquishment or other premature termination of the Subsidiary's rights or title to the Property;
- (x) neither the Subsidiary nor, to the Subsidiary's knowledge, information and belief, any of its predecessors in interest or title to the Property has granted any person, other than the Purchaser, access to, or the right to conduct operations on the Property;
- (y) there is no public or private litigation, arbitration, proceeding or other governmental investigation pending or threatened involving the Property which may materially and adversely affect the Property or the interests of it therein or which seeks to or would, if successful, prevent, restrain or prohibit any of the transactions contemplated herein;
- (z) the conditions existing on or related to the Property are, and its ownership of and operations in respect of the Property have been and continue to be, in compliance with, and are not in violation of, any Applicable Laws (including without limitation any Environmental Laws), nor are they causing or permitting any damage (including Environmental Damage, as defined below) or impairment to the health, safety, or enjoyment of any person at or on the Property or in the general vicinity of the Property;

- (aa) there have been no past violations by it or by any of its predecessors in title of any Environmental Laws or other Applicable Laws affecting or pertaining to the Property, nor any past creation of damage or threatened damage to the air, soil, surface waters, ground water, flora, fauna, or other natural resources on, about or in the general vicinity of the Property (“**Environmental Damage**”);
- (bb) no Hazardous Materials or other materials used in or generated by the use of the Property have been or are currently placed, used, stored, treated, manufactured, disposed of, released discharged, spilled or emitted in material violation of any Environmental Laws;
- (cc) there is no agreement or consent order to which it is a party relating to any environmental matter relating to any of the Property and to the best of its knowledge, no such agreement is necessary for the continued compliance with Environmental Laws;
- (dd) there have been no orders issued or threatened and no investigations conducted, taken or threatened under or pursuant to Environmental Laws with respect to any of the Property of which it is aware. It is not aware of any circumstances or events that have any reasonable prospect of resulting in any claim, action or other proceeding with respect to Environmental Damage or in an order or investigation under any Environmental Laws;
- (ee) it has not received inquiry from or notice of a pending investigation from any governmental agency or of any administrative or judicial proceeding concerning the violation of any Applicable Laws or Environmental Laws;
- (ff) there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property and the conduct of the operations related thereto, it has not received any notice of the same and it is not aware of any basis on which any such orders or direction could be made;
- (gg) all previous work done by it or any of its affiliated or associated companies and any parties authorized by it or its affiliated or associated companies has been in accordance with Applicable Laws and Environmental Laws and sound mining, environmental and business practices;
- (hh) all filings, payments and recordings required to be made with any Governmental Authority to maintain the Property in good standing have been made and all work requirements to be met to maintain the Property in good standing have been met and no default has been alleged in respect thereto;
- (ii) to its knowledge, there are no requirements or restrictions under any Applicable Laws or issued by any Governmental Authority which could materially and adversely affect the ability of the Purchaser to conduct operations on the Property;
- (jj) it is not aware of any material facts or circumstances not disclosed in writing to the Purchaser which could materially and adversely affect the ability of the Purchaser to conduct operations on the Property; and
- (kk) it has delivered or made available to the Purchaser all material information concerning the Property in its and the Subsidiary’s possession or control and it is not aware of any material fact or circumstance which has not been disclosed to the Purchaser which should be disclosed in order to prevent the representations and warranties in this section from being

misleading or which may be material in the Purchaser's decision to enter into this Agreement and acquire an interest in the Property;

- (ll) neither the Company nor the Subsidiary has guaranteed or is not otherwise liable for the indemnification, assumption, endorsement or like commitment with respect to the debts, liabilities or obligations (contingent or otherwise) of any other person;
- (mm) the operations of the Company and the Subsidiary have been conducted in all material respects in compliance with all applicable laws of each jurisdiction in which the Company and the Subsidiary own or lease property or assets or carry on business, in accordance with industry standards and otherwise in a good and workmanlike manner, and the Company and the Subsidiary have not received any notice of and know of no state of facts which would constitute or result in any such violation of any such laws;
- (nn) the Company and the Subsidiary have obtained and are in possession of all material registrations, licenses, permits, authorizations, approvals, consents and other qualifications which are required under applicable laws to own or lease their property and assets and to carry on their business;
- (oo) the financial records of the Company and the Subsidiary are complete and accurate in all material respects and present fairly the financial condition, financial performance and cash flows of the Company and the Subsidiary as at the date and for the periods indicated therein;
- (pp) there are no actual, pending, contingent or, to the knowledge of the Company, threatened Legal Proceedings which, individually or in the aggregate, may result in or could reasonably be expected to have a Material Adverse Effect on the business, affairs, operations, property, assets, liabilities, financial condition, financial results, capital or prospects (financial or otherwise) of the Company or the Subsidiary;
- (qq) the Company has not entered into any agreement or arrangement, written or oral, that would entitle any person to any claim against the Company for a brokerage or finder fee, commission or other compensation, or any like payment, in respect of this Agreement and the transactions contemplated herein; and
- (rr) the Company does not have any information or knowledge of any facts relating to the Company which if known to the Purchaser would or might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Company to the Purchaser in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Company Shares seeking full information as to the Company Shares, the Company and its business and affairs.

4.3 The Purchaser represents and warrants to the Company and the Vendor and acknowledges that the Company and the Vendor are relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- (a) the Purchaser is duly formed, validly existing and in good standing under the laws of the Province of British Columbia;

- (b) the Purchaser has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own and lease its property and assets, to conduct its business as presently conducted, and to enter into and execute this Agreement and to carry out its obligations hereunder;
- (c) the Purchaser has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms except that (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) rights of indemnity and contribution hereunder may be limited under applicable law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;
- (d) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) the Purchaser's constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which the Purchaser is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby), or (iii) any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over the Purchaser;
- (e) no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Purchaser;
- (f) the Purchaser has not guaranteed or is not otherwise liable for the indemnification, assumption, endorsement or like commitment with respect to the debts, liabilities or obligations (contingent or otherwise) of any other person;
- (g) the Purchaser has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (h) no consent, approval, order or authorization of, or registration or declaration with, any applicable governmental authority with jurisdiction over the Purchaser is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the transactions contemplated by this Agreement or otherwise prevent or materially delay the Purchaser from performing its obligations under this Agreement and could not reasonably be expected to result in a Material Adverse Effect on the Purchaser;
- (i) to the knowledge of the Purchaser, there is no suit, action or proceeding or, to the knowledge of the Purchaser, pending or threatened against the Purchaser that, individually

or in the aggregate, could reasonably be expected to result in a Material Adverse Effect on the Purchaser, and there is no judgment, decree, injunction, rule or order of any governmental authority outstanding against the Purchaser causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Purchaser;

- (j) to the knowledge of the Purchaser, no bankruptcy, insolvency or receivership proceedings have been instituted by the Purchaser or, to the knowledge of the Purchaser, are pending against the Purchaser;
- (k) the Purchaser has good and marketable title to its properties and assets (other than property or an asset as to which the Purchaser is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect on the Purchaser;
- (l) no person has any written or oral agreement, option, understanding or commitment for the purchase from the Purchaser of any of its assets or property;
- (m) the Purchaser has obtained and is in possession of all material registrations, licenses, permits, authorizations, approvals, consents and other qualifications which are required under applicable laws to own or lease its property and assets and to carry on its business;
- (n) the Purchaser is not subject to any cease trade or other order of any applicable securities regulatory authority or stock exchange and, to the knowledge of the Purchaser, no Legal Proceedings involving the Purchaser which may operate to prevent or restrict trading of any securities of the Purchaser or otherwise prevent or restrict the completion of the transactions contemplated herein are currently in progress, pending, contingent or threatened before any applicable securities regulatory authority or stock exchange; and
- (o) the Purchaser has not entered into any agreement or arrangement, written or oral, that would entitle any person to any claim against the Purchaser for a brokerage or finder fee, commission or other compensation, or any like payment, in respect of this Agreement and the transactions contemplated herein.

4.4 The representations and warranties set out herein shall survive the Closing and, notwithstanding any investigation made by or on behalf of a party hereto and the occurrence of the Closing, shall continue in full force and effect for a period of two years following the date hereof.

5. Conditions of Closing

5.1 The Vendor and the Company shall not be obligated to complete the sale of the Vendor Shares pursuant to this Agreement and the other transactions contemplated herein, unless each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendor:

- (a) the representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects at the Closing;
- (b) the covenants and conditions of the Purchaser to be performed and observed in this Agreement prior to or at Closing shall have been performed and observed in all material respects;

- (c) the receipt of any consents contemplated by this Agreement or otherwise necessary for this Agreement and the completion of the transactions contemplated herein, and all such approvals being in full force and effect;
- (d) there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Purchaser; and
- (e) there shall have been no order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement.

5.2 If any condition in section 5.1 hereof has not been fulfilled or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Vendor or the Company to comply with their obligations under this Agreement, then the Vendor or the Company may, without limiting any rights or remedies available to the Vendor at law or in equity, either:

- (a) terminate this Agreement by notice to the Purchaser; or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

5.3 The Purchaser shall not be obligated to complete the purchase of the Vendor Shares pursuant to this Agreement and the other transactions contemplated herein, unless each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser:

- (a) the representations and warranties of the Vendor and the Company in this Agreement shall be true and correct in all material respects at the Closing;
- (b) the covenants and conditions of the Vendor and the Company to be performed and observed in this Agreement prior to or at Closing shall have been performed and observed in all material respects;
- (c) the receipt of any consents contemplated by this Agreement or otherwise necessary for this Agreement and the completion of the transactions contemplated herein, in form and content and upon such conditions, if any, acceptable to the Purchaser, and all such approvals being in full force and effect;
- (d) there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Company or the Property;
- (e) the Property being free of all Encumbrances;
- (f) the Purchaser being satisfied as to the title to the Property held by the Company and the results of its due diligence investigation on the Property;
- (g) the Board of Directors of the Company shall have approved the transfer of the Company Shares contemplated in this Agreement, in accordance with the Articles of the Company; and

- (h) there shall have been no order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement.

5.4 If any condition in section 5.3 hereof has not been fulfilled or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser may, without limiting any rights or remedies available to the Purchaser at law or in equity, either:

- (a) terminate this Agreement by notice to the Vendor and the Company; or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

6. Closing

6.1 The Closing shall take place at the offices of counsel to the Purchaser, at such time and date as the Purchaser and the Company may agree.

6.2 At Closing, the Company shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) a copy of the resolutions of the Company authorizing this Agreement and the transactions contemplated herein and hereby;
- (b) the minute books of the Company and all corporate, financial, legal and technical files, records and data of the Company;
- (c) a certificate representing the Vendor Shares, duly registered in the name of the Purchaser; and
- (d) such other documents and instruments in connection with the Closing as may be reasonably requested by the Purchaser.

6.3 At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the certificate representing the Vendor Shares duly endorsed for transfer to the Purchaser, or a stock power of attorney in respect of the Vendor Shares.

6.4 At Closing, the Purchaser shall deliver or cause to be delivered to the Vendor and the Company the following documents:

- (a) a certified cheque in the amount of \$210,000; and
- (b) such other documents and instruments in connection with the Closing as may be reasonably requested by the Vendor or the Company.

7. Termination

7.1 This Agreement may be terminated by the mutual consent of the parties or in the following circumstances by written notice given by the terminating party to the other parties hereto:

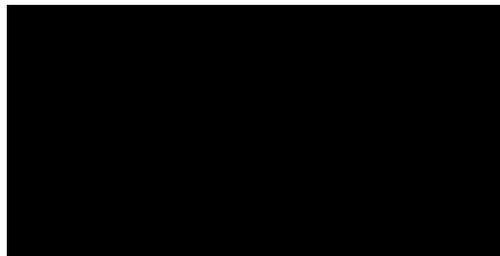
- (a) by the Company (acting on behalf of the Vendor) if the Purchaser is in default of any covenant on its part to be performed hereunder, the Company has given written notice to the Purchaser of such default, the Purchaser has not proceeded to cure such default within 14 days of such notice and thereafter proceeded in good faith to diligently cure such default to the Company's reasonable satisfaction provided that in any case such default shall be cured within 30 days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof); and
- (b) by the Purchaser if the Vendor or the Company is in default of any covenant on its part to be performed hereunder, the Purchaser has given written notice to the Vendor and the Company of such default, and the Vendor in default and/or the Company has not proceeded to cure such default within 14 days of such notice and thereafter proceeded in good faith to diligently cure such default to the Purchaser's reasonable satisfaction provided that in any case such default shall be cured within 30 days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof).

7.2 Upon termination of this Agreement, each party hereto shall be released from all obligations under this Agreement. Each party's right of termination is in addition to and not in derogation or limitation of any other rights, claims, causes of action or other remedy that such party may have under this Agreement or otherwise at law or in equity with respect to such termination and any misrepresentation, breach of covenant or indemnity contained herein.

8. Notices

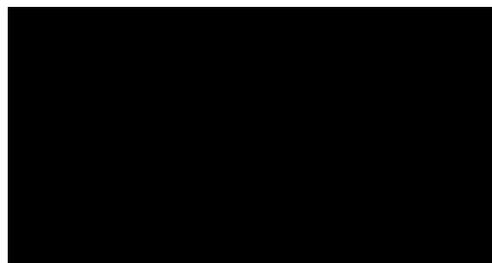
8.1 Any notice, communication, instrument or document required or permitted to be given under this Agreement shall be in writing and may be given by personal delivery, pre-paid, certified or registered mail, or by telecommunication, email or other similar form of communication (in each case with electronic confirmed receipt), addressed as follows:

- (a) If to the Company or the Vendor at:



Note: personal information of the parties

- (b) If to the Purchaser at:



and such shall be deemed to have been given (i) if effected by personal delivery, or telecommunication or

other similar form of communication (with electronic confirmed receipt), at the time of delivery or electronic confirmed receipt unless such occurs after the recipient's customary business hours in which case it shall be deemed to have been given on the next business day; and (ii) if effected by mail, on the fourth business day after mailing excluding all days on which postal service is disrupted.

8.2 A party may at any time in the above manner give notice to the other parties of any change of address and after the giving of such notice the address or addresses specified will be the address of such party for the purpose of giving notice hereunder.

9. Expenses

9.1 Each of the parties hereto shall bear all expenses incurred by such party in connection with the preparation and fulfillment of this Agreement, including but not limited to the fees and expenses of their legal counsel, accountants, financial and investment advisors, brokers and finders.

10. General

10.1 This Agreement (including the Schedule hereto) constitutes the entire agreement among the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether oral or written, express or implied, statutory or otherwise among the parties with respect to the subject matter herein. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.

10.2 The parties shall from time to time prior to or after Closing execute and deliver any and all such instruments and other documents and perform any and all such acts and other things as may be necessary or desirable to carry out the intent of this Agreement.

10.3 Any amendments hereto or waivers in respect hereof shall only be effective if made in writing and executed by the parties thereto. No waiver shall constitute a waiver of any other provision or act as a continuing waiver unless such is expressly provided for.

10.4 Time is of the essence of this Agreement. Any failure to exercise any rights provided for hereunder shall not, in the absence of a waiver in accordance with the terms hereof, affect the subsequent enforcement of such right.

10.5 The invalidity or unenforceability of any provision hereof shall not affect or impair the validity or enforceability of the remainder of the Agreement or any other provision hereof. In the event that any provision hereof is invalid or unenforceable in a given jurisdiction, that shall not affect the validity or enforceability of the provision in any other jurisdiction. The courts shall have the power to modify this Agreement, in a manner consistent with the intent of the parties, in order to limit the application of any such offensive provision to the maximum extent permitted by law.

10.6 This Agreement and any rights herein or hereto shall not be assigned or otherwise transferred by any party hereto without the express written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

10.7 This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. For the purposes of all legal proceedings, this Agreement shall be deemed to have been made and performed in British Columbia, and the parties hereby irrevocably agree that the courts of the Province British Columbia shall have

exclusive jurisdiction to entertain any action arising under this Agreement.

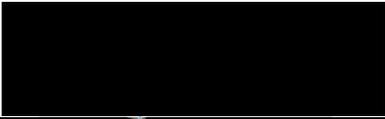
10.8 The Company and the Vendor acknowledge and agree that this Agreement has been prepared by Forooghian & Company Law Corporation, as legal counsel to the Purchaser, and that at no time Forooghian & Company Law Corporation provided legal advice to the Company or to the Vendor, and each of the Company and the Vendor hereby acknowledge and declare that they have either sought the requisite independent legal advice in connection with the entering into of this Agreement or have waived their right thereto.

10.9 This Agreement may be executed and delivered in two or more counterparts and by facsimile or PDF and by electronic delivery. Each such counterpart, facsimile, PDF and electronically delivered copy shall be deemed to form one and the same and an originally executed instrument, bearing the date set forth on the face page hereof notwithstanding the date of execution or delivery.

[SIGNATURE PAGE FOLLOWS]

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

TY & SONS EXPLORATIONS (CHILE) INC.

Per: 

Authorized Signatory

Note: Signatures of the signatories

TY & SONS INVESTMENTS INC.

Per: 

Authorized Signatory

FEDERAL GOLD CORP.

Per: 

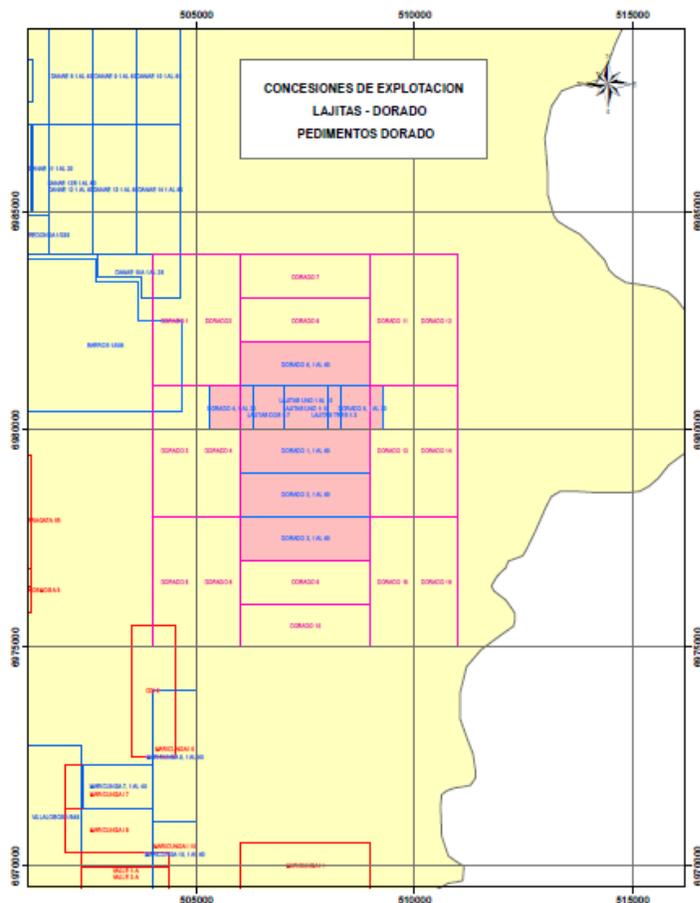
Authorized Signatory

**SCHEDULE “A”
PROPERTY**

The Property is comprised of the following two groups of concessions:

a) The **Lajitas and Dorado** claims and located on the Maricunga Gold Belt in the County of Copiapo, Third Region, Chile, approximately 700 kilometers northwest of Santiago, Chile

1. “Dorado 4, 1 To 20”.
2. “Dorado 5, 1 To 20”
3. “Dorado 6, 1 To 60”
4. “Dorado 1, 1 To 60”.
5. “Dorado 2, 1 To 60”
6. “Dorado 3, 1 To 60”
7. “Lajitas Uno, 1 To 10”
8. “Lajitas Dos, 1 To 7”
9. “Lajitas Tres, 1 To 3”



b) The **Nevada** claims and located on the Maricunga Gold Belt in the County of Copiapo, Third Region, Chile, approximately 700 kilometers northwest of Santiago, Chile.

- NEVADA 1, 1 AL 60
- NEVADA 2, 1 AL 60
- NEVADA 3, 1 AL 60
- NEVADA 4, 1 AL 40
- NEVADA 5, 1 AL 16
- NEVADA 6, 1 AL 40
- NEVADA 7, 1 AL 40
- NEVADA OCHO, 1 AL 100

