

**PROPERTY OPTION AGREEMENT FOR THE PICACHOS PROPERTY IN SINALOA,
MEXICO**

THIS AGREEMENT is made as of the 4th day of August, 2020 (the “**Execution Date**”)

BETWEEN:

MINERA CAMARGO S.A. DE C.V. a company organized under the laws of Mexico and having an office at Mision Santa Ana #5232, Las Misiones, Mazatlan, Sinaloa Mexico C.P. 82133

(the “**Optionor**”)

AND:

BRIGADIER GOLD LIMITED., a company organized under the laws of British Columbia and having an office at 40440 Thunderbird Ridge, P.O. Box 1831 Garibaldi Highlands British Columbia, V0N 1T0.

(the “**Optionee**”)

WHEREAS:

(A) The Optionor is the owner of a 100% interest in the Picachos Property located in Sinaloa, Mexico which is more particularly described in Schedule A (the “**Property**”);

(B) On July 6, 2020, the Optionor and the Optionee entered into a Letter Agreement (the “**Letter Agreement**”) pursuant to which the Optionor agreed to grant an exclusive option to the Optionee to acquire 100% in and to the Property (which in the Letter Agreement was called the Picachos Property), subject to a 2% net smelter return royalty in favour of the Optionor ;

(C) Pursuant to the Letter Agreement, the Optionor and the Optionee agreed to enter into a definitive agreement to further define the terms of the option and the terms of the royalty described in the Letter Agreement; and

(D) The Optionor and the Optionee have agreed to enter into this agreement, to supercede and replace the Letter Agreement and govern the terms of the option granted by the Optionor to the Optionee to acquire the Picachos Property and the terms of the net smelter return royalty to be retained by the Optionor.

NOW THEREFORE the parties agree as follows:

PART 1

DEFINITIONS

1.1 In this Agreement, except as otherwise expressly provided or as the context otherwise requires,

- (a) “**Affiliate**” means any Person that is the parent corporation or wholly owned subsidiary of a Party to this Agreement;
- (b) “**Agreement**” has the meaning as set out in the first paragraph of this Agreement;
- (c) “**Business Day**” means any day other than a Saturday, Sunday or a public or statutory holiday in Vancouver, British Columbia or Mazatlan, Sinaloa;
- (d) “**Confidential Information**” has the meaning as set out in;
- (e) “**Commercial Production**” shall be deemed to commence:
 - (i) if a concentrator is located on the Property, the last day of a period of 40 consecutive days in which, for not less than 30 days, such concentrator processed ore from the Property on average at 80% or more of its rated concentrating capacity; or
 - (ii) if no concentrator is located on the Property, the last day of the first period of 30 consecutive days on at least 25 of which ore has been mined from the Property for the purpose of being shipped from the Property for the purpose of earning revenues,but no period of time during which ore or concentrate is shipped from the Property for testing purposes, and no period of time during which mining or milling operations are undertaken as initial tune-up, will be taken into account in determining the date of Commencement of Commercial Production;
- (f) “**Effective Date**” means the date upon which the TSX Venture Exchange grants to the Optionee its acceptance respecting this Agreement;
- (g) “**Encumbrance**” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, royalty, restrictive covenant or other encumbrance of any nature or any agreement to give or create any of the foregoing, other than the Permitted Encumbrances;
- (h) “**Execution Date**” means the date that the last of the Parties signed this Agreement, and is the date set out at the beginning of this Agreement;
- (i) “**Expenditures**” means all costs and expenses spent or incurred on or in the conduct of exploration or development work on the Property, as the case may be, including all expenditures and costs incurred (a) doing geophysical, geochemical, land,

airborne, environmental and geological examinations, assessments, assays, audits and surveys; (b) in linecutting, mapping, trenching and staking; (c) in searching for, digging, trucking, sampling, working, developing, mining and extracting ores, minerals and metals; (d) in conducting diamond and other drilling; (e) in obtaining, providing, installing and erecting mining, milling and other treatment plant, ancillary facilities, buildings, machinery, tools, appliances and equipment; (f) in constructing access roads and other facilities on or for the benefit of the Property or any part thereof; (g) in transporting personnel, supplies, mining, milling and other treatment plant, ancillary facilities, buildings, machinery, tools, appliances and equipment in, to or from the Property or any part thereof; (h) in paying reasonable wages and salaries (including “fringe benefits”, but excluding home office costs) of personnel directly engaged in performing work on or with respect to the Property; (i) in paying assessments and contributions under applicable employment legislation relating to workers’ compensation and unemployment insurance and other applicable legislation relating to such personnel; (j) in supplying food, lodging and other reasonable needs for such personnel; (k) in obtaining and maintaining any insurance; (l) in obtaining legal, accounting, consulting and other contract and professional services or facilities relating to work performed or to be performed hereunder; (m) in paying any taxes, fees, charges, payments and rentals (including payments made in lieu of assessment work) or otherwise incurred to transfer the Property or any part thereof or interest therein pursuant to this Agreement and to keep the Property or any part thereof in good standing; (n) in paying goods and services tax (net of any input tax credits) and social services tax and all other taxes charged on expenditures made or incurred by the Optionee relating directly to the Property; (o) in acquiring access and surface rights to the Property; (p) in carrying out any negotiations and preparing, settling and executing any Agreements and other documents relating to environmental or indigenous peoples’ claims, requirements or matters; (q) in obtaining all necessary or appropriate approvals, permits, consents and permissions relating to the carrying out of work, including environmental permits, approvals and consents; (r) in carrying out reclamation and remediation; (s) in improving, protecting and perfecting title to the Property or any part thereof; (t) in carrying out mineral, soil, water, air and other testing; (u) in preparing engineering, geological, financing, marketing and environmental studies and reports and test work related thereto; (v) in preparing one or more Feasibility Studies including any work and reports preliminary or supplementary thereto;

(j) **“Feasibility Study”** means a report prepared by an internationally recognized, reputable and experienced third party engaged by and working under the direction of the Optionee, that demonstrates the feasibility or infeasibility of placing part or all of the Properties into Commercial Production. The report will be in such form as is normally required by substantial, internationally recognized financial institutions for the purpose of deciding whether or not to loan funds for the development of mineral deposits. The report will include at least the following information:

- (i) a description of those parts of the Properties that will be placed into commercial production;
- (ii) the estimate of recoverable reserves of Minerals and the estimate of the composition and content thereof;

- (iii) an outline for proposed operations,
 - (iv) the results of ore processing tests;
 - (v) the quality of the final Mineral Products to be produced as well as all intermediate and other products for which a market likely can be found;
 - (vi) the nature and extent of the facilities proposed to be built;
 - (vii) the total costs, including a capital costs budget, which are reasonably required for the purchase, construction and installation of all structures, machinery and equipment required for the Facilities, including a schedule of timing for such purchase, construction and installation;
 - (viii) a description of all necessary environmental impact studies;
 - (ix) the period of time within which it is proposed that the Properties will be brought to commercial production;
 - (x) such other data and information as is reasonably necessary to substantiate the existence of deposits of sufficient size and grade to justify development of a mine taking into account all relevant business, tax and other economic considerations including those with respect to funding of costs and repatriation of capital and profits;
 - (xi) working capital requirements for the initial 4 months of commercial production of the Property as a mine or such longer period as may be reasonably justified in the circumstances;
 - (xii) information dealing with geology and geochemical and geological surveys, geotechnical, hydrogeology, evaluation of availability of drinking water and industrial water, metallurgical processing schemes and descriptions of the installations, electrical supply and distribution, siting of the project infrastructure, labour and staff, impact on social environment (development of schools, roads, hospitals, entertainment and cultural centres and so forth), import and export routes and marketing procedures; and
 - (xiii) projected cash flows including a base case recommendation and an economic forecast for the life of the mine.
- (k) **“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;

- (l) “**Letter Agreement**” means the agreement between the Optionor and the Optionee dated July 6, 2020 pursuant to which: (i) the Optionor agreed, inter alia, (A) to grant to the Optionee an option to acquire the Property, and (B) granted the Optionee a period of exclusivity to conduct due diligence on the Property and negotiate a definitive agreement for the option to acquire the Property; and (ii) the Optionee paid the Optionor an initial payment of US\$35,000;
- (m) “**Milestone Payments**” means the additional share issuances and cash payments to be made by the Optionee after exercise of the Option in accordance with Section 8;
- (n) “**Minerals**” means ores and concentrates, or metals derived therefrom, containing valuable minerals that are found in, on or under the Property and that may lawfully be explored for, mined and sold pursuant to the Mining Law and Regulations and any other instruments of title under which any of the Property may be held;
- (o) “**Mineral Rights**” means any form of tenure or other right to Minerals or to work upon lands for the purpose of searching for, developing or extracting Minerals under any form of mineral title recognized under the laws of Mexico or any subdivision thereof, including the Mining Law and Regulations, whether contractual, statutory or otherwise;
- (p) “**Mining Law and Regulations**” means the mining law of Mexico and the regulations promulgated thereunder, as amended from time to time;
- (q) “**Operations**” means the activities of prospecting, exploration, development, construction, mining, milling, processing, treatment operations and related operations conducted by or on behalf of the Parties on the Property, including the preparation of any preliminary assessment, technical report, pre-feasibility or feasibility study and any other reports, studies or supplementary information;
- (r) “**Operator**” has the meaning as set out in Section 11.1(a);
- (s) “**Operator’s Fee**” has the meaning as set out in Section 11.1(c);
- (t) “**Option**” means the exclusive right herein granted by the Optionor to the Optionee to permit the Optionee to acquire 100% interest in the Property as provided in Part 5;
- (u) “**Option Period**” means the period during the term of this Agreement from the date hereof to and including the earliest of
- (i) the date of exercise of the Option,
 - (ii) the fifth anniversary of the Effective Date, and
 - (iii) the termination hereof pursuant to Part 12;
- (v) “**Parties**” means the Optionee and the Optionor, and a reference to a “Party” means one of them;

(w) **“Permitted Encumbrances”** means (i) statutory exceptions to title of the Property; (ii) easements and any registered or recorded restrictions or covenants that run with Property that do not in the aggregate materially detract from the value of the Property and will not materially and adversely affect the ability to carry on the Operations; (iii) registered or unregistered or recorded or unrecorded rights of way for, or reservations or rights of others relating to, sewers, water lines, gas lines, pipelines, electric lines, telegraph and telephone lines and other similar products or services; and (iv) inchoate or statutory liens for taxes not at the time overdue;

(x) **“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;

(y) **“Property”** means the mineral interests described in Schedule A (the “Original Property”) and all exploitation concessions and other mining interests derived therefrom, and a reference herein to a concession comprised in the Property includes any property or other interests into which such concession may be converted and Property includes all Property Rights;

(z) **“Property Maintenance Costs”** means the duties, fees and other payments, and the minimum investments in exploration work required (if any) to be made periodically by the Mining Law and Regulations with respect to the Property;

(aa) **“Property Rights”** means all licenses, concessions permits, easements, rights-of-way, surface or water rights and other rights, approvals obtained by either of the parties either before or after the date of this Agreement and necessary or desirable for the development of the Property, or for the purpose of placing the Property into production or continuing production therefrom;

(bb) **“Royalty”** means a 2% royalty on net smelter returns on production from the Property which royalty may become from time to time payable to the Optionor under the royalty agreement set out in Schedule B;

(cc) **“Schedules”** means the documents attached hereto as follows:

- (i) Schedule A – Mineral Interests comprising the Property; and
- (ii) Schedule B – Net Smelter Returns Royalty;

(dd) **“Shares”** means the common shares in the capital of the Optionee, as presently constituted, to be issued to the Optionor pursuant to the exercise of the Option.

PART 2

EXECUTION OF DEFINITIVE AGREEMENT AND SATISFACTION OF CONDITIONS

- 2.1 The Parties agree that this Agreement is the “Definitive Agreement” as defined in the Letter Agreement, satisfies the condition precedent set out in Section 9.1(c) of the Letter Agreement, and supercedes and replaces the Letter Agreement.
- 2.2 The Optionor acknowledges and agrees that the initial payment of US\$35,000 (the “**Initial Payment**”) required to be made by the Optionee to exercise the Option has been received by the Optionor, and the Optionor represents and warrants that the funds from the Initial Payment have been apply to outstanding Property Maintenance Costs for the Property to maintain the Property in good standing.

PART 3

REPRESENTATIONS, WARRANTIES AND COVENANTS OF OPTIONOR

- 3.1 The Optionor represents and warrants to the Optionee that:
- (a) it is duly and legally formed and it is exclusively legally entitled to hold the Property and all mineral interests comprised therein, and all Property Rights held by it, and will remain so entitled until all interests of the Optionor in the Property (other than the Royalty) have been duly transferred to the Optionee as contemplated hereby or this Option has terminated;
 - (b) it is, and will be at the time of transfer to the Optionee of mineral claims comprising the Property, the sole recorded holder and beneficial owner of all of the Mineral Rights comprising the Property free and clear of Encumbrances other than Permitted Encumbrances, and no taxes or rentals are due in respect of any thereof, the Mineral Rights comprised in the Property have been validly issued and are validly subsisting pursuant to the Mining Law and Regulations and are in good standing; the Optionor is in exclusive possession of the Property, the information in Schedule A is accurate and complete, and all Property Maintenance Costs required to be paid or invested before the Effective Date have been paid or invested;
 - (c) the Optionor has not sold, assigned, optioned or entered into any agreement for the grant of an interest or a right to an interest in the Property or any of the Mineral Rights therein or any Property Rights associated therewith that is currently enforceable and in effect (other than the Letter Agreement), all past agreements entered into by the Optionor granting an interest in the Property, the Mineral Rights or other Property Rights therein has been validly terminated and no further obligations are owed by the Optionor in respect of any such agreement;
 - (d) there is no adverse claim or challenge against or to the ownership of or title to the Property, any of the Mineral Rights or other Property Rights, nor to the knowledge of the

Optionor is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase the Property or any portion thereof, and no person other than the Optionor, pursuant to the provisions hereof, has any royalty or other interest whatsoever in production from any of the Mineral Rights comprising the Property;

(e) there are no suits, actions, prosecutions, investigations or proceedings, actual, pending or, to the knowledge of the Optionor, threatened, against the Optionor that relate to or could have an adverse effect on the Property or the Optionor's interest therein;

(f) there are no orders or directives relating to environmental matters requiring any work, repairs, construction or capital expenditures in respect of the Property or the conduct of business related thereto, nor have any activities on the Property been in violation of any environmental law, regulation or regulatory prohibition or order, and conditions on and relating to the Property are in compliance with all such laws, regulations, prohibitions and orders;

(g) the Property does not lie within any protected area, reserve, reservation, or special needs or study area as designated by any governmental authority having jurisdiction that would impair or impede the development of a mining project on the Property;

(h) there has been no material spill, discharge, leak, emission, ejection, escape, dumping or any release of any kind, of any toxic or hazardous substance or waste (as defined by applicable law) from, on, into or under the Property or into the environment from the Property, except releases permitted or authorized by law;

(i) no toxic or hazardous substance or waste, as defined by applicable law, has been treated or is now stored on the Property;

(j) no third party consent of any kind is required by the Optionor to enter into this Agreement and grant the Option contemplated hereby;

(k) no proceedings are pending for, and the Optionor is unaware of any basis for the institution of any proceedings leading to the placing of the Optionor in bankruptcy or subject to any other laws governing the affairs of insolvent persons;

(l) it has been duly incorporated, amalgamated or continued and validly exists as a corporation in good standing under the laws of its jurisdiction of incorporation, amalgamation or continuation; and

(m) it has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by it, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of the Articles or the constating documents of the Optionor or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which the Optionor is a party or by which it is bound or to which it or the Property may be subject.

3.2 The representations and warranties contained in Section 3.1 are provided for the exclusive benefit of the Optionee, and a breach of any one or more thereof may be waived by the Optionee 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; and the representations and warranties contained in Section 3.1 will survive the execution hereof and continue throughout the Option Period.

PART 4

REPRESENTATIONS, WARRANTIES AND COVENANTS OF OPTIONEE

4.1 The Optionee represents and warrants to and covenants with the Optionor that

- (a) it has been duly continued and validly exists as a corporation in good standing under the laws of British Columbia;
- (b) it has duly obtained all corporate authorizations for the execution of this Agreement and for the performance of this Agreement by it, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of the Articles or the constating documents of the Optionee or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which the Optionee is a party or by which it is bound or to which it or the Property may be subject;
- (c) no proceedings are pending for, and the Optionee is unaware of any basis for the institution of any proceedings leading to, the dissolution or winding up of the Optionee or the placing of the Optionee in bankruptcy or subject to any other laws governing the affairs of insolvent corporations;
- (d) it is and during the Option Period it will be a reporting issuer under the *Securities Act* (British Columbia);
- (e) the Shares will, at the time of delivery to the Optionor, be duly authorized and validly allotted and issued as fully paid and non-assessable free of any liens, charges or encumbrances;
- (f) on the date of receipt by the Optionor of the certificate or certificates representing the Shares, every consent, approval, authorization, order or agreement of the Exchange that is required for the issuance of the Shares, as applicable, and the delivery to the Optionor of such certificate or certificates to be valid will have been obtained and will be in effect; and
- (g) the Shares are, and will be at all times during the Option Period, part of a class of shares of the Optionee that is currently listed and posted for trading on the TSX Venture Exchange and, at the time of the delivery of the certificates representing the Shares, as applicable, to the Optionor, will have been approved and reserved for listing on the TSX

Venture Exchange, subject only to fulfilment of the requirements of the TSX Venture Exchange relating to listing of additional shares of a listed class or series of shares.

4.2 The representations and warranties contained in Section 4.1 are provided for the exclusive benefit of the Optionor and a breach of any one or more thereof may be waived by the Optionor 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; and the representations and warranties contained in Section 4.1 will survive the execution hereof and continue throughout the Option Period.

PART 5

GRANT OF OPTION

5.1 The Optionor hereby grants to the Optionee the sole and exclusive right and option, subject to the terms of this Agreement, to acquire the Property free and clear of all Encumbrances (except the Royalty and the Permitted Encumbrances) by making cash payments totalling US\$275,000 (including the Initial Payment), issuing a total of 4,000,000 Shares and completing US\$3,850,000 in Expenditures on the Property (collectively, the “**Option Exercise Consideration**”), on or before the dates set out in Section 5.2.

5.2 In order to exercise the Option, the Optionee shall make the cash payments, share issuances and Expenditures on or before the following dates:

<u>Date</u>	<u>Cash Payment</u> US\$	<u>Share Issuance</u>	<u>Expenditures</u> US\$
On execution of the Letter Agreement (which the parties agree has been paid)	35,000	Nil	Nil
On or before first anniversary of the Execution Date	Nil	250,000	100,000
On or before second anniversary of the Execution Date	25,000	500,000	500,000
On or before third anniversary of the Execution Date	40,000	750,000	750,000
On or before fourth anniversary of the Execution Date	75,000	1,000,000	1,000,000
On or before fifth anniversary of the Execution Date	100,000	1,500,000	1,500,000

5.3 Other than the Initial Payment (which has been paid) the Option Exercise Consideration set out Section 5.2 are not committed, but the Optionor must make the cash payments, issue the Shares and incur the minimum amount of Expenditures by the dates set out in 5.2 in order to maintain and exercise the Option.

5.4 Expenditures that exceed the minimum commitments set out in Section 5.2 may be carried over to subsequent periods. In the event that the Optionee does not complete sufficient Expenditures to meet the Option exercise requirements during any period, the Optionor may pay cash in lieu to the Optionee.

5.5 The Optionor acknowledges that each share certificate representing Shares issued pursuant to this Agreement, or any written acknowledge of a Share, shall have imprinted thereon a legend restricting transfer in Canada for four months plus one day from the date of its issuance.

PART 6

ASSIGNMENT OF OPTION

6.1 From the Effective Date of this Agreement and until the Exercise Date, except as provided herein, no Party will have the right to sell, assign, sub-grant, cede, pledge, hypothecate or otherwise encumber or dispose (“**Dispose**”) of the whole or any portion of its rights under or in terms of this Agreement, the Property or any portion thereof (collectively the “**Offered Interest**”) to any third party (other than to an Affiliate of a Party) for any reason whatsoever without the prior written consent of the other Party,

6.2 A Disposal of an Offered Interest in this Section 6.1 must be carried out in accordance with the following terms and conditions:

- (a) subject to receipt of all required approvals, consents or acceptances of the any additional and regulatory approvals applicable to the Parties required at law; and
- (b) each Party must execute and deliver such documents and instruments as may be reasonably required by the other to facilitate the sale.

6.3 Each Party will be entitled to freely transfer its Interest to an Affiliate subject to (i) receipt of all required approvals, consents or acceptances of any governmental and regulatory approvals required at law, (ii) prior written notice to the other Parties of such transfer; and (iii) the relevant Affiliate consenting in writing to be bound by the provisions hereof. If and when the aforesaid Affiliate ceases to be an Affiliate of the transferring Party, it will be obliged to retransfer the Interest to back to the original transferring Party or that Party’s Affiliate.

PART 7

EXERCISE OF THE OPTION

- 7.1 Upon the Optionee completing all of the Option Exercise Consideration, the Optionee shall be deemed to have exercised the Option.
- 7.2 The Optionee may in its sole discretion at any time accelerate the payment of the amounts, the issuance of the Shares and the completion of the Expenditures required by Section 5.2 to exercise the Option and thereby exercise the Option.
- 7.3 If and when the Option has been exercised, a 100% right, title and interest in and to the Mineral Interests comprised in the Property and all of the other Property Rights will vest in the Optionee free and clear of all charges, encumbrances and claims, save and except for the Royalty.
- 7.4 Upon exercise of the Option:
- (a) all of the Optionee's obligations to the Optionor shall cease save and except for the obligation to pay the Milestone Payments in accordance with Part 8 and the Royalty in accordance with Schedule B, and the obligations set out in this Part;
 - (b) the Parties will execute the royalty agreement attached hereto as Schedule B; and
 - (c) the obligations of the Optionee pursuant to Part 16 shall continue until superceded or replaced by agreement between the Parties.
- 7.5 Immediately after exercise of the Option, the Parties agree that they will take such steps as are necessary to transfer the Mineral Rights in the Property and any other Property Rights that are related to the Property and held by or on behalf of the Optionor to a Mexican incorporated company to be incorporated by the Optionee.

PART 8

MILESTONE PAYMENTS

- 8.1 In addition to the Option Exercise Consideration, the Optionee will make the following Milestone Payments upon the occurrence of the following events:
- (a) Upon delineating a mineral resource estimate containing a minimum of 350,000 ounces of gold in the inferred category (based on the then current CIM definitions), 1,000,000 Shares;
 - (b) Upon completion of a Feasibility Study recommending the construction of a mine on the Property, US\$725,000 and 1,000,000 Shares; and
 - (c) Upon commencement of Commercial Production, US\$2,000,000.

8.2 The Optionee may, at its option, issue Shares in lieu of one half of the cash payments to be made pursuant to each of Sections 8.1(b) and 8.1(c). The number of Shares to be issued will be determined by dividing adjusting the cash payment to Canadian dollars using the then current exchange rate as set by the Bank of Canada, and dividing the resulting Canadian dollar amount by the Market Price (as determined by the policies of the stock exchange upon which the Optionee is then listed).

PART 9

RIGHT OF ENTRY

9.1 Throughout the Option Period, the Directors and Officers of the Optionee and its servants, agents, employees and independent contractors, will have the sole and exclusive right in respect of the Property to

- (a) enter thereon,
- (b) have exclusive and quiet possession thereof,
- (c) do such prospecting, exploration, development and/or other mining work thereon and thereunder as the Optionee in its sole discretion may determine advisable,
- (d) bring upon and erect upon the Property buildings, plant, machinery and equipment as the Optionee may deem advisable, and
- (e) remove therefrom and dispose of reasonable quantities of ores, mineral and metals for the purpose of obtaining assays or making other tests.

PART 10

PROPERTY CONVEYANCE DOCUMENTS

10.1 The Optionor shall, forthwith after the exercise of the Option by the Optionee, deliver to the Optionee duly executed transfers of the Property in the form required under the Mining Law and Regulation to transfer the Mineral Rights in the Property to the Optionor.

PART 11

OBLIGATIONS OF PARTIES DURING OPTION PERIOD

11.1 During the Option Period the Optionee will:

- (a) will act as operator of the Property;

- (b) retain Michelle Robinson as a technical consultant to oversee the completion of work programs on the Property (which fees the Optionor agrees will count towards Expenditures);
- (c) will be entitled to a fee in respect of fees and expenses relating to the supervision and management of the completion of work programs on the Property, not to exceed 5% of the Expenditures;
- (d) have the exclusive right to determine all work programs carried out on the Property for so long as the Option remains outstanding, and all work programs shall be in the sole discretion of the Optionee;
- (e) carry out operations in a prudent and workmanlike manner, with the degree of effort, skill and judgment that is in accordance with good exploration, construction, mining, processing and engineering practices generally prevailing in the mining industry and in accordance with all applicable laws and regulations, including securities laws and regulations, and all agreements, permits and licenses relating to the Property;
- (f) pay and discharge all wages and accounts for material and services and all other costs and expenses that may be incurred by the Optionee in connection with its Operations on the Property, and to save Optionor harmless from and against all liens in respect of such Operations which may be filed against the Property, and in the event of any liens being so filed, to proceed forthwith to have the same removed, provided that the foregoing provision will not prevent the Optionee from properly contesting in good faith any claims for liens which the Optionee considers unjustified;
- (g) will keep the Property in good standing and free of all Encumbrances from the operations thereon, excluding any statutory liens imposed by law and any liens for work for which payment is not yet due, and will at its expense (i) make all payments and file record of all Property Maintenance necessary to maintain the Property in good standing, and (ii) prepare and file all necessary land use reports with the applicable governmental authority, all of which will be deemed to be included as Expenditures for the purposes of the exercise of the Option; and
- (h) ensure that all exploration and development work performed by Optionee or its successors during the term of this Agreement shall conform with the applicable laws and regulations of the State of Sinaloa and the United States of Mexico.

11.2 During the Option Period the Optionor shall immediately advise and provide a copy to the Optionee of any notice or communication received by the Optionor in respect of Property (other than communications from the Optionee), whether from any Government Authority, local community, non-governmental organization, Ejidos, or otherwise.

PART 12

TERMINATION OF OPTION

12.1 If the Effective Date has not occurred by August 31, 2020, then either Party may terminate this Option Agreement without liability by notice to the other Party, and in such case the Optionor shall be entitled to retain the Initial Payment.

12.2 If at any time during the Option Period the Optionee fails to perform any obligation required to be performed by it hereunder, which failure or breach materially interferes with the implementation of this Agreement, the Optionor may terminate this Agreement but only if

- (a) it first gives to the Optionee a notice of default containing particulars of the obligation which the Optionee has not performed, or the warranty breached, and
- (b) the Optionee does not, within 30 days after delivery of such notice of default, cure such default if reasonably possible within said 30 days, or begun proceedings to cure such default by appropriate payment or performance if such default reasonably requires more than 30 days (the Optionee hereby agreeing that should it so begin to cure any default it will prosecute the same to completion without undue delay and will under no circumstances jeopardize Optionor's rights and title to the Property).

12.3 The Optionee may at any time before the exercise of the Option terminate this Option by giving notice of termination to the Optionor

12.4 If the Option is terminated otherwise than upon the exercise thereof pursuant to Part 7, the Optionee will

- (a) forthwith deliver all Confidential Information (defined below) to The Optionor, and provide an officer's certificate confirming the return or destruction of all Confidential Information held by the Optionee;
- (b) deliver to the Optionor, within sixty (60) days of termination, a final report on all work carried out by the Optionee on the Property, together with all drill cores and unprocessed assay samples and copies of all maps, drill logs, assay results and other factual technical data compiled by the Optionee with respect to the Property and not previously delivered to the Optionor;
- (c) remove from the Property within twelve (12) months of termination, or sooner if required under applicable law, all structures, machinery, equipment, facilities and supplies erected, installed or brought upon the Property by or at the instance of the Optionee; and
- (d) leave all concessions comprising the Property in good standing Mining Law and Regulation.

12.5 Notwithstanding termination of the Option, the Optionee will have the right, within a period of 90 days following the end of the Option Period, to remove from the Property all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Property by or on behalf of the Optionee, and any such property not removed within such 90-day period will thereafter become the property of the Optionor.

PART 13

ROYALTY

13.1 Upon exercise of the Option, the Optionor will retain the Royalty on production on the Property as calculated and performed in accordance with the royalty agreement attached hereto as Schedule B, with such revisions thereto as the Parties may agree to before execution of the royalty agreement.

PART 14

SURRENDER AND ACQUISITION OF PROPERTY INTERESTS BEFORE TERMINATION OF AGREEMENT

14.1 The Optionee may at any time after exercise of the Option, without notice or obligation to the Optionor, abandon any one or more (including all) of the Mineral Rights comprised in the Property. The Optionee may at any time before the exercise of the Option elect to abandon any one or more (including all) of the mineral interests comprised in the Property by giving notice to the Optionor of such intention.

14.2 Any Mineral Right so abandoned, if in good standing at the date hereof or if the Optionee causes the same to be placed in good standing after the date hereof, will be in good standing for at least 90 days from the date of the notice referred to in Section 14.1. Upon any such abandonment the mineral claims so abandoned will for all purposes of this Agreement cease to form part of the Property.

PART 15

FORCE MAJEURE

15.1 If the Optionee is at any time either during the Option Period or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of, power shortages, fuel shortages, fires, wars, acts of God, or shipping delays, the time limited for the performance by the Optionee of its obligations hereunder will be extended by a period of time equal in length to the period of each such prevention or delay, provided however that nothing herein will discharge the Optionee from its obligations under Section 11.1.

15.2 The Optionee will within fourteen days give notice to the Optionor of each event of force majeure under Section 15.1 and upon cessation of such event will furnish the Optionor

with notice to that effect together with particulars of the number of days by which the obligations of the Optionee hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

PART 16

CONFIDENTIAL INFORMATION

16.1 The Optionor agrees that it will provide the Optionee access to all scientific and technical information relating to the Property which is in the Optionor's possession and which is not subject to an arrangement which restricts the Optionor from providing the information to The Optionee.

16.2 The Parties agree that all information relating to the Property (whether embodied in tangible or electronic form) exchanged between the Parties under this Agreement or the Letter Agreement, including the information provided under Section 16.1 above (the "**Confidential Information**") and technical or scientific information collected, gathered or created relating to the Property and exchanged by the Parties during the Option Period is confidential; and must be kept confidential and must not be disclosed to any person at any time or in any manner except:

- (a) to any Party to this Agreement;
- (b) with the prior written consent of all the other Party;
- (c) to a bank or other financial institution considering the provision of or, which has provided financial accommodation to, a Party or an Affiliate of a Party or to a trustee, representative or agent or such a bank or financial institution;
- (d) by a Party to legal, financial and other professional advisers, auditors and other consultants, officers and employees of a Party or a Party's Affiliate, provided that such Party or Party's Affiliate has first agreed in writing to maintain the confidentiality of the Confidential Information;
- (e) to the extent that the Confidential Information was publicly available at the Effective Date or becomes publicly available subsequent to the Effective Date without breach of this Agreement;
- (f) to the extent required by law or by a lawful requirement of any governmental authority or stock exchange having jurisdiction over the Parties or their Affiliates; and
- (g) if this Agreement is terminated before the exercise of the Option, in which case the Optionor shall be released from the obligation to maintain the confidentiality of the Confidential Information.

PART 17

ARBITRATION

17.1 All questions or matters in dispute will be submitted to arbitration pursuant to the terms hereof.

17.2 It will be a condition precedent to the right of any party to submit any matter to arbitration pursuant to the provisions hereof, that any party intending to refer any matter to arbitration will have given not less than 30 days' prior written notice of its intention so to do to the other party together with particulars of the matter in dispute.

17.3 On the expiration of such 30 days, the party who gave such notice may proceed to refer the dispute to arbitration as provided in section 17.4.

17.4 The party desiring arbitration will appoint one arbitrator, and will notify the other party of such appointment, and the other party will, within 30 days after receiving such notice, appoint an arbitrator, and the two arbitrators so named, before proceeding to act, will, within 60 days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator to act with them and be chairman of the arbitration herein provided for.

17.5 If the other party will fail to appoint an arbitrator within 30 days after receiving notice of the appointment of the first arbitrator, and if the two arbitrators appointed by the parties fail to agree on the appointment of the chairman, the chairman will be appointed under the provision of the *Commercial Arbitration Act* (British Columbia).

17.6 Except as specifically otherwise provided in section 17.4 the arbitration herein provided for will be conducted in accordance with such Act.

17.7 The chairman, or in the case where only one arbitrator is appointed, the single arbitrator, will fix a time and place in Vancouver, British Columbia, for the purpose of hearing the evidence and representations of the parties, and he will preside over the arbitration and determine all questions of procedure not provided for under such Act or this section 17.4.

17.8 After hearing any evidence and representations that the parties may submit, the single arbitrator, or the arbitrators, as the case may be, will make an award and reduce the same to writing, and deliver one copy thereof to each of the parties.

17.9 The expense of the arbitration will be paid as specified in the award.

17.10 The parties may agree that the award of a majority of the arbitrators, or in the case of a single arbitrator, of such arbitrator, will be final and binding upon each of them.

PART 18

TRANSLATION AND RECORDATION

18.1 The Parties agree that this Agreement may be translated into the Spanish language and/or executed in a shortened form for the purposes of being recorded on title to the Mineral Rights comprising the Property, provided however that in all cases, as between the Parties, the English version of this Agreement shall govern.

PART 19

NOTICES

19.1 Each notice, demand or other communication required or permitted to be given under this Agreement will be in writing and will be sent by personal delivery, fax, or prepaid registered mail to the addresses of the parties written on page 1 or such other address, fax number or email address as each party may designate in writing as the address for delivery under this Agreement.

19.2 The date of receipt of such notice, demand or other communication will be the date of delivery or fax thereof if delivered, faxed, or emailed, or, if given by registered mail as aforesaid, will be deemed conclusively to be the third day after the same will have been so mailed except in the case of interruption of postal services for any reason whatever, in which case the date of receipt will be the date on which the notice, demand or other communication is actually received by the addressee.

19.3 Either party may at any time and from time to time notify the other party in writing of a change of address and the new address to which notice will be given to it thereafter until further change.

PART 20

GENERAL

20.1 This Agreement will supersede and replace any other agreement or arrangement, whether oral or written, heretofore existing between the parties in respect of the subject matter of this Agreement.

20.2 No consent or waiver expressed or implied by either party in respect of any breach or default by the other in the performance of such other of its obligations hereunder will be deemed or construed to be a consent to or a waiver of any other breach or default.

20.3 The parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent of this Agreement or to record wherever appropriate the respective interests from time to time of the parties in the Property.

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

20.5 This Agreement will be construed in accordance with the laws of Province of British Columbia and the laws of the Canada applicable therein.

20.6 All sums of money referred to herein are expressed in United States currency.

20.7 The headings appearing in this Agreement are for general information and reference only and this Agreement will not be construed by reference to such headings.

20.8 In interpreting this Agreement and any schedules hereto attached, where the context so requires, the singular will include the plural, and the masculine will include the feminine, the neuter, and vice versa.

20.9 Nothing herein will constitute or be taken to constitute the Parties as partners or create any fiduciary relationship between them provided, however, that this qualification will not limit the express duty of each Party to act toward the other Party at all times in good faith with respect to all their obligations under this Agreement.

20.10 No modification, alteration or waiver of the terms herein contained will be binding unless the same is in writing, dated subsequently hereto, and fully executed by the Parties.

20.11 This Agreement may be executed in counterpart and by facsimile.

IN WITNESS WHEREOF the Parties have executed this Agreement by their duly authorized officers in that behalf on the 4th day of August, 2020.

MINERA CAMARGO S.A. DE C.V.

Per: /s/ "Michelle Robinson"
Authorized Signatory

BRIGADIER GOLD LIMITED

Per: /s/ "Ranjeet Sundher"
Authorized Signatory

SCHEDULE A

THE PROPERTY

Concessions Comprising the Picachos Property

<i>Concession</i>	<i>Title No.</i>	<i>File No.</i>	<i>Title Date</i>	<i>Surface area in Ha.</i>
<i>Tango</i>	<i>243874</i>	<i>2/2-0149</i>	<i>22-apr-03</i>	<i>1966.063</i>
<i>Tango 2</i>	<i>236081</i>	<i>095/12347</i>	<i>06-jul-05</i>	<i>1918</i>
<i>Tango 3</i>	<i>230844</i>	<i>095/12691</i>	<i>25-oct-07</i>	<i>50</i>
<i>Tango 5</i>	<i>241049</i>	<i>095/14336</i>	<i>21-nov-12</i>	<i>20</i>
			<i>TOTAL</i>	<i>3954.063</i>

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SCHEDULE B

NET SMELTER ROYALTY AGREEMENT

The holder of the working interest in the Property (the “**Owner**”) hereby grants the holder of this Royalty (the “**Grantee**”), a royalty (the “**Royalty**”) on Net Smelter Returns (“**Net Smelter Returns**”) equal to 2% for ore produced from the Property, which Royalty will be calculated, paid and otherwise regulated in accordance with the terms of the attached Royalty Agreement.

NET SMELTER RETURNS ROYALTY AGREEMENT

THIS ROYALTY AGREEMENT dated as of the ♦ day of ♦, 202♦.

BETWEEN:

BRIGADIER GOLD LIMITED., a company organized under the laws of British Columbia and having an office at 40440 Thunderbird Ridge, P.O. Box 1831 Garibaldi Highlands British Columbia, V0N 1T0

(“Payor”)

AND:

- **MINERA CAMARGO S.A. DE C.V.** a company organized under the laws of Mexico and having an office at Mision Santa Ana #5232, Las Misiones, Mazatlan, Sinaloa Mexico C.P. 82133

(“Recipient”)

WHEREAS:

A. Pursuant to an Option Agreement made as of August ♦, 2020 (the “**Option Agreement**”) Payor agreed to grant Recipient a net smelter returns royalty from mineral products produced from the Property (as defined herein);

B. The Parties wish to enter into this Royalty Agreement which sets out the terms of such net smelter returns royalty.

1. INTERPRETATION

1.1 Definitions

In this Royalty Agreement, unless otherwise provided:

“**Additional Property**” means any form of tenure or other right to minerals, or any right to work upon lands for the purpose of extracting minerals, under any form of mineral title recognized under the laws of Mexico or any subdivision thereof, whether contractual, statutory or otherwise, acquired in whole or in part as an appurtenance to the Property and which has become an asset of the Payor or its Affiliate;

“Affiliate” means any Person that directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, “control” means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise;

“Allowable Deductions” means all costs, charges and expenses paid, incurred, or deemed incurred by the Payor for or with respect to Products including:

charges for treatment in the smelting, refining, solution extraction, electrowinning and other beneficiation processes (including handling, provisional settlement fees, weighing, sampling, assaying, umpire and representation costs, penalties, and other processor deductions), but excluding costs of mining and milling or concentrating,

actual costs of transportation (including loading, freight, insurance, security, surveyor fee, transaction taxes, handling, port fees, demurrage, delay, and forwarding expenses incurred by reason of or in the course of transportation) of Products from the Property to the place of treatment and then to the place of sale,

costs or charges of any nature for or in connection with insurance, storage, or representation at a smelter or refinery for Products or refined metals, and

sales, use, severance, excise, net proceeds of mine, and ad valorem taxes and any tax on or measured by mineral production, but not including income taxes of the Payor or the Recipient,

2. provided that whether Products are processed on or off the Property in a facility wholly or partially owned by the Payor or an Affiliate of the Payor, Allowable Deductions will not include any costs that are in excess of those that would be incurred on an arm’s length basis at market terms, or which would not be Allowable Deductions if those Products were processed by an independent third Person;

“Average Gold Price” means the average COMEX, First Position, quotation, as published in “Metals Week” (or should that publication cease, another similar publication acceptable to the Parties, acting reasonably) calculated by summing such quoted prices reported for each day (or the average of all such prices reported for each such day, if more than one) and dividing the sum by the number of days for which such prices were reported;

“Average Silver Price” means the average daily silver price quotation by Handy & Harman as published in “Metals Week” (or, should that publication cease, another similar publication acceptable to the Parties, acting reasonably), calculated by dividing the sum of all such quoted prices

reported for the period by the number of days for which such prices were reported;

“Business Day” means a day other than a Saturday, Sunday or legal holiday generally observed by commercial banks in the place where an action is to be performed or a Notice is to be received;

“Gold Production” means the quantity of refined gold out-turned during a calendar month to the Payor’s pool account by a refinery in respect of Products, on either a provisional or final settlement basis;

“Gross Proceeds” means, subject to the provisions of Section 6.6, the proceeds received by the Payor for the Sale of Products, calculated as follows:

- (i) if Products are sold by the Payor in the form of raw ore, doré, or concentrates, then the Gross Proceeds in respect of such ore, doré or concentrates will be equal to the amount of the proceeds actually received by the Payor or credited to the Payor’s account during the calendar month from the Sale of such ore, doré or concentrates;
- (ii) if Products are sold by the Payor in the form of refined gold, then such gold will be deemed to have been sold at the Average Gold Price for the calendar month in which the Products were produced, and the Gross Proceeds in respect of gold will be determined by multiplying Gold Production for such calendar month by the Average Gold Price for such calendar month;
- (iii) if Products are sold by the Payor in the form of refined silver, then such silver will be deemed to have been sold at the Average Silver Price for the calendar month in which the Products were produced, and the Gross Proceeds in respect of silver will be determined by multiplying Silver Production for such calendar month by the Average Silver Price for such calendar month;
- (iv) if Products are sold by the Payor in the form of refined metals other than gold or silver then the Gross Proceeds will be equal to the amount of the proceeds actually received by the Payor during the calendar month from the Sale of such refined metal; and
- (v) if there is a Loss, then the Gross Proceeds will be equal to the sum of the insurance proceeds in respect of such Loss and any Gross Proceeds calculated as provided above;

“Loss” means an insurable loss of or damage to Products, whether or not occurring on or off the Property and whether the Products are in the possession of the Payor or otherwise;

“Net Smelter Returns” means Gross Proceeds less Allowable Deductions;

“Net Smelter Returns Royalty” means the percentage of Net Smelter Returns to which the Recipient is entitled pursuant to this Royalty Agreement, being two percent (2%);

“Party” or **“Parties”** means the parties to this Royalty Agreement and their successors and permitted assigns;

“Payor” means Brigadier Gold Limited. and its permitted assigns;

“Person” means any individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other form of enterprise, or any government or any agency or political subdivision thereof;

“Products” means all ores, doré, concentrates, metals, minerals and mineral by-products that are produced or extracted by or on behalf of the Payor from the Property;

“Property” means the property known as the Picachos Property in Sinaloa, Mexico, comprised of:

means the interests in the mineral titles described in Schedule “A” to this Royalty Agreement;

any renewal thereof and any other form of successor or substitute title therefore but excludes any mineral titles abandoned by Payor without receipt of consideration, and

any additional or adjacent properties or titles acquired by the Payor if they are operated together as a single mine.

“Recipient” means the Minera Camargo S.A. de C.V. and its permitted assigns;

“Royalty Agreement” means this Net Smelter Returns Royalty Agreement; **“Sale”**

means the transfer of title to Products by or on behalf of the Payor or any Affiliate of the Payor to a Person, whether or not an Affiliate of the Payor, and is deemed to include a deemed transfer of title to Products transported off the Property that Payor elects to have credited to or held for its account by a smelter, refiner or broker, and is also deemed to include any Loss prior to any transfer or deemed transfer of title to Products; but a deemed sale shall arise only as the result of a voluntary election on the part of Payor and shall not arise in circumstances in which a delay in transfer of title or in payment to Payor is caused by the acts or omissions of an unrelated Person; and

(z) “**Silver Production**” means the quantity of refined silver out-turned during a calendar month to the Payor’s pool account by a refinery in respect of Products, on either a provisional or final settlement basis.

2.1 Schedules

Schedule “A”, which is attached to this Royalty Agreement, is by reference incorporated into and forms part of this Royalty Agreement.

2.2 Governing Law

This Royalty Agreement will in all respects be governed by and be construed in accordance with the laws in force in the Province of British Columbia without regard for conflicts of laws or choice of laws principles that would permit or require the application of the laws of any other jurisdiction.

2.3 Severability

If any one or more of the provisions contained in this Royalty Agreement is held to be invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby under the laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

2.4 Calculation of Time

If any time period set forth in this Royalty Agreement ends on a day of the week that is not a Business Day, then notwithstanding any other provision of this Royalty Agreement, such period will be extended until the end of the next following day that is a Business Day.

2.5 Headings

The headings to the articles and sections of this Royalty Agreement are inserted for convenience only and will not affect the construction hereof.

2.6 Other Matters of Interpretation

In this Royalty Agreement:

the singular includes the plural and vice versa;

the masculine includes the feminine and vice versa;

references to “article”, “section” and “subsection” are to articles, sections and subsections of this Royalty Agreement, respectively;

all provisions requiring a Party to do or refrain from doing something will be interpreted as the covenant of that Party with respect to that matter notwithstanding the absence of the words “covenants” or “agrees” or “promises”;

all provisions requiring a Party to do something will be interpreted as including the covenant of that Party to cause that thing to be done when the Party cannot directly perform the covenant but can indirectly cause that covenant to be performed, whether by an Affiliate under its control or otherwise; and

the words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions when used in this Royalty Agreement refer to the whole of this Royalty Agreement and not to any particular article, section, subsection, schedule or portion thereof.

3. ROYALTY DESCRIPTION

3.1 Net Smelter Returns Royalty

The Recipient has agreed to accept and the Payor has agreed to pay to the Recipient a royalty equal to a two percent (2%) of the Net Smelter Returns from the Sale of all Products.

3.2 Interest in Land

The Parties intend that the Net Smelter Returns Royalty, to the extent permissible under applicable laws, constitutes an interest in the Property and, accordingly agree that:

- (a) the Royalty will run with the title to the Property so that all transfers of the Property, or any interest therein, shall be subject to the Royalty;
- (b) any sale or other disposition by the Payor of any interest in the Property will be effective only if the Payor complies with the provisions of Section 5.3 hereof;
- (c) the Payor will upon request sign and deliver to the Recipient, and the Recipient may register or otherwise record against titles to the Property, the form of notice, mortgage or other document or documents as the Recipient may reasonably request to give notice of the existence of the Net Smelter Returns Royalty to third Persons, to secure payment of the Net Smelter Returns Royalty and protect the Recipient’s right to receive the Net Smelter Returns Royalty as contemplated herein; and
- (d) if any Additional Property hereafter becomes a part of the Property, the Royalty Payor agrees to execute and deliver such document or documents

as the Royalty Holder may reasonably request to acknowledge that the Net Smelter Returns Royalty is applicable thereto including, without limitation, any registration or recording document of the nature contemplated in Section 3.2(c).

4.

OPERATION OF THE PROPERTY

4.1 Payor to Determine Operations

The Payor may, but will not be obligated to treat, mill, heap leach, sort, concentrate, refine, smelt, or otherwise process, beneficiate or upgrade Products at sites located on or off the Property, prior to a Sale. The Payor will not be liable for mineral values lost in processing under sound practices and procedures, and no Net Smelter Returns Royalty will be due on any such lost mineral values. The Payor will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Property and may suspend operations and production on the Property at any time it considers prudent or appropriate to do so. The Payor will owe the Recipient no duty to explore, develop or mine the Property, or to do so at any rate or in any manner other than that which the Payor may determine in its sole and unfettered discretion. The Payor may, but is not obligated to, retain ore or treated ore containing minerals as inventory for any length of time and for any reason. At Recipient's reasonable request, the Payor shall deliver to the Recipient a monthly statement of such inventory. The Payor shall have no obligation to sell any minerals at any time. The Payor may stockpile any ores, minerals or other materials from the Property at such place or places as the Payor may elect. The foregoing notwithstanding, the obligation to pay Net Smelter Returns Royalty shall accrue in accordance with Section 6.1 hereof.

4.2 Sales to or Processing by Affiliates

The Payor is hereby permitted by Recipient to sell Products in the form of raw ore, doré, or concentrates to an Affiliate of the Payor, provided that such Sales will be deemed, for the purposes of this Royalty Agreement, to have been sold at prices and on terms no less favorable to the Payor than those that would be extended by an unaffiliated third Person in an arm's length transaction under similar circumstances. The Payor will be permitted to contract with an Affiliate of the Payor or an unaffiliated third Person for the smelting or other processing of Products, provided that such contract is on an arm's length basis at market terms.

4.3 Commingling

The Payor may commingle Products from the Property with other ores, concentrates, mineral products, metals or minerals produced elsewhere, provided that the Payor establishes procedures for the weighing, sampling, assaying and other measuring or testing necessary to fairly allocate valuable metals contained

in such Products and in the other ores, concentrates, mineral products, metals and minerals.

4.4 Waste Rock and Tailings

All waste rock, tailings, residues, spoiled leach materials and other materials (collectively “**Waste Materials**”) existing on the Property or resulting from activities by or on behalf of, or pursuant to the agreement of, the Payor shall remain subject to the Net Smelter Returns Royalty should be Waste Materials be processed or reprocessed, as the case may be, in the future and result in a Sale.

4.5 Abandonment of Property

The Payor may in its sole discretion abandon, surrender, or allow to lapse or expire, any mining claims or leases relating to or comprising the Property at any time, provided that if the Payor, directly or indirectly, through any Affiliate of the Payor, any joint venturer with the Payor or otherwise, restakes any expired claims or leases relating to or comprising all or part of the Property, the calculation of the Net Smelter Returns Royalty payments pursuant to this agreement will include Net Smelter Returns directly or indirectly received by the Payor in respect of any such restaked claims.

5. ASSIGNMENT

5.1 Assignment by the Recipient

The Recipient may convey or assign this Royalty Agreement or all or any portion of the Net Smelter Returns Royalty receivable, including for a stated term of years or up to a specified dollar amount, provided that such assignment will not be effective against the Payor until the assignee has delivered to the Payor a written and enforceable undertaking, whereby such assignee agrees to be bound, to the extent of the interest assigned, by all of the terms and conditions of this Royalty Agreement.

5.2 Multiple Parties

Notwithstanding that more than one person or entity may in the future comprise the Recipient, the Payor will not be or become liable to make payments in respect of the Net Smelter Returns Royalty to, or to otherwise deal in respect of this Royalty Agreement with, more than one Person. If the interest of the Recipient hereunder is at any time owned by more than one Person, such Recipients will, as a condition of receiving payment hereunder, nominate one Person to act as agent and common trustee for receipt of monies payable hereunder and to otherwise deal with the Payor in respect of such interest (including, without limitation, the giving of notice to take or cease taking in kind) and no Recipient will be entitled to administer or enforce any provisions of this Royalty Agreement except through such agent and trustee. In such events, the Payor will, after receipt of notice

respecting the nomination of such agent and trustee, thereafter make and be entitled to make payments due hereunder in respect of the Net Smelter Returns Royalty to such agent and trustee and to otherwise deal with such agent and trustee as if it were the sole holder of the Net Smelter Returns Royalty hereunder.

5.3 Assignment by Payor

The Payor may transfer, sell, assign or otherwise dispose of all or any portion of its interest in the Property provided that such disposition will not be effective as against the Recipient until the purchaser has delivered to the Recipient a written and enforceable undertaking agreeing to be bound, to the extent of the interest disposed of, by all of the terms and conditions of this Royalty Agreement, in form satisfactory to the Recipient.

6. PAYMENTS

6.1 Accrual of Payment Obligation

The obligation to pay Net Smelter Returns Royalty will accrue upon the Sale of Products. Where the Sale of Products or the out-turn of refined metals is made on a provisional basis, the amount of Net Smelter Returns Royalty payable will be based upon the amount of refined metal (or other Products) credited by such provisional settlement, but will be adjusted to account for the amount of refined metal (or other Products) established by final settlement by the refinery or by the purchaser of other Products, as the case may be. The payment of Net Smelter Returns Royalty based on a deemed transfer of title to Products transported off the Property that Payor elects to have credited to or held for its account by a smelter, refiner or broker will be final (subject to Section 6.3) and shall not be considered provisional.

6.2 Payments

Net Smelter Returns Royalty will be due and payable quarterly on the last day of the month next following the end of the calendar quarter in which the obligation to pay the same accrued. Net Smelter Returns Royalty payments will be accompanied by a statement showing in reasonable detail:

the quantities and grades of Products produced and sold or deemed sold by the Payor in the preceding calendar quarter;

the proceeds of Sale for other Products on which Net Smelter Returns Royalty is due;

Allowable Deductions; and

other pertinent information in sufficient detail to explain the calculation of the Net Smelter Returns Royalty payment.

6.3 Adjustments

All Net Smelter Returns Royalty payments will be considered final and in full satisfaction of all obligations of the Payor with respect thereto, unless the Recipient gives the Payor written notice describing and setting forth a specific objection to the determination thereof within one year after receipt by the Recipient of the quarterly royalty statement referred to in Section 6.2. If the Recipient objects to a particular quarterly statement as herein provided, the Recipient will, for a period of thirty (30) days after the Payor receives notice of such objection, have the right, upon reasonable notice and at a reasonable time, to have the Payor's accounts and records relating to the calculation of the Net Smelter Returns Royalty in question audited by an independent chartered professional accountant knowledgeable in the mining industry selected by the Recipient and who enters into a confidentiality undertaking substantially in the terms of Section 10.2. If such audit determines that there has been a deficiency or an excess in the payment made to the Recipient, such deficiency or excess will be resolved by adjusting the next quarterly Net Smelter Returns Royalty payment due hereunder. If production has ceased, settlement will be made between the Parties by cash payment. The Recipient will pay all costs of such audit unless a deficiency of two percent (2%) or more of the amount due to the Recipient is determined to exist. The Payor will pay the costs of such audit if a deficiency of two percent (2%) or more of the amount due is determined to exist. Failure on the part of the Recipient to make claim on the Payor for adjustment in such one-year period will establish the correctness of the payment and preclude the filing of exceptions thereto or making of claims for adjustment thereon.

6.4 Currency

All amounts owing and payments to be made under this Royalty Agreement are in Canadian dollars.

6.5 Wire Transfer

Payments hereunder will be made without demand, notice, set-off, or reduction, by wire transfer in good, immediately available funds, to such account or accounts as the Recipient may designate pursuant to wire instructions provided by the Recipient to the Payor not less than three (3) Business Days prior to the date upon which such payment is to be made as described under Section 6.2.

6.6 Trading Activities of the Payor

The Payor will have the right to market and sell refined metals and other Products in any manner it may elect, and will have the right to engage in forward sales, futures trading or commodity options trading and other price hedging, price protection, and speculative arrangements ("**trading activities**") which may involve the possible physical delivery of Products. The Net Smelter Returns Royalty will not apply to, and the Recipient will not be entitled or required to

participate in, any gain or loss of the Payor or its Affiliate in trading activities or in the actual marketing or Sales of Products delivered pursuant to trading activities. In determining the Net Smelter Returns Royalty payable on any Products delivered pursuant to trading activities, the Payor will not be entitled to deduct from Gross Proceeds any losses suffered by the Payor or its Affiliate in trading activities. In the event that the Payor engages in trading activities, the Net Smelter Returns Royalty will be determined on the basis of the value of Products produced and without regard to the price or proceeds actually received by the Payor, for or in connection with the Sale, or the manner in which a Sale to a third Person is made by the Payor. In the event that the Payor engages in trading activities in respect of Products other than refined metals, the Gross Proceeds will be determined on the basis of the value of such Products ex headframe or minesite loading facility in the case of ores or ex mill or other treatment facility in the case of other Products. The Parties agree that the Recipient is not a participant in the trading activities of the Payor, and therefore the Net Smelter Returns Royalty will not be diminished or improved by losses or gains of the Payor in any such trading activities.

6.7 Books and Records

All books and records used by the Payor to calculate Net Smelter Returns Royalty due hereunder will be kept according to Canadian generally accepted accounting principles consistently applied.

7. INDEMNITY

7.1 Indemnity

The Payor agrees that it will defend, indemnify, reimburse and hold harmless the Recipient, its agents and employees and their successors and assigns (collectively the “**indemnified parties**”), and each of them, from and against any and all claims, demands, liabilities, actions and proceedings, that may be made or brought against the Recipient or which it may sustain, pay or incur that result from or relate to operations conducted on or in respect of the Property that result from or relate to the mining, handling, transportation, smelting or refining of the Products or the handling or transportation of the Products.

7.2 Limitation

The indemnity provided in Section 7.1 is limited to claims, demands, liabilities, actions and proceedings that may be made or taken against an indemnified party in its capacity as or related to the Recipient as a holder of the Net Smelter Returns Royalty and will not include any indemnity in respect of any claims, demands, liabilities, actions and proceedings against an indemnified party in any other capacity.

8. DISPUTE RESOLUTION

8.1 Demand for Arbitration

Any dispute arising under or related to this Royalty Agreement will be taken to successively higher levels of the Parties' management. If there is no resolution of the dispute at the level of the respective chief executive officer of Payor and of Recipient, then any such dispute, including but not limited to the obligation to arbitrate under this Article, will be resolved by arbitration in accordance with this Article 9 and will be submitted to arbitration by written demand of either Party. To demand arbitration, a Party will give written notice to the other Party specifying the issues in dispute, the amount involved, the remedy requested and the name of the arbitrator the demanding Party appoints. Within ten (10) Business Days after receipt of the demand for arbitration, the other Party will answer the demand in writing, specifying the issues that Party disputes and the name of the arbitrator that such other Party appoints.

8.2 Arbitration Panel

The arbitration will be determined by three arbitrators, being one arbitrator appointed by each of the Parties and a neutral arbitrator selected by the first two arbitrators within ten (10) Business Days after appointment of the second arbitrator. The two arbitrators appointed by the respective Parties will be experienced and knowledgeable in the mining industry. No person will be appointed or selected as an arbitrator hereunder unless such person agrees in writing to act. If the arbitrators appointed by the Parties cannot agree on a neutral arbitrator, the arbitrators will make application to a court of competent jurisdiction in British Columbia requesting that the court appoint the third arbitrator. The court's selection shall be final and binding on the Parties. The three arbitrators so chosen shall constitute the arbitration panel.

8.3 Conduct of Arbitration

Except as specifically provided in this Article 7, arbitration hereunder will be conducted in accordance with the Commercial Arbitration Act (BC) (in this Article, the "**Rules**"). The arbitrators will fix a time and place in Vancouver reasonably convenient for the Parties, after giving each Party not less than seven (7) Business Days notice, for the purpose of hearing the evidence and representations of the Parties and they will preside over the arbitration and determine all questions of procedure not provided for under the Rules or this Article 7. After hearing any evidence and representations that the Parties may submit, the panel will make an award and reduce the same to writing and deliver one copy thereof to each of the Parties. Decisions of the panel must be by majority vote. The arbitrators will endeavor to make an award within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. The expense of the arbitration, including

travel costs, expert witness and attorneys fees and costs will be paid as determined in the discretion of the panel, having due regard for the outcome of the arbitration and the relationship of the result to the positions taken by the Parties. The award of the panel will be final and binding upon each of the Parties.

8.4 Jurisdiction of Courts

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 courts of British Columbia will have exclusive jurisdiction to hear and determine all matters relating to this Royalty Agreement, including enforcement of the obligation to arbitrate. Nothing contained in this section 8.4 is intended to affect the rights of a Party to enforce an arbitral award by recourse to the courts or to enforce a judgment or award outside of British Columbia.

9. MISCELLANEOUS

9.1 Other Activities and Interests

This Royalty Agreement and the rights and obligations of the Parties hereunder are strictly limited to the Property. Each Party will have the free and unrestricted right to enter into, conduct and benefit from any and all business ventures of any kind whatsoever, whether or not competitive with the activities undertaken pursuant hereto, without disclosing such activities to the other Party or inviting or allowing the other to participate therein, including activities involving mineral titles adjoining the Property.

9.2 No Partnership

This Royalty Agreement is not intended to, and will not be deemed to, create any partnership relation between the Parties including, without limitation, a mining partnership or commercial partnership. The obligations and liabilities of the Parties will be several and not joint and neither Party will have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other Party. Nothing herein contained will be deemed to constitute a Party the partner, agent or legal representative of the other Party or to create any fiduciary relationship between the Parties.

9.3 Notice

Any notice, election, proposal, objection or other document required or permitted to be given hereunder (“**Notice**”) will be in writing addressed to the Parties as follows and given by email, fax or personal delivery:

Notice to Payor will be given to the following address and fax number:

Brigadier Gold Limited.
[Address]

Attention: [Position or title]
Email: [Address]

Notice to Recipient will be given to the following address and fax number:

Minera Camargo S.A. de C.V.
[Address]

Attention: [Position or title]
Email: [Address]

All Notices will be given by personal delivery by international courier, facsimile transmission or electronic mail. All Notices will be effective and will be deemed delivered as follows:

if by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next Business Day following delivery;

if by facsimile or electronic mail, on the same Business Day as receipt of the electronic communication, if received during normal business hours, and, if not received during normal business hours, on the next Business Day following delivery.

A Party may at any time change its address for future Notices hereunder by Notice in accordance with this Section.

9.4 Further Assurances

Each Party will, at the request of another Party and at the requesting Party's expense, execute all such documents and take all such actions as may be reasonably required to effectuate the purposes and intent of this Royalty Agreement.

9.5 Entire Agreement

This Royalty Agreement, including the schedule hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof, all previous agreements and promises in respect thereto being hereby expressly rescinded and replaced hereby. No modification or alteration of this Royalty Agreement will be effective unless in writing executed subsequent to the date hereof by both Parties. No prior written or contemporaneous oral promises, representations or agreements are binding upon the Parties.

9.6 No Waivers

No waiver of or with respect to any term or condition of this Royalty Agreement will be effective unless it is in writing and signed by the waiving Party, and then such waiver will be effective only in the specific instance and for the purpose for which given. No course of dealing among the Parties, nor any failure to exercise, nor any delay in exercising, any right, power, or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise of any specific waiver of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9.7 Time of the Essence

Time is of the essence in the performance of any and all of the obligations of the Parties, including, without limitation, the payment of monies.

9.8 Counterparts

This Royalty Agreement may be executed in multiple counterparts, each of which will constitute an original, but all of which together will constitute one and the same instrument, and may be signed and accepted by facsimile.

9.9 Parties in Interest

This Royalty Agreement will inure to the benefit of and be binding on the Parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the Parties have caused this Royalty Agreement to be executed and delivered as of the date first set forth above.

BRIGADIER GOLD LIMITED

By: _____

Name: _____

Title: _____

MINERA CAMARGO S.A. DE C.V.

By: _____

Name: _____

Title: _____

SCHEDULE "A"

THE PROPERTY

Concessions Comprising the Picachos Property

<i>Concession</i>	<i>Title No.</i>	<i>File No.</i>	<i>Title Date</i>	<i>Surface area in Ha.</i>
<i>Tango</i>	<i>243874</i>	<i>2/2-0149</i>	<i>22-apr-03</i>	<i>1966.063</i>
<i>Tango 2</i>	<i>236081</i>	<i>095/12347</i>	<i>06-jul-05</i>	<i>1918</i>
<i>Tango 3</i>	<i>230844</i>	<i>095/12691</i>	<i>25-oct-07</i>	<i>50</i>
<i>Tango 5</i>	<i>241049</i>	<i>095/14336</i>	<i>21-nov-12</i>	<i>20</i>
			<i>TOTAL</i>	<i>3954.063</i>