

EARN-IN AGREEMENT

AMONG

GOLDEN ARROW RESOURCES CORPORATION

NEW GOLDEN EXPLORATIONS INC.,

DESARROLLO DE RECURSOS S.A.

AND

SYNDICATE MINERALS MOGOTES PTY LTD

SYNDICATE MINERALS PTY LTD

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EARN-IN AGREEMENT

THIS AGREEMENT is made as of the 4th day of May, 2022,

AMONG:

GOLDEN ARROW RESOURCES CORPORATION, a British Columbia, Canada corporation

(hereinafter called "**GRG**")

AND:

NEW GOLDEN EXPLORATIONS INC., a British Columbia, Canada corporation

(hereinafter called "**NGE**")

AND:

DESARROLLO DE RECURSOS S.A., an Argentinean corporation

(hereinafter called "**Golden Argentina**")

AND:

SYNDICATE MINERALS PTY LTD, a Victoria, Australia Company

(hereinafter called "**SM Parent**")

AND:

SYNDICATE MINERALS MOGOTES PTY LTD, a Victoria, Australia Company

(hereinafter called "**SM Sub**")

WHEREAS, Golden Argentina is the legal and registered owner of a 100% interest in the Properties, which comprise the Mogote Project, located in the Province of San Juan, Argentina, as more particularly described in Schedule "A" hereto;

AND WHEREAS, Golden Argentina is a wholly-owned subsidiary of NGE, which is a wholly-owned subsidiary of GRG, each of which will benefit from the transactions contemplated by this Agreement;

AND WHEREAS, SM Sub desires to explore for minerals on the Properties and Golden Argentina desires to grant SM Sub rights of access on, over and to and the right to explore and develop the minerals on the Properties;

AND WHEREAS, in addition to such exploration and access rights, SM Sub desires to acquire from the Golden Entities (as defined herein) and the Golden Entities desire to grant to SM Sub the right and option to acquire an 80% interest in and to the Properties, to be effected by the acquisition by SM Sub of an 80% ownership interest in JVCO (as defined herein) (which in turn will own 100% of OPCO

(as defined herein) which will own the Properties), and to enter into a shareholders' agreement with GRG and NGE in respect of JVCO and the Properties, on the terms set forth in this Agreement;

AND WHEREAS, SM Parent desires to be a party to this Agreement only to provide a limited guarantee for the payment and performance of SM Sub's obligations under this Agreement;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and the covenants and agreements hereinafter set forth, the Parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement, the following terms shall have the following meanings:

- (a) **"Acquired Rights"** has the meaning assigned to it in Section 16.1.
- (b) **"Acquiring Party"** has the meaning assigned to it in Section 16.1.
- (c) **"Affiliate"** means any person, partnership, limited liability company, joint venture, corporation, or other form of enterprise that directly or indirectly Controls, or is Controlled by or is under common Control with, a Party.
- (d) **"Agreement"** means this Agreement and the Schedules attached hereto.
- (e) **"Annual Period"** means the one-year period from the Effective Date, or any anniversary thereof, to the next anniversary of the Effective Date.
- (f) **"Anti-Corruption Laws"** means anti-bribery, anti-corruption, and anti-money laundering laws, rules, regulations, decrees and/or official governmental orders of the United States, Canada and the United Kingdom, including the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act and the Corruption of Foreign Public Officials Act (Canada), as well as any other legislation implementing either the United Nations Convention Against Corruption or the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions applicable to any party.
- (g) **"Area of Interest"** means the area comprising the Properties and for certainty, includes all areas within the outermost boundaries of the Properties themselves.
- (h) **"Business Day"** means a day which is not a Saturday or Sunday or a statutory holiday in the Province of British Columbia or Ontario, Canada, or in Buenos Aires, Argentina.
- (i) **"Concession Maintenance Obligations"** means all the expenses, works and investment obligations required under Argentinean law, including Sections 215, 216, 217 and 225 of the Mining Code to maintain the Properties valid and in good standing.
- (j) **"Concessions"** has the meaning assigned to it in Section 1.1(ww).
- (k) **"Control"** means (and as applicable as part of its derivatives **"Controls"** and **"Controlled"** means) possession, directly or indirectly, of the power to vote more than 50% of the voting power of such Person or to direct or cause the direction of the management or policies of a Person, whether through ownership of the voting power of such Person, by contract or otherwise.

- (l) **“Disclosure Schedule”** means the Disclosure Schedule attached hereto as **Error! Reference source not found.**
- (m) **“Effective Date”** means the date of this Agreement that is written above.
- (n) **“Encumbrances”** means any mortgage, charge, pledge, lien, license, privilege, security interest, royalty, profit interest, trust or power, or any other payments arising from the production or exploitation of the Properties, encumbrance, or claim, right or interest in, against, attaching to or affecting, property or assets, in each case whether registered or unregistered, whether existing or agreed to be granted or created, and whether arising by agreement, statute or otherwise under applicable Laws.
- (o) **“Environmental Compliance”** means actions performed during or after to comply with the requirements of all Environmental Laws or contractual commitments related to reclamation of the Properties or other compliance with Environmental Laws.
- (p) **“Environmental Laws”** means all Laws relating to the protection of health or the environment resulting from the exploration, development, mining, operation, reclamation or restoration of the Properties including, without limitation, the Argentine Constitution, the Constitution of the Province of San Juan, the Mining Code, Federal Laws # 24,051, 25,675 and 26,639, Provincial Law # 8144, 4392, 6665, 5824, and such other Laws that govern or regulate the abatement of pollution; protection of the environment; protection of glaciers; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural, archeological or historic resources and sites; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment (including ambient air, surface water and groundwater) and all other Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, radioactive materials or hazardous wastes.
- (q) **“Existing Data”** means maps, plans, exploration data, drill logs and other drilling data, core tests, samples, pulps, reports, photographs, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and other material information and data developed in operations on, or in any way related to, the Properties, including information and data in digital form, prior to the Effective Date.
- (r) **“Expenditures”** means all direct expenses of or incurred in connection with (including, without limitation, any and all costs, fees and expenses (including any Taxes thereon other than income taxes) which may be paid to obtain feasibility, engineering or other studies or reports on or with respect to the Properties or any part of the Properties). For greater certainty, the costs of the Concession Maintenance Obligations, the costs of Environmental Compliance and the costs of complying with all applicable Laws are included in Expenditures. Likewise, actual salaries, wages, expenses and benefits (other than any equity-based compensation) paid or provided to SM Sub’s or its Affiliates’ employees or consultants engaged in and directly relating to work conducted at the Properties, including salaries and fringe benefits of those who are temporarily assigned to and directly employed on work relating to the Properties for the periods of time such employees are engaged in such activities for clarity, the amount of salary, wages, expenses and benefits of an employee that shall be deemed to be “Expenditures” shall be that portion of the employee’s total compensation that is proportionate to such employee’s time spent engaged in activities related to the Properties relative to the time spent by such employee on other SM Sub business; reasonable travel, transportation and vehicle costs incurred in the course of working on

or for the benefit of the Properties; and actual charges for machinery, tools, equipment, camp facilities and other materials and assets used or employed in, shall also be deemed added to and included in Expenditures. In addition to the foregoing, SM Sub may also include as Expenditures for each most recently completed Annual Period, general and administrative expenses incurred by SM Sub and/or its Affiliates in respect of up to but not exceeding an amount equal to 10% of the direct Expenditures incurred by SM Sub during such Annual Period.

- (s) “**Force Majeure**” means any cause, event, condition or circumstances, whether foreseeable or unforeseeable, beyond SM Sub’s reasonable control, including but not limited to, the application of any Law or any changes in Law; action or inaction of civil or military authority; any judicial or governmental action, order, proclamation, request or instruction; interference or opposition by an indigenous group or an indigenous rights groups, communities or community groups, nongovernment organizations, environmentalists or other activists; war, hostilities (whether or not war has been declared), threat of war, act of public enemy, blockade, revolution, riot, civil unrest, insurrection, public demonstration, civil commotion, invasion or armed conflict; acts of terrorism; sabotage or acts of vandalism, criminal damage or the threat of such acts; any outbreak or continuance of epidemic or pandemic (including COVID-19), famine or plague and any consequential states of emergency and movement restrictions; inability to obtain, or undue delay in obtaining (after exercising commercially reasonable and diligent efforts), any license, permit or other authorization that may be required on reasonable terms and conditions; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of any Environmental Laws or any other Laws; inability after commercially reasonable effort to obtain contractors, subcontractors, workmen, labor, parts, equipment, materials or supplies on reasonable terms and conditions; failure, delay or suspension of transportation; strike, lock out or labor disputes; unplanned shutdown; accidents; breakdown or loss or damage to, or failure of plant, machinery, equipment, materials or facilities; natural disasters or other extreme weather or environmental conditions including lightning, earthquake, flooding, wind, storm, fire, landslip, natural disasters and phenomena including meteorites and volcanic eruptions and other acts of God; but not including lack of funds or market conditions generally (and not resulting from any such Force Majeure events, conditions or circumstances).
- (t) “**Golden Argentina**” means Desarrollo De Recursos S.A.
- (u) “**Golden Entities**” means, collectively, GRG, NGE, and Golden Argentina, and “**Golden Entity**” means any of them.
- (v) “**Governmental Authority**” means any nation, state or local or other governmental entity or authority of any nature, including any governmental ministry, agency, branch, department or official, and any court, regulatory or administrative board or other tribunal.
- (w) “**GRG**” means Golden Arrow Resources Corporation.
- (x) “**Guaranteed Obligations**” has the meaning assigned to it Section 11.1.
- (y) “**JORC Code**” means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as adopted by the Australasian Joint Ore Reserves Committee, which is sponsored by the Australian mining industry and its professional organizations, for the purposes of compliance with the ASX Listing Rules.
- (z) “**JV Formation Date**” has the meaning assigned to in Section 4.8.

- (aa) “**JVCO**” has the meaning assigned to in Article 8.
- (bb) “**Law**” or “**Laws**” means all applicable national, provincial and local laws (statutory and common), rules, ordinances, treaties, regulations, judgments, decrees, and other valid governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature.
- (cc) “**Listed Shares**” means shares of a company admitted to official quotation of a recognized stock exchange including but not limited to the Australian Stock Exchange, Toronto Stock Exchange, Canadian Securities Exchange and London Stock Exchange. These shares will be subject to such resale restrictions and hold periods as may be imposed by applicable securities legislation, and the rules and policies of the exchange they are listed on.
- (dd) “**Material Agreements**” means any contract, agreement or other document granting any royalty rights, option rights, back-in rights, earn-in rights, rights of first refusal, rights of first offer, or similar rights reflecting a right to occupy or acquire an interest in the Properties and/or the rights to acquire or purchase any minerals, metals, concentrates or any other products or materials removed or produced from Properties, or any contract or agreement with any indigenous group or local community with respect to the Properties.
- (ee) “**Mining Code**” means the Argentine Mining Code.
- (ff) “**NGE**” means New Golden Explorations Inc.
- (gg) “**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* as amended from time to time.
- (hh) “**Notice of Default**” has the meaning assigned to it in Section 4.7.
- (ii) “**Notice of Exercise**” has the meaning assigned to it in Section 4.3(c).
- (jj) “**Notices**” has the meaning assigned to it in Section 14.1.
- (kk) “**Objection Notice**” has the meaning assigned to it in Section 7.2.
- (ll) “**OPCO**” has the meaning assigned to it in Article 8.
- (mm) “**Operations**” includes any and every kind of mineral prospecting, exploration and development and related reclamation and remediation work (but not mining) and all assessments, studies and reports relating thereto and all associated activities, in each case, which SM Sub or its Affiliates in its sole discretion performs or has performed for it on or in respect of the Properties or the products derived therefrom.
- (nn) “**Option**” has the meaning assigned to it in Section 4.1.
- (oo) “**Option Expiry Date**” means 60 days following the 5th anniversary of the Effective Date.
- (pp) “**Option Period**” means the period beginning on the Effective Date and ending on the earlier of: (i) the termination of the Option in accordance with the terms and conditions of this Agreement and (ii) the effective date of SM Sub’s exercise of the Option.
- (qq) “**Other Party**” has the meaning assigned to it in Section 16.1.

- (rr) **“Other Permits”** means any additional licenses, franchises, permits, orders, consents, approvals, registrations, authorizations, and qualifications to be obtained by SM Sub to conduct its Operations (or if such Other Permits cannot legally be obtained by SM Sub, as requested by SM Sub in writing after the Effective Date to be obtained by Golden Argentina or OPCO, as applicable), in order to permit SM Sub to conduct its Operations.
- (ss) **“Party”** means a party to this Agreement and its successors and assigns.
- (tt) **“Permits”** has the meaning assigned to it in Section 2.1(cc), and shall also be deemed to include any and all Other Permits, as the context requires.
- (uu) **“Permitted Encumbrances”** means, with respect to the Properties, (i) Encumbrances for assessments, obligations under workers’ compensation or other social welfare legislation or other requirements, charges or levies of any Governmental Authority, in each case not yet overdue; (ii) Encumbrances with respect to Taxes that are not yet due and payable; (iii) easements, servitudes, rights-of-way and other rights, exceptions, reservations, conditions, limitations, covenants and other restrictions that will not materially interfere with, materially impair or materially impede operations on the Properties, and (iv) the rights reserved to or vested in any Governmental Authority of the Province of San Juan to control or regulate the Properties.
- (vv) **“Person”** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, limited liability company, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or entity however designated or constituted.
- (ww) **“Properties”** means:
- (i) the mining rights described in Part 1 of Schedule "A" hereto, all of which were granted by a judge in the San Juan Mining Ministry under the provisions of the Mining Code and are located in the Province of San Juan, Argentina, and any permits, claims, leases, concessions or other form of mineral tenure which may replace the same (the **“Concessions”**); and
 - (ii) and any and all surface, easement, water, access and other rights of and to any lands wholly or partially within the Area of Interest held by or for any of the Golden Entities, including the easements described in Part 2 of Schedule "A" hereto (the **“Easements”**), and all other surface rights held in fee or under lease, licence, easement, right of way or other rights of any kind,
- and with respect to (i) or (ii), all renewals, extensions and amendments thereof or substitutions therefor, subject to additions thereto by operation of Article 16 of this Agreement.
- (xx) **“Proprietary Property”** means all intellectual property owned or held by SM Sub or any of its Affiliates, including (i) patents and patent applications, (ii) copyrights and applications in copyright, domestic or foreign, and all underlying works of authorship, (iii) computer programs, computer databases (but not the Technical Data contained therein), computer program flow diagrams, source codes and object codes, (iv) trade secrets, software, license rights, methods, process, know-how, formulae and algorithms and (v) all licenses related to intangible property incorporating any of the foregoing.
- (yy) **“Qualified Person”** has the meaning ascribed to such term under NI 43-101.

- (zz) “**Reorganization**” has the meaning assigned to it in Section 8.1.
- (aaa) “**Shareholders’ Agreement**” means the shareholders’ agreement to be entered into among SM Parent and SM Sub and GRG, NGE and JVCO, upon the JV Formation Date, in substantially the form set out in Schedule "B" to this Agreement.
- (bbb) “**Signing Payment**” has the meaning assigned to it in Section 4.1.
- (ccc) “**SM Entities**” means, collectively, SM Parent and SM Sub, and “**SM Entity**” means any of them.
- (ddd) “**SM Parent**” means Syndicate Minerals Pty Ltd.
- (eee) “**SM Sub**” means Syndicate Minerals Mogotes Pty Ltd.
- (fff) “**Taxes**” means taxes of any nature, including without limitation, income taxes, ad valorem taxes, stamp taxes, transfer taxes, valued added taxes, withholding taxes, imposts, duties, levies, charges and other similar payments to any Governmental Authorities, whether domestic or foreign and otherwise.
- (ggg) “**Technical Data**” means engineering studies, consultants’ reports and working papers, prefeasibility reports, feasibility reports, mine plans, surface and underground maps, assays, samples, cores, analyses, geologic and geophysical maps, engineering maps, photographs, drill logs, exploration reports, environmental studies, reserve studies and reports, metallurgical studies and reports and all other information and data in printed or electronic form concerning the condition, geology, mineral potential, physical characteristics, mineability or other technical matters related to the Properties or the conduct of the Operations
- (hhh) “**Technical Report**” means a report prepared, filed and certified in accordance with this Agreement and either NI 43-101 or the JORC Code.
- (iii) “**Transfer**” means, when used as a verb, to sell, grant, transfer, assign, dispose of or to commit to do any of the preceding; and when used as a noun, a sale, grant, assignment, transfer, disposal or a commitment to do any of the preceding.
- (jjj) “**\$**” means Canadian dollars.

1.2 Gender, Number and Other Terms. Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, words importing persons includes individuals, partnerships, associations, trusts, unincorporated organizations and corporations, “or” is not exclusive and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used.

1.3 Headings. The inclusion of headings in this Agreement is for convenience only and does not affect the construction or interpretation of this Agreement.

1.4 Statutes. Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto, and to any statute or regulations that may be passed that supplement or supersede such statute or such regulations.

1.5 No Contra Preferentum. The Parties intend that the language in this Agreement be construed as a whole and neither strictly for nor strictly against any of the Parties.

1.6 Governing Law and Attornment. This Agreement is governed by and construed in accordance with the law of British Columbia and the law of Canada, without regard to principles of conflicts of law that would impose a law of another jurisdiction. Except as set forth in Section 7.2, the Parties shall refer all disputes and claims, whether for damages, specific performance, injunction, declaration or otherwise, both at law and equity, arising out of, or in any way connected with, this Agreement to the courts of British Columbia and each of the Parties hereby attorns to the jurisdiction of the courts of British Columbia.

1.7 Schedules. Attached to and forming part of this Agreement are the following Schedules:

Schedule "A"	Properties
Schedule "B"	Form of Shareholders' Agreement
Schedule "C"	Permits
Error! Reference	Disclosure Schedule

1.8 Meaning of Knowledge. Any representation or warranty that is made on the basis of the knowledge or awareness of the Golden Entities, or any of them, shall be deemed to refer to the best of the knowledge or awareness of the current officers and senior employees of the Golden Entities whose employment responsibilities relate to the matter in question, after reviewing all relevant records and making due inquiries regarding the relevant matter in question.

1.9 Currency Exchange. Expenditures that are incurred in Argentinean pesos shall be valued in Canadian dollars for the purposes of determining whether the requirements of Section 4.3(a) have been met, based on the average daily rate for the month in which Expenditures were incurred, calculated based on the daily rates posted by BCRA (Banco Central de la República Argentina) on their official website as of the last day in which the Expenditure was incurred.

Expenditures that are incurred in U.S. Dollars or currencies other than Argentinean pesos shall be valued in Canadian dollars for the purposes of determining whether the requirements of Section 4.3(a) have been met, based on the monthly exchange rates for the month in which Expenditures were incurred, as posted by Bank of Canada on their official website (<https://www.bankofcanada.ca/rates/exchange/monthly-exchange-rates/>).

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Golden Entities' Representations and Warranties. Except as disclosed in the Disclosure Schedule, the Golden Entities hereby represent and warrant, jointly and severally, to each of the SM Entities that:

- (a) each Golden Entity is a corporation duly organized and validly existing in the jurisdiction of its incorporation and is qualified to do business and in good standing under the laws of:
 - (i) British Columbia, Canada, in the case of GRG and NGE; and
 - (ii) Argentina (including any local Law of the Province of San Juan), in the case of Golden Argentina;
- (b) all of the issued and outstanding shares and other securities of Golden Argentina are held, legally and beneficially, by NGE free and clear of all Encumbrances (other than Permitted Encumbrances) and no Person other than NGE has any right to acquire or vote any shares or other securities of Golden Argentina; and all of the issued and outstanding shares and other securities of NGE are held, legally and beneficially by

GRG, free and clear of all Encumbrances (other than Permitted Tax Encumbrances) and no Person other than GRG has any right to acquire or vote any shares or other securities of NGE;

- (c) each of the Golden Entities has the legal capacity to enter into and perform its obligations under this Agreement and all transactions contemplated herein and all necessary corporate approvals and authorizations (including, without limitation, all required shareholder approvals) required to authorize it to enter into and perform this Agreement, in each case have been properly obtained and are in full force and effect;
- (d) this Agreement has been duly executed and delivered by each of the Golden Entities and is valid and binding upon each of them in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganization, insolvency, moratorium, or similar Laws affecting creditors' rights generally, or by general principles of equity;
- (e) no consent or approval of any Governmental Authority or other Person is required for the execution, delivery or performance by it of this Agreement;
- (f) none of them is subject to any governmental order, judgment, decree, debarment, sanction or Laws that would preclude or prevent the entering into this Agreement or the performing of its actions as contemplated herein, or to the best knowledge of the Golden Entities, the permitting or implementation of Operations under this Agreement;
- (g) each of them is solvent, able to pay its indebtedness as it matures, and has capital sufficient to carry on its business, and does not contemplate filing a proceeding in any jurisdiction for bankruptcy or insolvency;
- (h) no Person is entitled to any brokerage, commission or finder's fees payable by or on behalf of the Golden Entities in connection with the transactions contemplated by this Agreement;
- (i) the information in Schedule "A" is true and correct in all material respects and Golden Argentina is in exclusive possession of and is the sole legal and beneficial owner of the Properties free from all Encumbrances (except for Permitted Encumbrances) and has good and marketable title to the Concessions and the Easements comprising a portion of the Properties;
- (j) no Person (other than Golden Argentina and SM Sub pursuant to this Agreement) has any interest in or to any of the Properties or any right to acquire any interest (including with respect to any royalty, except for the royalty in favour of Mr. Nestor Guido Arturo) in or to any of the Properties; and, without limiting the generality of the foregoing, none of the Golden Entities is a party to, or bound by, and there are no, agreements or options to grant, convey or reserve any interest or any right capable of becoming an interest in any of the Properties;
- (k) the Concessions, the Easements and all other rights and interests comprising the Properties are validly in force pursuant to all applicable Laws, except for the right of way file number 1124-542-I 2011 which is not up to date;
- (l) the Properties are in good standing and all obligations and requirements to keep the Properties valid and in good standing including the provisions of all Laws have been complied with in all material respects, except in relation to certain Concession Maintenance Obligations related to works and investments;

- (m) to the best knowledge of the Golden Entities, there are no actual, pending or, threatened claims, actions or procedures, of any kind, including judicial or other applications of easement over the surface area of the Properties that have or could affect the free exploration, exploitation, ownership, possession or tenancy of those Properties, except for certain Concession Maintenance Obligations pertaining to works and investments;
- (n) to the best knowledge of the Golden Entities, there are no third parties holding mining rights or mining petitions or claims which to the knowledge of the Golden Entities have been asserted that have or could have a preferential right over the Concessions;
- (o) to the best knowledge of the Golden Entities, no Person has requested or claimed mining rights or other rights to possess or occupy over the same area covered by the Concessions;
- (p) except in relation to some Concession Maintenance Obligations related to works and investments, none of the Concessions or the Easements are subject to cancellation or forfeiture and the Golden Entities are not aware of any matter which could be reasonably expected to prejudice the renewal of those Concessions or Easements or of any outstanding obligations in relation to those Concessions and Easements;
- (q) the Golden Entities have performed all obligations required to be performed by them under any contracts or applicable Laws related to the Properties to which they have been a party or subject to and were not and are not in default under any such contract or applicable Laws, except in relation to the fulfillment of some Concession Maintenance Obligations related to works and investments;
- (r) the Golden Entities hold no water concessions or other water rights and no water concession applications have been submitted by any Golden Entity and no Golden Entity has received any oral or written communication from any Governmental Authority that any such application would be unlikely to be approved;
- (s) as of the date hereof, none of the Golden Entities directly or indirectly own or hold within the Area of Interest any mining rights other than as set out in Schedule "A" hereto;
- (t) Golden Argentina does not own or hold surface land in excess of the thresholds set forth by the Argentine Rural Land Law # 26,737;
- (u) to the best knowledge of the Golden Entities, there is no overlapping between the Properties and (i) any hydrocarbons permits, licenses or concessions and/or any renewable energy projects; and (ii) any protected areas potentially affecting the development of the Properties and/or indigenous communities;
- (v) to the best knowledge of the Golden Entities, there are no Laws preventing or affecting the development of the Properties as currently contemplated by Golden Argentina and/or the conduct of exploration activities thereon, with the exception of the Glacier Law # 26,639 eventual limitations which are unknown to the Golden Entities, as no glacier baseline study has been performed on the Properties;
- (w) no Person has any royalty or other interest whatsoever in production from all or any part of the Concessions other than the royalties' payable under applicable Law to the federal Government of Argentina or the provincial Government of San Juan, except from the royalty in favour of Mr. Nestor Guido Arturo;

- (x) there are no other Material Agreements between any of the Golden Entities and any other Person;
- (y) all rentals, taxes, duties, royalties, rates, charges, fees or other levies of every nature and kind heretofore levied against the Properties have been fully and timely paid and satisfied;
- (z) there are no environmental or other liabilities, claims or circumstances relating to the Properties which affect or might be reasonably be expected to affect the Properties; except for certain Concession Maintenance Obligations. All activities on or in relation to the Properties up to the Effective Date (including obtaining an environmental insurance policy if and when applicable, ILO 169 indigenous consultation when applicable, requirements under any Law related to protected areas if and when applicable) performed by or on behalf of Golden Argentina and, to the knowledge of the Golden Entities, any other third party, have been in compliance with all applicable Laws including all Environmental Laws and all of the Permits (with respect to activities performed by or on behalf of Golden Argentina) and no conditions exist which could give rise to the making of a remediation order or similar order in respect of the Properties, or which could reasonably be expected to subject the SM Entities or any SM Entity's Affiliates, or OPCO or JVCO when incorporated, to any liability. Without limiting the foregoing:
 - (i) none of the Golden Entities has received from any Governmental Authority or any other Person any notice of, or communication relating to, any actual or alleged breach of any Laws including Environmental Laws and Permits and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Properties or any operations carried out thereon; and
 - (ii) there have been, to the knowledge of the Golden Entities, no spills, discharges, leaks, emissions, ejections, escapes, dumpings or other releases of any kind of any toxic or hazardous substances in, on or under the Properties or the environment surrounding it and there is to the knowledge of the Golden Entities no presence of polychlorinated biphenyl in, on or under the Properties;
- (aa) except for the possible consequences of unfulfillment of certain Concession Maintenance Obligations, the Properties are not subject to any conditions of cancellation or forfeiture by a Governmental Authority and the Golden Entities are not aware of any matter which could be reasonably expected to result in a condition of cancellation or forfeiture in relation to the Properties;
- (bb) to the best of the Golden Entities' knowledge, the Properties are free and clear of all unprotected open mine shafts, mine openings or workings, open pits, rock stockpiles, mine tailings or waste materials;
- (cc) (i) Golden Argentina holds, and at all times has held, all licenses, franchises, permits, orders, consents, approvals, registrations, authorizations, concessions, qualifications and filings with and under all applicable Laws necessary for the lawful conduct of its exploration activities on the Properties, all of which are listed in Schedule "C" (the "**Permits**"); (ii) all such Permits are in full force and effect; (iii) Golden Argentina has complied in all material respects with the terms of the Permits except for certain Concession Maintenance Obligations, and there are no pending modifications, amendments or revocations of any such Permits; (iv) Golden Argentina has timely applied for all required renewals and updates of such Permits as needed to conduct its operations on the Properties; (v) there are no pending or, to the knowledge of the

Golden Entities, threatened legal, administrative, regulatory or other suits, actions, claims, audits, assessments, arbitrations or other proceedings or investigations or inquiries with respect to the possible revocation, cancellation, suspension, limitation or nonrenewal of any Permits, and there has occurred no event which (whether with notice or lapse of time or both) could reasonably be expected to result in or constitute the basis for such a revocation, cancellation, suspension, limitation or nonrenewal thereof, except for certain notifications related to inactivity on the Properties and lack of investments as per Articles 225 and 217 of the Mining Code; and (vi) true, correct and complete copies of all of the Permits have been delivered to SM Sub by Golden Argentina. Except for the Other Permits and any additional permits and approvals that SM Sub may need in connection with its Operations, no consent or approval of any Governmental Authority or any other Person is required under or in respect of any Permit for the execution, delivery or performance of this Agreement (including without limitation, the right of SM Sub or its Affiliates to conduct their Operations under the Permits or the transfer of the Properties and the Permits by Golden Argentina to OPCO when incorporated), and the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the performance by Golden Argentina of its obligations hereunder will not result in the suspension, cancellation, revocation, impairment, forfeiture or nonrenewal of any Permit, except as stated in the Disclosure Schedule;

- (dd) to the knowledge of the Golden Entities, Golden Argentina has delivered to or made available for inspection by SM Sub all material information concerning title to the Properties in its possession or control and has delivered to or made available for inspection by SM Sub all Existing Data in its possession and control;
- (ee) Golden Argentina has conducted all exploration activities and other operations on the Properties in accordance with sound mining, environmental and other applicable mining industry standards and practices and in compliance with the terms and provisions of any applicable leases, Permits, contracts and other agreements and authorizations pertaining to the Properties;
- (ff) the Golden Entities have the unrestricted right to deliver the Existing Data to SM Sub pursuant to this Agreement and to transfer title of the Properties and the Permits to OPCO in accordance with the terms of this Agreement;
- (gg) the Properties are all located in the Province of San Juan and to the knowledge of the Golden Entities outside of any current border dispute areas. To the knowledge of the Golden Entities no other third parties have or are entitled to claim ownership rights over the Properties (other than as contemplated by this Agreement);
- (hh) the execution and delivery of this Agreement by the Golden Entities and the grant of rights to the SM Entities under this Agreement will not conflict with or be in contravention of any Law or conflict with rights of third parties or result in a breach of or default under any agreement or other instrument of obligation to which any of the Golden Entities is a party or by which any of the Golden Entities or the Properties may be bound;
- (ii) there are not any suits, actions, investigations, prosecutions, proceedings, claims or disputes, actual, pending or to the knowledge of the Golden Entities threatened, against or affecting any of the Golden Entities that relate to or could have an adverse effect on the Properties, except for certain notifications related to Concession Maintenance Obligations, more specifically, to inactivity of the Properties and investments, and to the knowledge of the Golden Entities there are no grounds on which any such suit, action, prosecution, investigation or proceeding might be commenced;

- (jj) none of the Golden Entities, nor any of their respective directors, officers, employees or agents has knowingly offered or given on its behalf, anything of value to any official of a Governmental Authority, any political party or official thereof or any candidate for political office, for the purpose of any of the following:
 - (i) influencing any action or decision of such Person in such Person's official capacity, including a decision to fail to perform such Person's official function in order to obtain or retain an advantage in the course of business;
 - (ii) inducing such Person to use such Person's influence with any Governmental Authority to affect or influence any act or decision of such Governmental Authority to assist it in obtaining or retaining business for, with, or directing business to, any person or otherwise to obtain or retain an advantage in the course of business; or
 - (iii) where such payment would constitute a bribe, rebate, payoff, influence payment, kickback or illegal or improper payment to assist it in obtaining or retaining business for, with, or directing business to, any person;
- (kk) none of them nor any of their respective directors, officers, employees or agents has taken any action that would cause it to be in violation in any material respect of any Anti-Corruption Law; and
- (ll) to the best of the Golden Entities' knowledge, there are no indigenous community settlements that are located within the area of the Properties and to the knowledge of the Golden Entities there are no indigenous rights or other interests that are currently asserted in respect of the Properties.

2.2 SM Entities' Representations and Warranties. The SM Entities hereby represent and warrant, jointly and severally, to each of the Golden Entities that:

- (a) each SM Entity is a corporation duly organized and validly existing in the jurisdiction of its incorporation and it is qualified to do business and in good standing under the laws of Australia;
- (b) each of the SM Entities has the legal capacity to enter into and perform this Agreement and all transactions contemplated herein and all necessary corporate approvals and authorizations required to authorize it to enter into and perform this Agreement, in each case have been properly obtained and are in full force and effect;
- (c) the execution and delivery of this Agreement by each of the SM Entities will not conflict with or be in contravention of any Law or conflict with the rights of third parties or result in a breach of or default under any agreement or other instrument of obligation to which each SM Entity is a party or by which such SM Entity may be bound;
- (d) this Agreement has been duly executed and delivered by each of the SM Entities is valid and binding upon each SM Entity in accordance with its terms, except as such enforceability may be affected by applicable bankruptcy, reorganization, insolvency, moratorium, or similar Laws affecting creditors' rights generally, or by general principles of equity;
- (e) no consent or approval of any Governmental Authority or other Person is required for the execution, delivery and performance by it of this Agreement; and

- (f) it is not subject to any governmental order, judgment, decree, debarment, sanction or Laws that would preclude or prevent the entering into this Agreement or the performing of its actions as contemplated herein, or the permitting or implementation of Operations under this Agreement.

2.3 Exclusive Benefit of Representations and Warranties.

- (a) The representations and warranties contained in Section 2.1:
 - (i) are provided for the exclusive benefit of each of the SM Entities and a breach of any one or more of them may be waived by any of the SM Entities in writing in whole or in part at any time without prejudice to any of SM Entity's rights in respect of any other breach of the same or any other representation or warranty; and
 - (ii) subject to the limitations set forth in Section 9.5, shall survive the execution and delivery of this Agreement, the exercise of the Option hereunder by SM Sub and the termination of this Agreement.
- (b) The representations and warranties contained in Section 2.2:
 - (i) are provided for the exclusive benefit of each of the Golden Entities and a breach of any one or more of them may be waived by any of the Golden Entities 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
 - (ii) subject to the limitations set forth in Section 9.5, shall survive the execution and delivery of this Agreement, the exercise of the Option hereunder by SM Sub and the termination of this Agreement.

2.4 Forfeiture Conditions. The Parties acknowledge and agree that notwithstanding Section 2.1(aa), each SM Entity shall not be liable for and shall not be responsible for any taking, cancellation or forfeiture of the Properties by any Governmental Authority in connection with any facts or circumstances existing as at the Effective Date.

2.5 LIMITATION OF WARRANTIES. It is agreed between the Parties that any technical, economic or geological information of any nature, including without limitation any studies, reports, mining models, assays, drill hole data, geochemical reports, recovery reports and other information concerning the Properties and the existence, location, quantity, quality or value of any minerals thereon or therein, provided to, or made available by one Party to another Party under this Agreement, including without limitation pursuant to Sections 6.1 and 10.1, is provided without representation or warranty and is at the sole risk of the Party receiving the same. Such information is provided "AS IS, WHERE IS" and EACH PARTY EXPRESSLY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES CONCERNING THE SAME, AND EXPRESSLY EXCLUDES ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

ARTICLE 3 GRANT OF EXPLORATION RIGHTS

3.1 Grant of Exploration Rights. Golden Argentina hereby irrevocably grants to SM Sub and its servants, agents and independent contractors, for the entire Option Period, the sole and exclusive right (subject to Golden Argentina's rights and obligations under Section 9.2) and option to:

- (a) enter upon and have immediate possession of the Properties;

- (b) carry out Operations on the Properties as SM Sub may in its sole discretion determine;
- (c) bring and install on the Properties and remove from time to time such buildings, plant, machinery, equipment, tools, appliances and supplies (excluding any buildings, plant, machinery, equipment, tools, appliances and supplies owned by Golden Argentina or any of its contractors) as SM Sub may deem necessary; and
- (d) remove from the Properties reasonable quantities of rocks, ores, minerals and metals and to transport the same for the purpose of sampling, testing and assaying.

For greater certainty, none of the Golden Entities shall, subject to Golden Argentina's rights and obligations under Section 9.2, carry out any Operations or other mining activities on the Properties during the Option Period and Golden Argentina shall provide to SM Sub written evidence of the foregoing limitation, in form satisfactory to SM Sub acting reasonably, filed with the appropriate Governmental Authority.

3.2 Standard of Conduct. In exercising its rights under Section 3.1, SM Sub shall, and shall cause its Affiliates to, comply with all applicable Laws and Permits and Other Permits and carry out Operations in a good and workmanlike manner and in substantial accordance with sound mining and other applicable industry standards and practices.

3.3 Control of Operations During Option Period. During the Option Period, SM Sub has the sole right to determine the nature, timing, scope, extent and method of all Operations without any obligation to obtain the approval or consent of any of the Golden Entities.

3.4 Concession Maintenance Obligations. Unless this Agreement is terminated earlier, during the Option Period, SM Sub shall timely pay and perform the Concession Maintenance Obligations, including investments as per Article 217 of the Mining Code when required.

3.5 Liens and Encumbrances. SM Sub shall keep the title to the Properties free and clear of all Encumbrances resulting from its Operations other than Permitted Encumbrances and Encumbrances arising or resulting from pre-existing conditions or circumstances prior to the Effective Date or acts or omissions of Golden Argentina.

3.6 Reclamation and Remediation. If this Agreement is terminated and SM Sub does not exercise the Option, SM Sub shall promptly and at its sole cost and expense fully reclaim and remediate the Properties, to the extent disturbed by SM Sub during the Option Period but excluding any disturbances or environmental conditions that existed prior to the Effective Date (except to the extent the same were re-disturbed by SM Sub) or resulting from any acts or omissions of Golden Argentina, in accordance with applicable Laws. Golden Argentina, to the extent it is legally able to do so, hereby agrees to grant to SM Sub and its servants, agents and independent contractors such access to the Properties following termination as is reasonably necessary to complete such reclamation work. If SM Sub exercises the Option and the Parties enter into the Shareholders' Agreement, the reclamation obligations associated with any disturbances of the Properties made by SM Sub during the Option Period shall become exclusive obligations of JVCO and OPCO.

3.7 Covenants of Golden Entities. The Golden Entities, jointly and severally, shall, and after the transfer of the Properties and Permits to OPCO pursuant to Article 8 (until the JV Formation Date), shall cause JVCO and OPCO to:

- (a) subject to the payment and performance of the Concession Maintenance Obligations to be made and performed by SM Sub pursuant to Section 3.4, take all actions necessary to maintain the Properties, as valid and in good standing in the name of Golden Argentina, and after the transfer of the Properties to OPCO pursuant to Article 8 in the

name of OPCO, and promptly inform the SM Entities of any occurrence or non-occurrence that is likely to affect the validity or good standing of the Properties;

- (b) maintain the Permits in Golden Argentina's name and after the transfer of the Permits to OPCO pursuant to Article 8 in the name of OPCO, and after the Effective Date obtain and maintain all Other Permits (that are in the name of Golden Argentina because they cannot legally be in the name of SM Sub) in the name of Golden Argentina and after the transfer of the Permits to OPCO pursuant to Article 8 in the name of OPCO; maintain the Permits and all such Other Permits in good standing; authorize SM Sub and any of its Affiliates designated in writing to carry on Operations under such Permits (and any Other Permits that are in Golden Argentina's name because they cannot legally be in SM Sub's name), and Golden Argentina shall provide all such powers of attorney or other authorizations as are required by SM Sub in respect of the foregoing;
- (c) not grant any Encumbrance nor cause or permit any Encumbrances other than Permitted Encumbrances (provided that the Golden Entities shall be responsible for any of the matters set forth in paragraphs (ii) or (iii) of the definition of Permitted Encumbrances when they become due, other than such matters which are a SM Entity's responsibility under this Agreement) to be placed on or against any of the Properties or the Permits or on or against JVCO or OPCO or their respective assets;
- (d) comply with all applicable Laws, provided that for greater certainty, it is acknowledged and agreed that the obligations to comply with applicable Laws with respect to any Operations carried on at the Properties during the Option Period shall be obligations of SM Sub;
- (e) promptly notify the SM Entities of any event, circumstance, notice or claim that may occur, take place or be received at any time after the Effective Date that would make any of the representations and warranties set forth in Section 2.1 not true, correct and complete if deemed made at the time such event, circumstance, notice or claim occurs, takes place or is received by any Golden Entity;
- (f) promptly notify the SM Entities of any notice or communication received from any Person which affects or could reasonably be expected to affect JVCO, OPCO or any of the Properties or the Permits or the rights of SM Sub in relation to any of the foregoing;
- (g) promptly notify the SM Entities of any litigation, arbitration, proceeding or claim which is brought or threatened against Golden Argentina, JVCO, OPCO or any of the Properties or the Permits and defend in good faith, and at their cost and expense, any and all such litigation, arbitration, proceeding or claim; provided that if such litigation, arbitration, proceeding or claim is made by a third party in respect of, or the result of, or in connection with, any of the Operations carried on by SM Sub or its Affiliates (other than JVCO) prior to the JV Formation Date on or in respect of any of the Properties or pursuant to any of the Permits, all such costs and expenses shall be for the sole account of SM Sub, unless such Operations are required to remedy any environmental condition of, at, in or under the Properties or any facilities that exist on the Properties prior to the Effective Date;
- (h) not commence any litigation, arbitration or other proceeding against any third party which affects or may affect the Properties, or the Permits or the validity or enforceability of this Agreement, without SM Sub's prior approval not to be unreasonably withheld;
- (i) take no action or inaction to invalidate any third party consents or approvals delivered in connection with this Agreement;

- (j) promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to SM Sub) required by applicable Law or reasonably requested by SM Sub to give effect to the provisions of this Agreement and the transactions contemplated hereby;
- (k) undertake all legal proceedings requested by SM Sub and necessary to establish the validity and enforceability of the Properties and the Permits in accordance with applicable Laws, at SM Sub's expense unless such proceedings are required in respect of circumstances or conditions existing prior to the Effective Date or resulting from any acts or omissions of Golden Argentina, OPCO or JVCO, in which case at the Golden Entities' expense; and
- (l) discharge any Encumbrances (other than Permitted Encumbrances) on or in respect of the Properties and rectify any other issues with respect to title to the Properties as may be necessary and as soon as reasonably practicable provide SM Sub with copies of such recording or other documentation in respect of such actions; provided that if such Encumbrance or issue with respect to title is the result of or in connection with, any of the Operations carried on by SM Sub or its Affiliates (other than JVCO) prior to the JV Formation Date on any of the Properties or pursuant to any of the Permits, the cost and expense in respect of the discharge or rectification of such matters shall be for the sole account of SM Sub, unless such Operations are required to remedy any environmental condition of, at, in or under the Properties or any facilities that exist on the Properties prior to the Effective Date.

3.8 Covenant of SM Sub. SM Sub, shall promptly notify the Golden Entities of any notice or communication received from any Person which affects or could reasonably be expected to affect any of the Properties, the Permits, the Other Permits or the rights of the Golden Entities in relation to any of the foregoing.

3.9 Covenants of SM Sub. SM Sub shall:

- (a) promptly notify the Golden Entities of any litigation, arbitration, proceeding or claim which is brought or threatened against SM Sub, or any of the Properties, the Permits or the Other Permits and, to the extent the same pertain to SM Sub's Operations and do not arise or result from pre-existing conditions or circumstances prior to the Effective Date or from acts or omissions of Golden Argentina or OPCO, defend in good faith, and at its cost and expense, any and all such litigation, arbitration, proceeding or claim;
- (b) not commence any litigation, arbitration or other proceeding against any third party which affects or may affect the Properties, the Permits, or the Other Permits or the validity or enforceability of this Agreement, without the prior approval of the Golden Entities not to be unreasonably withheld;
- (c) after the Effective Date obtain and maintain all Other Permits (except for such Other Permits which cannot legally be in SM Sub's name, with respect to which SM Sub shall promptly reimburse the Golden Entities, upon receipt of an invoice therefor, for all reasonable costs and expenses incurred by the Golden Entities for obtaining and maintaining those Other Permits, including fees, costs and expenses of third party consultants who assist the Golden Entities in that process), and maintain those Other Permits in good standing;
- (d) use commercially reasonable efforts to maintain adequate community relations in accordance with SM Sub's customary practice, but subject to and taking into account the state of community relations as at the Effective Date;

- (e) obtain and maintain adequate insurance in accordance with industry practices in respect of all Operations and its employees, agents, contractors and consultants in relation to the Properties and provide the Golden Entities with evidence of such insurance coverage on request;
- (f) subject to Article 6, permit the Golden Entities, at their own expense during normal business hours no more than once per year, to inspect, take abstracts from or audit any or all of the records and accounts relating to the incurrence and funding of Expenditures and the Operations; and
- (g) use its commercially reasonable efforts to ensure that no information relating to the Operations that would otherwise be considered Technical Data become subject to any confidentiality obligations or other third party rights that would prohibit the delivery of such information in accordance with Section 4.5 or that would limit the reporting obligations under Section 6.1, until such time as the Option is exercised and SM Sub's obligations under Section 4.8 have been fulfilled or the Agreement is terminated and SM Sub's obligations under Section 12.1(a) have been fulfilled.

ARTICLE 4 OPTION

4.1 Signing Payment. As consideration for the grant of the Option, SM Sub shall pay the sum of \$150,000.00 in cash in immediately available funds (the "**Signing Payment**") to GRG on the Effective Date, for which GRG shall provide to SM Sub an invoice in a form acceptable to SM Sub, acting reasonably, for SM Sub's record keeping requirements.

4.2 Grant of Option. The Golden Entities hereby grant to SM Sub the sole and exclusive right and option to acquire an 80% interest in and to the Properties free and clear of all Encumbrances other than Permitted Encumbrances (which interest will be represented as an 80% shareholding interest in JVCO), exercisable in the manner described in Section 4.3 (the "**Option**"). Upon exercise of the Option, SM Sub's indirect interest in the Properties will be an 80% interest and NGE's indirect interest in the Properties will be a 20% interest, in each case, represented by their respective shareholding interests in JVCO, which shall wholly own OPCO (as described in Article 8).

4.3 Conditions to Exercise the Option. To exercise the Option, SM Sub must:

- (a) subject to Sections 5.1, 5.2, 5.3, and 5.6, incur the following additional Expenditures:
 - (i) the sum of \$300,000 on or before the 1st anniversary of the Effective Date;
 - (ii) the further sum of \$500,000 on or before the 2nd anniversary of the Effective Date;
 - (iii) the further sum of \$1,000,000 on or before the 3rd anniversary of the Effective Date;
 - (iv) the further sum of \$1,500,000 on or before the 4th anniversary of the Effective Date; and
 - (v) the further sum of \$1,700,000 on or before the 5th anniversary of the Effective Date;
- (b) subject to Sections 5.1, 5.3 and 5.6, make the following payments in cash (or Listed Shares subject to Sections 4.4 and Section 4.5) to GRG (the "**Option Payments**"):

- (i) the sum of \$150,000 on or before the 1st anniversary of the Effective Date;
 - (ii) the further sum of \$250,000 on or before the 2nd anniversary of the Effective Date;
 - (iii) the further sum of \$350,000 on or before the 3rd anniversary of the Effective Date;
 - (iv) the further sum of \$450,000 on or before the 4th anniversary of the Effective Date; and
 - (v) the further sum of \$550,000 on or before the 5th anniversary of the Effective Date; and
- (c) at any time after SM Sub has incurred the Expenditures required under Section 4.3(a), and the payments required under Section 4.3(b) but prior to the Option Expiry Date, provide Notice to GRG that SM Sub has satisfied the conditions under this Section 4.3 and has elected to exercise the Option (the “**Notice of Exercise**”). Immediately upon delivery of the Notice of Exercise, including the Officer Certification pursuant to Section 4.6, SM Sub shall be deemed to hold an 80% beneficial interest in the Properties, and the Parties shall hold their respective interests subject to and in accordance with the terms and conditions of this Agreement.

4.4 Option Payments in Listed Shares. At the discretion of the Golden Entities, SM Sub will have the option to make the payments established in Section 4.3(b) in Listed Shares. The number of Listed Shares to be delivered on account of the Option Payments will be calculated based on the volume weighted average price of the Listed Shares during 15 trading days prior to the date when the Option Payments are due.

4.5 Holding Period Discount. If the Listed Shares are subject to a holding period of 30 days or greater as may be imposed by applicable securities Laws, the number of Listed Shares to be delivered on account of the Option Payments will be calculated based on the volume weighted average price of the Listed Shares during 15 trading days prior to the date when the Option Payments are due discounted by 10%.

4.6 Officer Certification. The Notice of Exercise shall include a statement signed by an officer of SM Sub (without personal liability) certifying the aggregate amount of funds incurred by SM Sub as Expenditures on the Properties.

4.7 Notice of Default. If SM Sub fails to incur any Expenditures set forth under Section 4.3(a) or make any payments set forth under Section 4.3(b), in whole or in part, by the due dates for such performance, GRG shall provide written Notice to SM Sub (a “**Notice of Default**”) providing reasonable details of the alleged default and SM Sub shall have [30] Business Days from receipt of such Notice of Default to remedy the alleged default without penalty.

4.8 Exercise of Option and Formation of JV. Upon SM Sub or an Affiliate designated by SM Sub exercising the Option in compliance with Section 4.3 and the completion of the Reorganization in accordance with Article 8 (the “**JV Formation Date**”):

- (a) SM Sub or an Affiliate designated by SM Sub shall contribute to JVCO all of its right and interest in and to the Technical Data (except for any of the same that constitutes Proprietary Property) obtained from its Operations, and in the Other Permits, valued at an amount equal to the Expenditures incurred by SM Sub and its Affiliates as a contribution in kind to the capital stock of JVCO;

- (b) the resulting shareholding interests in JVCO shall be as follows: SM Sub or an Affiliate designated by SM Sub - 80% and NGE - 20%; and
- (c) the agreed value of SM Sub's (or its designated Affiliate's) equity interest in JVCO shall be an amount equal to the aggregate Expenditures incurred by it from the Effective Date to the JV Formation Date and the agreed value of NGE's equity interest in JVCO will be in the same proportion to the value of SM Sub's initial equity interest in JVCO as the initial shareholding interest of NGE (20%) is to the initial shareholding interest of SM Sub or its designated Affiliate (80%);

provided that if any approvals from any Governmental Authority are required to be obtained by SM Sub prior to it receiving its shareholding interest in JVCO and entering into the Shareholders' Agreement, the JV Formation Date shall, at SM Sub's option, be extended to the 10th Business Day after the date upon the last of such approvals are obtained.

4.9 Shareholders' Agreement. Upon the completion of the above transactions in Section 4.8, SM Sub (and if applicable its designated Affiliate), GRG, NGE and JVCO will enter into a shareholders' agreement in the form of the Shareholders' Agreement appended as Schedule "B" hereto (with only such modifications as are necessary to insert specified information which cannot be known as at the Effective Date, in each case as specifically indicated in the form of Shareholders Agreement).

4.10 Continued Work Program. Subject to compliance with any terms and conditions of the Shareholders' Agreement with respect to notification and approval of programs and budgets, SM Sub may, subsequent to the JV Formation Date, continue the then current work program to completion or may terminate such program in as orderly a fashion as it considers advisable. SM Sub may include, as part of the first proposed program and budget delivered under the Shareholders' Agreement, any Expenditures incurred by SM Sub under this Section 4.10.

4.11 Rights to Exist Regardless of Delay. After the Notice of Exercise has been given by SM Sub, SM Sub shall have a vested right to an 80% ownership interest in the Properties irrespective of any delay in execution of the Shareholders' Agreement or any of the transactions under Section 4.8.

4.12 Termination upon Notice of Default. Subject to Sections 4.7, 5.1, 5.2, 5.3 and 7.2, if SM Sub fails to pay the Signing Payment, incur the Expenditures required pursuant to Section 4.3(a), or make the payments required under Section 4.3(b), in each case within [15] days of a Notice of Default from GRG in accordance with Section 4.7, or fails to provide the Notice of Exercise to GRG by the Option Expiry Date, GRG may (by written Notice to SM Sub) terminate the Option and this Agreement except for Sections 2.4, 3.6, 9.1, 9.3, 9.4, 9.5, 12.1, and 15.5, as well as Article 14.

4.13 SM Sub's Right to Terminate Option. SM Sub may at any time after the performance of the Signing Payment, terminate the Option on written Notice to GRG by providing 30 days' written Notice of termination to GRG, whereupon this Agreement, except Sections 2.4, 3.6, 9.1, 9.3, 9.4, 9.5, 12.1, and 15.5, as well as Article 14, will terminate.

ARTICLE 5 ACCELERATION, NON OBLIGATION AND IN-LIEU PAYMENTS

5.1 Acceleration. SM Sub may at any time, accelerate any or all of the payments or Expenditures contemplated by Sections 4.3(a) or 4.3(b), respectively.

5.2 In Lieu Payments / Excess Expenditures. SM Sub may at any time within 30 days after the end of any Annual Period make payments in cash to GRG in lieu of incurring Expenditures under Section 4.3(a), in which case, SM Sub will be deemed to have incurred Expenditures in the same amount as the amount of any such payment in cash under this Section 5.2. Any excess Expenditures made or

incurred in or with respect to any period will be carried forward and applied as a credit against Expenditures to be made in the next succeeding period or periods.

5.3 Additional Time for Force Majeure. If SM Sub is prevented or delayed by Force Majeure from incurring the Expenditures or making the payments in the amounts and timeframe provided in Sections 4.3(a) and 4.3(b), or otherwise performing any of its obligations under this Agreement, SM Sub shall promptly notify the Golden Entities, and if SM Sub has provided such notice, then:

- (a) SM Sub will have such additional time after the Force Majeure event ceases to exist as is equal to the duration of the Force Majeure event to incur such Expenditures or make such payments, and/or perform such other obligations in such amounts and times; and
- (b) all subsequent deadlines by which SM Sub is required to perform any of its obligations under this Agreement shall also be extended by the same period of time as the duration of the Force Majeure event.

5.4 Non-Obligation. The Parties acknowledge and agree that SM Sub is obligated to make the Signing Payment on the Effective Date, but SM Sub shall not be obligated to make any other payments or incur any other Expenditures under Section 4.3 of this Agreement and neither anything that SM Sub might do nor any payment or Expenditure that it incurs will obligate it to do anything more to exercise the Option or to incur any further payment or Expenditures.

5.5 Title Curative. If Golden Argentina's title to all or any part of the Properties, or its rights and interest in and to the Permits is or at any time hereafter becomes:

- (a) defective, encumbered, or other than as represented in Sections 2.1(i) to 2.1(aa) of this Agreement; or
- (b) contested or challenged by any Person, and in either case the Golden Entities are unable or unwilling to promptly correct the alleged defect, Encumbrance, or impairment, or contest or challenge the same;

then SM Sub shall have the right, but not the obligation, to attempt to remedy, perfect or defend Golden Argentina's title. If SM Sub elects to remedy, perfect or defend Golden Argentina's title, SM Sub shall not be liable to any of the Golden Entities if SM Sub is unsuccessful in, withdraws from, or discontinues litigation or other curative work. Time being of the essence, if SM Sub does attempt to perfect or defend Golden Argentina's title, rights and interest in and to the Properties, the Permits, Golden Argentina shall execute all documents and shall take such other actions as are reasonably necessary to assist SM Sub in its efforts. Any improvement or perfection of title to the Properties, all of its right, title and interest in and to the Permits enures to the benefit of Golden Argentina, SM Sub and JVCO (when and if incorporated) in the same manner and to the same extent as if such improvement or perfection had been made prior to the execution of this Agreement. The rights and remedies of SM Sub set out in this Section 5.5 are without prejudice to, and do not limit, modify or curtail any other right, remedy or recourse that may be available to SM Sub under this Agreement or at Law or equity.

5.6 Costs of Title Curative. If Golden Argentina's title to all or any part of the Properties or the Permits is now or at any time hereafter defective, encumbered, or less than as represented in this Agreement, then, without limiting or waiving SM Sub's rights and remedies provided hereunder or at Law or equity, the costs and expenses of remedying, perfecting or defending title, right or interests in and to the Properties or the Permits incurred by or asserted against SM Sub or any of its Affiliates, may be counted as Expenditures or may at SM Sub's option be deducted from any amounts or payments which may be or become due or payable to any Golden Entity hereunder or under the Shareholders' Agreement. For certainty, without limitation, the matters set forth in the Disclosure Schedule shall qualify as matters to which this Section 5.6 applies.

5.7 Title. Golden Argentina will continue to hold the legal, registered and beneficial title to the Properties and the Permits in its name until such time as it is required to transfer the Properties and the Permits to OPCO pursuant to Article 8.

ARTICLE 6 REPORTING

6.1 Reports to GRG. During the Option Period, SM Sub shall provide to GRG annual reports summarizing Operations conducted during the year and results obtained from such Operations. SM Sub will provide the Golden Entities with any specific data-sets outlined in such annual reports, upon request by the Golden Entities. SM Sub is not required to disclose any Proprietary Property or any information or data if the disclosure of it would constitute a breach of confidence by SM Sub or any of its Affiliates.

ARTICLE 7 AUDIT

7.1 Audit of Expenditures. SM Sub shall deliver to GRG, concurrently with or within 60 days after each two-year anniversary of the Effective Date and concurrently with providing its Notice of Exercise pursuant to Section 4.3(c) (each, an “**Audit Period**”), a report setting forth in reasonable detail the amount of Expenditures incurred by SM Sub during the most recently completed Audit Period. Within 45 days after GRG receives such report, GRG may deliver Notice (the “**Audit Notice**”) to SM Sub that it desires to audit the Expenditures included in the report completed by an independent firm of certified public accountants acceptable to SM Sub. If GRG delivers such Notice, SM Sub shall cooperate with the audit and GRG shall ensure that it is concluded within 90 days following receipt of the Audit Notice. The cost of such audit shall be borne by GRG unless such audit reveals a deficiency of the amount of Expenditures by more than 10% of those required to be made pursuant to Section 4.3, in which case SM Sub shall bear the cost of such audit. If GRG does not deliver such Notice, it will be deemed to have waived its right to audit the report, including the Expenditures covered by the report, and will be deemed to have accepted the report (and the Expenditures set forth therein) for all purposes of this Agreement.

7.2 Objection to Expenditures. Within 45 days following the conclusion of an audit conducted pursuant to Section 7.1, GRG may give Notice to SM Sub (an “**Objection Notice**”) if GRG believes that there have been any costs or expenses of SM Sub that have been included as Expenditures that are not Expenditures. GRG shall set out in detail in the Objection Notice the basis for its objection to the inclusion of each particular Expenditure for which notice is delivered. The Parties shall attempt to resolve the dispute informally and, if the Parties have not resolved the dispute within a period of 60 days of receipt of the Objection Notice, the dispute shall be referred to and finally resolved by arbitration administered by the Vancouver International Arbitration Centre (VanIAC) pursuant to its applicable Rules. The place of arbitration shall be Vancouver, British Columbia, Canada. The number of arbitrators shall be one. The language of the arbitration shall be English. The arbitrator will have expertise in the metals and mining industry.

If it is determined by agreement or as a result of the arbitration proceeding that Expenditures set forth in the report should not have been included as Expenditures and as a result, there is a shortfall in respect of the amount of Expenditures incurred by SM Sub with respect to the applicable Audit Period:

- (a) for any Audit Period (other than the last Audit Period), then SM Sub may satisfy the shortfall in Expenditures by making a payment in cash to GRG or incurring additional Expenditures in the amount of the deficiency within 90 days after the determination of the amount of the deficiency (in which case SM Sub shall be deemed to have satisfied the applicable Expenditure requirement) and until the expiration of such 90 day period, notwithstanding any other provision to the contrary, GRG shall not be permitted to provide Notice to terminate the Option and this Agreement; and

- (b) if the audit was for the final Audit Period, the exercise of the Option by SM Sub and the vesting of an 80% interest in the Properties, through an 80% shareholding interest in JVCO, shall notwithstanding such shortfall, be valid and shall not in any way be affected by the foregoing; and SM Sub shall within 90 days of such determination make a payment in cash in the amount equal to the deficiency to GRG to make up any such shortfall.

The failure by GRG to object to the exclusion of any reported Expenditure in the manner and within the time period set out above will be deemed to be an acceptance of the Expenditure.

7.3 No Delay. If GRG audits or challenges SM Sub's Expenditures incurred pursuant to Sections 7.1 or 7.2, the rights of SM Sub under this Agreement including the Option and, if applicable, the Shareholders' Agreement, shall not in any manner be affected or delayed by the audit process and the Parties will continue to discharge their obligations under this Agreement and the Shareholders' Agreement at the same time as they coordinate the audit process.

ARTICLE 8 JVCO/OPCO

8.1 Incorporation. Within [30] days following SM Sub exercising the Option in accordance with Section 4.3, the Golden Entities shall:

- (a) cause NGE to incorporate a new private company in British Columbia under the *Business Corporations Act* (British Columbia), as may be amended, restated or replaced from time to time, or such other jurisdiction as SM Sub determines acting reasonably ("JVCO"), with Articles that are acceptable to SM Sub, acting reasonably, and that are consistent with and do not conflict with or contravene the terms of the Shareholders' Agreement or this Agreement; and
- (b) cause JVCO to incorporate a new sociedad anónima in Argentina ("OPCO") with bylaws that are acceptable to SM Sub, acting reasonably, and that are consistent with and do not conflict with or contravene the terms of the Shareholders' Agreement or this Agreement and transfer and assign from Golden Argentina to OPCO the Properties, the Permits, any Other Permits and any other assets comprising the Mogote Project, free and clear of all Encumbrances other than Permitted Encumbrances, and without giving rise of any cost or liability (including any Tax liability) to OPCO or JVCO;
- (c) cause NGE to transfer to, or as directed by, SM Sub such number of shares in JVCO as are required such that SM Sub shall own 80% and NGE shall own 20% of the issued and outstanding shares of JVCO,

(together, the "Reorganization").

8.2 Costs. All costs incurred to complete the transactions contemplated by Section 8.1 shall be costs of JVCO.

8.3 Permitted Activities. Until the JV Formation Date, the Golden Entities shall not permit JVCO or OPCO to conduct any activities, carry on any business or incur any liabilities, other than, in the case of JVCO the holding of the shares of OPCO, and in the case of OPCO, the business, activities and liabilities provided for in this Agreement. The Golden Entities shall not grant any Encumbrance nor cause or permit any Encumbrances to be placed on or against any of the shares or other securities of, or assets of, JVCO or OPCO, other than Permitted Encumbrances (provided that the Golden Entities shall be responsible for any of the matters set forth in paragraphs (ii) or (iii) of the definition of Permitted Encumbrances when they become due, other than such matters which are SM Sub's responsibility under this Agreement).

ARTICLE 9
ACCESS TO PROPERTIES AND INDEMNIFICATION

9.1 SM Sub's Indemnification of Golden Entities. SM Sub shall defend, indemnify and save harmless the Golden Entities and its respective directors, officers, employees and representatives from and against any and all claims, debts, demands, suits, actions and causes of action whatsoever that may be brought or made against one or more of them by any Person and all losses, costs, expenses (including reasonable attorneys' fees), damages and liabilities that may be suffered or incurred by them arising out of or in connection with or relating to, whether directly or indirectly:

- (a) any breach of any of the representations and warranties of any SM Entity set forth in Section 2.2 of this Agreement;
- (b) the breach by any SM Entity of any of such SM Entity's covenants under this Agreement; and
- (c) any activities or Operations of SM Sub (or conducted on its behalf) on or pertaining to the Properties,

but excluding any and all claims, debts, demands, suits, actions and causes of action and losses, costs, expenses, damages and liabilities that arise out of or in connection with any of the matters set forth in Section 9.3.

9.2 Golden Argentina's Access to Properties. During the Option Period, SM Sub shall grant Golden Argentina and OPCO access to the Properties on Golden Argentina's reasonable Notice to SM Sub provided that Golden Argentina and OPCO does not unreasonably interfere with SM Sub's operations and complies with all health and safety and other site requirements of SM Sub. With respect to such access, SM Sub has no liability to Golden Argentina or OPCO for any personal injuries including death or for any damage to the property of Golden Argentina or OPCO unless such injury or damage is due to the gross negligence or willful misconduct of SM Sub, its servants or agents.

9.3 Golden Entities Indemnification of SM Entities. The Golden Entities shall defend, indemnify and save harmless each SM Entity and each SM Entity's Affiliates and their respective directors, officers, employees and representatives from and against any and all claims, debts, demands, suits, actions and causes of action whatsoever that may be brought or made against one or more of them by any Person and all losses, costs, expenses (including reasonable attorneys' fees), damages and liabilities that may be suffered or incurred by them arising out of or in connection with or relating to, whether directly or indirectly:

- (a) any breach of any of the representations and warranties the Golden Entities set forth in Section 2.1 of this Agreement;
- (b) the breach by any of the Golden Entities of any of their respective covenants under this Agreement; and
- (c) any visits to the Properties by Golden Argentina or OPCO and its officers, employees, invitees and licensees including without limitation bodily injuries or death at any time resulting therefrom or damage to property (subject to the provisions of Section 9.2);
- (d) any activities or operations of the Golden Entities on or with respect to the Properties on or prior to the Effective Date; and

- (e) any costs or liabilities of JVCO or OPCO (including for certainty, costs or liabilities in connection with taxes payable by JVCO or OPCO), to the extent arising as a result of any act or omission of the Golden Entities (except as contemplated by this Agreement) prior to completion of the Reorganization.

9.4 Notification. Any Party who has a claim giving rise to indemnification liability pursuant to this Agreement (an “**Indemnified Party**”) which results from a claim by a third party or otherwise shall give prompt notice to the Party from whom it is seeking indemnification (the “**Indemnifying Party**”) of such claim, together with a reasonable description thereof. Failure to promptly provide such notice shall not relieve the Indemnifying Party of any of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced thereby. With respect to any claim by a third party against any Party to this Agreement which is subject to indemnification under this Agreement, the Indemnifying Party shall be afforded the opportunity, at its expense, to defend or settle the claim if it utilizes counsel reasonably satisfactory to the Indemnified Party, and promptly commences the defense of such claim and pursues such defense with diligence; provided, however, that the Indemnifying Party shall secure the consent of the Indemnified Party to any settlement, which consent shall not be unreasonably withheld. The Indemnified Party may participate in the defense of any claim at its expense, and until the Indemnifying Party has agreed to defend such claim, the Indemnified Party may file any motion, answer or other pleading or take such other action as it deems appropriate to protect its interests or those of the Indemnifying Party. If an Indemnifying Party does not elect to contest any third-party claim, the Indemnifying Party shall be bound by the results obtained with respect thereto by the Indemnified Party, including any settlement of such claim.

9.5 Duration. The indemnification obligations of the Parties set forth in this Article 9 shall survive the exercise of the Option hereunder by SM Sub and the termination of this Agreement; provided, however, that if SM Sub exercises the Option, the indemnification obligations of the Golden Entities under Section 9.3(d) shall only apply thereafter with respect to activities or operations conducted by or on behalf of the Golden Entities on or prior to the Effective Date.

ARTICLE 10 EXISTING DATA

10.1 Delivery of Existing Data to SM Sub. Concurrently with the execution of this Agreement, the Golden Entities will deliver to SM Sub all of the Existing Data that is owned by any of them or under their direction or control. The Golden Entities make no representation or warranty of any kind as to the accuracy, reliability or completeness of the Existing Data.

ARTICLE 11 SM PARENT GUARANTEE

11.1 Limited Guarantee.

SM Parent hereby unconditionally and irrevocably guarantees to the Golden Entities, and covenants and agrees to be jointly and severally liable with SM Sub as principal obligor for, the due and punctual payment of all of SM Sub's covenants, duties and obligations payable under or relating to the Agreement when and if such covenants, duties and obligations shall become due and payable according to the terms of this Agreement (the "**Guaranteed Obligations**"); provided that the GRG entities agree that the maximum aggregate liability of SM Parent hereunder shall not exceed an aggregate amount equal to \$100,000.

ARTICLE 12 TERMINATION

12.1 Termination Without Exercise of Option. If this Agreement is terminated and SM Sub has not exercised the Option, SM Sub shall:

- (a) within 90 days following the effective date of such termination, deliver to Golden Argentina copies of all of the Technical Data (except for any of the same that constitutes Proprietary Property), including data in usable digital form, obtained by SM Sub from the Properties, provided that SM Sub does not make any representation or warranty concerning the accuracy or reliability thereof; and
- (b) pay and perform any Concessions Maintenance Obligations that become due and owing within 30 days after the effective date of such termination.

ARTICLE 13 RESTRICTION ON ASSIGNMENT

13.1 No Restriction of SM Sub's Transfer. Prior to the earlier of the termination of the Option and this Agreement and the JV Formation Date, SM Sub may Transfer all or any part of its rights and interests in or with respect to the Properties, the Permits, the Other Permits, the Existing Data and this Agreement:

- (a) to an Affiliate (without the requirement for any consent from any of the Golden Entities); or
- (b) to any other Person with the prior written consent of GRG, which consent may be withheld in its sole discretion.

13.2 Restriction on Golden Argentina's Transfer. Prior to the earlier of the termination of the Option and this Agreement and the JV Formation Date, Golden Argentina shall not Transfer, or agree to Transfer, except as contemplated under this Agreement, and shall cause OPCO not to Transfer or agree to Transfer, the whole or any part of its interests in or with respect to the Properties, any Other Permits in its name or the Permits and under or by virtue of this Agreement without the prior written consent of SM Sub, which consent SM Sub may withhold in its sole discretion and in addition to the foregoing Golden Argentina must also comply and cause OPCO to comply with the other provisions of this Article 13.

13.3 Restrictions on Indirect Transfers. Prior to the earlier of the termination of the Option and this Agreement and the JV Formation Date, none of Golden Entities shall Transfer, or agree to Transfer, except as contemplated under this Agreement, directly or indirectly, any of its rights and interests in each other or in JVCO or OPCO, without the prior written consent of SM Sub, which consent SM Sub may withhold in its sole discretion. Prior to the earlier of the termination of the Option and this Agreement and the JV Formation Date, the Golden Entities shall not permit OCPO or JVCO to issue any shares or other securities to any Person other than JVCO (in the case of OPCO) or NGE (in the case of JVCO) and none of Golden Argentina or NGE shall issue any shares or other securities to any Person other than to any of the Golden Entities, without the prior written consent of SM Sub, which consent SM Sub may withhold in its sole discretion. None of the provisions of this Section 13.3 shall be deemed to apply to or limit a change of Control of GRG.

13.4 Transferee of SM Sub to Execute Counterpart.

- (a) Within 90 days of completion of a Transfer by SM Parent of SM Sub to a transferee, such completion to include the requisite regulatory and stock exchange approvals, the transferee of SM Sub shall execute and deliver a counterpart of this Agreement and thereby agree to be bound by the contractual terms applicable to SM Parent hereof in the same manner and to the same extent as though a Party hereto in the first instance, except that for purposes of Section 11.1, such Transferee of SM Sub shall agree to assume all Guaranteed Obligations without any limitations on the Guaranteed Obligations. For greater clarity, Transferee acknowledges and agrees that the language "provided that the GRG entities agree that the maximum aggregate liability of SM

Parent hereunder shall not exceed an aggregate amount equal to \$100,000” shall not apply to it for purposes of Section 11.1.

- (b) The Option shall terminate if the transferee of SM Sub fails to comply with Section 13.4(a), unless granted an extension in writing by GRG.
- (c) Upon delivery of the executed counterpart contemplated in Section 13.4(a) to the GRG entities, the GRG entities will unconditionally and irrevocably release and discharge SM Parent from any and all obligations and liabilities under this Agreement.

13.5 Transferee to Execute Counterpart. Notwithstanding Section 13.4, a Party transferring its rights and interests as permitted or required by this Agreement shall require any transferee to execute a counterpart of this Agreement and thereby to agree to be bound by the contractual terms hereof in the same manner and to the same extent as though a Party hereto in the first instance.

ARTICLE 14 NOTICES

14.1 Notices. All notices, payments and other required communications (“**Notices**”) to any of the SM Entities or to any of the Golden Entities shall be in writing and shall be addressed respectively as follows:

- (a) If to any of the SM Entities:

PO Box 437
Moorabbin VIC 3189
Australia
E-Mail: admin@syndicateminerals.com.au
Attention: Allen Sabet

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

Syndicate Minerals Pty Ltd
U42 / 15 Cochranes Rd,
Moorabbin VIC 3189
Australia
Email: allen@syndicateminerals.com.au

- (b) If to any of the Golden Entities:

Golden Arrow Resources Corporation
Suite 312, 837 W. Hastings Street
Vancouver, British Columbia V6C 3N6
Canada
Email: [•]
Attention: [•]

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

Blakes, Cassels, Graydon LLP
2600-595 Burrard Street
Vancouver, British Columbia
V7X 1L3, Canada

Email: kathleen.keilty@blakes.com
Attention: Kathleen Keilty

14.2 Delivery. All Notices shall be given (i) by personal delivery or delivery by commercial courier to the addressee, or (ii) by electronic communication, or (iii) by registered or certified mail return receipt requested. All Notices shall be effective and shall be deemed delivered:

- (a) if by personal delivery or commercial courier on the date of delivery on a Business Day before 5:00pm (in the place of delivery), and, if not delivered on a Business Day before 5:00pm (in the place of delivery), on the next Business Day following delivery,
- (b) if by electronic communication, on the date of delivery if delivered on a Business Day before 5:00pm (in the place of delivery), and, if not delivered on a Business Day before 5:00pm (in the place of delivery), on the next Business Day following delivery, and
- (c) if solely by mail on the next Business Day after actual receipt. A Party may change its address by Notice to the other Party.

ARTICLE 15 CONFIDENTIALITY

15.1 Obligation of Confidentiality. Subject to Section 15.2, all information received or obtained by any of the SM Entities or any of the Golden Entities hereunder or pursuant hereto shall be kept confidential by it and no part thereof may be disclosed or published without the prior written consent of the other except: (a) to such Party's Affiliates and its and its Affiliates representatives who have a need to know such information; and (b) such information as may be required to be disclosed or published by Law or applicable stock exchange rule, provided that any such required disclosure shall be strictly limited in scope and content to the extent reasonably possible.

15.2 Exclusions from Confidential Information. Confidential information shall not include the following:

- (a) information that, at the time of disclosure, is in the public domain;
- (b) information that, after disclosure, is published or otherwise becomes part of the public domain through no fault of the recipient;
- (c) information that the recipient can show already was in the possession of the recipient at the time of disclosure;
- (d) information that the recipient can show was received by it after the time of disclosure, from a third party who was under no obligation of confidence to the disclosing Party at the time of disclosure.

15.3 No Disclosure of Agreement. Except as required by Law, stock exchange or securities regulatory authority or as needed to fulfill obligations hereunder (including as contemplated by Section 15.6), neither any of the SM Entities nor any of the Golden Entities shall make any public announcements or statements concerning this Agreement or the Properties without the prior approval of the other Party, not to be unreasonably withheld. If a Party determines that it is required to publish or disclose the text of this Agreement in accordance with applicable securities legislation or the applicable rules of any recognized stock exchange or any other applicable Law, it shall provide the other Party with an opportunity to propose appropriate redactions (in accordance with applicable Law) to the text of this Agreement.

15.4 Public Announcements. The text of any public announcements or statements including news releases which a Party intends to make pursuant to the exception in Section 15.1 shall be made available to the other Party not less than 48 hours prior to publication and the other Party shall have the right to make suggestions for changes therein.

15.5 Liability for Announcement. In providing its consent of a public announcement or statement, a Party does not thereby assume any liability or responsibility for the contents thereof, which shall be the sole responsibility of the disclosing Party, and the disclosing Party shall indemnify, defend and save the other Party harmless from any costs and liabilities it may incur in that regard. This provision shall survive expiration or earlier termination of this Agreement.

15.6 Registration of Agreement Summary. Within 60 Business Days after execution of this Agreement, SM Sub's Argentinean subsidiary and Golden Argentina shall execute a Spanish version of a summary of the essential terms of this Agreement related to: (i) the minimum payments and obligations; (ii) each Parties' covenants and representations related to the Properties until its transfer to OpCo; and (iii) SM Sub's right to require the Golden Entities to transfer the Properties to OpCo upon delivery of a Notice of Exercise, in a form consistent with Argentine Law and acceptable to the Parties (the "**Convenio de Exploración**") in the mining contracts registry. The Parties acknowledge and agree that the Convenio de Exploración does not amend, provide a different interpretation of, or in any form alter, this Agreement, and that this Agreement is the enforceable document that governs the relationship of the Parties. However, the Convenio de Exploración shall serve as notice to third parties of the qualifications on the Golden Entities' rights over the Properties and the existence of SM Sub's rights thereon until either the transfer of the Properties to OpCo or the lawful termination of this Agreement. If applicable, stamp Tax and fees to lodge the Convenio de Exploración with the applicable governmental authority shall be borne equally by the Parties, and do not qualify as Expenditures.

ARTICLE 16 AREA OF INTEREST

16.1 Acquisition Within the Area of Interest. If at any time during the term of the Agreement either SM Sub or any of the Golden Entities (in this Section 16.1 only called the "**Acquiring Party**") acquires, directly or indirectly, any right to or interest in any mineral disposition, mining concession, claim, licence, easement, lease, grant, concession, permit, patent, or other mineral property or surface rights or water rights located wholly within the Area of Interest (collectively, "**Acquired Rights**"), the Acquiring Party shall forthwith give Notice to the other party (the "**Other Party**") of that acquisition, the cost thereof and all details in possession of that Party with respect to the nature of the Acquired Rights and any known mineralization. For certainty,

- (a) if any of the SM Entities is the Acquiring Party, then the Other Party shall only be Golden Argentina, and
- (b) if any of the Golden Entities is the Acquiring Party, the Other Party shall be SM Sub.

16.2 Election by Other Party. The Other Party may, within 30 days of receipt of the Acquiring Party's Notice, elect, by Notice to the Acquiring Party, to require that the Acquired Rights and the right or interest acquired be included in and thereafter form part of the Properties for all purposes (other than Section 2.1) of this Agreement. If the Acquired Rights are held by an Affiliate of the Acquiring Party that is not a Party to this Agreement, then such Acquiring Party shall cause such Affiliate to transfer such Acquired Rights immediately to the Acquiring Party to be held for the purposes of this Agreement.

16.3 If Election not made by Other Party. If the Other Party does not make the election aforesaid within that period of 30 days, the Acquired Rights shall not form part of the Properties and the Acquiring Party shall be solely entitled thereto.

16.4 Costs of Acquisition. If the Acquiring Party is SM Sub, and the Other Party has made an election under Section 16.2, the SM Sub's costs of or incidental to the acquisition of the Acquired Rights shall be deemed to be Expenditures. If the Acquiring Party is any of the Golden Entities, and SM Sub has made an election under Section 16.2, SM Sub shall reimburse such Golden Entity for all direct payment costs in connection with such acquisition, and such reimbursed amounts shall be deemed to be Expenditures.

16.5 Freedom to Use Data and Information. Each Party acknowledges that the other Parties may be actively exploring and acquiring mineral properties in the vicinity of the Properties and elsewhere and, subject only to the provisions in Article 15 and Sections 16.1 to 16.4, neither this Agreement nor the delivery of any data contemplated hereunder to a Party will in any way restrict or limit or result in a restriction or limitation on that Party's freedom to use such data and any and all information derived from hereunder to explore for and acquire mineral properties through option, joint venture, staking or otherwise now or in the future, within or outside the Properties.

ARTICLE 17 MISCELLANEOUS

17.1 Entire Agreement. This Agreement terminates and replaces all prior agreements, either written, oral or implied, between SM Sub and any of the Golden Entities with respect to the Properties and constitutes the entire agreement between the Parties with respect to the Properties.

17.2 Confidentiality Agreement. The Parties hereby terminate the Confidentiality Agreement dated March 1, 2022, and such agreement is no longer of any force or effect.

17.3 Void or Invalid Provision. If any term, provision, covenant or condition of this Agreement, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Agreement, and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and in no way be affected, impaired or invalidated thereby.

17.4 Recording. Other than the registrations and filings set forth herein, this Agreement shall not be recorded. However, if requested by either Party, the other will cooperate to execute and record where appropriate in the registry of the appropriate Governmental Authority and any other public registry, a notice of this Agreement to provide notice to third parties of the Option and of the respective rights and interests of the Parties in and to the Properties, and irrevocably inhibiting the Parties from making any disposition of the Properties except in accordance with the terms of this Agreement.

17.5 Further Assurances. Each Party shall do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such assurances, as may be necessary to give effect to this Agreement.

17.6 Binding Effect. This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

17.7 Counterparts. This Agreement may be executed in counterparts and by electronic transmission, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

17.8 Costs. Each Party shall be responsible for its own legal, accountancy and other costs, charges and expenses incurred in connection with the negotiation, preparation, execution and implementation by it of this Agreement and any document referred to in it except as specifically provided herein.

17.9 Technical Reports. Where a Party hereto or any Affiliate (collectively, the "Discloser") desires or is required by NI 43-101 or the JORC Code, to file a Technical Report with respect to the

Properties, (a) the Discloser shall be entitled to prepare and file that Technical Report, and may include in that Technical Report all information concerning the Properties that is required by applicable Law or stock exchange rule; (b) neither the non-disclosing Party nor its Affiliates shall have any obligation to the Discloser to prepare or provide the Technical Report or any part thereof, or to provide or make available a Qualified Person (as defined in NI 43-101) to the Discloser; (c) the Discloser shall not designate the other Party or any associate, Affiliate or employee of or retained by the other Party, or any Qualified Person of the other Party, as the Qualified Person of the Discloser, without the prior written consent of the other Party; (d) the Discloser shall be responsible for the cost of preparing or providing the Technical Report; and (e) the non-disclosing Party shall be entitled to access to all pertinent information related to that portion of the Technical Report pertaining to the Properties and shall be afforded a reasonable opportunity to review and the opportunity (but not the obligation) to propose reasonable changes to that portion of the Technical Report prior to the filing of the Technical Report with applicable regulatory authorities.

17.10 Limitation on Damages. Each Party waives any claim for incidental or consequential damages hereunder, including damages for lost profits or for the speculative value or development potential of the Properties.

17.11 Dispute Resolution. Subject to the provisions of Section 7.2, all disputes arising out of or in connection with this agreement, or in respect of any legal relationship associated therewith or derived therefrom, shall be referred to and finally resolved by arbitration administered by the Vancouver International Arbitration Centre (VanIAC) pursuant to its applicable Rules. The place of arbitration shall be Vancouver, British Columbia, Canada. The number of arbitrators shall be one. The language of the arbitration shall be English.

17.12 Waiver; Amendment. Any of the terms or conditions of this Agreement may be waived at any time by the Party which is entitled to the benefit thereof, but no such waiver shall affect or impair the right of the waiving Party to require observance, performance, or satisfaction of any other term or condition hereof. Any of the terms or provisions of this Agreement may be amended or modified at any time by agreement of the Parties hereto in writing.

17.13 Severability and Survival. In the event that any one or more of the provisions contained in this Agreement or in any other instrument or agreement contemplated hereby shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement or any such other instrument or agreement.

[Signature page follows.]

The Parties hereto have executed this Agreement as of the day and year first above written.

**GOLDEN ARROW RESOURCES
CORPORATION**

Per: "*Joseph Grosso*" (Signed)

Name: Joseph Grosso
Title: President & CEO

NEW GOLDEN EXPLORATIONS INC.

Per: "*Nikolas Cacos*" (Signed)

Name: Nikolaos Cacos
Title: President

DESARROLLO DE RECURSOS S.A.

Per: "*Ignacio Celorrio*" (Signed)

Name: Ignacio Celorrio
Title: President

SYNDICATE MINERALS MOGOTES PTY LTD

Per: "*Adib Olinga Sabet*" (Signed)

Name: Adib Olinga Sabet
Title: Sole Director and
Company Secretary

Per:

Name:
Title:

SYNDICATE MINERALS PTY LTD

Per: "*Adib Olinga Sabet*" (Signed)

Name: Adib Olinga Sabet
Title: Sole Director and
Company Secretary

Per:

Name:
Title:

NEW GOLDEN EXPLORATIONS INC.

Per: "*Nikolas Cacos*" (Signed)

Name: Nikolaos Cacos
Title: President

DESARROLLO DE RECURSOS S.A.

Per:

Name: Ignacio Celorrio
Title: President

SYNDICATE MINERALS MOGOTES PTY LTD

Per: "*Adib Olinga Sabet*" (Signed)

Name: Adib Olinga Sabet
Title: Sole Director and
Company Secretary

Per:

Name:
Title:

SYNDICATE MINERALS PTY LTD

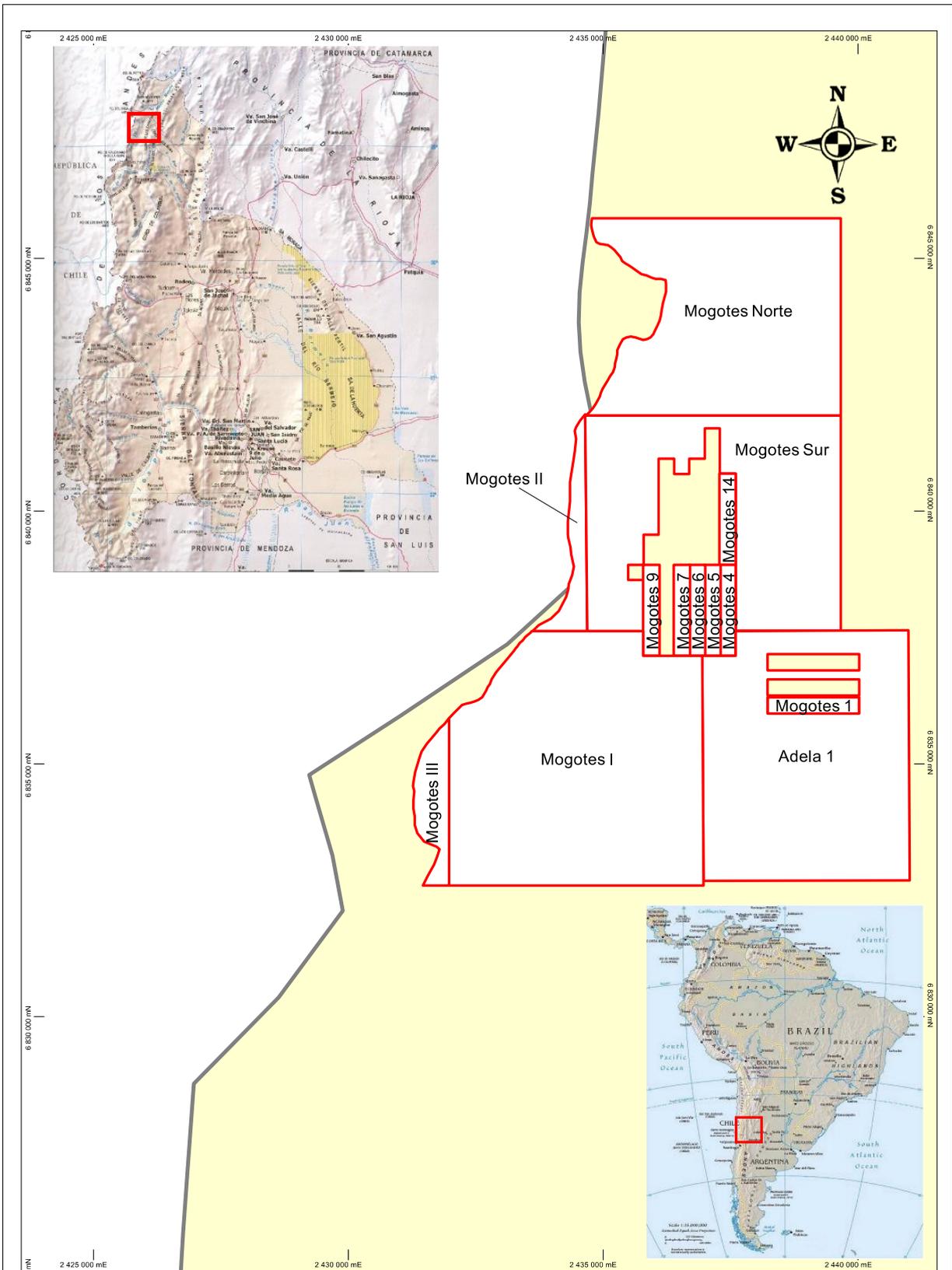
Per: "*Adib Olinga Sabet*" (Signed)

Name: Adib Olinga Sabet
Title: Sole Director and
Company Secretary

**SCHEDULE "A"
PROPERTIES**

Part 1: Concessions

Name	Type	File Number	Holder
Adela 1	Mine	425.098-A-00	Golden Argentina
Mogotes Norte	Mine	520.0275-V-97	Golden Argentina
Mogotes Sur	Mine	520.0274-V-97	Golden Argentina
Mogotes 1	Mine	156.277-S-76	Golden Argentina
Mogotes 4	Mine	156.280-S-76	Golden Argentina
Mogotes 5	Mine	156.281-S-76	Golden Argentina
Mogotes 6	Mine	156.282-S-76	Golden Argentina
Mogotes 7	Mine	156.283-S-76	Golden Argentina
Mogotes 9	Mine	156.285-S-76	Golden Argentina
Mogotes 14	Mine	156.290-S-76	Golden Argentina
Mogote II	Mine	1124.178-D-19	Golden Argentina
Mogote III	Mine	1124.179-D-19	Golden Argentina
Mogote I	Exploration Permit (cateo)	338.579-R-92	Golden Argentina
No name	Right of way	1124-542-I 2011	Golden Argentina



GOLDEN ARROW RESOURCES
Properties
 SOUTHERN ARGENTINA

Geographic Projection:
 POSGAR98 zone 2
 Date: Feb2016 - Compiled: O.Irusta



Part 2: Easements File number 1124-542-I 2011

SCHEDULE "B"
FORM OF SHAREHOLDERS' AGREEMENT

SHAREHOLDERS AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 2022,

BETWEEN:

SYNDICATE MINERALS MOGOTES PTY LTD, a
Victoria, Australia company

(hereinafter called “**SM Sub**”)

AND:

[SM SUB PARENT COMPANY]¹, a [●] Company

(hereinafter called “**ParentCo**”)

AND:

GOLDEN ARROW RESOURCES CORPORATION, a
British Columbia company

(hereinafter called “**GRG**”)

AND:

NEW GOLDEN EXPLORATIONS INC., a British Columbia
company

(hereinafter called “**NGE**”)

AND:

[JVCO], a British Columbia company

(hereinafter called the “**Company**”)

WHEREAS:

- A. GRG is the sole shareholder of NGE and is a signatory to this Agreement solely to guarantee the obligations of NGE;
- B. SM Sub and NGE are the Shareholders of the Company and have agreed to enter into this Agreement to, amongst other things, govern their rights and responsibilities as such and the management and governance of the Company; and

¹ [NTD: Parties agree and intend that SM Parent will be Syndicate Minerals PTY Ltd. unless there has been a Transfer of SM Sub to a “Transferee” made in compliance with section 13.4 of the Earn-In Agreement, in which case SM Parent will be the Transferee],

C. The Company holds 100% of the issued and outstanding shares of OpCo;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and intending to be legally bound, the parties hereto agree as follows:

1. INTERPRETATION; CONDITIONS

1.1. Definitions

In this Agreement the following terms shall have the meanings respectively:

- (a) “**Accounting Procedure**” means the procedure set forth in Schedule B.
- (b) “**Adopted Program and Budget**” means each Program and Budget that is adopted or deemed adopted by the Board pursuant to Sections 8.1 or 8.4.
- (c) “**Affiliate**” means any person, partnership, limited liability company, joint venture, corporation, or other form of enterprise which directly or indirectly Controls, or is Controlled by or is under common Control with, a Party, but does not include the Company as an Affiliate of any Shareholder unless specifically provided in the applicable reference.
- (d) “**Agreement**” means this Shareholders Agreement, together with all Schedules hereto, which are incorporated by this reference, and all amendments hereto and modifications hereof.
- (e) “**Applicable Accounting Standards**” means the International Financial Reporting Standards as issued and amended from time to time by the International Accounting Standards Board and interpretations thereof of the International Financial Reporting Interpretations Committee.
- (f) “**Assets**” means the Concessions and all Products, Existing Data, and all other real and personal property, tangible and intangible, including existing or after-acquired properties and all contract rights held by OpCo or held by the Company or a Shareholder for the benefit of OpCo hereunder.
- (g) “**Board**” means the board of directors of the Company.
- (h) “**Budget**” means a reasonably detailed estimate of all costs to be incurred by the Company with respect to a Program and a schedule of contributions of additional equity (or, if authorized by the Board, loans) to be made by the Shareholders.
- (i) “**Budget Period**” means the annual period commencing on January 1 each year, unless the Board establishes a different period.
- (j) “**Business**” means the conduct of the business of the Company in furtherance of the purposes set forth in Section 2.1 and in accordance with this Agreement.

- (k) “**Business Account**” means the account maintained by the General Manager for the Business in accordance with Schedule B.
- (l) “**Cash Available for Distribution**” has the meaning assigned to it in Section 10.4.
- (m) “**Company**” means [●], a corporation incorporated under the Laws of British Columbia to hold the shares of OpCo.
- (n) “**Concessions**” means the mining concessions located in the Province of San Juan, Argentina, and registered in favor of Golden Argentina at the San Juan Mining Ministry under the Mining Code more particularly described in Part I of Schedule A, and any permits, claims, leases, concessions or other form of mineral tenure which may replace the same.
- (o) “**Control**” used as a verb means, when used with respect to an entity, the ability, directly or indirectly through one or more intermediaries, to direct or cause the direction of the management and policies of such entity through (i) the legal or beneficial ownership of voting securities or Ownership Interests; (ii) the right to appoint managers, directors or corporate management; (iii) contract or agreement; (iv) voting trust; or otherwise; and, when used with respect to a person, means the actual or legal ability to control the actions of another, through family relationship, agency, contract or otherwise; and “**Control**” used as a noun means an interest which gives the holder the ability to exercise any of the foregoing powers.
- (p) “**Default Loan**” means a loan made by one Shareholder to another Shareholder pursuant to Section 9.1(a).
- (q) “**Development**” means all preparation for the removal and recovery of Products from the Properties, including the construction or installation of a mill (if any), processing plant, crushers, leach pads, pipelines, roads, power and water lines, stations and facilities, camps, waste dumps, tunnels, access ways, adits, shafts, haulage ways, and other facilities and improvements, both surface and underground, to be used for the mining, handling, crushing, milling, processing, treating, haulage, leaching, or other beneficiation of Products or needed for the construction or operation of the Properties, regardless of the methods of mining and processing employed.
- (r) “**Diluting Shareholder**” means a Shareholder who elects not to participate in an Adopted Program and Budget to the full extent of its Ownership Interest as described in Section 8.6.
- (s) “**Earn-In Agreement**” is defined in the Recitals of this Agreement.
- (t) “**Effective Date**” means the date first written above.
- (u) “**Effective Interest Rate**” means a rate per annum, determined from time to time, equal to the LIBOR in effect on the first business day of each calendar month, plus two percent. The Effective Interest Rate shall be determined for each full or partial calendar month in which interest accrues under any

obligation to which it applies pursuant to this Agreement or any note or other instrument executed pursuant hereto, and shall apply to all interest obligations accruing in such month. As used in this definition, “business day” means a day on which the London and New York banks are open for business and on which a quotation of the LIBOR may be obtained.

- (v) “**Encumbrance**” or “**Encumbrances**” means any and all mortgages, charges, deeds of trust, security interests, pledges, liens, royalties, net profits interests or overriding royalty interests, other payments out of production, or other encumbrances of any nature. The term shall not, however, include any statutory lien for taxes, payments to workers, material suppliers or the like, for payments not yet due or which are being contested in good faith, conditions of any permit obtained in compliance with Laws, or Laws of general applicability, including without limitation any zoning or similar Laws.
- (w) “**Environmental Laws**” means all Laws relating to the protection of health or the environment resulting from the exploration, development, mining, operation, reclamation or restoration of the Properties including, without limitation, the Argentine Constitution, the Constitution of the Province of San Juan, the Mining Code, Federal Laws # 24,051, 25,675 and 26,639, Provincial Law # 8144, 4392, 6665, 5824, and such other Laws that govern or regulate the abatement of pollution; protection of the environment; protection of glaciers; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural, archeological or historic resources and sites; management, storage or control of hazardous materials and substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances as wastes into the environment (including ambient air, surface water and groundwater) and all other Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances, radioactive materials or hazardous wastes.
- (x) “**Environmental Liability**” means, with respect to any Person, any and all losses, liabilities, obligations, penalties, claims, lawsuits, criminal charges, claims, defenses, costs, judgments, trials, proceedings, damages, loss of profits, disbursements or expenses of any nature (including legal fees and the fees of consultants and experts and the expenses incurred in the investigation, defense or follow-up of any lawsuit, claim or proceeding, including any environmental claim) that may, on any date, be imposed on, incurred by or determined or ruled against, such Person or any of its Affiliates, shareholders, directors, officers, employees and/or agents, to the extent derived from or related to: (i) the compliance with the terms and conditions set forth in the Permits; (ii) the performance of the works and activities as set forth in the Permits; (iii) the exposure to any Hazardous Material; (iv) the release, presence, production, use, handling, emission, transportation, storage, treatment, discharge or disposal of any Hazardous Material; (v) the infringement or alleged infringement of any Environmental Law; and (vi) the infringement or alleged infringement of the terms and conditions set forth in the Permits.

- (y) **“Equity Account”** means the account established for each Shareholder as reflected on the books and records of the Company. As of the Effective Date, the Equity Account for SM Sub is \$●, representing the aggregate Expenditures (as such term is defined in the Earn-In Agreement) incurred by SM Sub from the effective date of the Earn-In Agreement to the Effective Date, and the Equity Account for NGE is \$●, representing the proportion to the value of SM Sub’s initial equity capital as the initial shareholding interest of NGE (20%) is to the initial shareholding interest of SM Sub or its designated Affiliate (80%). The Equity Account for each Shareholder shall be credited with subsequent deemed and actual contributions (net of liabilities assumed by the Shareholders and liabilities to which such contributed property is subject) and each Shareholder’s distributive share of income and gain (or item thereof). Each Shareholder’s Equity Account shall likewise be charged with the cash and the fair market value of property distributed to such Shareholder (net of liabilities assumed by such Shareholder and liabilities to which such distributed property is subject), and such Shareholder’s distributive share of loss and deduction (or item thereof). Prior to any distribution of Assets (in-kind or otherwise), the Equity Account shall be adjusted for the gain or loss which would be allocable to each Shareholder upon a disposition of such Assets for fair market value. Capital contributions and distributions shall include all cash contributions or distributions plus the deemed value (expressed in dollars) of all in-kind contributions or distributions. All calculations of income, expense, gain, loss, depletion, depreciation and amortization shall be based on Applicable Accounting Standards.
- (z) **“Existing Data”** means maps, plans, exploration data, drill logs and other drilling data, core tests, samples, pulps, reports, photographs, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and other material information and data developed in operations on, or in any way related to, the Properties, including information and data in digital form, prior to the Effective Date.
- (aa) **“Expenditures”** means all amounts that the General Manager is permitted to charge to the Company pursuant to Section 2 of the Accounting Procedure. Expenditures shall also include any amounts described in the Accounting Procedure which the General Manager incurs after the date of this Agreement but before the Effective Date.
- (bb) **“Exploration”** means all activities directed principally toward ascertaining the existence, location, quantity, quality, or commercial value of deposits of Products, but shall not include condemnation or ore control drilling associated with Development or Mining.
- (cc) **“Feasibility Study”** means a technical report prepared by or for the Company, its successors or assigns, in respect of all or a portion of the Properties that meets in all material respects the definition of a “feasibility study” in National Instrument 43-101 – Standards of Disclosure for Mineral Projects, effective December 30, 2005, as the same is amended from time to time.
- (dd) **“Force Majeure”** means any cause, event, condition or circumstances, whether foreseeable or unforeseeable, beyond a party’s reasonable control, including but

not limited to, the application of any Law or any changes in Law; action or inaction of civil or military authority; any judicial or governmental action, order, proclamation, request or instruction; interference or opposition by an indigenous group or an indigenous rights groups, communities or community groups, nongovernment organizations, environmentalists or other activists; war, hostilities (whether or not war has been declared), threat of war, act of public enemy, blockade, revolution, riot, civil unrest, insurrection, public demonstration, civil commotion, invasion or armed conflict; acts of terrorism; sabotage or acts of vandalism, criminal damage or the threat of such acts; any outbreak or continuance of epidemic or pandemic (including any escalation in COVID-19 after the Effective Date), famine or plague and any consequential states of emergency and movement restrictions; inability to obtain, or undue delay in obtaining (after exercising commercially reasonable and diligent efforts), any license, permit or other authorization that may be required on reasonable terms and conditions; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of any Environmental Laws or any other Laws; inability after commercially reasonable effort to obtain contractors, subcontractors, workmen, labor, parts, equipment, materials or supplies on reasonable terms and conditions; failure, delay or suspension of transportation; strike, lock out or labor disputes; unplanned shutdown; accidents; breakdown or loss or damage to, or failure of plant, machinery, equipment, materials or facilities; natural disasters or other extreme weather or environmental conditions including lightning, earthquake, flooding, wind, storm, fire, landslide, natural disasters and phenomena including meteorites and volcanic eruptions and other acts of God; but not including lack of funds or market conditions generally (and not resulting from any such Force Majeure events, conditions or circumstances). Without limiting the generality of the foregoing, Force Majeure includes any reasonable expectation by the General Manager that Operations may not be conducted safely and securely in accordance with applicable Laws or that the conduct of Operations in the ordinary course consistent with past practices may put individuals at risk for their health, safety or security or property at risk of loss, theft or destruction.

- (ee) “**General Manager**” means the person appointed under Section 5.1 to manage Operations, or any successor General Manager.
- (ff) “**Golden Argentina**” is defined in the Recitals of this Agreement.
- (gg) “**Golden Entities**” means, collectively, GRG, NGE and Golden Argentina.
- (hh) “**Governmental Authorities**” means any domestic or foreign governments, whether federal, provincial, state or municipal, and any branch, department or ministry thereof, or any governmental agency, authority, board, tribunal or commission of any kind whatsoever.
- (ii) “**GRG Guaranty**” is defined in Section 17.1.
- (jj) “**Hazardous Materials**” means all materials, wastes or substances defined by, or regulated under, any Environmental Laws as a hazardous waste, hazardous material, hazardous substance, extremely hazardous waste, restricted hazardous waste, special waste, industrial substance or waste, contaminant, pollutant, toxic

waste, or toxic substance, including petroleum, petroleum-derived products or wastes, asbestos, radioactive materials or wastes and polychlorinated biphenyls. The term Hazardous Materials shall include: (i) the designations of “hazardous material” and/or “hazardous waste” pursuant to Environmental Laws and/or (ii) in general any other waste, material or substance that is of a corrosive, reactive, explosive, toxic, flammable or infectious nature pursuant to the Environmental Laws, including but not limited to radon gas, asbestos, friable asbestos, asbestos containing materials, lead and lead based paint, mold, polychlorinated biphenyls, urea formaldehyde foam insulation, underground or above-ground storage tanks, whether empty or containing any substance.

- (kk) “**Law**” or “**Laws**” means all applicable domestic and foreign national, federal, state and local Laws (statutory or common), rules, ordinances, regulations, grants, concessions, franchises, licenses, orders, directives, judgments, decrees, and other governmental restrictions, including permits and other similar requirements, whether legislative, municipal, administrative or judicial in nature.
- (ll) “**Liabilities**” means: (i) any and all penalties, costs, Losses, damages, judgments, settlements, disbursements, expenses, fees, obligations, debts, duties, judgments and other liabilities howsoever characterized, whether known or unknown, accrued or unaccrued, actual, contingent or otherwise, and any and all actions, claims, contests, suits, proceedings, demands and other judicial or administrative actions seeking to impose any of the foregoing; and (ii) Environmental Liabilities.
- (mm) “**LIBOR**” means for any month the London Inter-Bank Offered Rate for the 90-day period as published in the London Financial Times on the first day of that month.
- (nn) “**Listed Shares**” means shares of a company admitted to official quotation of a recognized stock exchange including but not limited to the Australian Stock Exchange, Toronto Stock Exchange, Canadian Securities Exchange and London Stock Exchange. These shares will be subject to such resale restrictions and hold periods as may be imposed by applicable securities legislation, and the rules and policies of the exchange they are listed on.
- (oo) “**Losses**” means any and all costs and expenses (including, without limitation, attorneys’ fees, expert witness fees, court costs, penalties and fines) actually incurred by OpCo, the Company or a Shareholder, and including, without limitation, costs and expenses actually incurred by OpCo, the Company or a Shareholder with respect to Liabilities.
- (pp) “**Majority Shareholder**” means the Shareholder with an Ownership Interest in the Company of at least 50% plus one Share.
- (qq) “**Mining**” means the mining, exploiting, extracting, producing, handling, beneficiating, concentrating, treating, heap leaching, milling, smelting, refining or other processing of Products, regardless of the method, and includes the production of refinable concentrates and the sale and marketing or other

distribution thereof, and all related compliance with Environmental Laws, including all reclamation after cessation of extracting operations.

- (rr) “**Minority Shareholder**” means a Shareholder with an Ownership Interest in the Company of less than 50%.
- (ss) “**Net Smelter Returns Royalty**” is defined in Section 8.10(a) of this Agreement.
- (tt) “**Non-Diluting Shareholder**” means a Shareholder other than the Diluting Shareholder as described in Section 8.6.
- (uu) “**Notices**” has the meaning assigned to it in Section 16.1.
- (vv) “**Offeree**” is defined in Section 13.3 of this Agreement.
- (ww) “**Offeror**” is defined in Section 13.3 of this Agreement.
- (xx) “**OpCo**” means the new sociedad anónima in Argentina which will be incorporated and organized in accordance with the Earn-In Agreement, which shall be, directly and indirectly, a wholly owned subsidiary of the Company and shall hold 100% of all right, title and interest in and to the Properties.
- (yy) “**Operations**” means all activities carried out by OpCo, the Company or the Shareholders in respect of the Properties, including Exploration, Development and Mining and includes without limiting the foregoing the preparation or obtaining of pre-feasibility, feasibility, engineering or other studies or reports on or with respect to the Properties.
- (zz) “**Ownership Interest**” means the percentage interest representing the ownership interest of a Shareholder in the Company as evidenced by the Shareholder’s equity in the Company and any loans by the Shareholder to the Company, as such interest may from time to time be adjusted hereunder. The Shares of the Company will be owned by each Shareholder in accordance with and in proportion to its respective Ownership Interest, as provided in Section 6.1. Ownership Interests shall be calculated to five decimal places and rounded to four (e.g., 1.51119% rounded to 1.5112%). Decimals of .00005 or more shall be rounded up to .0001; decimals of less than .00005 shall be rounded down. The initial Ownership Interests of the Shareholders are set out in Section 6.1.
- (aaa) “**Party**” means a party to this Agreement.
- (bbb) “**Permits**” means all material licenses, franchises, permits, orders, consents, approvals, registrations, authorizations, concessions, qualifications and filings with an under applicable Laws necessary for the lawful conduct of the business of OpCo.
- (ccc) “**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, limited liability company, trust, trustee, executor, administrator or other legal personal representative, Governmental Authorities or entity however designated or constituted.

- (ddd) **“Production Decision”** means a decision by the Board to commence Development of a mine for the Properties in accordance with the Feasibility Study.
- (eee) **“Products”** means all ores, minerals, concentrates and mineral resources produced from the Properties under this Agreement.
- (fff) **“Program”** means a description in reasonable detail of Operations to be conducted and objectives to be accomplished during a Budget Period.
- (ggg) **“Project Financing”** means any financing approved by the Board and obtained by the Company or OpCo for the purpose of placing a deposit of Products situated on the Properties into commercial production, but shall not include any such financing obtained individually by either Shareholder to finance payment or performance of its obligations under this Agreement.
- (hhh) **“Properties”** means:
- (i) the Concessions;
 - (ii) and any and all surface, easement, water, access and other rights of and to the Concessions held by or for any of the Golden Entities, including the easements described in Part II of Schedule A, and all other surface rights held in fee or under lease, licence, easement, right of way or other rights of any kind;
 - (iii) Existing Data; and
 - (iv) all associated machinery, equipment and infrastructure,
and all renewals, extensions and amendments thereof or substitutions thereof.
- (iii) **“Royalty Holder”** has the meaning assigned to it in Schedule C.
- (jjj) **“Shareholder”** and **“Shareholders”** means SM Sub or NGE or any permitted successor or assign of SM Sub or NGE.
- (kkk) **“Shares”** means common shares in the capital of the Company.
- (lll) **“Sole Funding Period”** means the period beginning on the date of this Agreement and ending on the date of submission of a Feasibility Study to the Board in accordance with Section 8.3.
- (mmm) **“Taxes”** means taxes and governmental assessments of any nature, including without limitation, income taxes, ad valorem taxes, stamp taxes, transfer taxes, VAT, withholding taxes, imposts, duties, levies, charges and other payments to any Governmental Authorities, whether domestic or foreign and otherwise.
- (nnn) **“Transfer”** means, when used as a verb, to sell, grant, assign, encumber, pledge, dispose of or to commit to do any of the preceding; and when used as a noun, a sale, grant, assignment, encumbrance, pledge, disposal or a commitment to do any of the preceding.

(ooo) “\$” means Canadian dollars.

1.2. Schedules

Attached to and forming part of this Agreement are the following Schedules:

- Schedule A - Concessions
- Schedule B - Accounting Procedure
- Schedule C - Net Smelter Returns Royalty

1.3. Captions and Gender of Terms

The captions and headings of this Agreement are for convenience only and do not affect, limit or amplify the provisions hereof. Words of one gender shall include the other gender.

1.4. Control Over other Persons

Where any obligation in this Agreement is expressed to be undertaken or assumed by any Party, that obligation is to be construed as requiring the Party concerned to exercise all rights and powers of Control over the affairs of any other Person over whom it is able to exercise such Control (whether directly or indirectly) in order to secure performance of the obligation.

1.5. Termination of Earn-In Agreement

Effective as of and from the Effective Date, the Earn-In Agreement shall be terminated and all of the rights, duties and obligations contained therein shall cease to be of any force and effect, provided, however, that the foregoing shall not release the parties to the Earn-In Agreement from any breaches, obligations or other liabilities occurring or accruing thereunder on or prior to the Effective Date.

2. COMPANY'S PURPOSES

2.1. Purposes

The Company is formed for the following purposes and shall serve as the exclusive means by which such purposes are accomplished by the Company and the Shareholders:

- (a) to cause OpCo to conduct Exploration of the Properties;
- (b) to oversee and manage OpCo's conduct of Operations;
- (c) to evaluate the possible Development and Mining of the Properties;
- (d) to cause OpCo to engage in Development and Mining of the Properties; and
- (e) to perform any other activity necessary, appropriate, or incidental to any of the foregoing.

The Company shall serve as the exclusive means by which the Shareholders and their respective Affiliates shall accomplish any of the purposes of the Company as set forth herein. Notwithstanding the foregoing provisions of this Section 2.1, neither Shareholder nor their respective Affiliates will interfere with, hinder or take any action outside the Properties inconsistent with the exercise of access rights by the Company.

2.2. Limitation

Unless the Shareholders otherwise agree in writing, the Business of the Company shall be limited to the purposes described in Section 2.1, and nothing in this Agreement shall be construed to enlarge such purposes.

2.3. Status of OpCo

OpCo is and shall be the holder of all rights and the obligor to all obligations imposed on it by the Argentine Mining Code and the regulations thereunder, as the sole legal and beneficial recorded owner of the Concessions.

2.4. Action by Directors Consistent with Agreement

SM Sub and NGE shall each cause the directors of the Company that it elects to cast all votes and take all other actions in their capacities as directors in a manner consistent with this Agreement and so as to implement its terms and intent. SM Sub and NGE will each immediately remove or cause the removal of any director who acts in any manner that is inconsistent with the terms and conditions of this Agreement. Any action or failure to act by a director, that would be a breach of this Agreement if taken by a Shareholder, shall be deemed a breach of this Agreement by the Shareholder that elected the director.

2.5. Controlling Terms

In the event of any inconsistency between the terms and conditions of the articles of the Company and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall be determinative.

3. RELATIONSHIP OF THE SHAREHOLDERS OF THE COMPANY

3.1. No Agency

Nothing contained in this Agreement shall be deemed to constitute any Shareholder the partner or joint venturer of the other, to create any fiduciary relationship between them, nor, except as otherwise herein expressly provided, to constitute any Shareholder the agent or legal representative of any other. No Shareholder shall have any authority to act for or to assume any obligation or responsibility on behalf of any other Shareholder in its individual capacity, except as otherwise expressly provided herein. Each Shareholder shall indemnify, defend and hold harmless the General Manager, the other Shareholder and its Affiliates, their directors, managers, officers, employees, agents, attorneys (acting under power of attorney), and the directors of the Company elected by the indemnified Shareholder from and against any and all Liabilities arising out of any act or assumption of liability by the indemnifying Shareholder, or any of its directors, managers, officers, employees, agents or attorneys (acting under power of attorney) or the managers of the Company elected by it done or undertaken, or

apparently done or undertaken, on behalf of the other Shareholder, except pursuant to authority expressly granted in this Agreement. Nothing in this Section 3.1 shall be deemed to lessen any power or authority, express or implied, of the General Manager or of any manager, officer or committee of the Company.

3.2. Other Business Opportunities

Except with respect to the Properties or as expressly provided in this Agreement and except that no Shareholder shall interfere with, or create access or infrastructure impediments or Encumbrances on any access or infrastructure needed by the Company to conduct the Business under this Agreement, each Shareholder and its Affiliates shall have the right independently to engage in and receive full benefits from business activities, whether or not competitive with the Company, without consulting the other. The doctrines of “corporate opportunity” or “business opportunity” shall not be applied to the Business nor to any other activity, venture, or operation of any Shareholder. Except for the foregoing, no Shareholder shall have any obligation to the Company or any other Shareholder with respect to any opportunity to acquire any property or water rights outside the Properties at any time, or within the Properties after the termination or liquidation of the Company. Unless otherwise agreed in writing, neither the General Manager nor any Shareholder shall have any obligation to mill, beneficiate or otherwise treat any Products or the other Shareholder’s share of Products in any facility owned or controlled by the General Manager or such Shareholder.

3.3. Transactions with Affiliates

The Company or the General Manager may contract with an Affiliate of a Shareholder to provide services, supplies, equipment or machinery hereunder, provided that it shall do so on reasonable terms that are no less favourable than would be the case with unrelated persons in arm’s length transactions. The Company or the General Manager, as the case may be, shall forthwith give Notice to the other Shareholder of any contract with an Affiliate of a Shareholder. The Notice shall include copies of any written agreements, the total cost of the contract, and all other applicable details with respect to the contract ensuring full disclosure of the nature of the transaction to the other Shareholder.

3.4. Financial Matters

The General Manager shall be responsible for preparing and filing tax returns for the Company and OpCo and shall provide to the Shareholders copies of any tax filings made. Each Shareholder shall be responsible for preparing and filing its own tax returns.

3.5. Waiver of Rights to Partition

The Shareholders hereby waive and release all rights of partition, or of sale in lieu thereof, or other division of Assets, including a full waiver of any such rights provided by Law or in equity.

3.6. Bankruptcy of a Shareholder

A Shareholder shall cease to have any power as a Shareholder or Manager or any voting rights or rights of approval hereunder upon bankruptcy, insolvency, dissolution or

assignment for the benefit of creditors of such Shareholder, and its successor upon the occurrence of any such event shall have only the rights, powers and privileges of a transferee enumerated in Article 13 and the right to a Net Smelter Returns Royalty on and subject to the terms of Section 8.10, and shall be liable for all obligations of the Shareholder under this Agreement. In no event, however, shall a personal representative or successor become a substitute Shareholder unless the requirements of Article 13 are satisfied.

3.7. Implied Covenants

There are no implied covenants contained in this Agreement, or in any other document executed pursuant to this Agreement.

3.8. Limitation of Liability

The Shareholders shall not be required to make any contribution to the Liabilities or the capital of the Company or otherwise except as otherwise provided in this Agreement as an Adopted Program and Budget, nor shall the Shareholders in their capacity as Shareholders or General Manager be bound by, or liable for, any debt, Liability or obligation of the Company whether arising in contract, tort, or otherwise, except as expressly provided by this Agreement with respect to its pro rata share of an Adopted Program and Budget, or as specifically agreed in writing by such Shareholder.

3.9. Indemnities

The Company shall indemnify and hold harmless each Shareholder, and may indemnify the General Manager or any other person, from and against any and all Liabilities arising from or related to the Business or otherwise to the full extent permitted by Law.

3.10. No Third Party Beneficiary Rights

This Agreement shall be construed to benefit the Shareholders and their respective successors and assigns only, and shall not be construed to create third party beneficiary rights in any other private or public Person including without limitation, any governmental organization or agency.

3.11. Liability Several

The rights, duties, obligations, and liabilities of each Shareholder under this Agreement shall be several and not joint or collective.

3.12. No Fiduciary Duties

The directors of the Company are responsible to, and bound to represent the interests of, the Shareholder of the Ownership Interest that caused their election. Subject to Section 2.4, it shall not be a breach of fiduciary duty or of any term or condition of this Agreement for a director of the Company in discharging his or her responsibilities under this Agreement to place the interests of the Shareholder that elected him or her above the interests of the other Shareholder.

3.13. Labour Responsibilities

Under no circumstance shall SM Sub be considered as an Affiliate, mandatory or agent, or in any way related to NGE or any employee or personnel hired by NGE. Additionally, NGE will not be considered as an Affiliate, mandatory or agent, or in any way related to SM Sub with respect to the personnel or any employee hired by SM Sub.

4. **BOARD OF DIRECTORS**

4.1. **Organization and Composition**

The Company shall be managed by a Board consisting of three directors. During the Sole Funding Period, all of the directors shall be nominees of and appointed by SM Sub. After the Sole Funding Period two directors shall be appointed by the Shareholder with the majority Ownership Interest and one director shall be appointed by the Shareholder with the minority Ownership Interest. Each Shareholder may each also appoint one or more alternate directors to the Board to act in the absence of one or more of its elected regular directors. Any alternate when so acting shall be deemed a member of the Board. Each Shareholder shall give Notice to the other of the appointment of its directors and alternates. If a Shareholder that is a Majority Shareholder becomes a Minority Shareholder, that Shareholder will immediately cause one of its two appointed directors to resign. If a Shareholder's Ownership Interest is reduced to 10% or less, that Shareholder will immediately cause all of its then appointed directors to resign. The other Shareholder who becomes the Majority Shareholder will be entitled to appoint a replacement director for the resigning director such that its appointees reflect a majority of the Board. The Shareholder appointing the majority of the directors shall appoint the Chairman of the Board. The Chairman of the Board, or in his or her absence, his or her alternate, shall conduct all Board meetings. The procedures for Board meetings shall be as determined by the Board.

4.2. **Powers**

The Board shall have power and authority over the business and affairs of the Company as provided in this Agreement and will have the responsibility, subject to the terms and conditions of this Agreement, to determine overall policies, objectives, procedures, methods, Operations and actions for the Company. The Board shall also have power and authority, but not the obligation, to raise Project Financing in the name of the Company or OpCo and to authorize the Company to mortgage the Assets for that purpose.

4.3. **Decisions**

Each director shall have one vote. All decisions of the Board shall be by simple majority including without limitation the following:

- (a) the approval of Programs and Budgets;
- (b) the appointment of officers of the Company;
- (c) the declaration, form, manner and timing of any distributions by the Company to the Shareholders;
- (d) the form in which additional contributions shall be made by the Shareholders pursuant to Section 10.2;

- (e) the exercise of the votes attached to the shares of OpCo held by the Company;
- (f) any determination that contributions by Shareholders hereunder shall be made in whole or in part by way of loans to the Company in lieu of equity contributions;
- (g) any and all other actions which may be taken by OpCo; and
- (h) any other matter referred to in this Agreement as requiring a decision by the Board.

4.4. **Situations in which Directors Must Abstain from Voting.**

Notwithstanding any other provision in this Agreement and the actual Ownership Interests of the Shareholders if a Shareholder defaults:

- (a) in making a contribution to an Adopted Program and Budget in which, pursuant to Section 8.5 of this Agreement it has elected to participate or is deemed to have elected to participate;
- (b) in repaying a Default Loan upon demand pursuant to Section 9.1;
- (c) in making a contribution in the manner and amount and at the times specified in Section 10.2; or
- (d) under any other material provision of this Agreement or a Default Loan,

the directors appointed by the defaulting Shareholder shall abstain from all voting and the presence of the directors appointed by the non-defaulting Shareholder shall constitute a quorum of any meeting of the Board if notice was given as provided in Section 4.5, unless and until such default is cured to the reasonable satisfaction of the non-defaulting Shareholder (at which time the Board voting shall revert back).

4.5. **Meetings of Board**

During the Sole Funding Period meetings of the Board are not required and thereafter shall be held quarterly on such dates to be determined by the Board and specified in the Notice of such meeting. Special meetings of the Board may be called by any director on seven days prior Notice. In case of emergency, reasonable notice of a special meeting shall suffice. There shall be a quorum if Notice was given as provided in this Section 4.5 and at least one director representing the Shareholder with the majority of the Board votes is present. Subject to the provisions of this Section 4.5, meetings of the Board may be held at such place or places as shall from time to time be determined by the Board and designated in the Notice of meeting. The Chairman of the Board, or his or her alternate, shall act as chairman and secretary of the meeting of the Board. The director calling a special meeting, and the Chairman of the Board with respect to regularly scheduled meetings, shall prepare a reasonably detailed agenda, which shall specifically identify any major proposed changes to operating procedures. The agenda shall accompany the Notice of the Board meetings and be sent to the directors at least seven days prior to a special meeting and at least 15 days prior to a regularly scheduled quarterly meeting, but any matters may be considered with the consent of all Shareholders.

4.6. **Action without Meeting in Person**

In lieu of meetings in person, the Board may conduct meetings by conference telephone where all participants can hear each other and/or video conference. The Board may also take actions in writing signed by all of the directors of the Board in which case meetings of the Board will not be required.

4.7. **Board of Directors of OpCo**

The board of directors of OpCo shall consist of one director, a sole administrator, selected by the Board and appointed by the Company.

5. **GENERAL MANAGER**

5.1. **Appointment of the General Manager**

SM Sub is hereby appointed as the General Manager with overall responsibility to manage and carry out Operations. SM Sub hereby agrees to serve as General Manager until it resigns as provided in Section 5.5 or is replaced pursuant to Section 5.6.

5.2. **Delegation of Authority to the General Manager**

At the first meeting of the Board and at the first meeting of the board of directors of OpCo, the powers and duties prescribed in Section 5.3 shall be formally delegated to the General Manager by the execution of such powers of attorney as may be requisite.

5.3. **Rights and Duties of General Manager**

Subject to the terms and provisions of this Agreement, the General Manager shall have the following rights and duties which shall be discharged in accordance with Adopted Programs and Budgets and under the general guidance of the Board:

- (a) The General Manager shall manage, direct and carry out Operations, and shall prepare and present to the Board proposed Programs and Budgets as provided in Article 8.
- (b) The General Manager shall, through the Company, implement the decisions of the Board and shall make all expenditures necessary to carry out Adopted Programs and Budgets, and shall promptly advise the Board if it lacks sufficient funds to carry out its responsibilities under this Agreement and of any change in Operations which the General Manager considers material.
- (c) The General Manager shall:
 - (i) purchase or otherwise acquire for the Company and/or OpCo all material, supplies, equipment, water, utility and transportation services required for Operations, such purchases and acquisitions to be made on the best terms available, taking into account all of the circumstances;
 - (ii) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions; and

- (iii) keep the Assets free and clear of all Encumbrances, except for those existing at the time of, or created concurrently with, the acquisition of such Assets, or mechanic's or materialmen's liens which shall be contested, released or discharged in a diligent manner, or Encumbrances specifically approved by the Board.
- (d) The General Manager shall conduct such title examinations and cure such title defects as may be advisable in the reasonable judgment of the General Manager.
- (e) The General Manager shall:
 - (i) make or arrange for all payments required by leases, licenses, Permits, contracts and other agreements related to the Assets; and
 - (ii) pay all Taxes, assessments and like charges on Operations and Assets except Taxes determined or measured by the Shareholders' sales revenue or income.

If authorized by the Board, the General Manager shall have the right to contest in the courts or otherwise, the validity or amount of any Taxes, assessments or charges if the General Manager deems them to be unlawful, unjust, unequal or excessive, or to undertake such other steps or proceedings as the General Manager may deem reasonably necessary to secure a cancellation, reduction, readjustment or equalization thereof before the General Manager shall be required to pay them, but in no event shall the General Manager permit or allow title to the Assets to be lost as the result of the non-payment of any Taxes, assessments or like charges.

- (f) The General Manager shall:
 - (i) apply for all necessary Permits, licenses and approvals to carry out Operations;
 - (ii) comply with applicable Laws;
 - (iii) notify promptly the Board of any allegations of material violation of applicable Laws; and
 - (iv) prepare and file all reports or notices required for Operations.

Subject to Section 5.4, the General Manager shall not be in breach of this Section 5.3(f) if a violation has occurred and the General Manager in a timely fashion takes such steps as might be available to remedy the violation or to prevent its recurrence or disposes of the same through payment of fines or penalties imposed in accordance with the Law and the cost thereof shall be charged to the Business Account.

- (g) The General Manager shall prosecute and defend as it considers appropriate, but shall not initiate without consent of the Board, all litigation or administrative proceedings arising out of Operations.

- (h) The General Manager shall obtain and maintain for itself, OpCo and the Company such insurance, with such limits and deductibles, as would normally be maintained by a reasonably prudent operator in the circumstances, either by way of a separate policy or the extension of coverage under a “blanket” policy maintained by an Affiliate of the General Manager, and the cost thereof shall be charged to the Business Account.
- (i) The General Manager shall have the right, subject to Section 5.9 below, to carry out its responsibilities hereunder through agents, Affiliates or independent contractors. Notice of any responsibility to be carried out by any Affiliate shall be provided to the other Shareholder. The Notice shall include copies of any written agreements, cost, and all other applicable details with respect to the responsibility ensuring full disclosure of the nature of the transaction to the other Shareholder.
- (j) The General Manager shall keep and maintain all required accounting and financial records pursuant to the Accounting Procedure and in accordance with Applicable Accounting Standards.
- (k) The General Manager shall keep the Shareholders advised of all Operations by submitting in writing to each Shareholder brief report within 90 days after completion of each Adopted Program and Budget. At all reasonable times the General Manager shall provide the Board or the representatives of each Shareholder access to, and the right to inspect and copy all maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and other information acquired in Operations. Such material and information concerning or derived from the Operations shall be kept confidential and, except to the extent required by applicable Law or the rules of any stock exchange, shall not be disclosed to any person other than an Affiliate without the prior consent of all Shareholders, which consent shall not unreasonably be withheld. Each Shareholder agrees that its use of or reliance on such material and information shall be at its sole risk and further agrees to indemnify, defend and hold harmless the General Manager and its Affiliates (including without limitation direct and indirect parent companies), and its or their respective directors, managers, officers, shareholders, employees, agents and attorneys (acting under power of attorney), from and against any and all Liabilities, including reasonable legal fees, which may be imposed upon, asserted against or incurred by any of them and which arise out of or result from use of or reliance on such material and information by the receiving Shareholder, or any third party to whom the receiving Shareholder discloses such material and information.
- (l) The General Manager shall allow each Shareholder, at such Shareholder’s sole risk and expense, and subject to the General Manager’s safety regulations, to inspect the Assets and Operations at all reasonable times, so long as such Shareholder does not unreasonably interfere with Operations. Such Shareholder agrees to indemnify, defend and hold harmless the General Manager and its Affiliates (including without limitation direct and indirect parent companies), and its or their respective directors, managers, officers, shareholders, employees, agents and attorneys (acting under power of attorney), from and against any and all Liabilities, including reasonable legal fees, which may be

imposed upon, asserted against or incurred by any of them and which arise out of or result from the entry of, presence or activities of such Shareholder and/or its agents and representatives on the Properties, including without limitation bodily injury or death at any time resulting therefrom and damage to property sustained by any person or persons, unless the Liabilities are caused by the gross negligence or wilful misconduct of the General Manager.

- (m) The General Manager shall undertake all other activities reasonably necessary to fulfil the foregoing.

The General Manager shall not be in default of any duty under this Section 5.3 if its failure to perform results from the failure of the other Shareholder to perform acts or to contribute or pay amounts required of it by this Agreement.

5.4. Standard of Care

The General Manager shall conduct all Operations in a good, workmanlike and efficient manner, in substantial accordance with sound mining and other applicable industry standards and practices, and in substantial accordance with the terms and provisions of leases, licenses, Permits, contracts and other agreements pertaining to Assets. The General Manager shall not be liable to the Company or the other Shareholder for any act or omission resulting in damage or loss unless the same is a result of the General Manager's, or any Affiliate's, wilful misconduct or negligence.

5.5. Resignation of General Manager

The General Manager may resign upon 90 days' prior Notice to the Shareholders, in which case the Board will appoint a new General Manager.

5.6. Replacement of General Manager

After the Sole Funding Period, the Board may, upon majority approval of the Shareholders which are not Affiliates of the General Manager and giving notice to the General Manager, remove the General Manager, effective the date designated by the Board, if:

- (a) The General Manager is in material default under this Agreement and fails to cure such default, or to commence bona fide curative measures, within 30 days of receiving notice of the default from a Shareholder;
- (b) The Ownership Interest of the General Manager and its Affiliates is reduced so that it is not the single largest Ownership Interest;
- (c) The General Manager makes an assignment for the benefit of its creditors, or consents to the appointment of a receiver for all or substantially all of its property, or files a petition in bankruptcy or for a reorganization under the appropriate bankruptcy legislation, or is adjudicated bankrupt or insolvent; or
- (d) A court order is entered, without the consent of the General Manager, appointing a receiver or trustee for all or substantially all of its property or approving a petition in bankruptcy or for a re-organization pursuant to the

appropriate bankruptcy legislation or for any other judicial modification or alteration of the rights of creditors.

5.7. Transition to new General Manager

Upon ceasing to be General Manager, the former General Manager shall forthwith deliver to the new General Manager:

- (a) Custody of the Assets and any books and records pertaining to the Assets, which it prepared or maintained in its capacity as General Manager.
- (b) Such documents as may be necessary to transfer the operating authority of all bank accounts used for the conduct of the Operations.
- (c) Such other documents and instruments relating to OpCo, the Company or otherwise related to this Agreement as are reasonably necessary to transfer all of the rights, responsibilities, duties and status as General Manager held by the previous General Manager.

The new General Manager shall assume all of the rights, responsibilities, duties, and status of the previous General Manager as provided in this Agreement. The new General Manager shall have no obligation to hire any person employed by the former General Manager in connection with the Operations at the date it resigns or is removed.

5.8. Payments to General Manager

The Company will compensate the General Manager for its services and reimburse the General Manager for its costs hereunder in accordance with the Accounting Procedure.

5.9. Transaction with Affiliates

The General Manager may engage Affiliates to provide services, supplies, equipment or machinery hereunder, provided that it shall do so on terms no less favourable than would be the case with unrelated persons in arm's length transactions. The General Manager shall forthwith give Notice to Shareholders if it engages an Affiliate to provide services, supplies, equipment or machinery. The Notice shall include copies of any written agreements, the total cost of the engagement, and all other applicable details with respect to the engagement ensuring full disclosure of the nature of the transaction to the Shareholders

5.10. Activities Absent Adopted Program and Budget

If the Board for any reason fails to adopt a Program and Budget, then subject to the contrary direction of the Board and to the receipt of necessary funds, the General Manager shall continue Operations at levels necessary to maintain and protect the Assets and to comply with all Laws and contractual and regulatory obligations related thereto. The Shareholders shall be obligated to fund such Operations until a new Program and Budget has been adopted. For purposes of determining the required contributions of the Shareholders and their respective Ownership Interests, the last Adopted Program and Budget shall be deemed to have been extended.

5.11. **Independent Contractor**

After the Sole Funding Period, the General Manager is and shall act as an independent contractor and not as the agent of the other Shareholder. The General Manager shall maintain complete control over its employees and all of its subcontractors with respect to performance of the Operations. Nothing contained in this Agreement or any subcontract awarded by the General Manager shall create any contractual relationship between any subcontractor and the other Shareholder. The General Manager shall have complete control over and supervision of Operations and shall direct and supervise the same so as to ensure their conformity with this Agreement.

6. **OWNERSHIP INTERESTS**

6.1. **Ownership Interests of Shareholders**

The Ownership Interest of each Shareholder is the equitable and beneficial ownership right and interest of the Shareholder in the Company, including but not limited to the Company's profits and capital. The Shares of the Company shall be held by each of the Shareholders in proportion to its Ownership Interest. The Ownership Interests of the Shareholders shall be adjusted as provided in this Agreement. On the Effective Date and for the duration of the Sole Funding Period, SM Sub has an 80% Ownership Interest and NGE has a 20% Ownership Interest.

6.2. **Changes in Ownership Interests**

A Shareholder's Ownership Interest shall be changed as follows:

- (a) As provided in Section 7.4;
- (b) upon an election by a Shareholder pursuant to Section 8.6 to contribute less to an Adopted Program and Budget than the amount corresponding to its Ownership Interest;
- (c) as provided in Section 8.10 or Section 9.1;
- (d) by transfer by a Shareholder of less than all of its Ownership Interest in accordance with Article 13; or
- (e) by acquisition of the Ownership Interest of the other Shareholder, however arising.

Upon any change in the Shareholder's Ownership Interests, the Shareholder's respective Equity Account balance shall be adjusted to the extent necessary such that each Shareholder's Equity Account balance equals the same percentage of the aggregate Equity Account balances of all Shareholders as their respective Ownership Interests after such change.

6.3. **Changes in Ownership of Shares**

If the Ownership Interests of the Shareholders are changed or are the subject of Transfer pursuant to Article 13, the ownership of the Shares of the Company and the right to repayment of any loans by Shareholders to the Company shall also be changed, or Transferred, as the case may be, in the manner set forth in Section 8.11 to correspond proportionally to the changed Ownership Interests.

6.4. Additional Cash Contributions

After the Sole Funding Period, any further contributions to the Company shall be contributed by the Shareholders in proportion to their then respective Ownership Interests, as provided in Articles 8, 9 and 10.

7. SOLE FUNDING PERIOD

7.1. Non-Obligation to Prepare Feasibility Report and Conduct Operations

SM Sub has the right and option but not the obligation to prepare a Feasibility Study and neither anything which SM Sub might do nor any payment which it makes will obligate it to do anything more or to make any further payment. For certainty, SM Sub shall have no obligation to incur Expenditures or conduct Operations, or complete any Adopted Program and Budget, and any funding of an Adopted Program and Budget during the Sole Funding Period shall be in SM Sub's sole and absolute discretion.

7.2. Sole Funding by SM Sub

During the Sole Funding Period, SM Sub will sole fund all Programs, Budgets and Expenditures. NGE will be deemed to have funded its Proportionate Share of any Expenditures, Operations or Program and Budget that SM Sub incurs during the Sole Funding Period.

7.3. Termination of Sole Funding

SM Sub may terminate sole funding of all Programs, Budgets and Expenditures and the Sole Funding Period at any time upon the submission of a Feasibility Study to the Board.

7.4. SM Sub Ownership Interest increase to 85%

On the date of a Production Decision, SM Sub's Ownership Interest will be increased to 85% (and NGE's Ownership Interest will be decreased to 15%) through the issuance of additional shares by the Company to SM Sub at no additional cost.

8. PROGRAMS AND BUDGETS

8.1. Operations to be Conducted Pursuant to Programs and Budgets

Operations shall be conducted, expenses shall be incurred, and Assets shall be acquired substantially in accordance with Programs and Budgets adopted by the Board. During the Sole Funding Period, Programs and Budgets shall be deemed to have been adopted by the Board when a copy thereof has been delivered by SM Sub to NGE. Programs and Budgets shall be designed to set forth in reasonable detail the scope, direction and nature of Operations and establish a fiscal basis for Operations, but are not expected to

constitute an enumerated list of each activity and expenditure to be undertaken by the General Manager or of the costs to be incurred.

8.2. Presentation of Programs and Budgets

During the Sole Funding Period, Programs and Budgets may be prepared for such period as SM Sub may determine in its sole discretion. After the Sole Funding Period, proposed Programs and Budgets shall be prepared by the General Manager for a period of twelve months or any other reasonable period determined by the General Manager. The first Program and Budget after the Sole Funding Period shall be prepared by the General Manager at such time as it considers appropriate.

8.3. Completed Feasibility Study

After a Feasibility Study has been prepared, it may be submitted to the Board with a copy to NGE. The Board shall meet within 120 days of receiving a Feasibility Study to decide whether to make a Production Decision. During this time NGE may provide comments to SM Sub. If the Board makes a Production Decision, it shall then instruct the General Manager to prepare an overall Program and Budget consistent with the Feasibility Study for all Operations through to the end of Development. Until Operations have then been completed through to the end of Development, each Program and Budget adopted pursuant to this Article 8 (it being contemplated that the overall Program and Budget will be implemented through incremental Programs and Budgets approved pursuant to this Article 8) shall be consistent with the overall Program and Budget unless the Board otherwise directs.

8.4. Adoption of Programs and Budgets

Within 30 days after submission of any proposed Program and Budget following the Sole Funding Period, the Board shall hold a meeting at which the Board shall:

- (a) Approve the proposed Program and Budget; or
- (b) Propose modifications to the proposed Program and Budget; or
- (c) Reject the proposed Program and Budget.

If at such meeting the Board adopts the proposed Program and Budget or some modification thereof, the Program and Budget thus adopted shall be the Adopted Program and Budget for the ensuing Budget Period. If at such meeting the Board fails to adopt a Program and Budget, the Board and the General Manager shall, subject to the provisions of Section 5.10, immediately endeavour in good faith to develop a Program and Budget for the ensuing Budget Period which may be adopted by the Board.

8.5. Election to Participate in Programs and Budgets

By notice to the General Manager within 45 days after the adoption of an Adopted Program and Budget following the Sole Funding Period, and notwithstanding its vote concerning the adoption of a Program and Budget, a Shareholder may elect to contribute to such Adopted Program and Budget (i) fully in proportion to its respective Ownership Interest; (ii) in some lesser amount than its respective Ownership Interest, or; (iii) not at all, in which cases its Ownership Interest shall be recalculated as provided

in Section 8.6 of this Agreement. If a Shareholder fails to so notify the General Manager of its election with respect to such an Adopted Program and Budget within such 30 day period, the Shareholder shall be deemed to have elected to contribute to such Adopted Program and Budget in proportion to its respective Ownership Interest as of the beginning of the period covered by the Adopted Program and Budget. During the Sole Funding Period, NGE shall be deemed to have elected to contribute, and to have contributed, its Proportionate Share of any Program and Budget but all contributions shall for any Program and Budget during the Sole Funding Period shall be funded by SM Sub in accordance with Section 7.2.

8.6. Voluntary Reduction in Ownership

- (a) A Shareholder may elect, in accordance with the procedures specified in Section 8.5, not to contribute to an Adopted Program and Budget or to contribute in some lesser amount than its respective Ownership Interest. If a Shareholder elects to contribute to an Adopted Program and Budget in some lesser amount than its respective Ownership Interest, or not at all, or, if after so electing to contribute, fails to timely do so and the non-defaulting Shareholder exercises its option under Section 9.1(b), the Ownership Interest of that Shareholder shall be recalculated at the time of election (the “**Diluting Date**”) in accordance with the following formula:

$$R = \frac{\text{REA (S)}}{\text{REA (AS)}} \times 100\%$$

Where:

R = The recalculated Ownership Interest of the Diluting Shareholder.

REA (S) = The Diluting Shareholder’s Equity Account balance immediately prior to the Diluting Date, as adjusted for anticipated debits and credits to the Diluting Shareholder’s Equity Account balance based on the Adopted Program and Budget and the Diluting Shareholder’s election as to contributions.

REA (AS) = The Equity Account balance for all Shareholders immediately prior to the Diluting Date, as adjusted for anticipated debits and credits to all Shareholder’s Equity Account balances based on the Adopted Program and Budget and all Shareholder’s elections as to contributions.

The Ownership Interest of the Non-Diluting Shareholder shall be increased by the amount of the reduction in the Ownership Interest of the Diluting Shareholder, and if the Non-Diluting Shareholder elects not to fund the entire deficiency the General Manager shall adjust the Program and Budget to reflect the funds available.

Whenever the Ownership Interests are recalculated, the Equity Accounts of the Shareholders will be adjusted to bear the same ratio to each other as their recalculated Ownership Interest.

The recalculations made under this Section 8.6(a) will be provisional and subject to the final adjustments provided for under Section 8.6(b).

- (b) At the end of each Budget Period, a final recalculation of each Shareholder's Ownership Interest shall be made, with the provisional recalculations made under Section 8.6(a) adjusted to reflect actual debits, credits and contributions made during that period. If the contributions under any Program and Budget are less than 80% of the amounts contemplated in the original Adopted Program and Budget, then any Shareholder which elected or deemed to have elected not to contribute to such Program will be given written notice by the General Manager and will be entitled to contribute its proportionate share, based on its Ownership Interests, of the actual amounts incurred on that Program within 45 days after receipt of the notice. If payment is not made by that Shareholder, then such Shareholder will be deemed to have elected not to fully contribute to such Program without any further demand for payment being required. A Diluting Shareholder shall retain all of its rights and all of its obligations (except as provided in Section 8.6(a) above and subject to the provisions of Section 8.10) including the right to participate in future Programs and Budgets at its recalculated Ownership Interest.

8.7. Budget Overruns and Program Changes

After the Sole Funding Period, the General Manager shall promptly notify the Board of any actual or anticipated material departure from an Adopted Program and Budget of greater than 10%. Budget overruns [up to 10% of the Adopted Program and Budget] shall be borne by the Shareholders in proportion to their respective Ownership Interests as of the time the overrun occurs unless the overrun is due to the gross negligence or wilful default of the General Manager in which case any such overrun will be borne by the General Manager. Any budget overruns in excess of 10% of the Adopted Program and Budget shall require an amendment to the Program and Budget in accordance with Section 8.9. Notwithstanding anything to the contrary in this Section 8.7, during the Sole Funding Period, NGE will be deemed to have contributed its proportionate share of any cost overruns.

8.8. Emergency and Unexpected Expenditures

Notwithstanding any other provision of this Agreement, in case of emergency, the General Manager may take any reasonable action it deems necessary to protect life or property, to protect the Assets or to comply with Law. The General Manager shall promptly notify the Board of any emergency expenditure. The costs of actions resulting from emergencies shall be borne by the Shareholders in proportion to their respective Ownership Interests as of the time the emergency occurs. Notwithstanding anything to the contrary in this Section 8.8, during the Sole Funding Period, NGE will be deemed to have contributed its proportionate share of such costs.

8.9. Amendment of Programs and Budgets

When required in accordance with Section 8.7 the General Manager will, and at any time after consultation with the Chairman of the Board the General Manager may, propose the amendment of an Adopted Program and Budget, in which event the procedures of Section 8.4 shall apply. If as a result of such proposed amendment, the

said Adopted Program and Budget is revised and the amended Budget exceeds the previous adopted Budget by more than 10%, each Shareholder shall make one of the elections specified in Section 8.5 with respect to such revised Program and Budget, within the time therein specified.

8.10. **Elimination of Minority Interest**

- (a) Upon the reduction of its Ownership Interest to 10% or less, the Ownership Interest owned by the reducing Shareholder shall be automatically surrendered to the Company for cancellation and cancelled, and, in consideration therefor, the Company shall cause OpCo to grant to such reducing Shareholder (now Royalty Holder) of a net smelter returns royalty thereafter generated by OpCo or the Company, as provided in Schedule C (the “**Net Smelter Returns Royalty**”). The Royalty Holder shall have no Ownership Interest in, or any rights with respect to, the Company, OpCo or the Properties except as provided in Schedule C. As provided in Schedule C, the Net Smelter Returns Royalty shall initially be 2% of Net Smelter Returns; provided, however, that NGE hereby grants an option, exercisable at any time by SM Sub or an Affiliate designated by SM Sub, to purchase:
- (i) a reduction of the rate of the Net Smelter Returns Royalty to 1% of Net Smelter Returns, on payment at the discretion of the Royalty Holder of either (A) \$2,000,000 cash, or (B) Listed Shares with a value of at least \$2,000,000, calculated based on the volume weighted average price of such Listed Shares during the 15 trading days prior to the date when the payment is made; and
 - (ii) a reduction of the rate of the Net Smelter Returns Royalty by a further 1% of Net Smelter Returns, such that no Net Smelter Returns Royalty shall be payable to the Royalty Holder, on payment at the discretion of the Royalty Holder of either (A) \$5,000,000 cash, or (B) Listed Shares with a value of at least \$5,000,000, calculated based on the volume weighted average price of such Listed Shares during the 15 trading days prior to the date when the payment is made.

8.11. **Transfers of Ownership Interests and Powers of Attorney**

- (a) A Shareholder shall, within five days after the event or election causing a reduction in its Ownership Interest as provided in Section 8.6, transfer to the other Shareholder the number of Shares and the amount of any loan by such transferring Shareholder to the Company, in each case in the same proportions, necessary to reflect the change in the respective Ownership Interests of the Shareholders; provided that the Company shall have the right to issue additional Shares provided that following such additional issuances the ownership of Shares is in proportion with the Ownership Interests as adjusted by Section 8.6. Any such transfer will be effected by a deed or an instrument of assignment in a form and having such content as is reasonably acceptable to the receiving Shareholder and by such other documents and instruments as reasonably required by the receiving Shareholder.

- (b) Each Shareholder hereby irrevocably grants to the General Manager a power of attorney with full power of substitution to make all transfers of Shares, loans and Ownership Interests, to execute all deeds and conveyances, to record the same and take all other actions necessary to implement the provisions of this Section 8.11 and to implement Sections 6.2, 8.10 and 9.1. If a Shareholder whose Ownership Interest is reduced fails to take all action necessary to effect a transfer of its Ownership Interest as required by this Agreement, the General Manager shall exercise such power of attorney so as to promptly transfer from the Shareholder whose Ownership Interest is reduced to the other Shareholder or the Company, as the case may be, the requisite percentage of Ownership Interest in the Company, and otherwise execute and record such other documents and instruments as are reasonably required to fully evidence such transfer. If a Shareholder whose Ownership Interest is transferred and exchanged for a Net Smelter Returns Royalty pursuant to Sections 8.10 fails to take all actions necessary to effect a transfer of its Ownership Interest, the Chairman of the Board shall promptly, and is hereby authorized to, take all actions necessary to effect such a transfer and exchange.
- (c) Promptly following the date of this Agreement, the Shareholders shall take all actions reasonably necessary to implement the provisions of this Section 8.11, including the execution of a formal power of attorney in such form as the General Manager may reasonably require, before a Notary Public, to authorize the full implementation of all provisions hereof.
- (d) The Shareholders acknowledge and agree that the conversion of an Ownership Interest provided for in Section 8.10 of this Agreement to the Net Smelter Returns Royalty is a reasonable means of liquidating any damages as may be incurred by the non-converting Shareholder as a result of the circumstances giving rise to the conversion.

8.12. Limited Continuing Liabilities Upon Adjustment of Ownership Interests

The increased Ownership Interest accruing to a Shareholder as a result of the transfer of the other Shareholder's Ownership Interest pursuant to Sections 8.6, 8.10 or 9.1 shall be free of Encumbrances, arising by, through, or under such other Shareholder, other than any which the recipient Shareholder has given its written consent.

9. FAILURE TO MAKE CONTRIBUTIONS

9.1. Pre-ability to Dilute

Subject to the provisions of Section 9.2, the Shareholders acknowledge that if a Shareholder defaults in making a contribution to an Adopted Program and Budget in which, pursuant to Section 8.5 it has elected to participate or is deemed to have elected to participate, it will be difficult to measure the damages resulting therefrom. The non-defaulting Shareholder may, with respect to any such default not cured within 15 days after delivery of Notice of such default to the defaulting Shareholder, elect one of the following remedies by giving Notice to the defaulting Shareholder:

- (a) The non-defaulting Shareholder shall have the right but not the obligation to advance or cause to be advanced to the Company the defaulted contribution on

behalf of the defaulting Shareholder and treat the same, together with any accrued interest, as a demand loan to the defaulting Shareholder (a “**Default Loan**”) bearing interest from the date of the advance until paid at the Effective Interest Rate plus an additional two percent, but in no event at a rate higher than the maximum rate permitted by Law. The failure to repay a Default Loan upon demand shall be a default. Failure to timely repay any Default Loan shall entitle the other Shareholder to enforce the security for the loan, which shall be limited to the security contemplated in this Section 9.1(a).

Each Shareholder hereby grants to the other a lien upon its Ownership Interest, the Assets and a pledge of and security interest in its Ownership Interest to secure any Default Loan made hereunder, including interest thereon, reasonable attorneys fees and all other reasonable costs and expenses incurred in recovering the loan with interest and in enforcing such lien, pledge, or security interest, or both.

- (b) The non-defaulting Shareholder shall have the right but not the obligation to contribute to the Company the amount of the defaulted contribution as an additional contribution and elect that the Ownership Interest of the defaulting Shareholder shall be reduced and the Ownership Interest of the non-defaulting Shareholder shall be increased in accordance with the formula set forth in Section 8.6 of this Agreement, treating the additional contribution as if it were a contribution under Section 10.2 of this Agreement.

9.2. **Exclusive Remedy**

The remedy of a non-defaulting Shareholder in respect of any Default Loan shall be limited to its rights of recourse in respect of the security granted pursuant to Section 9.1(b).

10. **ACCOUNTS, SETTLEMENTS AND DIVIDENDS**

10.1. **Monthly Statements**

After the Sole Funding Period, the General Manager shall submit to the Board on a quarterly basis a statement of account reflecting in reasonable detail the charges and credits to the Company during the preceding quarter.

10.2. **Contributions by Loan**

Contributions by Shareholders shall be made in cash by means of capital contributions or, if the Board so determines, by loans evidenced by unsecured debt obligations of the Company to such Shareholder or its designee, evidenced by a promissory note in such form as the General Manager may reasonably require. For purposes of determining the amount of contributions made by the Shareholders under Section 8.6, the amount of principal outstanding that has been contributed in the form of loans evidenced by unsecured debt obligations and accrued but unpaid interest thereon, shall be treated as a contribution to the Company. It is agreed that amounts so contributed in the form of unsecured debt obligations shall be at a variable interest rate not to exceed the then current Effective Interest Rate plus two percent, and that no interest, principal or other payments shall be made with respect to such debt obligations except to the extent that

the Board declares there is Cash Available for Distribution. Interest shall accrue until the same is paid. The Shareholder for whose benefit the loan was extended shall pay all stamp tax and withholding tax, and shall be responsible for any and all costs of central bank reserve requirements.

10.3. **Failure to Contribute Additional Operating Equity**

A Shareholder that fails to make a contribution in the manner and amount and at the times specified in Section 10.2 shall be in default, and the amounts of the defaulted contribution request shall bear interest from the date due at the Effective Interest Rate, plus an additional ten percent, but in no event, shall the rate of interest exceed the maximum permitted by Law. The non-defaulting Shareholder shall have those rights, remedies and elections specified in Section 9.1.

10.4. **Cash Available for Distribution**

“**Cash Available for Distribution**” means on any date of calculation, the positive difference resulting from;

- (a) the amount of cash, and cash equivalents, in all accounts of the Company plus any sale receivables;
- (b) less, without duplication, the sum of the following items:
 - (i) current liabilities for the next three months but including all current liabilities for Argentinean taxes payable and excluding long term debt and debt required for working capital purposes,
 - (ii) debt service requirements for all third party Company debt due within three months;
 - (iii) budgeted operating and capital expenditures forecast for the next two months and reasonable and normal reserve accounts for reclamation and other governmental obligations.

Cash Available for Distribution shall exclude the effects of any monetary revaluations required by Argentinean Law for tax or other purposes but shall include any cash effects of currency translation adjustments.

10.5. **Distributions**

At least annually, the Board shall determine the Cash Available for Distribution and, subject to applicable Law, may distribute it to the Shareholders in accordance with their respective rights provided in this Agreement. All distributions of Cash Available for Distribution shall be made to the Shareholders in proportion to and in accordance with their respective Ownership Interests.

10.6. **Audits**

Upon request made by any Shareholder within twelve months following the end of any calendar year, an audit of the accounting and financial records of the Company for such calendar year (or other accounting period) shall be performed by the Company’s

independent external firm of accountants. All written exceptions to the audit and claims upon the Company for discrepancies disclosed by such audit shall be made not more than three months after receipt of the audit report. Failure to make any such exception or claim within the three month period shall mean the audit is correct and the accounting and financial matters subject to such audit are binding upon the Shareholders.

A Shareholder shall be entitled upon notice to the General Manager to request that the independent external firm of accountants of the General Manager provide that Shareholder with their opinion that any invoice or statement delivered pursuant to Section 10.1 in respect of the period referred to in Section 1.3 of Schedule B has been prepared in accordance with this Agreement. The cost of the accountant's opinion referred to in this Section 10.6 shall be solely for the account of the Shareholder requesting the accountant's opinion, unless the audit disclosed an error which is in excess of one percent and adverse to that Shareholder, in which case the cost shall be solely for the account of the General Manager.

10.7. Withholding

Notwithstanding anything to the contrary, all payments that the Company and/or OpCo is required to make under this Agreement to the Shareholders shall be subject to withholding of such amounts relating to income taxes, withholding taxes and other Taxes and other amounts as the General Manager may reasonably determine the Company and/or OpCo must withhold pursuant to any applicable Law. In lieu of withholding such amounts, in whole or in part, the Company and/or OpCo may, in the General Manager's sole discretion, accept other provision for payment of Taxes as required by Law, provided it is satisfied that all requirements of Law affecting its responsibilities to withhold such amounts have been satisfied.

11. SALE OF PRODUCTS

11.1. Further Refinement

Subject to Section 3.3, the Company shall arrange for any processing of Products as the Board may determine.

11.2. Sale of Products

Subject to Section 3.3, SM Sub will have the right to market and sell the Products produced from the Properties and may charge the Company a reasonable portion of its marketing and sales costs and a sales commission in accordance with industry standards. All Products shall be sold for the account of the Company on commercially reasonable terms as determined by the Board, unless distribution in kind to the Shareholders is authorized by the Board.

12. INSOLVENCY OF A SHAREHOLDER

12.1. Deemed Offer to Sell Interests

If any of the following shall occur, the Shareholder committing or subject to such act shall promptly notify the other Shareholder in writing, and shall be deemed to have offered to sell its Ownership Interest and any outstanding loans by the Shareholder to

the Company to the other Shareholder or its designee on the terms and conditions hereinafter specified:

- (a) A receiver, liquidator, assignee, custodian, trustee, sequester or similar official for a substantial part of a Shareholder's assets is appointed and such appointment is neither made ineffective nor discharged within 60 days after the making thereof, or such appointment is consented to, requested by, or acquiesced in by the Shareholder; or
- (b) The Shareholder commences a voluntary case under any applicable bankruptcy, insolvency, or similar Law now or hereafter in effect; or consents to the entry of an order for relief in an involuntary case under any such Law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator, or other similar official of any substantial part of its assets; or makes a general assignment for the benefit of creditors; or fails generally to pay its debts as such debts become due; or takes corporate or other action in furtherance of any of the foregoing; or
- (c) Entry is made against a Shareholder of a judgment, decree or order for relief affecting a substantial part of its assets by a court of competent jurisdiction in an involuntary case commenced under any applicable bankruptcy, insolvency, or other similar Law of any jurisdiction now or hereafter in effect.

The price to be paid by the remaining Shareholder or its designee shall be an amount equal to 75% (which the Shareholders agree adequately takes into account the risks of continuing operations and commodity price fluctuations) of the other Shareholder's Ownership Interest multiplied by the fair market value of the Assets (using a discount rate of 5% if applicable) being the average of the fair market value stated in an appraisal obtained by the remaining Shareholder from an independent qualified appraiser of recognized standing competent in the appraisal of mining properties.

If the remaining Shareholder desires to exercise the purchase right granted to it pursuant to this Section 12.1, it shall so notify the other Shareholder within 30 days after the receipt of written notification from the other Shareholder of the occurrence of the event which gave rise to the deemed offer of sale.

13. **TRANSFER OF INTEREST**

13.1. **General**

A Shareholder shall not have the right to Transfer to a third party all or any part of its Ownership Interest or outstanding loans to the Company (if any) or any interest therein, except as provided in this Article 13.

13.2. **Limitations on Free Transferability**

A Shareholder may Transfer any interest in the Company, in the Assets or outstanding loans (if any) only by and with a Transfer of Ownership Interest. Any Transfer of Ownership Interest shall be subject to the following terms and conditions:

- (a) If the Transfer is not to an Affiliate, the transferring Shareholder must secure the written consent of the non-transferring Shareholder and, if so secured, must

then provide the transferee with a complete copy of this Agreement before the Transfer becomes effective.

- (b) No transferee, whether or not an Affiliate, shall have the rights of a Shareholder unless and until the transferring Shareholder has provided to the other Shareholder Notice of the Transfer, and the transferee, as of the effective date of the Transfer, has committed in writing to be bound by this Agreement to the same extent as the transferring Shareholder.
- (c) The transferring Shareholder and the transferee shall bear all Tax consequences of the Transfer.
- (d) If the Transfer involves the grant of a security interest by mortgage, deed of trust, pledge, lien or other encumbrance of any interest in the Ownership Interest to secure a loan or other indebtedness of a Shareholder in a bona fide transaction, the holder of such security interest shall have agreed in writing to be subordinate to the terms of any Default Loan and this Agreement, including the rights and interests of the other Shareholder hereunder. Upon any foreclosure or other enforcement of rights in the security interest the acquiring third party shall be deemed to have assumed the position of the encumbering Shareholder with respect to this Agreement and the other Shareholder, and it shall comply with and be bound by the terms and conditions of this Agreement.

13.3. **Right of First Refusal**

Except as otherwise provided in Section 13.4, if a Minority Shareholder (an “**Offeror**”) desires to Transfer to any Person all or any part of its Ownership Interest and/or outstanding loans to the Company, the Majority Shareholder shall have a first right to acquire such Ownership Interest and/or outstanding loans to the Company to be transferred as provided in this Section 13.3 (the Majority Shareholder hereinafter called the “**Offeree**”).

- (a) An Offeror intending to Transfer to any Person all or any part of its Ownership Interest and/or outstanding loans to the Company shall promptly notify the Offeree of its intentions. The Notice shall state the sale price in cash and all other pertinent terms and conditions of the intended transaction, and shall be accompanied by a copy of the offer or contract. If any portion of the consideration to be received is in the form of an undertaking to act or refrain from acting or provide consideration in some other non-monetary form, the Notice shall describe such consideration and its monetary value, based on the fair market value of any such nonmonetary consideration, which shall be included in, and may be satisfied by payment of, the offered cash sale price. The Offeree shall have 60 days from the date such Notice is delivered to notify the Offeror whether it elects to acquire the offered interest at the same price and on the same terms and conditions as set forth in the Notice (or their monetary equivalent). If it does so elect, the transaction shall be consummated promptly and within 30 days after Notice of such election is delivered to the Offeror.
- (b) If the Offeree fails to elect to exercise its first right within the period provided for in Section 13.3(a), the Offeror shall have 45 days following the expiration of such period to consummate the Transfer to a third party at a price and on

terms no less favourable than those offered by the Offeror to the Offeree in the Notice required by Section 13.3(a).

- (c) If the Offeror fails to consummate the Transfer to a third party within the period set forth in Section 13.3(b), the first right of the Offeree in such offered interest shall be deemed to be revived. Any subsequent proposal to Transfer such interest shall be conducted in accordance with the procedures set forth in this Section 13.3.

13.4. Exceptions to Right of First Refusal

Section 13.3 shall not apply to the following, provided that the transferring Minority Shareholder is not in default under any material provision of this Agreement or a Default Loan, and that neither such Minority Shareholder nor its transferee shall be in such default immediately after the Transfer:

- (a) A sale or other commitment or disposition of Products or proceeds from sale of Products by a Minority Shareholder upon distribution of such Products to it; or
- (b) A Transfer by a Minority Shareholder to any Person of all or any part of its interest in its Ownership Interest and/or outstanding loans to the Company provided that (i) the Majority Shareholder has consented in writing prior to such Transfer (which consent may be withheld by the Majority Shareholder, in its sole discretion) and (ii) the Transfer is in compliance with Sections 013.2(b)-(d).

14. REPRESENTATIONS AND WARRANTIES

14.1. Representations and Warranties

Each Party represents and warrants to the other Party that:

- (a) It is a corporation duly organized and in good standing in the state or other jurisdiction of its organization and is qualified to do business and is in good standing in those states where necessary in order to carry out the purposes of this Agreement.
- (b) It has the legal capacity to enter into and perform this Agreement and all transactions contemplated herein and all necessary corporate approvals and authorizations required to authorize it to enter into and perform this Agreement, in each case have been properly obtained and are in full force and effect.
- (c) It will not breach any other material agreement or arrangement by entering into or performing this Agreement.
- (d) It is not subject to any governmental order, judgment, decree, debarment, sanction or Laws that would preclude or prevent the entering into this Agreement or the performing of its actions as contemplated herein, or the permitting or implementation of Operations under this Agreement.

- (e) The execution, delivery and performance of this Agreement will not conflict with or result in a breach of or default under any agreement or other instrument of obligation to which it is a party or by which it may be bound.
- (f) This Agreement constitutes its legal, valid and binding obligation.

14.2. **Indemnity**

Each Party shall indemnify and save the other Party harmless from and against all Liabilities suffered or incurred by such other Party by reason of a breach of any representation or warranty given by it under this Article 14.

15. **CONFIDENTIALITY**

15.1. **General**

All information obtained in connection with the conduct of Operations which is designated as confidential by the General Manager or the Board, the financial terms and conditions of this Agreement and all material technical, geologic, financial, and corporate strategy or planning information relating to the Properties, shall be exclusive property of the Shareholders and, except as provided in Section 15.2 of this Agreement, shall not be disclosed to any third party or the public without the prior written consent of the other Shareholder, which consent shall not be unreasonably withheld.

15.2. **Exceptions**

The consent required by Section 15.1 shall not apply to a disclosure:

- (a) Of such information as is necessarily disclosed to a third party by Operations or is necessary to disclose to implement an Adopted Program and Budget;
- (b) Of such information as is reasonably necessary to disclose to an Affiliate, consultant, contractor, advisor, or representative, that has a bona fide need to be informed and is informed of the confidentiality obligations of the disclosing Shareholder;
- (c) To a third party to whom the disclosing Shareholder contemplates a Transfer of all or any part of its Ownership Interest, provided that such transferee has executed a non-disclosure or similar agreement in a form and substance reasonable acceptable the other Shareholder;
- (d) To a governmental agency or to the public which disclosure the disclosing Shareholder believes in good faith is required by applicable Law or the rules of any stock exchange on which its stock is traded;
- (e) Of any information which at the time of disclosure is in the public domain, except as a result of a breach of this Agreement;
- (f) To a bank, insurance company or other financial institution and to its advisors in connection with negotiations concerning financing arranged by a Shareholder, subject to reasonable requirements concerning use and confidentiality;

- (g) By a Shareholder of information which it owns or controls independently of the Company, but which was furnished to the Company by that Shareholder for use by the Company;
- (h) In the course of arbitration or other legal proceedings; or
- (i) As required by applicable securities legislation or the rules of securities regulatory authorities.

In any case to which this Section 15.2 is applicable, the disclosing Shareholder shall give Notice to the other Shareholder concurrently with the making of such disclosure. As to any disclosure pursuant to Sections 15.2(b), 15.2(c) or 15.2(g), such third party recipient shall first agree to protect the confidential information from further disclosure to the same extent as the Shareholders are obligated under this Article 15.

15.3. **Duration of Confidentiality**

The provisions of this Article 15 shall apply during the term of this Agreement, and shall continue to apply to a Shareholder who has sold or otherwise has been deemed to have sold its Ownership Interest in accordance with Sections 8.10 or who Transfers all of its Ownership Interest, for one year following the date of such occurrence.

15.4. **Public Announcements**

Except as required by Law or regulatory authority, neither Shareholder shall make any public announcements or statements concerning this Agreement or the Properties without the prior approval of the other Shareholder, not to be unreasonably withheld. The text of any public announcements or statements including news releases which a Shareholder intends to make pursuant to the aforesaid exception in this Section 15.4 shall be made available to the other Shareholder not less than 48 hours (or such lesser period of time as the Shareholder reasonably considers to be available before its failure to make such announcement or statement will constitute a breach of applicable Law or regulatory requirements) prior to publication and it shall have the right to make suggestions for changes therein. If a Shareholder or any Affiliate is identified in such public announcement or statement it shall not be released without the consent of that Shareholder in writing, unless such announcement or statement is required by Law or regulatory authority.

16. **NOTICES**

- 16.1. All notices, payments and other required communications (“**Notices**”) to one of SM Sub, NGE or the Company by the other shall be in writing and shall be addressed respectively as follows:

If to SM Sub:

PO Box 437
 Moorabbin VIC 3189
 Australia
 Email: admin@syndicateminerals.com.au
 Attention: Allen Sabet

With a copy to:

U42 15 Cochranes Road
 Moorabbin VIC 3189
 Australia
 Email: allen@syndicateminerals.com.au
 Attention: Allen Sabet

If to NGE:

Golden Arrow Resources Corporation
 Suite 312, 837 W. Hastings Street
 Vancouver, British Columbia V6C 3N6
 Canada
 Email: ncacos@grossogroup.com
 Attention: Nikolaos Cacos

With a copy to:

Blakes, Cassels, Graydon LLP
 2600-595 Burrard Street
 Vancouver, British Columbia
 V7X 1L3, Canada
 Email: kathleen.keilty@blakes.com
 Attention: Kathleen Keilty

All Notices shall be given (1) by personal delivery to the addressee, or (2) by electronic communication, capable of producing a printed transmission, or (3) by registered or certified mail or commercial carrier return receipt requested. All Notices shall be effective and shall be deemed delivered (1) 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, (2) if by electronic communication on the next business day following receipt of the electronic communication, and (3) if solely by mail or commercial carrier on the next business day after actual receipt. A Shareholder may change its address by Notice to the other Shareholder.

17. PARENT COMPANY GUARANTEES**17.1. Guaranty of GRG**

GRG, as sole shareholder of NGE, agrees to take all action necessary to cause NGE to perform all of its respective agreements, covenants and obligations under this Agreement, and absolutely, unconditionally and irrevocably guarantees, as primary

obligor and not merely as surety, to SM Sub, the full and complete performance by NGE of all its obligations under this Agreement (the “**GRG Guaranty**”). GRG shall be liable for any breach of any representation, warranty, covenant or obligation of NGE under this Agreement. The GRG Guaranty is a guaranty of payment and performance and not of collection, and SM Sub shall not be obligated to enforce or exhaust its remedies against NGE before proceeding to enforce the GRG Guaranty.

17.2. **Guaranty of ParentCo**

ParentCo, as sole shareholder of SM Sub, agrees to take all action necessary to cause SM Sub to perform all of its respective agreements, covenants and obligations under this Agreement, and absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to NGE, the full and complete performance by SM Sub of all its obligations under this Agreement (the “**SM Guaranty**”). ParentCo shall be liable for any breach of any representation, warranty, covenant or obligation of SM Sub under this Agreement. The SM Guaranty is a guaranty of payment and performance and not of collection, and NGE shall not be obligated to enforce or exhaust its remedies against SM Sub before proceeding to enforce the SM Guaranty.

18. **MISCELLANEOUS**

18.1. **Applicable Law**

The terms and provisions of this Agreement shall be interpreted in accordance with the Laws of British Columbia excluding any conflict of Laws provisions that would require the application of the Law of another jurisdiction.

18.2. **Dispute Resolution**

All disputes arising out of or in connection with this agreement, or in respect of any legal relationship associated therewith or derived therefrom, shall be referred to and finally resolved by arbitration administered by the Vancouver International Arbitration Centre (VanIAC) pursuant to its applicable Rules. The place of arbitration shall be Vancouver, British Columbia, Canada. The number of arbitrators shall be one. The language of the arbitration shall be English. The arbitrator will have expertise in the metals and mining industry.

18.3. **Time of the Essence**

Time is of the essence of this Agreement.

18.4. **Entire Agreement**

Subject to Section 1.5, this Agreement terminates and replaces all prior agreements, either written, oral or implied, between SM Sub and NGE with respect to the Properties and constitutes the entire agreement between the parties with respect to the Properties.

18.5. **Void or Invalid Provision**

If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future Laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision formed no

part of this Agreement; and the remainder of this Agreement shall remain in full force and effect and shall not be affected by such provision or by its severance from this Agreement. In lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Agreement from which such provision was severed a provision as similar in terms and economic effect to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

18.6. Further Assurances

The Parties shall do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such assurances, as may be necessary to give effect to this Agreement, including causing the Company and OpCo to take, from time to time, such actions and execute such additional instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

18.7. No Waiver

The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power, or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

18.8. Modification

No modification of this Agreement shall be valid unless made in writing and duly executed by the Party against which the modification is asserted.

18.9. Perpetuities

If any provision of this Agreement should violate any rule against perpetuities or any related rule against interests that last too long or are not alienable, then any such provision shall terminate 20 years after the death of the last survivor of all the lineal descendants of His late Majesty King George V of England, living on the date of execution of this Agreement.

18.10. Binding Effect

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

18.11. Counterparts

This Agreement may be executed in counterparts and by electronic or facsimile transmission, each of which shall be deemed to be an original and all of which shall constitute one and the same document.

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

[PARENTCO]

By: _____
Its:

SYNDICATE MINERALS MOGOTES PTY LTD.

By: _____
Its:

GOLDEN ARROW RESOURCES CORPORATION

By: _____
Its:

NEW GOLDEN EXPLORATIONS INC.

By: _____
Its:

[JVCO]

By: _____
Its:

SCHEDULE A

PART I: CONCESSIONS

The following mining concessions located in the Province of San Juan, Argentina and registered in favor of Golden Argentina at the San Juan Mining Ministry:

Name	Type	File Number	Holder
Adela 1	Mine	425.098-A-00	Golden Argentina
Mogotes Norte	Mine	520.0275-V-97	Golden Argentina
Mogotes Sur	Mine	520.0274-V-97	Golden Argentina
Mogotes 1	Mine	156.277-S-76	Golden Argentina
Mogotes 4	Mine	156.280-S-76	Golden Argentina
Mogotes 5	Mine	156.281-S-76	Golden Argentina
Mogotes 6	Mine	156.282-S-76	Golden Argentina
Mogotes 7	Mine	156.283-S-76	Golden Argentina
Mogotes 9	Mine	156.285-S-76	Golden Argentina
Mogotes 14	Mine	156.290-S-76	Golden Argentina
Mogote II	Mine	1124.178-D-19	Golden Argentina
Mogote III	Mine	1124.179-D-19	Golden Argentina
Mogote I	Exploration Permit (cateo)	338.579-R-92	Golden Argentina

PART II: EASEMENTS

- Right of Way File number 1124-542-I 2011

SCHEDULE B

ACCOUNTING PROCEDURE

1. GENERAL PROVISIONS

1.1. General Accounting Records

The General Manager shall maintain accounting records, prepared in accordance with this Accounting Procedure and Applicable Accounting Standards, sufficient to provide a record of revenues and expenditures and periodic statements of financial position and the results of operations for managerial, tax, regulatory or other financial reporting purposes. Such records shall be retained for the duration of the period allowed for the Shareholders to audit or the period necessary to comply with tax or other regulatory requirements. The records shall reflect all obligations, advances and credits of the Shareholders.

1.2. Bank Accounts

The General Manager shall maintain one or more separate bank accounts for the payment of all expenses and the deposit of all cash receipts.

1.3. **Statements and Billings**

The General Manager shall prepare statements and bill the Company as provided in Article 10 of the Agreement. Payment of any such billings by the Company shall not prejudice its right to protest or question the correctness thereof for a period not to exceed 24 months following the calendar year during which such billings were received by the Company. All written exceptions to and claims upon the General Manager for incorrect charges, billings or statements shall be made upon the General Manager within such 24 month period. The time period permitted for adjustments hereunder shall not apply to adjustments resulting from periodic inventories as provided in Article 5.

2. **CHARGES TO THE COMPANY**

The General Manager shall charge the Company and the Company will pay all costs and expenses incurred or paid by the General Manager or its Affiliates or OpCo pursuant to the Agreement or to carry out adopted Programs or otherwise, including without limitation:

2.1. **Rentals, Royalties and Other Payments**

All property acquisition and holding costs, including leases payments, option payments, filing fees, license fees, costs of Permits and assessment work, production royalties, including any required advances and all other payments made by the General Manager which are necessary to acquire or maintain title to the Assets.

2.2. **Labour and Employee Benefits**

- (a) Salaries and wages of the General Manager's or the General Manager's Affiliates' employees directly engaged in Operations, including salaries or wages of employees who are temporarily assigned to the General Manager.
- (b) The General Manager's costs of holiday, vacation, sickness and disability benefits, and other customary allowances applicable to the salaries and wages chargeable under Sections 2.2(a) and 2.12. Such costs may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages.
- (c) The General Manager's actual cost of established, establishing or participating in plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus and other benefit plans of a like nature applicable to salaries and wages chargeable under Sections 2.2(a) and 2.12.
- (d) Cost of assessments imposed by governmental authority which are applicable to salaries and wages chargeable under Sections 2.2(a) and 2.12, including all penalties.

2.3. **Fixed Assets, Materials, Equipment and Supplies**

- (a) All capital costs of developing and operating the Properties as a mine including all costs of land, construction, equipment and mine development including maintenance, repairs and replacements, and any capital expenditures relating to an improvement, expansion, modernization or replacement of the facilities.
- (b) The cost of materials, equipment and supplies (herein called “Material”) purchased from unaffiliated third parties or furnished by the General Manager.

2.4. **Equipment and Facilities Furnished by General Manager**

The cost of machinery, equipment and facilities owned by the General Manager and used in Operations or used to provide support or utility services to Operations charged at rates no less favourable than those reasonably available from arm’s length third parties.

2.5. **Transportation**

Reasonable transportation costs incurred in connection with the transportation of employees and material necessary for the Operations, including from Canada to the location of the Properties.

2.6. **Contract Services and Utilities**

The cost of contract services and utilities procured from outside sources. If contract services are performed by the General Manager or an Affiliate thereof, the cost charged to the Company shall not be greater than that for which comparable services and utilities are available in the open market within the vicinity of the Operations.

2.7. **Insurance Premiums**

Net premiums paid for insurance required to be carried for Operations for the protection of the General Manager and the Company. Where the General Manager may self-insure pursuant to the provisions of the Shareholders’ Agreement for property, liability, Workmen’s Compensation and/or Employer’s Liability or other risk under the Shareholders’ Agreement, the General Manager may elect to include such risks in its self-insurance program and shall charge to Company as its costs of self-insuring such risks an amount equal to the premium it would have paid had it secured and maintained a substantially similar policy or policies of insurance on a competitive bid basis in the amount of such coverage. If self-insurance is selected, the General Manager shall provide to the Company statements as to the extent and limits of such self-insurance and the basis for the charges to the Company.

2.8. **Damages and Losses**

All costs in excess of insurance proceeds necessary to repair or replace damage or losses to any Assets resulting from any cause.

2.9. **Legal and Regulatory Expense**

All legal and regulatory costs and expenses incurred in or resulting from the Operations or necessary to protect or recover the Assets, however, that, unless otherwise approved in advance by the Shareholders, no charge shall be made for the salary and benefits of General Manager's legal staff.

2.10. **Audit**

Cost of annual audits.

2.11. **Taxes**

All taxes (except income taxes) of every kind and nature assessed or levied upon or in connection with the Assets, the production of Products or Operations, which have been paid by the General Manager for the benefit of the Company.

2.12. **District and Camp Expense (Field Supervision and Camp Expenses)**

A pro rata portion of (i) the office and administrative expenses of the General Manager's regional office in Argentina, (ii) the salaries and expenses of the General Manager's superintendent and other employees serving Operations whose time is not allocated directly to such Operations, (iii) the costs of maintaining and operating an office (herein called "the General Manager's Project Office") and any necessary suboffice for Operations and (iv) all camps including housing facilities for employees used for Operations. The expense of those facilities less any revenue therefrom, shall include depreciation or a fair monthly rental in lieu of depreciation of the investment. The total of such charges for all properties served by the General Manager's employees and facilities shall be apportioned to the Company on the basis of the General Manager's best estimate of the proportionate amount of such expenses incurred for the benefit of the Company.

2.13. **Administrative Charge**

- (a) Each month, the General Manager shall charge the Company a sum for each phase of Operations as provided below, which shall be a liquidated amount to reimburse the General Manager and its Affiliates for its office overhead, and general and administrative expenses, and which shall be in lieu of any other management fee:
- (i) Exploration Phase - ●% of Allowable Costs;
 - (ii) Development Phase - ●% of Allowable Costs; and
 - (iii) Mining Phase – ●% of Allowable Costs.
- (b) The term "Allowable Costs" as used in this Section 2.13 for a particular phase of Operations shall mean all charges to the Company excluding (i) the administrative charge referred to herein; and (ii) amounts charged in accordance with Sections 2.1 and 2.9. The General Manager shall attribute such Allowable Costs to a particular phase of Operations by applying the following guidelines:
- (i) The "Exploration Phase" shall cover those activities directed toward ascertaining the existence, location, quality or

commercial value of deposits of Products. Such phase shall include all activities undertaken through the completion of the Feasibility Study, but shall not include construction of milling or processing facilities or commencement by commercial mining operations on the Properties.

- (ii) The “Development Phase” shall cover those activities conducted to prepare for removal and recovery of Products (including from an existing ore body), and to construct or install a mill or any other improvements to be used for the mining, extracting, producing, handling, milling, processing or other beneficiation of Products.
- (iii) The “Mining Phase” shall include mining, extracting, producing, handling, milling or other processing of Products and all other activities not otherwise covered above, including activities conducted after mining operations have ceased.

2.14. Other Expenditures

Any reasonable direct expenditure, other than expenditures which are covered by the foregoing provisions, incurred by the General Manager for the necessary and proper conduct of Operations.

3. BASIS OF CHARGES

3.1. Purchases

Material purchased and services procured from third parties shall be charged to the Company by the General Manager at invoiced cost, including applicable transfer taxes, less all discounts taken. In the case of material purchased or services acquired from a Shareholder or an Affiliate of the General Manager, the same shall be transferred or acquired on a fair market value basis as reasonably determined by the General Manager, including any premiums for short supply or remote location or other special factors. The General Manager shall forthwith give Notice to the other Shareholder of any material purchased or services acquired from a Shareholder or an Affiliate of the General Manager. The Notice shall include copies of any written agreements, the total cost of the materials or service, as the case may be, and all other applicable details with respect to the transaction ensuring full disclosure of the nature of the transaction to the other Shareholder.

3.2. Warranty of Material Furnished by the General Manager

The General Manager does not warrant the material furnished beyond any dealer’s or manufacturer’s warranty and no credits shall be made to the Company for defective material until adjustments are received by the General Manager from the dealer, manufacturer or their respective agents.

4. DISPOSAL OF MATERIAL

4.1. Distribution to Shareholders

Any material to be distributed to the Shareholders shall be made in proportion to their respective Ownership Interests, and corresponding credits shall be made to the Company as determined by the General Manager.

4.2. Sales

Sales of material to third parties shall be credited to the Company at the net amount received. Any damages or claims by the purchaser shall be charged back to the Company if and when paid.

5. INVENTORIES

5.1. Periodic Inventories, Notice and Representations

At reasonable intervals, inventories shall be taken by the General Manager, which shall include all such Material as is ordinarily considered controllable by operators of mining properties and the expense of conducting such periodic inventories shall be charged to the Company. In connection with any inventory taken, the General Manager shall give Notice of its intention to perform an inventory count to each Shareholder at least 30 days in advance of the date set for performing of the inventory count. Each Shareholder shall be entitled to be represented at the performing of an inventory count upon giving notice thereof to the General Manager within 20 days of the General Manager's notice. A Shareholder who is not represented at the performing of the inventory count shall be deemed to have approved the inventory count as taken.

5.2. Reconciliation and Adjustment of Inventories

Forthwith after taking an inventory count, inventory adjustments shall be made by the General Manager for averages and shortages and each Shareholder shall be provided a statement listing the overages and shortages. The General Manager shall be held accountable to the Company only for shortages due to lack of diligence.

6. CREDITS

6.1. Credits for Revenues

The General Manager will credit the Company with revenues received by the General Manager as such including, for example:

- (a) collection of insurance proceeds related to the Operations when the insurance premiums have been charged to the Company;
- (b) sales of property, plant, equipment and materials of the Operations in the normal course of the day-to-day business;
- (c) rentals received, refunds of custom duties or transportation claims, rebates, and other credits pertaining to Operations;
- (d) credits received from third parties for the use of facilities or services of the Operations;

- (e) refunds for defective equipment when the General Manager receives the corresponding payments from the manufacturers or agents; and
- (f) any other credits for materials recovery or from other sources which correspond to the Company.

SCHEDULE C

NET SMELTER RETURNS ROYALTY

Pursuant to the Agreement to which this Schedule C is attached either (i) SM Sub and its Affiliates or (ii) NGE (the “**Royalty Holder**”) may be entitled to a royalty equal to 2% of net smelter returns from the Properties payable by the other of them (the “**Operator**”).

MINERAL ROYALTY DEED

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Particulars [] Project

Dated as of [DD/MM/YYYY]

Parties

Payer Name [OPCO]
ABN
ACN
Address
Email
Authorised Officer

Payee Name ●
ABN
ACN
Address
Email
Authorised Officer

The parties agree that in consideration of the mutual promises contained in this deed and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties):

1 Definitions and interpretation

1.1 Definitions

Unless the context otherwise requires, the following expressions have the respective meanings in this deed (including the Recitals):

“**Adjustment**” means any adjustment that may be made by the Payer to the Royalty Records and a Statement:

- (a) which arise from a subsequent adjustment to the amount paid to the Payer based on the actual Products recovered after refining;
- (b) to correct any accounting or recording errors from previous Quarters;
- (c) which are otherwise made in accordance with this deed; or
- (d) which are agreed by the parties.

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

“**Allowable Deductions**” mean the following costs actually paid or incurred by the Payer, in relation to the Sale of Products extracted and recovered from the Mining Area after mining and milling or other initial processing within or adjacent to the Tenements:

- (a) costs of smelting and refining and retorting the Ores and Minerals, including metal losses and Penalties for impurities and all umpire charges and other processor deductions;
- (b) road, sea and rail freight, transportation, security and incidental costs and expenses, including forwarding, shipping, demurrage, delay and insurance costs, incurred between the outer boundary of, or adjacent to, the Tenements and the point of delivery of the Products into a Refinery, including the cost of transport to and between any Refinery or other places of treatment;
- (c) handling and incidental costs and expenses including agency, banking, assaying, sampling, weighing, loading, unloading, stockpiling and storage;
- (d) Carried Forward Deductions;
- (e) taxes (excluding taxes based on the income of the Payer), royalties, duties, levies and charges lawfully imposed by a Governmental Authority in relation to the Products extracted and recovered from the Mining Area; and

but do not include:

- (f) actual sales costs, and marketing, representation, agency and brokerage costs of the Products subject to the Royalty;
- (g) any other incidental charge or expense incurred between the outer boundary of, or adjacent to, the Mining Area up to the point of delivery of the Products into a Refinery, including on-site transport and storage;
- (h) administrative and other general overhead costs;
- (i) any exploration, development, construction, mining, crushing, treatment or concentrating costs incurred by the Payer within or adjacent to the Tenements; and
- (j) where Products are loaded, treated, milled, processed, transported or unloaded outside the Tenements in a Refinery wholly or partially owned by the Payer or a shareholder, Affiliate of the Payer, any costs and expenses that are in excess of those which would be paid or incurred by the Payer on Arm’s Length Terms, or which would not be Allowable Deductions if those Products were processed by a Third Party.

“**Argentinian Law**” is Argentinian law including regulations, by-laws, and other subordinate legislation and guidelines, and common law and equity, which applies to any matter or thing arising under, or affected by, this deed.

“Arm’s Length Terms” means, for the purposes of calculating the Royalty, prices and terms no less favourable to the Payer than those which would be paid and agreed to by a Third Party in an arm’s length transaction under similar circumstances.

“Assumption Deed” means a deed in such form as may be reasonably required by the party for whose benefit the deed is to be made (acting in a timely and prompt manner) whereby the assignee or other recipient of an interest in the Tenements, or any rights in relation to Products extracted and recovered from the Mining Area, agrees to assume, be bound by and perform the obligations in this deed of the party from which it acquires its interest and rights.

“Average Spot Price” for a Quarter means the arithmetic average of the price of a Product, on each Business Day of the Quarter, where such price is arrived at using the industry standard in the world for establishing the average spot price of such Product as published in Metal Bulletin.

“Canadian Dollar Equivalent” means, where sum to which this deed relates is not stated in Canadian dollars, the amount determined by converting the amount in foreign currency into Canadian dollars at the Exchange Rate existing when the relevant revenue was earned or receivable, or the relevant expenditure was incurred, by the Payer.

“Business Day” means a day on which trading banks are open for business in the capital city of Canada.

“Carried Forward Deduction” means the amount of Allowable Deduction that exceeds the Gross Revenue in a Quarter, which may then be carried forward and deducted from Gross Revenue in subsequent Quarters.

“Commencement Date” means the later of the Execution Date and the date on which the extraction and recovery of any Product commences from the Mining Area.

“Concentrate” means Ore in which particular Minerals are the principal components having commercial value.

“Concession Maintenance Obligations” means all the expenses, works and investment obligations required under Argentinian Law, including Sections 215, 216, 217 and 225 of the Argentinian Mining Code to maintain the Tenements valid and in good standing.

“Confidential Information” has the meaning ascribed under clause 13.1.

“Consumption Tax” means:

- a) in the case of Canada, the tax payable under Part IX of the Excise Tax Act, R.S.C. 1985, c. E 15, as amended and any harmonized sales tax or provincial sales tax in jurisdictions in which it is applicable.
- b) in the case of a jurisdiction other than Canada, any goods and services tax, value added tax, sales tax or similar tax levied by a Governmental Authority.

“Dispute” means a dispute or difference between 2 or more of the parties in relation to the rights or obligations of the parties under, or in relation to, this deed, including the calculation and payment of the Royalty.

“Dispute Notice” means a written notice given by one party to the other parties that a Dispute has arisen which requires resolution in accordance with this deed.

“Encumbrance” means any security interest, mortgage, pledge, lien, charge, title retention arrangement, trust or power, or other form of security or interest having effect as a security for the payment of any monetary obligation or the observance of any other obligation whether existing or agreed to be granted or created.

“Encumbrancee” means a person who is entitled to the benefit of an Encumbrance over the Tenements, the Royalty or over a party’s rights under this deed.

“Exchange Rate” means, in respect of any foreign currency:

- (a) the average of the buy and sell rates for the foreign currency in Canadian Dollars, all such conversions being determined using the daily mid-point rate for the relevant currency exchange provided by the Bank of Canada noon rates.
- (b) if those rates are not quoted, then the average of the buy and sell rates for the foreign currency as quoted by any two major Canadian trading banks selected by the Payer in good faith and on a consistent basis

on the day on which the Exchange Rate is to be determined (or, if the Exchange Rate is to be determined on a day that is not a Business Day, then on the immediately preceding Business Day).

“Execution Date” means the date of this deed.

“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.

“Gross Revenue” means in respect of an expired Quarter the aggregate of:

- a) the gross proceeds that are actually received by the Payer (or an Affiliate of the Payer) or applied to its benefit, from the Sale (whether immediate or for future delivery) during the expired Quarter of all Products extracted from the Tenement where the Sale is effected on an arms-length basis on normal commercial terms, including the proceeds received from an insurer in the case of loss of, or damage to, the Products (net of any excess paid in respect of that loss), less any applicable Penalties, refunds, claims or discounts. This value being in Canadian Dollars, or in Canadian Dollar Equivalent; or
- b) if Sales are effected by the Payer (or an Affiliate of the Payer) on any other basis than on an arms-length basis on normal commercial terms, or if Products extracted from the Tenement is disposed of by the Payer (or an Affiliate of the Payer) otherwise than by Sale (whether immediate or for future delivery) during the expired Quarter, an amount equal to the Average Spot Price multiplied by the quantity of the Product extracted from the Tenement so sold or otherwise disposed of by the Payer (or an Affiliate of the Payer) during the expired Quarter, in Canadian Dollars, or in Canadian Dollar Equivalent;

“IFRS” means the international financial reporting standards adopted by the International Accounting Standards Board, as amended from time to time or any successor standards.

“Interest Rate” means that rate which is 2 percentage points higher than the prime rate of the Royal Bank of Canada on the due date for payment or, if the prime rate is not published on that day, on the day before the due date for payment on which the prime rate was most recently published.

“Listed Shares” means shares of a company admitted to official quotation of a recognized stock exchange including but not limited to the Australian Stock Exchange, Toronto Stock Exchange, Canadian Securities Exchange and London Stock Exchange. These shares will be subject to such resale restrictions and hold periods as may be imposed by applicable securities legislation, and the rules and policies of the exchange they are listed on.

“Minerals” means any naturally occurring substance, ore, concentrates and other

primary, intermediate and final mineral products or other mineral substances including but not limited to antimony, arsenic, bismuth, cadmium, caesium, chromite, cobalt, columbium, copper, galena, germanium, gold, indium, iridium, iron minerals, lead, lithium, manganese, mercury, molybdenite, nickel, niobium, platinum group minerals, platinum, rare earth minerals, rubidium, scandium and its ores, selenium, silver, sulphur, tantalum, tin, titanium, tungsten and its ores, uranium, vanadium, zinc, zirconia, coal, all other hydrocarbons, and all industrial minerals, diamonds, evaporates, limestone, rock, gravel, sand, clay.

“Mineral Rights” means prospecting licences, exploration licences, mining leases, mining licences, mineral concessions and claims and other forms of mineral tenure or other rights 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 applicable law in Argentina whether contractual, statutory or otherwise.

“Mining Area” means the area within the boundaries of the Tenements existing at the Execution Date where mining activities are conducted from time to time during the term of this deed, and any other area to which the parties agree this deed applies.

“Mining Operations” means every kind of work and activity carried out on or in respect of the Tenements including:

- (a) the acquisition, registration and maintenance of the Tenements;
- (b) developing, designing, constructing and equipping all mining facilities;
- (c) extracting, mining, producing, improving, smelting, treating, refining, transporting and handling of Ores and Tailings and disposing of Tailings and despatching Ores, concentrates and other Products won from the Tenements;
- (d) the construction and re-location of any roads, railway lines, telephone lines, waterways or other natural or man-made utilities required in order to facilitate any activity on or in respect of the Tenements; and
- (e) the restoration of the Tenements and all other work done after the completion of mining activities to comply with environmental and like requirements.

“Net Smelter Return” means, for a Quarter, the amount determined by subtracting the Allowable Deductions for such Quarter from the Gross Revenues for such Quarter.

“Offer” has the meaning given in clause 10(a).

“Ore” means any Mineral or mixture of minerals of intrinsic economic interest located in or on the Earth's crust at a concentration above background level.

“Party” means either the Payer or the Payee as the context requires.

“Parties” means the Payer and the Payee.

“Penalty” means a charge made by a Refinery, in addition to normal refining costs, for removing from the Product minerals or other substances where the cost of the removal exceeds the value of those minerals or other substances.

“Product” means all Minerals or other product extracted for use or commercial sale which is produced or extracted by or on behalf of the Payer or an Affiliate of the Payer from the Tenements (whether in concentrate or otherwise) but excluding any Minerals that are associated with or contained in the product that is extracted for use or commercial sale and for which the Payer or its Affiliate receives no credit;

“Proposed Assignee”, as the context requires, means:

- a) the independent third party referred to in clause 10(a)(i); or
- b) the person referred to in clause 10(a)(ii);

“Quarter” means a period of 3 consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year, other than the first Quarter which commences on the Commencement Date and expires on the date immediately preceding the next to occur of 1 January, 1 April, 1 July or 1 October.

“Refinery” means a smelter, refinery or other processing facility.

“Representative” of a party includes an employee, agent, officer, director, auditor, advisor, partner, consultant, joint venturer or sub-contractor of that party.

“Royalty” means the perpetual royalty payable by the Payer to the Payee in cash pursuant to this deed calculated by multiplying the Royalty Percentage by the Net Smelter Return.

“Royalty Percentage” means 2%.

“Royalty Records” means the books, accounts and records maintained by or on behalf of the Payer showing reasonable detail in relation to:

- (a) the quantity of Products produced in each Quarter;
- (b) the calculation of each component of the Royalty for each Quarter;
- (c) the payment of the Royalty in each Quarter; and
- (d) where there is any commingling of Products in a Quarter with materials from areas extracted outside the Mining Area, the measures, moistures and assays of the minerals and substances in the Products extracted and recovered from the Mining Area prior to the commingling, including those substances which attract a Penalty.

“Sale” means the transfer of title to Products by or on behalf of the Payer or any affiliate of the Payer to a person other than an affiliate of the Payer, and is deemed to include a Loss prior to any such transfer, and **“Sold”** shall have a corresponding meaning;

“Statement” means, for a Quarter, a statement setting out in reasonable detail:

- (a) the quantities and grades of Products recovered and sold during the Quarter;
- (b) the individual elements which make up the royalty calculation, being the Gross Revenue, Adjustments, Allowable Deductions, and Carried Forward Deductions (if any) for the Quarter;
- (c) the Royalty payable for that Quarter; and
- (d) any other material information which is relevant in verifying the accuracy of the Royalty payment.

“Tailings” includes tailings, residues, waste rock, spoiled leach materials and other materials resulting from Mining Operations and activities conducted on or adjacent to the Mining Area, whether such operations and activities took place before or after the Commencement Date.

“Tenement” means the Mineral Rights listed in Schedule 1, and includes any application for a Mineral title, and any extension, renewal, variation, conversion, amalgamation, replacement or substitution of a Mineral title, which is granted in respect of the whole or part of the area of a Mineral title on the application of the Payer or on the authority of the Payer.

“Third Party” means a person not a party, or Affiliate of a party, to this deed.

“Trading Arrangements” means forward sale and/or purchase contracts, spot-deferred contracts, futures trading, and commodity option contracts and/or other price hedging and price protection arrangements and mechanisms and speculative purchases and sales of forward, futures and option contracts, both on and off commodity exchanges and does

not include physical sales of mineral products with delivery.

1.2 Interpretation

In this deed, unless the context otherwise requires:

- (a) the singular includes the plural and vice-versa;
- (b) headings do not affect the interpretation of this deed;
- (c) a reference to a party means a party to this deed as listed on page 1 of this deed and includes that party's executors, administrators, substitutes, successors and permitted assigns;
- (d) references to a part, clause, schedule, exhibit and annexure refers to a part, clause, schedule, exhibit or annexure of, in or to this deed;
- (e) a reference to this deed includes all schedules, exhibits and annexures to this deed;
- (f) a reference to an agreement, deed, instrument or other document includes the same as amended, novated, supplemented, varied or replaced from time to time;
- (g) a reference to a court is to a Canadian court;
- (h) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued under, that legislation or legislative provision;
- (i) a reference to a day, month or year is relevantly to a calendar day, calendar month or calendar year;
- (j) a reference to \$ or dollars is to the lawful currency of Canada;
- (k) the expressions "including", "includes" and "include" have the meaning as if followed by "without limitation"; and
- (l) no rule of construction is to apply to the disadvantage of a party on the basis that that party drafted the whole or any part of this deed.

1.3 Accounting matters

Unless otherwise agreed by the parties, all accounting matters are to be determined in accordance with sound accounting practices customary in the mining industry which are generally accepted and consistently applied globally.

2 Royalty

2.1 Royalty obligation

- (a) The Payer hereby grants and conveys the Royalty in favour of the Payee on the terms and conditions set out in this deed.
- (b) The obligation to pay the Royalty in respect of any Product will accrue upon the Sale or disposal of such Product. Where the Sale or disposal of Products or the deposit of refined metals is made on a provisional basis, the amount of Royalty shall 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.

2.2 Calculation and payment of Royalty

Within 30 days after the end of each Quarter, the Payer must:

- (a) calculate the Royalty payable for that Quarter, if any;
- (b) provide the Payee with a Statement in respect of that Quarter, even if there is no

Royalty payable in respect of that Quarter; and

- (c) if the Royalty is payable, pay to the Payee the Royalty due by it for that Quarter, in immediately available funds without demand, reduction or set-off (except any deduction or withholding required by law):
 - (i) by direct deposit to the bank account nominated by the Payee, which the Payee may, by notice to the Payer, change from time to time; or
 - (ii) if no bank account is nominated, by bank cheque payable to the Payee.

2.3 Adjustment of Royalty

- (a) The parties recognize that a period of time exists between the extraction and recovery of Ore, the production of Concentrates from Ore, the production of Products from Concentrates, and the receipt by the Payer of the Products or the Sale or other disposal of the Products.
- (b) Accordingly, the payment of Royalty in respect of a Quarter may not coincide exactly with the actual amount of Products produced during the Quarter. The Payer may make Adjustments to the Royalty Records and the Statement following determination of an Adjustment and must provide a final Statement of the Royalty due for a Quarter within 30 days of determination of the final Adjustment.

2.4 Deduction from Royalty and other payments

- (a) If a party making a payment to another party under this deed is legally required to deduct any tax, duty, levy, impost, deduction, charge or withholding from that payment, the deduction is for the account of the party receiving the payment.
- (b) The Payer may make any payment due to a Payee in the currency in which it is payable under this deed and with the deduction of any commission or expense relating to any necessary foreign currency conversion or any other related bank charge.
- (c) If the Payer is required by law to deduct any tax, duty, impost, charge or withholding from a payment of Royalty, including Consumption Tax (“**Tax Deduction**”), the Payer must:
 - (i) promptly, upon becoming aware that it is required to make the Tax Deduction, or if there is any change in the rate or the basis of the Tax Deduction, notify the Payee of the amount, date and proposed recipient of the required Tax Deduction;
 - (ii) make the Tax Deduction and pay the minimum amount required by law to the relevant Governmental Authority within the time allowed; and
 - (iii) within 30 days of making either the Tax Deduction or any payment required in connection with that Tax Deduction, deliver to the Payee evidence satisfactory to the Payee, acting reasonably, that the Tax Deduction has been made and paid as required.

2.5 Interest and costs

- (a) Without limiting the rights of the Payee in relation to any breach of this deed by the Payer, if the Payer fails to pay the Royalty due under this deed on or before the due date for payment, then the Payer must also pay to the Payee immediately on demand:
 - (i) interest on the amount due from the due date up to and including the date upon which the moneys are paid, calculated on a daily basis and

compounded with monthly rests; and

- (ii) all costs and expenses (including legal costs and expenses on a full indemnity basis) incurred by the Payee which are attributable to the Payer's failure to pay by due date.
- (b) The rate of interest is the Interest Rate or such other similar rate of interest as the parties may agree in writing.

2.6 Finality of Statement

A Statement for a Quarter and payment of the Royalty in accordance with that Statement is final and in full satisfaction of all obligations of the Payer with respect to and payment of the Royalty for that Quarter unless:

- (a) the Payee does not agree with the Statement, in which case the Payee may, within 12 months of receiving the Statement or the report of an Auditor appointed in accordance with this deed (whichever is the later), provide the Payer with a Dispute Notice in which case the dispute resolution procedures under clause 15 of this deed apply; or
- (b) there has been any fraud, deliberate miscalculation, or reckless calculation of the Royalty by the Payer.

2.7 Royalty a continuing obligation

The obligation to pay the Royalty continues, with respect to each Tenement, for the full term of the Tenement, including any successor Tenement and throughout the period that any Product can lawfully be extracted and recovered, unless this deed is previously terminated in accordance with its terms.

2.8 Property Interest

The Royalty interest retained by the Payee, as provided in this deed, shall constitute a real property interest in all portions of the Tenements and not be merely contractual in nature.

2.9 Perpetuity period

If the vesting of any interest under this deed would, but for this clause, be void under the rule against perpetuities at common law or under any statute imposing perpetuity periods, then that interest terminates one day before the end of the maximum time from the date of this deed permitted by the law of British Columbia, Canada for that interest to be valid.

2.10 Further assurance

If the Payer intends to extend, renew, convert or substitute any Tenement for a new Tenement, the Payer must give written notice to the Payee at least 30 days prior notice of its intention to do so, and the Payee may then require the Payer to execute an Assumption Deed confirming that this deed applies to the new Tenement.

3 Representations, warranties and acknowledgements

3.1 Party representations and warranties

Each party represents and warrants as at the Execution Date for the benefit of the other parties that:

- (a) **(Incorporation)** it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation;
- (b) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this deed;

- (c) **(Corporate authorisations)** all necessary authorisations for the execution, delivery and performance by it of this deed in accordance with its terms have been obtained;
- (d) **(No legal impediment)** its execution, delivery and performance of this deed complies with its constitution and does not constitute a breach of any law or obligation, or cause a default under any agreement by which it is bound;
- (e) **(Insolvency)** no meeting has been convened, resolution proposed or order made for the winding up, or the appointment of an administrator, of it, and no mortgagee or chargee has taken, attempted to take or indicated an intention to exercise its rights under any security; and
- (f) **(No trust)** it enters into and performs this deed on its own account and not as trustee for or nominee of any other person.

3.2 Payer covenants concerning Tenements

The Payer covenants for the benefit of the Payee that it will, at its cost, for the duration of this deed:

- (a) keep the Tenements in good standing including satisfying the Concession Maintenance Obligations;
- (b) observe the provisions of the law and all Argentinian Laws affecting the Tenements;
- (c) comply with the terms and conditions of each Tenement in all material respects;
- (d) renew and extend each Tenement, which is not otherwise relinquished or surrendered in accordance with this deed, as and when it becomes due for renewal and extension in accordance with Argentinian Laws;
- (e) not relinquish or surrender any of the Tenements except in accordance with this deed or Argentinian Laws or the terms and conditions of the Tenement; and
- (f) not permit the creation of any Encumbrance, or sell, assign or otherwise deal with or dispose of the whole or any part of its interest or right in a Tenement, except in accordance with this deed.

3.3 Acknowledgement of other activities

Each party acknowledges for the benefit of the other parties that each other party has 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 under this deed, without being obliged to disclose such activities to the other parties or invite or allow any other party to participate in those activities including activities involving tenements adjoining the Mining Area.

4 Mining Operations

4.1 Mining Operations obligations

- (a) The Payer must use its best endeavours to conduct any Mining Operations on the Tenements safely and efficiently and in a good, workmanlike and commercially reasonable manner in accordance with good global mining practice.
- (b) The Payee must not unduly interfere with the conduct of Mining Operations on the Tenements or the business carried on by the Payer in respect of the Tenements.

4.2 Maintenance of Tenements

The Payer acknowledges and agrees that the Payer is responsible, at the Payer's cost, for

observing the provisions of Argentinian Laws and all other legislation affecting the Mining Operations conducted by the Payer for the duration of this deed, including in respect of all of the Tenements:

- (a) lodging in good time all required reports;
- (b) paying all fees, rents, rates, royalties, taxes and other similar payments due;
- (c) ensuring all Concession Maintenance Obligations conditions are met or exemptions obtained; and
- (d) making all necessary applications for renewals of the Tenements.

4.3 Payer to determine Tenement operations

The Payee acknowledges and agrees that the Payer:

- (a) owes the Payee no duty to explore, develop or mine in any of the Tenements, or to do so at any rate or in any manner other than that which the Payer may determine in its sole and unfettered discretion;
- (b) has complete discretion concerning the nature, timing and extent of all exploration, development, and Mining Operations conducted on the Tenements and may suspend operations and production on the Mining Area at any time it wishes to do so, whether or not the operations are affected by force majeure;
- (c) may, but is not obliged to, treat, mill, sort, concentrate, refine, or otherwise process, beneficiate or upgrade Ores, Concentrates and Products; and
- (d) is not liable for any mineral or commercial value lost in processing Ores, Concentrates and Products in accordance with good mining practice, and no Royalty is due on any such lost value.

4.4 Commingling

- (a) The Payer may commingle Products extracted from the Mining Area prior to being dispatched with other Ores, Concentrates or products produced elsewhere than from the Mining Area in accordance with the terms of this deed and customary good mining and metallurgical practice applied reasonably, but before doing so must take, measure and retain representative samples of such Ores, Concentrates and products for moisture, metal, commercial minerals, penalty substances and other appropriate content so as to be able to determine their metal or mineral content, using the same procedures for each separate Ore source.
- (b) The Payer must establish, and record in the Royalty Records, the methods and practices adopted by the Payer necessary to weigh, sample, assay and perform other measuring or testing necessary to fairly allocate to each party the valuable minerals and metals contained in the Products extracted and recovered from the Mining Area prior to being dispatched from the Mining Area.
- (c) The Payer must retain:
 - (i) the representative samples taken from the Mining Area for not less than 30 days after notice of collection is given to the Payee, with the Payee being entitled to inspect the same; and
 - (ii) the Royalty Records for a reasonable amount of time, but not less than 18 months, after receipt by the Payee of the Royalty paid on commingled Products extracted from the Mining Area.

4.5 Tailings

If any Tailings extracted under or pursuant to any Tenement are processed or reprocessed in the future and result in Products, those Products shall be subject to the

Royalty.

4.6 Samples

The Payer may, without being liable to pay Royalty under this deed, mine, remove and supply small amounts of Minerals reasonably necessary for sampling, assaying, metallurgical testing and evaluation of the mineral potential of the Tenements, unless revenues are derived therefrom.

5 Trading Arrangements

5.1 Acknowledgement by the parties

Each party acknowledges that:

- (a) any other party may engage in Trading Arrangements which may involve the delivery, or possible delivery, of any mineral products; and
- (b) except as otherwise provided in this deed, the Payer has no obligation to account to the Payee for, and the Payee has no interest or right to participate in, any profits or incur any losses of Trading Arrangements engaged in by the Payer. In the case of Sales of Product pursuant to the terms of any Trading Arrangements, Gross Revenue shall be calculated based on the Average Spot Price multiplied by the quantity of the Product sold under such Trading Arrangements during the expired Quarter, in Canadian Dollars, or in Canadian Dollar Equivalent and not the sale price under the Trading Arrangements.

5.2 Waiver and acknowledgement

- (a) The Payee waives any claim for additional Royalty arising from the Payer realising more proceeds of Sale of Products from its Trading Arrangements than is properly utilised in the Royalty calculation.
- (b) The Payer acknowledges that the Payee is not obligated to share in any losses generated by the Payer's Trading Arrangements with respect to any Products and any such losses must not be reflected in the Royalty calculation.

6 Information and audit

6.1 Royalty Records

The Payer must keep, or cause to be kept, true and accurate Royalty Records in accordance with IFRS and generally accepted mining industry practice consistently applied, including tonnage, volume of Products, analyses of Products, weight, moisture, assays of payable content and other records and supporting materials, as appropriate, related to the computation of the Royalty hereunder, and must permit the Payee or its representatives to inspect such records.

6.2 Information and reporting

- (a) The Payee may request from the Payer, from time to time, and the Payer must provide, such general information as the Payee might reasonably require for the purpose of determining the amount of Products derived from Mining Operations and the amount of Royalty to which the Payee is, or may in the future be, entitled pursuant to this deed.
- (b) Within 60 days following the end of each calendar year, the Payer must provide the Payee with an annual report of Mining Operations during the preceding calendar year, which report must include details of:
 - (i) mining activities conducted on the Mining Area;
 - (ii) the amount of Products produced during the calendar year;

- (iii) ore reserve data for the calendar year; and
- (iv) estimates of proposed expenditures upon, anticipated production from and estimated remaining ore reserves of proposed Mining Operations for the succeeding calendar year and any changes to, or replacements of, the mine plan or any 'life of mine plan' with respect to Mining Operations and the Mining Area.

6.3 Inspection and audit of Royalty Records

- (a) The Payee may, upon reasonable notice to the Payer and at reasonable times and at its own cost, within 60 days of receiving a Statement in respect of a Quarter, appoint a firm of chartered professional accountants (the “**Auditor**”) to inspect, audit and report on the Royalty Records of the Payer to the Payee in respect of that Quarter.
- (b) The Payer must give the Auditor appointed by the Payee reasonable access to the Royalty Records of the Payer at its offices, or elsewhere as agreed, in respect of the payment of the Royalty for that Quarter.

6.4 Access, inspection and technical audit

- (a) The Payee may, upon reasonable notice to the Payer and at reasonable times and at its own cost and risk, inspect any Mining Operations, provided that the Payee must ensure that it does not unduly interfere with Mining Operations or with the general conduct by the Payer of its business and complies with the reasonable requirements of the Payer and its safety officers.
- (b) The Payer must provide all reasonable access to the Payee and to the mining engineer appointed by the Payee sufficient and necessary to reasonably carry out such technical audit.
- (c) The Payee must ensure that any audit undertaken by, or on behalf of, the Payee is conducted promptly and diligently.
- (d) Where the Payer is commingling Products extracted from the Tenements prior to being dispatched from the Mining Area with other Ores, Concentrates, mineral products, metals and minerals produced elsewhere:
 - (i) the Payee may, at reasonable times and at its own cost and risk and not more than once in every 24 months upon reasonable notice to the Payer, by itself or by a qualified and recognised mining engineer appointed by it, inspect and conduct a technical audit on the methods and practices used by the Payer in weighing, sampling, assaying or other measuring or testing of Products extracted from the Tenements, and
 - (ii) in doing so must comply with the reasonable requirements of the Payer and its safety officers.

6.5 Consequences of financial audit

- (a) If the Payee notifies the Payer of any underpayment or overpayment of the Royalty which the Auditor, in its reasonable opinion, determines exists, or the audit determines that any Royalty paid has been calculated in error, the Payer must, on being provided with a copy of the report of the Auditor, make an Adjustment of the Royalty due for the next Quarter accordingly (in the full amount of such error), unless the Payer provides the Payee with a Dispute Notice under this deed in relation to the relevant Statement within 3 months of receiving the report of the Payee’s Auditor.

- (b) If the Royalty properly payable is established by audit to be more than 5% more or less than the Royalty set out in a Statement provided by the Payer, the Payer must refund to the Payee forthwith the costs in full of the audit.

6.6 Consequences of technical audit

- (a) The Payee may, upon request, provide the Payer with a copy of any report arising from a technical audit conducted under this clause which raises, as a matter of concern, any matter concerning the weighing, sampling, assaying or any other measuring or testing practice which is not consistent with good mining and metallurgical practice used globally applied reasonably.
- (b) If the Payer does not accept that there is a matter of mining and metallurgical practice which it is prepared to, and does, correct, either party may give a Dispute Notice under this deed in relation to that matter within 3 months of receiving the report from a technical audit.

7 Relinquished Tenements

7.1 Notice of relinquishment of Tenements

The Payer must give the Payee at least 30 days prior written notice of its intention for any reason (including being compelled or required by Argentinian Law) to relinquish, surrender, withdraw from or not renew or extend the whole or any part of a Tenement, (“**Relinquished Tenement**”) prior to relinquishing, surrendering, withdrawing from or failing to renew or extend the Tenement.

7.2 Payee right of conveyance of Relinquished Tenement

- (a) Within 21 days of receiving a notice of intention to relinquish, surrender, withdraw from or not renew or extend the Relinquished Tenement, the Payee may, if the Relinquished Tenement is capable of being conveyed to the Payee, give notice to the Payer requiring them to convey the Relinquished Tenement to the Payee, free of Encumbrances, for no further consideration, and the Payer must do so forthwith, together with all material information and data which the Payer has within its possession or control relating to the Relinquished Tenement.
- (b) Upon the Payer conveying the Relinquished Tenement to the Payee under this clause, then from the date of conveyance the Payer shall have no further obligation to pay the Royalty to the Payee under this deed in relation to that Relinquished Tenement.

7.3 Surrender of Relinquished Tenement

If the Payee does not exercise its right to acquire the Relinquished Tenement, then the Payer may proceed to relinquish, surrender, withdraw from or not renew or extend the Relinquished Tenement and, subject to the rights arising on Revival (as defined below), this deed no longer applies to the Relinquished Tenement.

7.4 Compulsory surrender of Relinquished Tenement

If the Payer are required by law to relinquish or surrender part of a Tenement and that part Tenement is not capable of being conveyed to the Payee, then the Payer may relinquish or surrender that part of the Tenement and upon relinquishment or surrender, but subject to the rights arising on Revival, this deed no longer applies to the part of the Tenement relinquished or surrendered.

7.5 Total abandonment or surrender of Tenements

Subject to the rights arising on Revival, if the Payer relinquishes, surrenders, withdraws from or conveys to the Payee all of the Tenements, then this deed terminates on the latest of the date of the relinquishment, expiry or surrender of the last of the Tenements

or the date of the last conveyance to the Payee.

7.6 Revival of obligations under a Relinquished Tenement

If any Tenement or an interest in any Tenement in respect of any part of the area of any Relinquished Tenement is granted to or acquired by the Payer or a Affiliate of the Payer within 10 years of its relinquishment or surrender (**Revival**), then upon such grant or acquisition the area of the Relinquished Tenement or the relevant part of it again becomes subject to this deed and the obligation to pay the Royalty by the Payer as part of the Mining Area.

8 Royalty specifics

8.1 Insurance

- (a) The Payer must purchase or otherwise arrange at its own expense and keep in force at all times insurance for the loss, theft or destruction of Products arising out of or resulting from Mining Operations conducted on or relating to the Mining Area in such amounts as will adequately protect the Payer and the Payee. Where the Royalty calculation provisions so provide, the cost of such insurance is an Allowable Deduction from Gross Revenue.
- (b) The Payer must use its best endeavours to have the Payee named as a loss payee in respect of its interest under any security agreement over all loss, theft or destruction insurance policies relating to the Mining Area or the Products.

8.2 No Assumption of Liability

The Payee does not assume, by its execution of this deed or acceptance of the Royalty, any liability, obligation or commitment of the Payer, whether known or unknown, actual or contingent, now-existing or hereafter arising ("**Excluded Liabilities**") which Excluded Liabilities include, but are not limited to, the following:

- (a) any and all obligations and liabilities of the Payer relating to or arising from the environmental or other conditions in respect of any portion of the Mining Area or from Mining Operations; and
- (b) any and all obligations and liabilities of the Payer to any grantor of the Tenements, or any contractor or agent of the Payer, or any Governmental Authority.

8.3 Indemnity

The Payer indemnifies and holds harmless the Payee and its Affiliates ("**Indemnified Parties**") from and against:

- (a) any loss, theft or destruction of Products extracted from the Tenements; or
- (b) any loss, cost or liability, including reasonable legal fees, claimed by a third party against any Indemnified Party in connection with the Mining Operations,

provided that if such loss, theft, destruction, cost or liability was contributed to by any act or omission of any Indemnified Party, the Payer's indemnity to an Indemnified Party is reduced by the proportion in which the relevant Indemnified Party contributed to such loss, theft, destruction, cost or liability.

9 Assignment and Encumbrances

9.1 Assignment by Payer

The Payer may not sell, transfer, grant, assign or otherwise dispose of ("**Transfer**") all, part of, or any interest or right in, any of the Tenements, or any rights in relation to Products extracted and recovered or to be extracted and recovered from the Mining Area to a Third Party or an Affiliate except:

- (a) by the Sale of Products, and if the terms of Sale are not Arm's Length Terms then the Payer is deemed to receive a value calculated on Arm's Length Terms; or
- (b) where the Payer has first executed and delivered to the Payee an Assumption Deed in favour of the Payee executed by the Payer and the assignee or other recipient of the interest and rights being the subject of the Transfer.

9.2 Payer release and survival

- (a) The Payer is released from its obligations under this deed in respect of the interest subject to the Transfer as from the date of the Transfer, but only if a Transfer is completed materially in accordance with this deed, and without affecting its obligations arising prior to that date.
- (b) The rights of the Payee survive the Transfer and do not merge on or by virtue of completion and registration of the Transfer.

9.3 Indemnity and damages

- (a) The Payer may not make or attempt to make a Transfer of any interest or rights that does not materially comply with the requirements of this deed and agrees to fully indemnify the Payee from all loss, damage, claims and expenses (including legal costs on a full indemnity basis) resulting from any breach by the Payer of this deed in relation to the Transfer. The Payee is not to be taken to have provided its approval or acceptance of any purported Transfer that does not materially comply materially with the requirements of this deed and any such purported Transfer is void.
- (b) If any act or omission of a party under this deed gives a party a right to damages or gives rise to liability of a party under any indemnity given under this deed, then except where this deed specifically provides otherwise, such damages or liability shall be limited to the direct, proximate and foreseeable loss attributable to such act or omission, after taking in account any obligation of the party seeking damages or indemnification to mitigate its loss, and neither party nor any other person claiming through or under a party shall be entitled to damages or indemnification for indirect, remote or unforeseeable loss or for any loss in the nature of compensation for loss or denial of opportunity, loss of goodwill or business reputation or other similar indirect or pure economic loss occasioned by that act or omission.

9.4 Grant of Encumbrance

The Payer covenants in favour of the Payee and the other parties that it will not grant any Encumbrance over the Tenements or its rights under this deed unless the Encumbrancee executes an Assumption Deed under which the Encumbrancee agrees to be bound by the terms of this deed in exercising the Encumbrancee's powers or remedies under the Encumbrance, as if it was a party to this deed.

10 Right of First Refusal

- (a) If the Payee:
 - (i) receives a bona fide offer from an independent third party dealing at arm's length with the Payee to purchase or take an assignment of the Royalty, which offer the Payee desires to accept; or
 - (ii) intends to assign the Royalty to any person, then the Payee must first offer ("**Offer**") the Royalty in writing to the Payer upon terms no less favourable than those offered by the Proposed Assignee or intended to be offered by the Payee, as the case may be.

- (b) The Offer must specify the price and terms and conditions of such assignment, the name of the Proposed Assignee (which will, in the case of an intended offer by the Payee, mean the person or persons to whom the Payee intends to offer the Royalty) and, if the offer received by the Payee from the Proposed Assignee provides for any consideration payable to the Payee otherwise than in cash, then the Offer must include the Payee's reasonable estimate of the cash equivalent of the non-cash consideration.
- (c) Within fourteen (14) days after receipt of the Offer, the Payee may object in writing to the determination of the cash equivalent of the non-cash consideration (which is included within the Offer as required by clause 10(a)(ii)) and upon such an objection being made the Parties must seek to agree upon that cash equivalent but if they cannot reach agreement within fourteen (14) days after the date of objection, then that cash equivalent will constitute a Dispute to be resolved in accordance with clause 15 (the cost of which determination must be borne, if the cash value determined is less than that determined by the Payee, by the Payee and in any other case by the Payer).
- (d) If within a period of sixty (60) days of the receipt of the Offer, the Payer notifies the Payee in writing that it or its nominee will accept the Offer, then the Payee will be bound to assign the Royalty to the Payer or its nominee (as the case may be) and the Payer or its nominee (as the case may be) will be bound to purchase the Royalty on the terms and conditions of the Offer.
- (e) If the Payer rejects the Offer or fails to notify the Payee before the expiration of the period specified in clause 10(c) that it or its nominee will purchase the Royalty offered, then the Payee may assign the Royalty to the Proposed Assignee at the price and on the terms and conditions specified in the Offer for an additional period of sixty (60) days. The assignment must be accompanied by an Assumption Deed in which the Payer and Payee are parties and in which the Proposed Assignee agrees to be bound by the terms of this deed in the place of the Payee as if it was a party to this deed.
- (f) Clauses 10(a) to 10(d) (inclusive) will again apply to the Royalty if the assignment to the Proposed Assignee is not completed within the sixty (60) day period specified in clause 10(d).

11 First Option to Purchase 1% NSR

- (a) The Payee irrevocably grants the Payer the sole and exclusive right (but not obligation) to purchase (either itself or through an Affiliate) half of all rights to the Royalty under this deed (being a right to receive a 1% Net Smelter Return Royalty) ("**First Option**"). The First Option is exercisable by the Payer at any time except that the Payer shall not have any right to exercise the First Option at any time that an Offer has been made by the Payee pursuant to Clause 10 unless (i) the Payer rejects the offer or fails to notify the Payee before the expiry of the period specified in clause 10(c) and (ii) the assignment to the Proposed Assignee is not completed in the period prescribed in clause 10(d). To exercise the First Option, the Payer must, (i) make a one-time payment to the Payee of an amount of \$2,000,000 in immediately available funds, or, at the option of the Payee, a payment in Listed Shares (or an Affiliate of Payer) of the same value, calculated based on the volume weighted average price of such Listed Shares during the 15 trading days prior to the date when the payment is made; and (ii) provide notice to the Payee that it has exercised the First Option and completed the required payment under this clause 11(a).

- (b) Upon exercise of the First Option in accordance with clause 11(a), the Payer (or its Affiliate, as applicable) and Payee shall execute and deliver such instruments, in registrable form, as the Payer may reasonably require to evidence its purchased interest in the Royalty, including:
- (i) such documents as are required to effect the transfer and assignment by Payee of its right to receive one half of the Royalty;
 - (ii) an amendment and/or restatement of this deed such that the “Royalty Percentage” will be defined as 1% instead of 2% and addressing such other related changes as are reasonably required to reflect the exercise of the First Option; and
 - (iii) if applicable, a separate deed, reflecting the same terms and conditions as the deed referred to in Section 11(b)(iii) but reflecting the applicable Affiliate of Payer as the payee thereunder.

12 Second Option to Purchase Remaining 1% NSR

- (a) Payee irrevocably grants Payer a sole and exclusive right (but not obligation) to purchase (either itself or through a nominee) all remaining rights to the Royalty under this deed (being right to receive the remaining 1% Net Smelter Return Royalty) (“**Second Option**”) The Second Option is exercisable by the Payer at any time following exercise of the First Option except that Payer shall not have any right to exercise the Section Option at any time that an Offer has been made by the Payee pursuant to Clause 10 unless (i) the Payer rejects the offer or fails to notify the Payee before the expiry of the period specified in clause 10(c) and (ii) the assignment to the Proposed Assignee is not completed in the period prescribed in clause 10(d). To exercise the Second Option, the Payer must: (i) have already exercised the First Option; (ii) make a one-time payment to the Payee of an amount of \$5,000,000 in immediately available funds or, at the option of the Payee, a payment in Listed Shares (or an Affiliate of Payer) of the same value, calculated based on the volume weighted average price of such Listed Shares during the 15 trading days prior to the date when the payment is made and (iii) provide notice to the Payee that it has exercised the Second Option and completed the required payment under this clause 12(a).
- (b) Upon exercise of the Second Option in accordance with clause 12(a), the Payer (or its nominee, if applicable) and Payee shall execute and deliver such instruments, in registrable form, as the Payer may reasonably require to evidence such purchase of its purchased interest in the Royalty, including:
- (i) such documents as are required to effect the transfer and assignment by Payee of its right to receive the remaining Royalty and to reflect the exercise of the Second Option; and/or
 - (ii) a written termination of this deed.

13 Confidentiality

13.1 Non-disclosure of Confidential Information

The Payee shall not, without the express written consent of the Payer, which consent shall not be unreasonably withheld, disclose any data or information concerning the operations of the Payer obtained in connection with this deed which is not already in the public domain (the “**Confidential Information**”); provided, however, the Payee may disclose Confidential Information without the consent of the Payer: (i) if required by applicable Law or requested by a Government Authority having jurisdiction over the Payee or its Affiliates; (ii) to the Payee’s Affiliates and to any representatives,

consultants or advisers of the Payee or its Affiliates for the purpose of providing services to the Payee or its Affiliates; and (iii) to any person to whom the Payee, in good faith, anticipates transferring an interest in this deed and such person's Affiliates and the representatives, consultants and advisers of such person or its Affiliates. In the case of disclosure pursuant to clause (ii) or (iii), the Payee shall be responsible to ensure that the recipient of the Confidential Information does not disclose the Confidential Information to the same extent as if it were bound by the same non-disclosure obligations of the Payee hereunder. Notwithstanding the foregoing, the Payee shall not be restricted from disclosing the terms of this deed or credits/payments on account of the Royalty. For greater certainty, the Payee shall be entitled to disclose publicly data or information concerning the operations of the Payee, without the consent of the Payer, once such information has been publicly disclosed by the Payer.

13.2 Announcements and press releases

A party must not make announcements or press releases relating to this deed and the transactions contemplated under this deed without consulting the other parties to the form and manner of the announcement or release unless and to the extent that the announcement or release is required to be made by the party, or an Affiliate of the party, by law, including by a recognised stock exchange.

13.3 Public Reporting

If the Payee at any time is required by applicable law to publicly disclose information pertaining to the Royalty or the Tenements or this deed and the exploration, development and production activities within the boundaries of the Tenements, then the Payer will provide to Payee, at Payee's sole expense, such reasonable assistance and cooperation as Payee may require to meet the requirements of National Instrument 43-101 *Standards for Disclosure for Mineral Projects* or similar reporting standards in any applicable jurisdictions, or the requirements imposed by stock exchanges on issuers, all as determined in writing by Payee including, without limitation, provision of technical reports by qualified persons, only to the extent previously prepared by Payer and available, certificates and consents and access to data, documents and the Tenements.

14 NOTICES

14.1 Form of Notice

- (a) Any notice, direction or other instrument required or permitted to be given under this deed will be in writing and may be given by the courier delivery of the same or by mailing the same by prepaid registered or certified mail or by sending the same by email, fax or other similar form of communication, in each case addressed as follows:

If to the Payee:

Golden Arrow Resources Corporation
Suite 312, 837 W. Hastings Street
Vancouver, British Columbia V6C 3N6
Canada
Email:ncacos@grossogroup.com
Attention: Nikolaos Cacos

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

Blake, Cassels, Graydon LLP
2600-595 Burrard Street
Vancouver, British Columbia
V7X 1L3, Canada

Email: kathleen.keilty@blakes.com
Attention: Kathleen Keilty

If to the Payer:

[OPCO]

[•]

Email: [•]

Attention: [•]

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

[•]

Email: [•]

Attention:

- (b) Any notice, direction or other instrument will be deemed to have been given and received on the day it was delivered.
- (c) A party may at any time give to the other parties notice in writing of any change of address of the party giving such notice and from and after the giving of such notice the address or addresses therein specified will be deemed to be the address of such party for the purposes of giving notice hereunder.

15 Resolution of disputes

15.1 Dispute Resolution Process

All disputes arising out of or in connection with this agreement, or in respect of any legal relationship associated therewith or derived therefrom, shall be referred to and finally resolved by arbitration administered by the Vancouver International Arbitration Centre (VanIAC) pursuant to its applicable Rules. The place of arbitration shall be Vancouver, British Columbia, Canada. The number of arbitrators shall be one. The language of the arbitration shall be English. The arbitrator will have expertise in the metals and mining industry.

16 Ancillary provisions

16.1 Entire agreement

This deed contains everything the parties have agreed in relation to the subject matter it deals with. The parties agree that there are no implied covenants in or with respect to this deed, other than those of good faith and fair dealing.

16.2 No reliance or inducement

Each party warrants and agrees that when entering into this deed it relied exclusively on the terms expressly contained in this deed and on:

- (a) its own inspections, investigations, skill and judgement; and
- (b) opinions and advice obtained by it

and did not rely on any statements, inducements, undertakings, representations or advice given or made, whether orally or in writing, by or on behalf of any other party, including without limitation by any officer, employee, agent or adviser of any other party.

16.3 Enurement

The provisions of this deed enure for the benefit of and are binding on each party and

their respective successors and permitted assigns.

16.4 No partnership

Nothing contained or implied in this deed constitutes a party the partner, agent, or legal representative of another party for any purpose or creates any partnership, agency or trust, and no party has any authority to bind another party in any way.

16.5 Amendment

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

16.6 Prompt performance

If this deed specifies when the party agrees to perform an obligation, the party agrees to perform it by the time specified. Each party agrees to perform all other obligations promptly.

16.7 Severability

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

16.8 Waiver

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

16.9 Remedies cumulative

The rights and remedies provided in this deed are in addition to other rights and remedies given by law independently of this deed, except to the extent that they are expressly excluded.

16.10 Indemnities

The indemnities in this deed are continuing obligations, independent from the other obligations of the parties under this deed and continue after this deed terminates.

16.11 Applicable law

- (a) Except for matters of title to the Tenements or its assignment or transfer, which will be governed by the law of its situs, this deed is solely governed by the law in force in British Columbia and the laws of Canada applicable in British Columbia without giving effect to the conflict of laws principles in British Columbia and without reference to the laws of any other jurisdiction.
- (b) The parties irrevocably and unconditionally submit to and accepts the exclusive jurisdiction of the courts exercising jurisdiction in British Columbia, and any court that may hear appeals from any of those courts, for any proceeding in connection with this deed, subject to the right to enforce a judgement obtained in any of those courts in any other jurisdiction.

16.12 Further assurances

Each party must execute all documents and do all things reasonably necessary or desirable to give full effect to this deed and to any matter or thing contemplated pursuant to this deed.

This deed, or a memorandum of this deed, must, upon the written request of the Payee, be recorded in the office or register of any Governmental Authority identified in the

written request of the Payee, in order to give notice to third persons of the Payee's contractual entitlement to the Royalty under this deed. The Payer agrees with the Payee to execute those documents that may be necessary to perfect such recording.

16.13 Fees and charges

- (a) Each party must bear its own costs for the preparation, execution, delivery and performance of this deed.
- (b) All stamp duties and registration fees relating to the execution, registration and performance of this deed, and of all other documents arising out of this deed, must be paid by the Payer.

16.14 Counterparts

This deed may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed is deemed an original but all of which together constitute one and the same instrument. A copy of a counterpart sent by email must be treated as an original counterpart; is sufficient evidence of the execution of the original; and may be produced in evidence for all purposes in place of the original.

Schedule 1

List of Tenements as at the Execution Date

No.	Name	Status	Reg. Holder	Area (km ²)	Shire 1	Shire 2	Grant date	Expiry date
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Exhibit A

Map of Tenements

SIGNED, SEALED AND)
DELIVERED by)
as attorney for)
))
.....)
under power of attorney registered No.)
..... in the presence of:)
))
.....)
Signature of witness)
.....)
Name of witness (block letters))
))
.....)
Address of witness)
.....)
Occupation of witness)
))

.....
By executing this deed the attorney states that the attorney has received no notice of revocation of the power of attorney

SCHEDULE "C"
PERMITS

Environmental Permit or Declaración de Impacto Ambiental, File No. 425-000087-I-2002 dated January 19, 2022

SCHEDULE "D"

DISCLOSURE SCHEDULE

May 4th, 2022

To: Syndicate Minerals Pty Ltd (“**SM Parent**”)
Syndicate Minerals Mogotes Pty Ltd (“**SM Sub**”)
(collectively, the “**SM Entities**”)

From: Golden Arrow Resources Corporation (“**GRG**”)
New Golden Explorations Inc. (“**NGE**”)
Desarrollo De Recursos S.A. (“**Golden Argentina**”)
(collectively, the “**Golden Entities**”)

Dear Sirs/Mesdames:

Re: Earn-in Agreement

This letter, together with the attached schedules and exhibits, constitutes the Disclosure Schedule referred to and defined in the earn-in agreement (the “**Agreement**”) between the SM Entities and the Golden Entities, dated as of the date hereof. Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

The purpose of this Disclosure Schedule is to set forth in the attached schedules the disclosure of qualifications, modifications or exceptions to certain representations and warranties of the Golden Entities contained in the Agreement, and this Disclosure Schedule is deemed to constitute an integral part of the Agreement. The information contained in any part of this Disclosure Schedule is disclosed solely for the purposes of the Agreement, and descriptions or terms of agreements and documents herein are summaries only and are qualified in their entirety by the specific terms of such agreements and documents.

The numbering of the attached schedules corresponds to the same section or subsection in the Agreement. For greater clarity, any introductory language and headings in this Disclosure Schedule are inserted for convenience of reference only and will not create or be deemed to create a different standard of disclosure than the language set forth in the Agreement. In this Disclosure Schedule, the words “hereof”, “herein” and similar expressions refer to this Disclosure Schedule, and the words “including”, “includes” and similar expressions shall be deemed to be followed by the words “without limitation”. Information disclosed in any schedule of this Disclosure Schedule shall be deemed to be disclosed with respect to such other sections or subsections of the Agreement or this Disclosure Schedule to which such written information, on its face, would reasonably pertain to in light of the form and substance of the disclosure made.

No item in this Disclosure Schedule relating to any possible breach or violation of any agreement, law or regulation shall be construed as an admission or indication that any such breach or violation exists

or has actually occurred, and nothing in this Disclosure Schedule constitutes an admission of any liability or obligation of the Golden Entities to any third party or shall confer or give to any third party any remedy, claim, liability, reimbursement, cause of action or other right. For greater certainty, no reference herein to any agreement or document shall be construed as an admission or indication by the Golden Entities to any third party of any matter whatsoever, including, without limitation, that such agreement or document is enforceable or currently in effect, or that there are any obligations remaining to be performed or any rights that may be exercised under such agreement or document, except as otherwise explicitly set forth herein or in the Agreement. Items disclosed herein in response to provisions in the Agreement, whether or not such provisions are qualified by "materiality" or similar qualifications, are not necessarily considered by the Golden Entities to be material. The mere inclusion of disclosure regarding an item in this Disclosure Schedule will not be deemed to be an admission by the Golden Entities that such item (or any non-disclosed item or information of comparable or greater significance) is material or is required to be disclosed in connection with the representations, warranties or covenants made by the Golden Entities in the Agreement.

This Disclosure Schedule is qualified in its entirety by reference to the provisions of the Agreement, and is not intended to constitute, and shall not be construed as constituting, any representation, warranty, undertaking, assurance, covenant, indemnity, guarantee or other commitment of any nature whatsoever not expressly given in the Agreement. Unless otherwise stated, and all references to dollars, unless otherwise specifically indicated, are to Canadian dollars.

The SM Entities acknowledge that the information in this Disclosure Schedule is confidential and proprietary information of the Golden Entities which, if disclosed, would be seriously prejudicial to the interests of the Golden Entities. This Disclosure Schedule shall be governed by and construed in all respects in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Except as the context otherwise requires, the information set out in this Disclosure Schedule is presented as of the date hereof.

GOLDEN ARROW RESOURCES CORPORATION

"Joseph Grosso" (Signed)

Name: Joseph Grosso
Title: President

NEW GOLDEN EXPLORATIONS INC.

"Nikolaos Cacos" (Signed)

Name: Nikolaos Cacos
Title: President

DESARROLLO DE RECURSOS S.A.

"Ignacio Celorrio" (Signed)

Name: Ignacio Celorrio

Title: President

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Schedule 2.1[l]

All property fees have been paid up to the first semester of 2022 and, to the best of the Golden Entities, there are no other outstanding concession maintenance obligations.

Schedule 2.1[m]

To the best of the Golden Entities knowledge, there are no Laws that would preclude or prevent the entering into the Agreement or the performing of its actions contemplated in the Agreement, other than the appropriate permits to conduct Operations according to the applicable regulations.

Schedule 2.1[b]

Golden Argentina (Desarrollo de Recursos S.A.) shareholders at the date hereof are:

Authorized Capital	Number of issued and outstanding shares
49,615,320 shares	49,610,320 shares held by New Golden Explorations Inc. 5,000 shares held by Ignacio Celorrio in trust for Golden Arrow

Schedule 2.1[i]

A Royalty Agreement regarding four of the Mogotes properties was signed on August 3rd, 2000, between *Inversiones Mineras Argentinas S.A.* (original owner) and Mr. Nestor Guido Arturo. It is a 0.5% Royalty (the type of royalty is not defined in the Royalty Agreement) up to US\$500,000. The properties are: Adela I, File N° 425.098-A-00, Mogotes Norte, File N° 520.0275-V-97, Mogotes Sur, File N° 520.0274-V-97, and cateo N° 338.579-R-92.

Schedule 2.1[l,m,p]

The Golden Entities did not perform any works in the Properties from 2013 to January 2022.

Schedule 2.1[l, m. p, q, cc, ii]

After an inspection on site by the Mining Authority on October 21, 2021, the Mining Geological Technical Directorate (part of the Mining Authority) prepared a report stating clearly that there is no activity in the Mogotes properties (the "Report"). The Record has been notified to Golden Argentina on several files.

Schedule 2.1[l, m. p, q, cc, ii]

Golden Argentina did an exploration campaign during the first quarter of 2022. There is a requirement as per the Argentine Mine Code to invest and to work on the property. As Golden Argentina did not work on the Mogotes properties since 2013 and only performed a small campaign in 2022, Golden Argentina has limited its filings about investments and activity of the mines to a final report about such campaign, except in the case of three of the mines: Mogotes Norte, Mogotes Sur and Adela I, as explained below.

Schedule 2.1[l, m. p, q, cc, ii]

The investment plan for the mine Adela I File N° 425.098-A-00 was filed on October 27, 2003. Golden Argentina has received a notification related to fulfillment of investments and filed before the San Juan Ministry of Mining full compliance of the investment plan pursuant to Section 217 of the Argentine Mining Code (as investments were made before 2013). The investment plan was filed with the amounts of investments as per the old mining canon (land fee), in accordance with the plan filed in 2003. As of today, the Mining Authority has not contested the amounts of investments made.

Schedule 2.1[l, m. p, q, cc, ii]

The investment plan for the mine Mogotes Norte File N° 520.0275-V-97 was filed on October 26, 2003. Golden Argentina has received a notification related to fulfillment of investments and filed before the San Juan Ministry of Mining full compliance of the investment plan pursuant to Section 217 of the Argentine Mining Code (as investments were made before 2013). There were so far no objections from the mining authority with respect to the investments made. The investment plan was filed with the amounts of investments as per the old mining canon (land fee), in accordance with the plan filed in 2003. As of today, the Mining Authority has not contested the amounts of investments made.

Schedule 2.1[l, m. p, q, cc, ii]

The investment plan for the mine Mogotes Sur File N° 520.0274-V-97 was filed on October 26, 2003. Golden Argentina has received a notification related to fulfillment of investments and filed before the San Juan Ministry of Mining full compliance of the investment plan pursuant to Section 217 of the Argentine Mining Code (as investments were made before 2013). There were no objections from the

mining authority with respect to the investments made. The investment plan was filed with the amounts of investments as per the old mining canon (land fee), in accordance with the plan filed in 2003. As of today, the Mining Authority has not contested the amounts of investments made.

Schedule 2.1[l, m, p, q, cc, ii]

The investment plan for the mines Mogotes 1 File N° 156.277 -S-76; Mogotes 4 File N° 156.280-S-76; Mogotes 5 File N° 156.281-S-76; Mogotes 7 File N° 156.283-S-76, and Mogotes 14 File N° 156.290-S-76 was filed in 2018, after a request made by the Mining Authority. In 2018, these mines had no environmental permit (*Declaración de Impacto Ambiental*) approved.

Schedule 2.1[l, m, p, q, cc, ii]

Golden Argentina has received a notification regarding the fulfilment of investments on Mine Mogotes 1 mine, File N° 156.277 -S-76. Golden Argentina filed before the San Juan Ministry of Mining partial compliance of the investment plan pursuant to Section 217 of the Argentine Mining Code on Mogotes 1 (only one year, one sworn declaration). There are objections from the mining authority with respect to the investments made on Mogotes 1 File N° 156.277 -S-76, answered by Golden Argentina asking for clarification, currently pending review. The filing of the second and third sworn statements of the Investment Plan and Amount is pending (expired in theory in June 2020 and June 2021). Golden Argentina requested the Mining Authority to recalculate the deadlines of the Investment Plan, as the mines Mogotes 1, 4, 5, 7, and 14 were not included in the environmental permit (*Declaración de Impacto Ambiental*) until January 2022 and therefore no works could be done. Pending a decision from the Mining Authority.

Schedule 2.1[l, m, p, q, cc, ii]

Golden Argentina has received notifications regarding the fulfilment of investments on Mogotes 4 mine, File N° 156.280-S-76. Golden Argentina filed before the San Juan Ministry of Mining partial compliance of the investment plan pursuant to Section 217 of the Argentine Mining Code on Mogotes 1 (only one year, one sworn declaration). Golden Argentina requested the Mining Authority to recalculate the deadlines of the Investment Plan, as the mines Mogotes 1, 4, 5, 7, and 14 were not included in the environmental permit (*Declaración de Impacto Ambiental*) until January 2022 and therefore no works could be done. Pending a decision from the Mining Authority.

Schedule 2.1[l, m, p, q, cc, ii]

Golden Argentina received a notification from the Mining Authority in December 2021 regarding Mogotes 5 mine, File N° 156.281-S-76, stating that Investment Plan has not been complied with. Golden Argentina submitted a response stating that a campaign has been carried out in 2022 and provides the report of the tasks carried out in this mining campaign. Golden Argentina requested the Mining Authority to recalculate the deadlines of the Investment Plan, as the mines Mogotes 1, 4, 5, 7, and 14 were not included in the environmental permit (*Declaración de Impacto Ambiental*) until January 2022 and therefore no works could be done. Pending a decision from the Mining Authority.

Schedule 2.1[l, m, p, q, cc, ii]

On Mogotes 7 mine, File N° 156.283-S-76, Golden Argentina has not submitted the sworn declarations of investments. Golden Argentina requested the Mining Authority to recalculate the deadlines of the Investment Plan, as the mines Mogotes 1, 4, 5, 7, and 14 were not included in the environmental permit (*Declaración de Impacto Ambiental*) until January 2022 and therefore no works could be done. Pending a decision from the Mining Authority.

Schedule 2.1[l, m, p, q, cc, ii]

On Mogotes 14 mine, File N° 156.290-S-76, Golden Argentina has not submitted the sworn declarations of investments. Golden Argentina requested the Mining Authority to recalculate the deadlines of the Investment Plan, as the mines Mogotes 1, 4, 5, 7, and 14 were not included in the environmental permit (*Declaración de Impacto Ambiental*) until January 2022 and therefore no works could be done. Pending a decision from the Mining Authority.

Schedule 2.1[l, m, p, q, cc, ii]

Golden Argentina received a notification pursuant to art. 225 of the Argentine Mining Code to reactivate the mine Mogotes 6 File N° 156.282-S-76. Such reactivation plan is pending to be filed, deadline is June 2nd, 2022.

Schedule 2.1[l, m, p, q, cc, ii]

Golden Argentina has received a notification pursuant to art. 225 of the Argentine Mining Code to reactivate the Property Mogotes 9, File N° 156.285-S-76. Golden Argentina filed the reactivation plan on December 4, 2019. The Golden Entities have recently filed the works done during the first 24 months, pending review and acceptance by the Mining Authority.

Schedule 2.1[v]

To the best of Golden Entities knowledge, there is no overlapping between the Properties or protected areas potentially affecting the development of the Properties other than the San Guillermo Protected Area, the Glacier Law Inventory (other than the map attached hereto IANIGLA - 2016), the Provincial Law N° 1.076-L (map attached UNSJ – 2015), as well as the potential inclusion of any additional area where any authority might consider applicable the glacier and/or periglacier protected areas restrictions

Schedule 2.1[ll]

On March 16, 2022, the Golden Entities filed before the San Juan Ministry of Mines the fifth updated environmental report of the Mogotes properties.

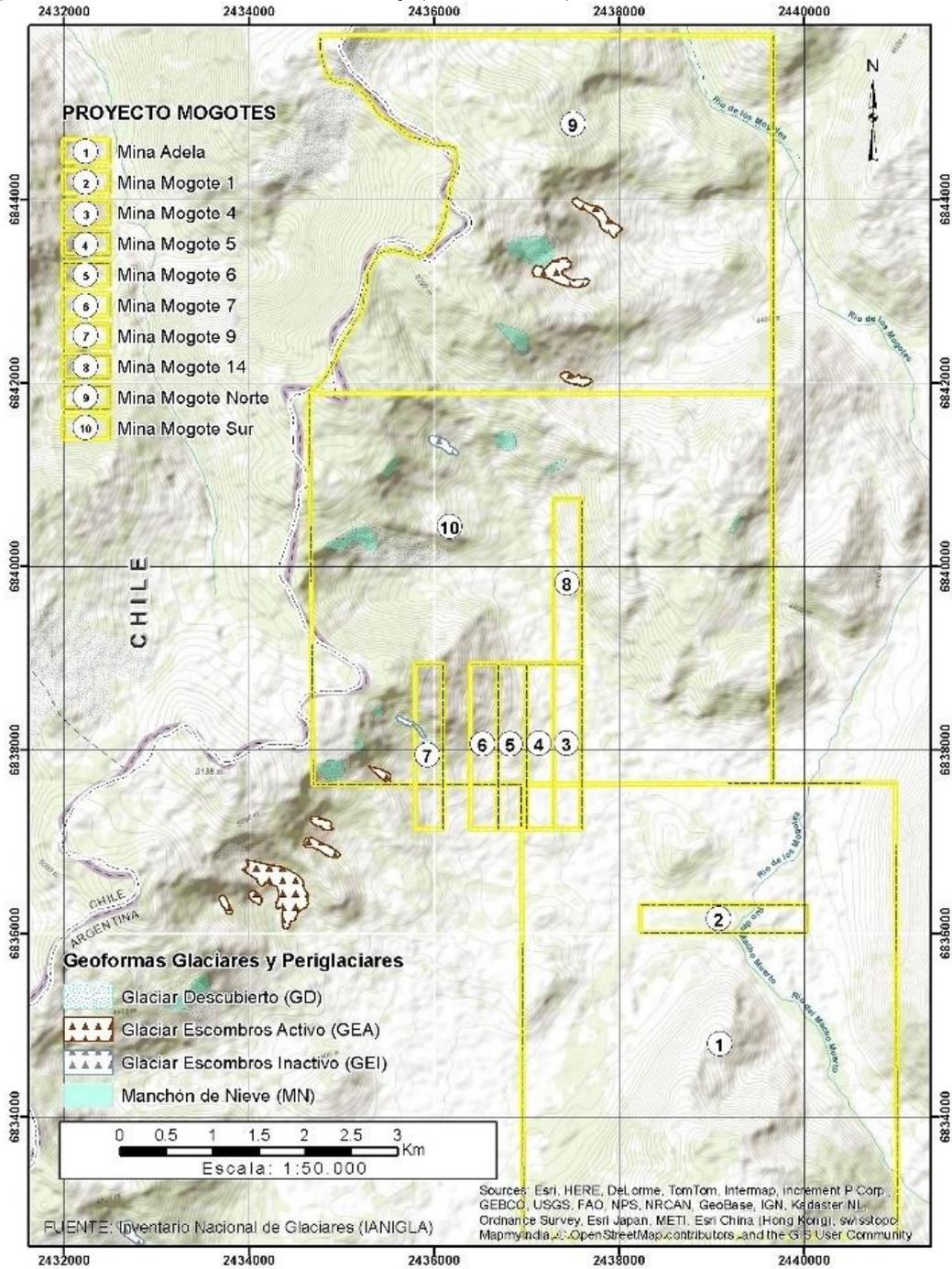
Schedule 2.1[ll]

The Golden Entities have initiated Environmental Baseline Studies as per Numeral 25, article 2 of the resolution approving the 3rd update of the environmental report dated January 19, 2022, as well as water quality monitoring, currently in progress, to be filed before the San Juan Ministry of Mines and the Secretary of Environment and Sustainable Development.

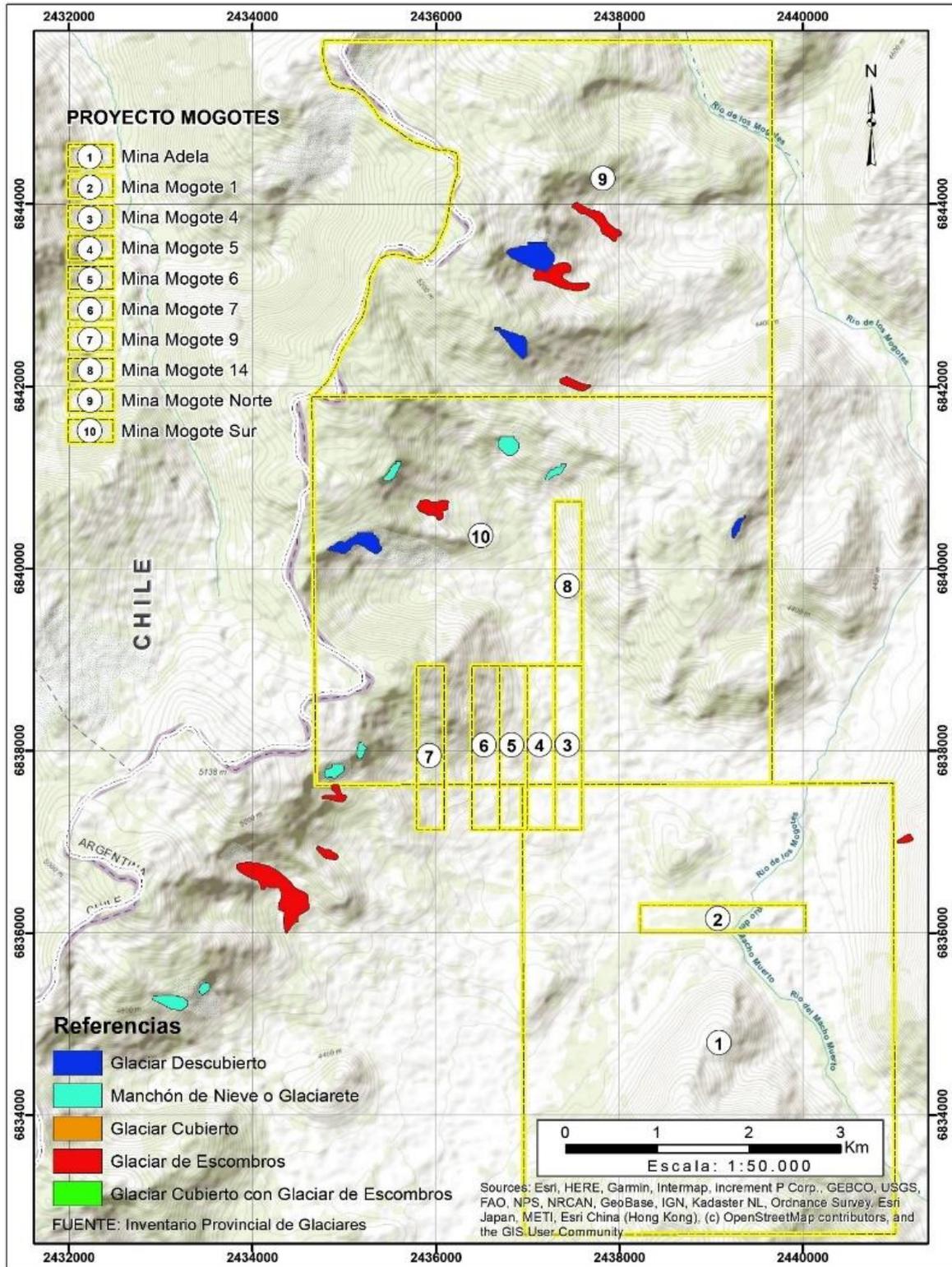
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Schedule 2.1[v]

The Golden Entities have not performed any glacier baseline study nor has obtained any expert's final report in regards to this issue. One of the tasks of the Operator will be to identify and characterize the potential glacier natural formations to comply with the Federal Glacier Law 26.639/10 and with the Provincial Law 1.076-L. Section 2.1. (i), (w). Maps from the National Glaciers Inventory (IANIGLA, 2016) and the Provincial Glaciers Inventory (UNSJ – 2015) are included below.



National Glaciers Inventory (IANIGLA, 2016)



Provincial Glaciers Inventory (UNSJ – 2015)