



NI 43-101 TECHNICAL REPORT ON THE MONITOR PROJECT

Shoshone County, Idaho
Mineral County, Montana

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Abbreviations

1VD	first vertical derivative
AAL	American Analytical Laboratory
AMCOR	American Cordillera Mining Corporation
BLM	Bureau of Land Management
CCI	Chris Christopherson, Inc.
CRM	certified reference material
Ethos	Ethos Geological, Inc.
Ga	billion years ago
GPS	global positioning system
HQ	drill core, 63.5 mm diameter
ICP-OES	inductively coupled plasma optical emission spectroscopy
IGS	Idaho Geological Survey
IP	induced polarization
MDEQ	Montana Department of Environmental Quality
NALLC	Northern Adventures LLC
NI 43-101	National Instrument 43-101
NQ2	drill core, 50.5 mm diameter
NSR	net smelter return
nT	nanotesla
QA/QC	quality assurance/quality control
QP	Qualified Person
RTP	reduced to pole
SME-RM	Registered Member, Society for Mining, Metallurgy & Exploration
TCO	Transatlantic Mining Corp.
USD	United States dollars
USFS	United States Forest Service
USGS	United States Geological Survey

DISCLAIMER

Ethos Geological, Inc. (Ethos), Inc. has prepared this document for Transatlantic Mining Company (TCO), our client. Any use or decisions by which a third party makes of this document are the responsibility of such third parties. In no circumstance does Ethos accept any consequential liability arising from commercial decisions or actions resulting from the use of this report by a third party. The opinions expressed in this document have been based on the information available to Ethos at the time of preparation. Ethos has exercised all due care in reviewing information supplied by others for use on this project. While Ethos has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. Ethos does not accept responsibility for any errors or omissions in the supplied information, except to the extent that Ethos was hired to verify the data.

Certificate of Qualified Person

I, Zachary J. Black, SME-RM (4156858RM), certify that I am employed as President of Ethos Geological, with an office address of 902 North Wallace, Ste. A, Bozeman, Montana 59715, U.S.A. This certificate applies to the technical report titled “National Instrument 43-101 Technical Report on the Monitor Project, Shoshone County, Idaho and Mineral County, Montana” that has an effective report date of July 10, 2025 (the “Technical Report”).

I graduated from the University of Nevada, Reno with a Bachelor of Science in Geological Engineering in 2005. I have practiced my profession continuously for 20 years as an employee of mining and engineering companies and as a consulting geological engineer, with extensive experience in precious and base metal deposits, geological mapping, drilling supervision, QA/QC, data validation, and resource modeling. I am a member in good standing of the Society for Mining, Metallurgy, and Exploration, Inc. — Registered Member (SME-RM 4156858RM). I have read the definition of “qualified person” set out in National Instrument 43-101 and certify that by virtue of my education, professional affiliation, and relevant work experience, I fulfill the requirements to be a “qualified person” for those sections of the Technical Report for which I am responsible.

I personally inspected the Monitor Project on July 10, 2025. I am responsible for all sections of the Technical Report. I am independent of Transatlantic Mining Corp., the vendor, and the project as independence is defined in Section 1.5 of NI 43-101. I have had no prior involvement with the project.

I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information, and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information required to be disclosed to make those sections of the Technical Report not misleading.

Dated this 20th day of December, 2025.

“Signed and sealed”



Zachary J. Black
SME-RM (4156858RM)

1 Summary

1.1 Introduction

This Technical Report, prepared by Ethos Geological, Inc. (Ethos) for Transatlantic Mining Corp. (TCO), provides information on the Monitor Copper Project to allow the reader to assess the merit of further exploration. The Project is located at the eastern margin of the Coeur d'Alene mining district, straddling the Idaho-Montana border, and encompasses five historical copper mines: Monitor, Richmond, St. Lawrence, Big Elk, and Copper Age.

1.2 Property Description and Location

The Project is located approximately 41 km southeast of Wallace, Idaho, spanning Shoshone County, Idaho, and Mineral County, Montana. The Project covers 1,028.38 ha across 124 unpatented lode claims and one patented claim (St. Lawrence). The claims are situated within the St. Joe and Lolo National Forests and remain in good standing.

TCO holds an 80% joint venture interest in the unpatented claims under an Option and Joint Venture Agreement with Northern Adventures LLC (NALLC) and American Cordillera Mining Corporation (AMCOR). TCO also holds a 25-year leasehold interest in the St. Lawrence patented claim under a lease with David Voit, expiring June 24, 2040 and renewable for an additional 25 years. Production is subject to net smelter return (NSR) royalties totaling 3–4%.

1.3 Geology and Mineralization

The Project is situated within the Bitterroot Mountains, part of the Mesoproterozoic Belt Supergroup, a northwest-trending basin formed approximately 1.48 Ga during intracratonic rifting of the Nuna supercontinent. The Belt Basin hosts thick sequences of metasedimentary rocks deposited in marine and alluvial environments. Regionally, structural deformation is dominated by Cretaceous compression and subsequent Cenozoic extension, producing folds, cleavage fabrics, and fault systems including the Osburn Fault within the Lewis and Clark line. These structures acted as fluid pathways for mineralizing events.

Copper mineralization occurs in steep to vertical, fault-hosted veins in the lower Wallace Formation, with local wall rock replacement. The veins are copper-dominant with minor gold and silver ($\text{Cu} \pm \text{Au} \pm \text{Ag}$). Primary sulfide mineralogy consists of chalcopyrite and pyrite, with pyrrhotite at depth. Gangue is dominated by siderite with subordinate calcite and quartz. Wall rock alteration includes bleaching, silicification, and carbonate addition. Near surface, veins are oxidized to gossan consisting of limonite after siderite.

The Monitor vein strikes ESE within a fracture zone up to 12 m wide, with a strike length of approximately 500 m. The Richmond vein strikes N 75° E and dips steeply north, with widths up to 4.5 m over a strike length of approximately 1,150 m. Big Elk is a NW-striking shear zone up to 1.8 m wide with a strike length of approximately 305 m.

1.4 Deposit Types

The Project is interpreted as a Coeur d'Alene-type polymetallic vein system: structurally controlled veins hosted in metasedimentary rocks of the Belt Supergroup, formed from metamor-

phic hydrothermal fluids during Cretaceous orogenesis.

Diagnostic features include siderite-dominated gangue with subordinate calcite and quartz, and wall rock alteration characterized by bleaching, silicification, and carbonate addition. Sulfide assemblages vary with stratigraphic position of the host rock. The Project veins are hosted in the Wallace Formation, stratigraphically above the principal mineralized horizons of the central Coeur d'Alene district. The metal suite (Cu ± Au ± Ag) is consistent with the upper portion of the stratigraphic zonation observed in Coeur d'Alene-type systems, where copper content increases upward through the Belt Supergroup stratigraphy.

Regional mapping indicates bedding dips shallowly southwest across the Project, placing the St. Regis and Revett Formations at depth beneath the exposed Wallace Formation. The structural zones hosting the Monitor and Richmond veins project downward through this stratigraphy.

1.5 Exploration

TCO conducted exploration activities from 2013 to 2024, including geochemical sampling (271 rock samples, 159 soil samples), geological mapping, and a ground-based magnetometer survey. The 2024 magnetometer survey covered 11.7 line-km at 100 m line spacing. Known vein structures were not detected, indicating the veins lack detectable magnetic minerals. An arcuate magnetic anomaly on the northwest edge of the survey area may represent a faulted segment of the gabbro sill or stratabound mineralization.

Two diamond drill programs were completed. In 2015, 14 drill core, 50.5 mm diameter (NQ2) holes totaling 1,834 m were drilled in the Richmond area. Seven holes intersected copper mineralization; representative intercepts include 1.58 m true width at 1.66% Cu in DHM#2 and 1.78 m true width at 0.71% Cu, 0.94 g/t Au, and 3.0 g/t Ag in DHM#10. In 2023, 14 drill core, 63.5 mm diameter (HQ) holes totaling 1,100 m were drilled at Big Elk. Ten holes encountered historical stopes, confirming vein geometry but limiting evaluation of remaining mineralization.

1.6 Interpretation and Conclusions

The stratigraphy, structural setting, mineralization, and alteration at the Monitor Project are consistent with a Coeur d'Alene-type polymetallic vein system, and TCO has applied an exploration model appropriate for this style of mineralization. Exploration and drilling confirm Cu mineralization with associated Au and Ag. Historical workings align with the interpretation that mineralization developed along structures within the Lewis and Clark Line.

The following table presents an Exploration Target with estimated tonnage and grade ranges for each vein system. **The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.**

Table 1.1: Exploration Targets

Vein System	Tonnage (t)	Cu (%)	Ag (g/t)	Au (g/t)
Monitor	550,000–1,300,000	1.5–2.5	3.5–7.5	0.8–4.2
Richmond	550,000–1,400,000	1.2–2.0	4.0–8.7	1.0–5.5
Big Elk	70,000–190,000	2.0–3.5	3.0–6.5	1.5–3.5

The data are adequate for this Technical Report and support continued exploration. There are

no known material risks beyond those inherent to mineral exploration at this stage.

1.7 Recommendations

The recommended exploration program comprises two phases with a Phase 1 budget of \$1,00,000 USD.

Phase 1 includes:

- Implementation of data management and quality assurance/quality control (QA/QC) systems
- Rehabilitation of the St. Lawrence workings for geological evaluation and underground drilling
- Channel sampling and geological mapping of accessible underground workings
- Metallurgical testing
- Surface geological mapping at 1:5,000 scale
- Expanded magnetic survey and induced polarization (IP)/resistivity surveying

Phase 2 surface drilling is deferred pending Phase 1 results. If underground work demonstrates sufficient grade, continuity, and metallurgical characteristics, drilling will test down-dip and along-strike extensions of vein structures and geophysical anomalies.

2 Introduction

2.1 Issuer

TCO (TSX-V: TCO) is a publicly listed Canadian mineral exploration company headquartered in Vancouver, B.C. The Company holds an 80% joint venture interest in the Monitor Copper Project (the Project or Monitor), located in Shoshone County, Idaho and Mineral County, Montana. The Project is situated at the eastern margin of the Coeur d'Alene mining district, also known as the Silver Valley, and covers three vein systems – Monitor, Richmond, and Big Elk – developed through historical underground workings including the Monitor Mine, Richmond Mine, St. Lawrence Mine, Big Elk Mine, and Copper Age prospect.

2.2 Terms of Reference and Purpose

The purpose of this report is to provide an independent Technical Report following the disclosure requirements set forth by National Instrument 43-101 (NI 43-101) – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. TCO contracted Ethos to prepare this Technical Report to support the disclosure of scientific and technical information and present the exploration potential of the Project.

This Technical Report includes a summary of available exploration data, geological interpretations, and an evaluation of the potential for vein-hosted copper mineralization. No mineral resource estimate has been prepared for the Project. The effective date of this report is 10 July 2025.

The report is intended to provide sufficient detail and analysis to allow the reader to understand the geology, exploration history, and technical merit of the Project, and to determine whether further exploration is warranted. This report may also be used to support corporate transactions, financing, or regulatory filings as required.

2.3 Sources of Information

Ethos and TCO have examined available documentation of historical production and exploration activities on the Property. Ethos sourced information from referenced documents as cited in the text and summarized in Item 27 of this report. The principal sources of information include historical production records and geological reports ([Anonymous, 1918](#); [Hershey, 1923](#); [Spalding, 1913](#)), United States Geological Survey (USGS) publications and regional geological mapping ([Lonn & McFaddan, 1999a](#); [Umpleby & Jones, 1923](#)), TCO diamond drilling data (2015 and 2023), surface rock chip and channel sampling results, geophysical survey reports, assay certificates and laboratory reports, and geological maps and cross-sections.

2.3.1 Units and Conventions

Unless otherwise stated, measurements in this report are in metric units and currencies are expressed in United States dollars (USD). Historical data from pre-1930 sources are reported in original units to preserve accuracy; metric equivalents are provided in parentheses where appropriate.

2.3.2 Units and Conventions

Unless otherwise stated, measurements in this report are in metric units and currencies are expressed in USD. Historical data from pre-1930 sources are reported in original units to preserve accuracy; metric equivalents are provided in parentheses where appropriate.

Table 2.1: Unit Conversions

Category	Imperial		Metric
Length	1 inch	= 2.54	centimeter (cm)
	1 foot (ft)	= 0.3048	meter (m)
	1 mile (mi)	= 1.609	kilometer (km)
Area	1 acre (ac)	= 0.4047	hectare (ha)
Mass	1 troy ounce (oz)	= 31.10	gram (g)
	1 pound (lb)	= 0.4536	kilogram (kg)
	1 short ton (st)	= 0.9072	metric tonne (t)
Grade	1 ounces per short ton (oz/t)	= 34.29	grams per tonne (g/t)
	1 parts per million (ppm)	= 1	g/t
	1 parts per billion (ppb)	= 0.001	g/t

Temperature in degrees Fahrenheit (°F) converts to degrees Celsius (°C) as: $^{\circ}\text{C} = (^{\circ}\text{F} - 32) / 1.8$

2.4 Qualified Person

The Qualified Person (QP) responsible for this report is Zachary J. Black, Registered Member, Society for Mining, Metallurgy & Exploration (SME-RM), of Ethos Geological. Mr. Black has 20 years of experience in mineral exploration, including structurally controlled copper and precious metal deposits in the western United States. Mr. Black is responsible for all Items of this report.

2.4.1 Details of Inspection

The QP visited the Project site over the course of one day, July 10, 2025, accompanied by Mr. Bernie Sostak and Mr. Ed Short of TCO. The QP conducted general field reconnaissance, located and verified drill-hole collar locations, and recorded field observations and measurements. The QP also entered the Anvil adit to observe a segment of the Big Elk vein system underground. The St. Lawrence and Joan's Dream claim blocks were not visited due to road conditions.

Based on observations in the field and conversation with TCO staff during the site visit, it is the QP's opinion that field activities are carried out in general accordance with industry standard practices and that samples and data are handled with reasonable and appropriate care.

3 Reliance on Other Experts

The QP verified claim ownership and standing through review of Bureau of Land Management (BLM) LR2000 records and Shoshone County records. The QP has not independently verified the legal interpretation of the underlying agreements described in this section. The following reliance statements relate to and apply to Section 4.2 and Section 4.3 of this Report. The QP disclaims responsibility for legal matters summarized from these agreements.

The QP has relied on the Option and Joint Venture Agreement dated February 5, 2013 (the “Option and Joint Venture Agreement”), among Archean Star Resources Inc. (now TCO), Northern Adventures, LLC and American Cordillera Mining Corporation, with respect to legal matters relating to title, ownership, rights and obligations under the agreement affecting the Project. The Option and Joint Venture Agreement was provided by the issuer. The QP considers reliance on this agreement to be reasonable as it represents a formal legal document executed by the parties. The full Option and Joint Venture Agreement is reproduced in Appendix C.

The QP has relied on the St. Lawrence Patented Claim Lease Agreement dated June 25, 2015 (the “Mining Lease”), between David Voit and Transatlantic Idaho Corporation (a subsidiary of TCO), with respect to legal matters concerning lease terms, surface rights, royalties, back-in rights and payments, and property description affecting the Project. The Mining Lease was provided by the issuer. The QP considers reliance on this lease to be reasonable as it represents a formal legal document executed by the parties. The full Mining Exploration Lease Agreement (St. Lawrence Patented Claim Agreement) is reproduced in Appendix B.

4 Property Description and Location

4.1 Location

The Project is located approximately 41 km southeast of Wallace, Idaho, straddling the Idaho-Montana border within the Coeur d'Alene Mining District. The Property comprises 124 unpatented lode claims and one patented claim (St. Lawrence) totaling 1,028.38 ha centered at approximately 47.35°N, 115.57°W. The claims are in three blocks: Joan's Dream, Monitor, and Big Elk. The claims are situated within United States Forest Service (USFS) lands straddling the border of Shoshone County, Idaho and Mineral County, Montana. A location map is provided in Figure 4.1. Detailed claim information is provided in Appendix A.

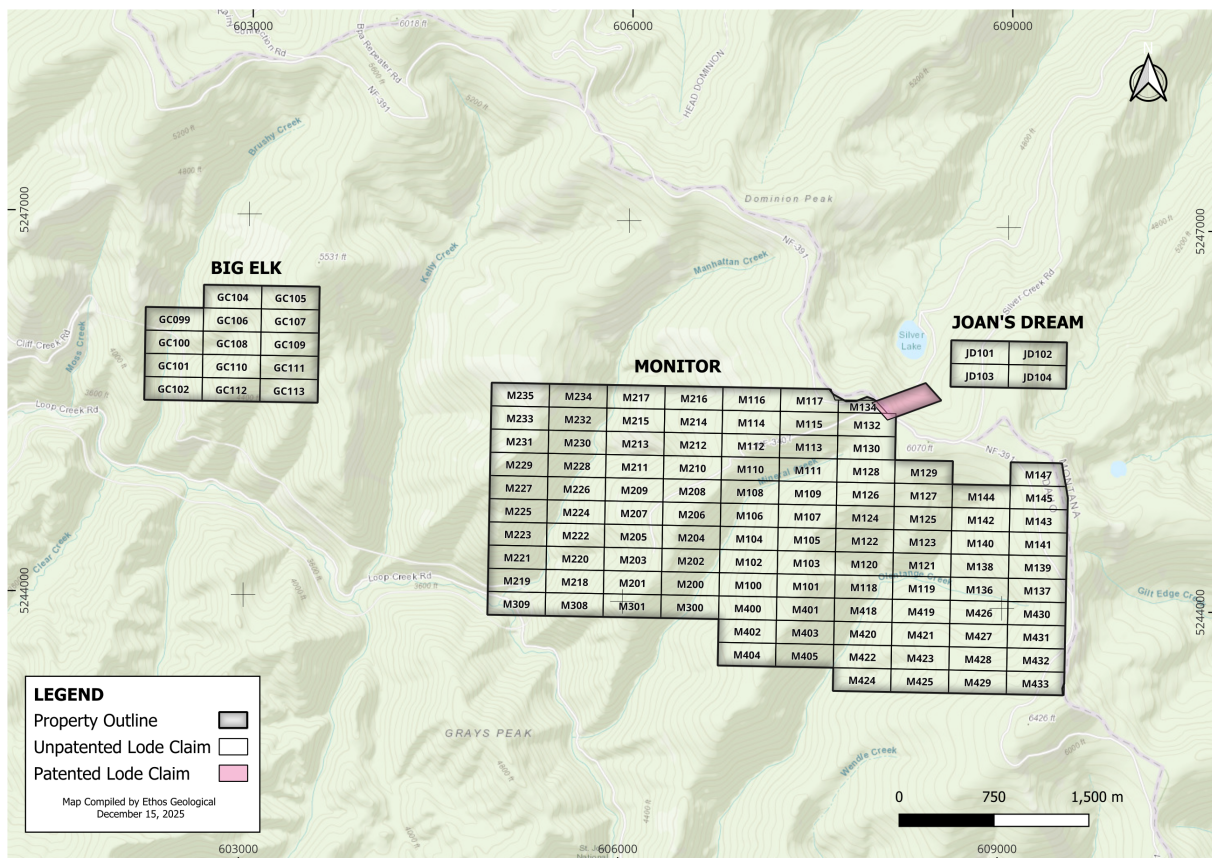


Figure 4.1: Monitor Project Claims

4.2 Property Ownership and Agreements

4.2.1 Unpatented Claims

TCO holds an 80% joint venture interest in 124 unpatented lode claims under an Option and Joint Venture Agreement dated February 5, 2013 (as amended March 12, 2015) with AMCOR and NALLC (Appendix C). TCO completed all earn-in requirements and the joint venture was deemed formed. AMCOR holds a 20% carried joint venture interest until TCO completes a feasibility study or makes a decision to mine.

TCO has the option to purchase 100% ownership from NALLC for \$15,000,000, with AMCOR obligated to contribute \$3,000,000 (20%). Upon such purchase, NALLC would retain a 1%

NSR.

NALLC is the registered owner of the 124 unpatented claims, which require annual maintenance fees of \$200 per claim paid to the BLM. All claims are in good standing.

4.2.2 St. Lawrence Patented Claim

TCO holds a leasehold interest in the St. Lawrence patented claim (Survey No. 5187, Mineral County, Montana; 6.37 ha) under a 25-year lease executed June 25, 2015 with David Voit, expiring June 24, 2040 and renewable for an additional 25 years at TCO's option (Appendix B). TCO pays an annual lease fee of \$10,000. The lease is in good standing. The agreement grants TCO access through St. Lawrence to the unpatented claims and permits cross-mining between properties.

4.3 Royalties and Encumbrances

4.3.1 Net Smelter Return Royalties

Production from the Property is subject to a tiered NSR payable to NALLC: 2% NSR if ore value is less than \$500 per tonne, or 3% NSR if ore value is \$500 per tonne or more. In addition, TCO pays David Voit a 1% NSR on all production from the Monitor ore body, Richmond ore body, and St. Lawrence patented claim, as well as specified claim sections (Township 46 North, Range 7 East, Sections 7-10 and 15-18, Shoshone County, Idaho). The cumulative royalty burden on production is 3-4% NSR (2-3% to NALLC plus 1% to Voit).

Should TCO exercise its option to purchase 100% ownership from NALLC for \$15,000,000, the NALLC royalty would be replaced by a 1% NSR, reducing the total royalty burden to 2% NSR (1% NALLC plus 1% Voit). NSR payments are made quarterly, due within one month after receipt of smelter proceeds.

4.3.2 Other Encumbrances

AMCOR holds a 20% carried joint venture interest in the Property, with no obligation to contribute to costs until TCO completes a feasibility study or makes a decision to mine. Upon such event, AMCOR must contribute proportionally (20%) to all project costs.

TCO has granted Voit a right of first refusal should Voit receive a bona fide offer to sell the St. Lawrence patented claim, with 30 days to evaluate and match any such offer.

4.4 Environmental Liabilities

Historical mining operations (1900–1926) produced waste rock and underground workings that discharge water at some locations. Site characterization by the Idaho Geological Survey (IGS) in 1998 found no impact to receiving waters. No enforcement actions or cleanup orders are in effect. Future operations may require water management as part of permitting.

4.5 Permits Required

The Property is located entirely on National Forest System lands administered by the USFS. Proposed work includes bulk sampling (10,000 tons from the St. Lawrence adit), geological mapping and sampling, geophysical surveys, and surface drilling.

The bulk sample operation from the St. Lawrence adit qualifies under Montana's small miner's exclusion (ARM 17.24.105) for operations disturbing less than 5 acres and producing less than 36,500 tons annually. The operation will require a Small Miner Exclusion Certificate from the Montana Department of Environmental Quality (MDEQ) with a reclamation plan and bond.

Surface drilling and associated activities in Idaho will require a Notice of Intent or Plan of Operations filed with the USFS St. Joe Ranger District, with requirements dependent on the extent of surface disturbance. A reclamation plan and bond will be required for activities causing more than minimal disturbance.

4.6 Factors Affecting Access, Title, and Right to Operate

There are no known material factors affecting access, title, or the ability to conduct the proposed work program. All agreements are in good standing.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility and Proximity to Population Centers

The Project is located approximately 41 km southeast of Wallace, Idaho, which provides basic services and supplies. More extensive services are available in Missoula, Montana (194 km east) and Spokane, Washington (140 km west), both on Interstate 90.

The Big Elk and Monitor claim blocks are accessed from Interstate 90 via Forest Service roads following Rainy Creek Road (FS 506) to State Line Road (NF-391). The St. Lawrence and Joan's Dream blocks can be accessed from the ridge via State Line Road, but road condition is poor and access is better from Interstate 90 at the Saltese exit via Silver Creek Road (USFS 305) and Silver Lake Road (USFS 9122) to the St. Lawrence portal (Figure 5.1). Access roads are suitable for four-wheel drive vehicles and are maintained by the USFS. Access is generally available May through October, with winter snow limiting access approximately four months annually.

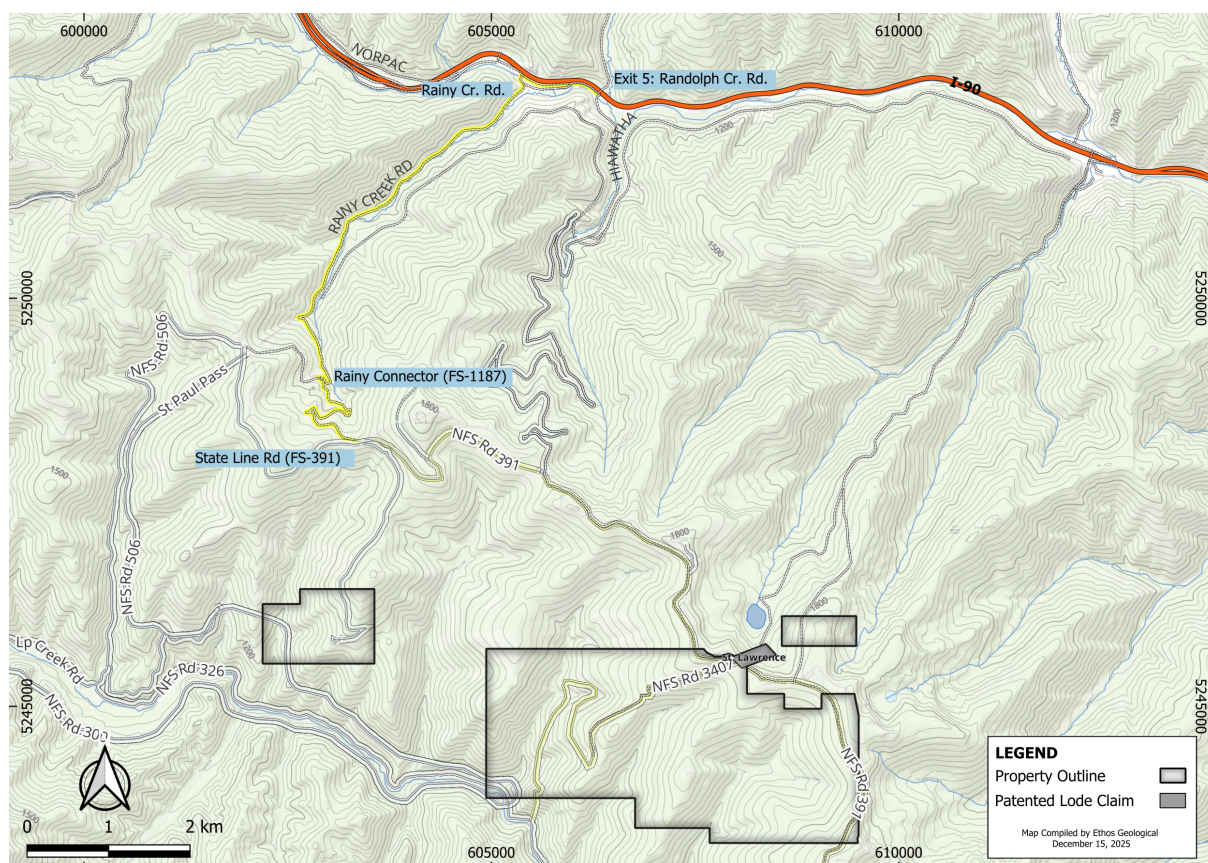


Figure 5.1: Project Access

5.2 Physiography

The Project is located in the Bitterroot Mountains, a range extending approximately 489 km along the Idaho-Montana border with peaks rising over 3,000 m. The Idaho claims occupy the western flank and the Montana claims the eastern flank of the range. The region is defined

by steep and rugged topography with stream channels forming a dendritic pattern. Project elevations range from approximately 1,100 m to 1,950 m above sea level. Vegetation consists of dense coniferous forest dominated by Douglas fir, lodgepole pine, and western larch, with understory typical of montane forests in the Northern Rocky Mountains.

5.3 Climate and Operating Season

The climate is continental mountain with cold winters and warm summers. Average winter temperatures are approximately 2°C, while summer temperatures average approximately 25°C. Annual precipitation averages 100 cm, with 120 cm snowfall concentrated between January and April. Field operations are typically conducted May through October, consistent with road access limitations.

5.4 Surface Rights, Infrastructure, and Local Resources

Surface rights for mining operations depend on location and activity type. The St. Lawrence patented claim includes surface rights under the lease agreement (Section 4.2), with operations on this claim potentially qualifying under Montana's small miner's exclusion (Section 4.5). Operations creating ground disturbance on unpatented claims require surface use authorization from the USFS.

The Project is located within an established mining region. Experienced underground mining personnel and support services are available in the Silver Valley and Spokane. Water for industrial use can be sourced from the Silver Valley/Coeur d'Alene aquifer system (Mitchell, 2000) subject to Idaho Department of Water Resources permitting. While a 500 kilovolt (kV) transmission line runs adjacent to Interstate 90, commercial power would require capital investment to extend lines to the Property; diesel generators provide an alternative for exploration and smaller-scale operations.

The Property offers potential sites for future infrastructure including tailings storage, waste rock disposal, and processing facilities, though specific locations have not been evaluated at this exploration stage.

6 History

6.1 Prior Ownership and Property History

The Monitor Mine was discovered in 1897 by L.B. Hill, Otis Hill, and Louis Kuhn. The Richmond Mine was located in 1894. Ownership of the mines is difficult to track until they were purchased by Day Mines Ltd. through a tax sale in the 1940s. Day Mines held the Monitor claims as part of the Adair Group from approximately 1949 until at least 1960. The mines were absorbed by Hecla Mining Company when the two companies merged in 1981. The USFS apparently acquired the Monitor and Richmond properties in a land exchange with Hecla, probably in the late 1980s ([Kauffman, 1998](#)). The original patented and unpatented claims either reverted to federal ownership or were allowed to lapse.

In 2012, NALLC staked 20 new unpatented lode claims covering the Monitor and Richmond area. These claims have a completely different ownership history than the original claims. In 2013, TCO entered into an Option and Joint Venture Agreement with NALLC and AMCOR to explore and develop the Property (see Section 4.2 for current agreements).

6.2 Historical Development, Exploration, and Results

Development work during the 1897–1926 operating period constituted the exploration methodology of that era. Exploration was conducted by sinking shafts and driving tunnels to locate, expose, and delineate mineralized zones. The principal workings and geological observations are summarized below.

6.2.1 Monitor Mine

The Monitor Mine was developed in two phases at separate locations.

Monitor Shaft (1897–1910). The original workings consisted of a 700 ft vertical shaft with five drift levels. [Spalding \(1913\)](#) described the drifts:

- 100 ft level: 300 ft of drift (50 ft east, 250 ft west of shaft)
- 200 ft level: 115 ft of drift (75 ft east, 40 ft west)
- 300 ft level: 110 ft of drift (60 ft east, 50 ft west)
- 400 ft level: 190 ft of drift (40 ft east, 150 ft west)
- 700 ft level: 300 ft drift to vein; extent unknown beyond

The Monitor vein ranged from 10 to 15 ft thick in the upper four levels. At the 700 ft level, a crosscut did not intersect the hanging wall, indicating the vein was thicker at depth. [Spalding \(1913\)](#) noted “several shoots of ore in the vein raking westerly and dipping slightly to the south.” Upper workings encountered oxidized material carrying iron and copper carbonates; at depth, mineralization consists of chalcopyrite and pyrite in a gangue of calcite and siderite ([Pardee, 1911](#)). Surface facilities were destroyed by fire in 1910.

Adair Crosscut Tunnel (1914–1925). Montana-Idaho Copper Company drove a crosscut tunnel from Adair, approximately 2 mi west and 1,000 ft below the bottom of the Monitor shaft. The tunnel was advanced progressively: 2,250 ft by 1916, 4,800 ft by 1918, and 9,400 ft by 1925. In 1923, the tunnel intersected the Monitor vein at 3,865 ft from the portal. Total development at Monitor reached approximately 12,900 ft.

6.2.2 Richmond and St. Lawrence Mines

The Richmond and St. Lawrence mines developed the same vein system on opposite sides of the Idaho-Montana divide and are connected underground.

Richmond Mine (1894–1926). The Richmond Mine was developed through four shafts (depths of 40, 75, 75, and 175 ft) and multiple tunnels and drifts. Total development reached approximately 12,000 ft. An 8,800 ft aerial tramway connected the mine to Adair.

The Richmond vein is 5 to 10 ft thick, strikes N 75° E, and dips steeply to the north (Calkins & Jones, 1914). The vein was thoroughly oxidized to the base of the workings at 175 ft depth, consisting largely of limonite gossan with malachite in joints and cavities. Sulfide mineralization was encountered at the 450 and 500 ft levels.

Two shaft samples collected at 75 ft depth assayed (Spalding, 1913):

- Sample 1: 10.8% copper (Cu), 0.7 oz/t silver (Ag), 0.3 oz/t gold (Au)
- Sample 2: 14.2% Cu, 1.4 oz/t Ag, 0.12 oz/t Au

These values are historical and have not been verified by a QP. Sample collection and analytical methods are unknown.

St. Lawrence Mine. The St. Lawrence workings are on the Montana side of the divide and are connected underground to the Richmond Mine. Documentation of early development is limited. The tunnel remains partially accessible and is the focus of TCO's proposed bulk sampling program.

Copper Age Prospect. The Copper Age prospect lies along strike to the east and consists of minimal workings (one caved tunnel and shaft) with no documented production.

6.2.3 Big Elk Mine

The Big Elk Mine was developed through a 40 ft shaft, a 15 ft winze, and approximately 900 ft of tunnels and drifts. The mineralized zone is a shear zone up to 6 ft wide striking N 40–70° W, containing irregular bunches of chalcopyrite with calcite and quartz gangue up to 2–3 ft thick. Pardee (1911) reported historical assays of 30% Cu with Au and Ag values.

6.3 Historical Production

Production records from the Idaho Mine Inspector's Reports and contemporary sources document the following:

6.3.1 Monitor Mine

The Monitor Mine made its first shipment in 1900. Documented production includes:

- 1905: 360 st averaging 18% Cu plus Au and Ag values
- 1906: 600 st
- 1907: 500 st
- 1917: Several lots of copper ore (tonnage not specified)
- 1923: Several lots of copper ore (tonnage not specified)

Total documented Monitor production is approximately 1,460 st.

6.3.2 Richmond Mine

The Richmond Mine's peak production occurred between 1917 and 1919:

- 1917: 7,766 st averaging 6.17% Cu and 0.156 oz/t Au
- 1918: 3,912 st averaging 8.4% Cu, 0.189 oz/t Au, and 0.64 oz/t Ag
- 1919: More than 1,000 st

Total documented Richmond production is approximately 12,700 st.

6.3.3 Big Elk and Other Properties

The Big Elk Mine made small shipments in 1910, 1911, and 1914, but tonnage figures are not available. The Copper Age prospect has no documented production.

6.3.4 Combined Historical Production

Combined documented production from the Monitor and Richmond mines totals approximately 14,200 st (12,900 t). Reported grades are from smelter shipments.

7 Geological Setting and Mineralization

7.1 Regional Geology

The Project lies in the Bitterroot Mountains within the Belt Basin, a Mesoproterozoic intracratonic rift formed approximately 1.48 billion years ago (Ga) during breakup of the Nuna supercontinent. Basin fill comprises the fine-grained clastic and carbonate sediments of the Belt Supergroup (Höy, Price, Legun, Grant, & Brown, 1995; Lonn, Burmester, Lewis, & McFaddan, 2021).

The Belt Supergroup is divided into four groups (Figure 7.1). The Lower Belt Group consists of platform carbonates and argillites deposited in a restricted marine setting, thickening westward across syndepositional growth faults. The overlying Ravalli Group records basin shallowing, comprising the Burke, Revett, and St. Regis Formations—predominantly quartzite, siltite, and argillite deposited in alluvial and shallow marine environments. The Piegan Group, including the Wallace and Helena Formations, marks a return to deeper water deposition with abundant dolomite, calcite, and hummocky cross-stratified sandstone. The Missoula Group caps the sequence with alternating fluvial and shallow marine deposits (Lonn et al., 2021; Winston, 1986).

7.2 Regional Structure

The Project lies within the Lewis and Clark Line, a 50 km wide east-southeast-trending zone of faulting extending from northern Idaho into western Montana. This structural corridor developed during Cretaceous compression and was reactivated during Cenozoic extension and dextral strike-slip movement.

The Osburn fault is the dominant structure, exhibiting up to 26 km of right-lateral displacement with a steep southward dip. The Placer Creek fault lies parallel and to the south, with lesser displacement. Second-order faults and fractures developed subparallel and oblique to these primary structures (Lonn & McFaddan, 1999b).

Folding produced west-northwest-striking axial planes with subparallel transposition cleavage, intensifying toward the Osburn fault (Lonn & McFaddan, 1999b).

Vein mineralization occurs along this structural corridor.

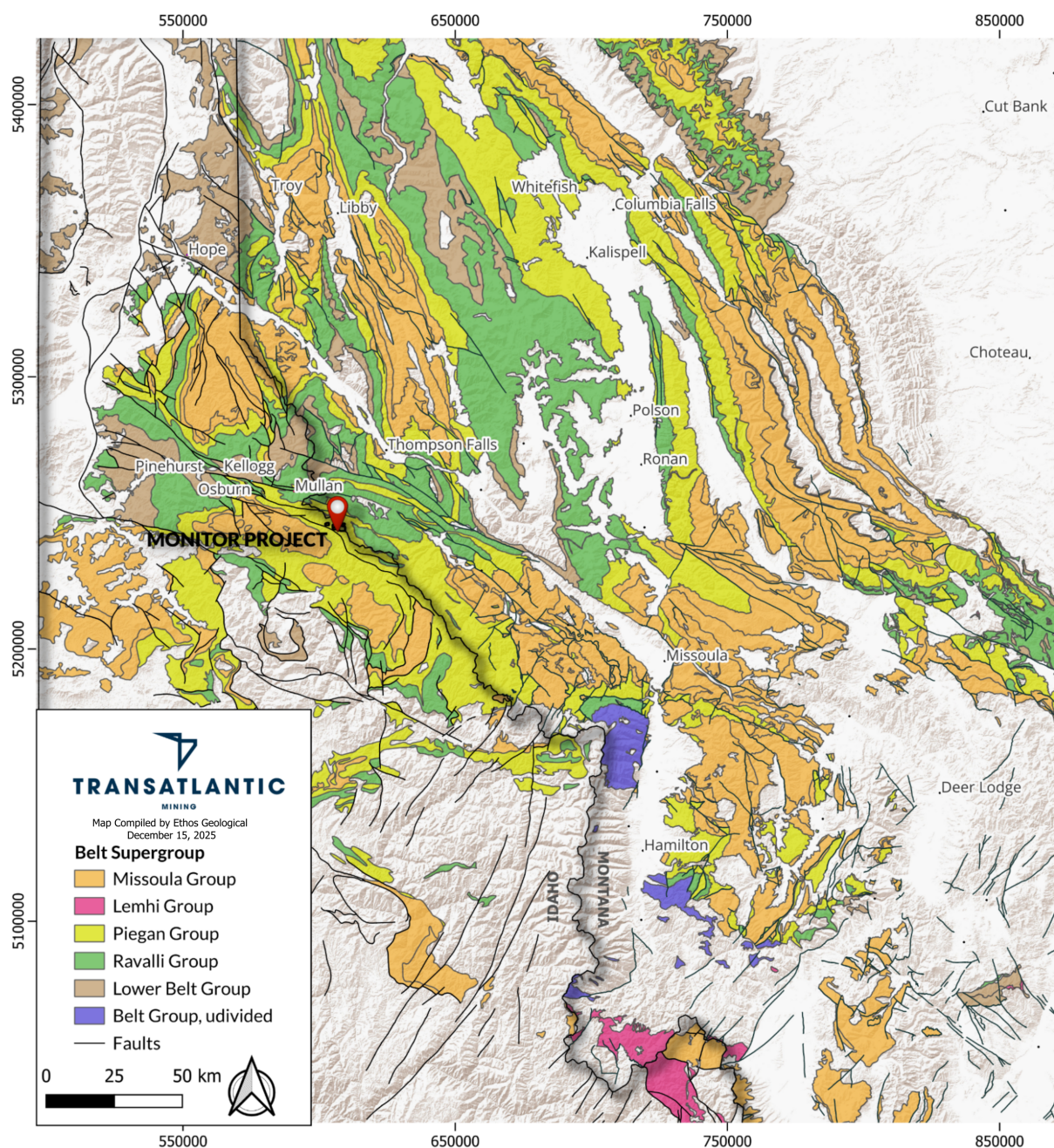


Figure 7.1: Regional Geology

7.3 Property Geology

7.3.1 Stratigraphy

Low-grade metasedimentary rocks of the lower and middle Wallace Formation are exposed at surface across the Project. Bedding generally strikes southeast and dips shallowly southwest. The most detailed mapping of the area is the 1:100,000 Wallace 30' × 60' Quadrangle (Lonn & McFadden, 1999a) (Figure 7.2).

Lower Wallace Formation. The lower member consists of cycles 1 to 10 m thick comprising basal quartzite or intraclast beds overlain by green siltite-argillite couplets and capped by

dolomitic beds. The unit is characterized by parallel, wavy silver-green couplets, white quartzite beds, and tan to brown weathering dolomite beds 0.5 to 1 m thick. Approximately 150 m above the base, an interval of thick black argillite beds occurs. Thickness is approximately 1,250 m, though deformation obscures precise measurement (Lonn & McFaddan, 1999a). This unit hosts mineralization at the Monitor and Richmond mines.

Middle Wallace Formation. The middle member comprises tan-weathering dolomitic siltite and quartzite capped by black argillite in pinch-and-swell couplets. Quartzite and siltite beds have scoured or load-casted bases. Carbonate-rich beds display molar-tooth structures. Sedimentary breccia with white quartzite clasts in orange-weathering silty dolomite is common. Unit thickness is up to 2,000 m (Lonn & McFaddan, 1999a).

Diabase. Diabase sills and dikes intrude the Wallace Formation, oriented approximately east-west. The Wishards sill is the largest intrusion in the area, measuring 120 to 150 m thick and traceable along the state line from Wishards Peak to beyond Dominion Peak. The sill maintains a consistent stratigraphic position, indicating emplacement prior to regional deformation (Pardee, 1911). The diabase is medium- to fine-grained hornblende-pyroxene gabbro to diorite, dark gray to black with a greenish tint. Plagioclase constitutes 30–40% of the rock (Lonn & McFaddan, 1999b).

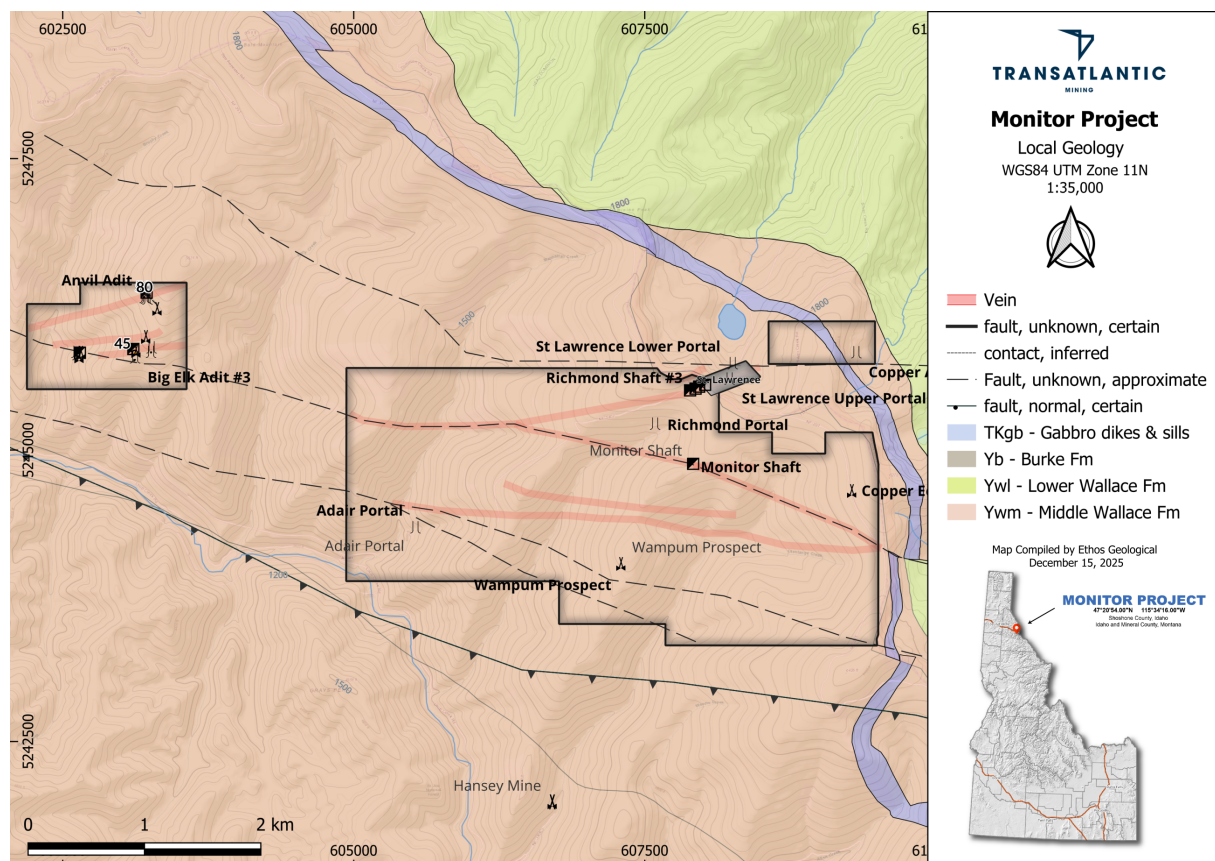


Figure 7.2: Project Geology

7.3.2 Structure

The Project is situated southeast of the Placer Creek fault. Three subparallel structural zones cross the property, trending ESE to E. From south to north, these are the Wampus, Monitor, and Richmond structural zones. These structures are interpreted as features developed in

response to movement along the Osburn and Placer Creek fault systems within the Lewis and Clark Line.

The structural zones are expressed as broad fracture zones rather than discrete structures. Vein mineralization developed inconsistently within and between these zones, both along strike and down dip.

7.3.3 Mineralization

Copper mineralization on the Project occurs in steep to vertical, fault-hosted veins in the lower Wallace Formation, with local wall rock replacement. Post-mineral gouge zones developed along vein margins.

Gangue is dominated by siderite with subordinate calcite and quartz. Primary sulfides are chalcopyrite and pyrite, with pyrrhotite at depth. The veins are copper-dominant with minor Au and Ag. Near surface, veins are oxidized to gossan consisting of limonite after siderite, with quartz and copper carbonates, silicates, and oxides.

Wall rock alteration includes bleaching, silicification, and carbonate addition extending meters to tens of meters from vein margins, with disseminated pyrite locally concentrated along bedding planes.

7.4 Mineralized Veins

Monitor Vein. The Monitor vein occurs within the Monitor structural zone, striking ESE. The vein occupies a fracture zone varying from less than one meter to 12 m in width, with a strike length of approximately 500 m and vertical extent of 520 m based on historical workings ([Calkins & Jones, 1914](#); [Pardee, 1911](#)).

Richmond Vein. The Richmond vein developed between the Monitor and Richmond structural zones, striking N 75° E and dipping steeply north. Vein width varies from less than one meter to 4.5 m over a strike length of approximately 1,150 m. The vein terminates upward against west-dipping black shaly beds of the Wallace Formation, which acted as a structural trap and localized sulfide mineralization over approximately 365 m ([Hershey, 1923](#); [Pardee, 1911](#)).

Big Elk. Mineralization at Big Elk is hosted in a shear zone striking N 40–70° W and dipping steeply. Chalcopyrite and pyrite occur as irregular pods up to 0.6–0.9 m thick within a mineralized zone up to 1.8 m wide, with a strike length of approximately 305 m.

8 Deposit Types

The Project is interpreted as a Coeur d'Alene-type polymetallic vein system. These systems are characterized by structurally controlled veins hosted in metasedimentary rocks of the Belt Supergroup, formed from metamorphic-hydrothermal fluids generated during Cretaceous orogenesis (Leach, Landis, & Hofstra, 1988; Taylor & Hofstra, 2025).

In this model, prograde metamorphism of Belt Supergroup strata released fluids, ligands, and metals that ascended along crustal-scale shear zones associated with the Lewis and Clark Line. Metal deposition occurred where ascending fluids encountered favorable structural and stratigraphic traps. Fluid-rock interaction and fluid mixing controlled sulfide precipitation (Beaudoin & Sangster, 1992; Leach et al., 1988).

Diagnostic features of Coeur d'Alene-type veins include siderite-dominated gangue with subordinate calcite and quartz, and wall rock alteration characterized by bleaching, silicification, and carbonate addition (Fryklund, 1964; Mauk & Strand, 2002). Sulfide assemblages vary with stratigraphic position of the host rock. Bennett (1984) documented metal zonation in the district: zinc-rich veins in the middle Prichard Formation, Pb-Zn-rich veins at the Prichard-Burke transition, and PbAg-Cu-rich veins at the Revett-St. Regis transition.

The Project exhibits characteristics consistent with this model: structural setting within second-order fracture zones related to the Lewis and Clark Line; steep to vertical, fault-hosted veins with local wall rock replacement; siderite-calcite-quartz gangue; wall rock bleaching, silicification, and carbonate alteration; and a sulfide assemblage of chalcopyrite and pyrite, with pyrrhotite at depth.

8.1 Exploration Model

The Project veins are hosted in the Wallace Formation, stratigraphically above the principal mineralized horizons documented by Bennett (1984). The metal suite (Cu ± Au ± Ag) is consistent with the upper portion of the stratigraphic zonation observed in Coeur d'Alene-type systems, where copper content increases upward through the Belt Supergroup stratigraphy.

Regional mapping indicates bedding dips shallowly southwest across the Project (Figure 8.1). This geometry places the St. Regis and Revett Formations at depth beneath the exposed Wallace Formation. The structural zones hosting the Monitor and Richmond veins project downward through this stratigraphy, providing a potential fluid pathway through the complete stratigraphic sequence. Structural traps, such as the west-dipping black shaly beds that localized mineralization at Richmond, may occur at multiple stratigraphic levels along these structures.

Figure 8.1 is a schematic cross-section illustrating the stratigraphic and structural setting at the Project. The principal veins host copper mineralization in the Wallace Formation, up-structure from the Pb-Zn-Ag horizons in the underlying Revett and St. Regis Formations. This position is consistent with the upward increase in copper content documented in Coeur d'Alene-type systems.

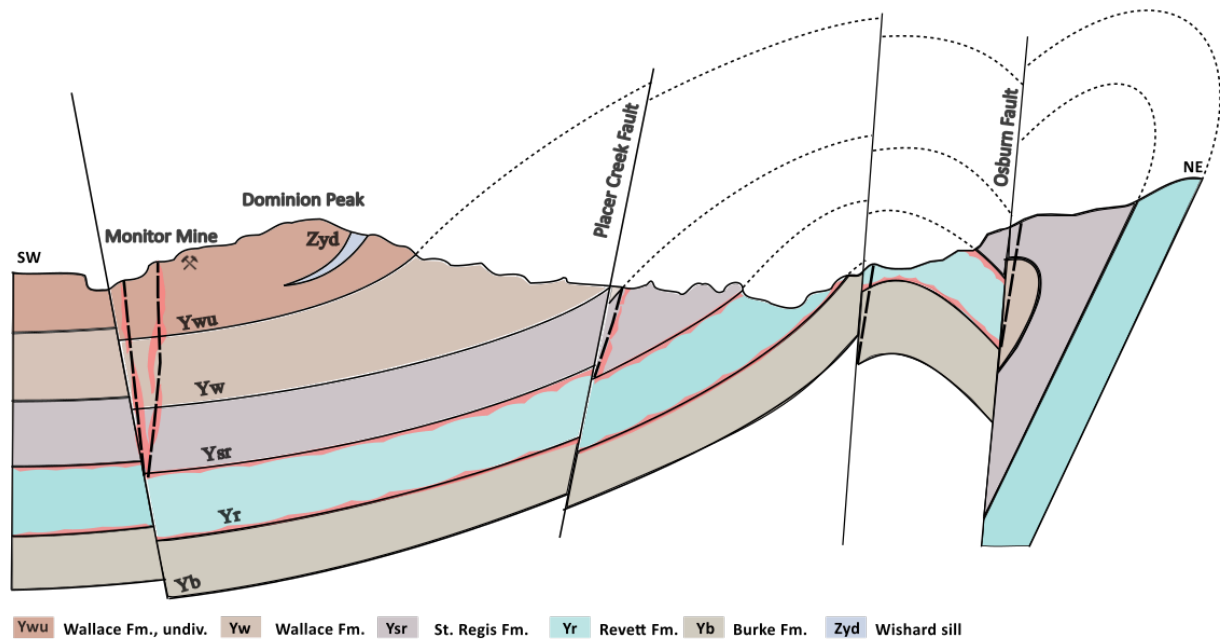


Figure 8.1: NW Looking Schematic Cross-section

9 Exploration

TCO conducted exploration activities at the Monitor Copper Project from 2013 to 2024, including soil sampling, rock sampling, geological mapping, and a ground-based magnetometer survey. Drilling programs are described in Section 10.

9.1 Soil Sampling

TCO collected 159 soil samples in 2013 during two campaigns (Table 9.1). Samples were analyzed for Au only at American Analytical Laboratory (AAL).

Table 9.1: Soil Samples

Date	Type	Samples	Area (ha)	Au (ppb)		Lab
				Min	Max	
09-2013	Grid survey	109	63	<1	703	AAL
04-2013	Traverse	50	25	<1	3,320	AAL
Total		159				

The September 2013 grid survey covered approximately 63 ha with nine north-south lines at 90 m line spacing and 60 m sample spacing (Figure 9.1). The April 2013 traverse collected 50 samples along an east-west line at approximately 27 m spacing.

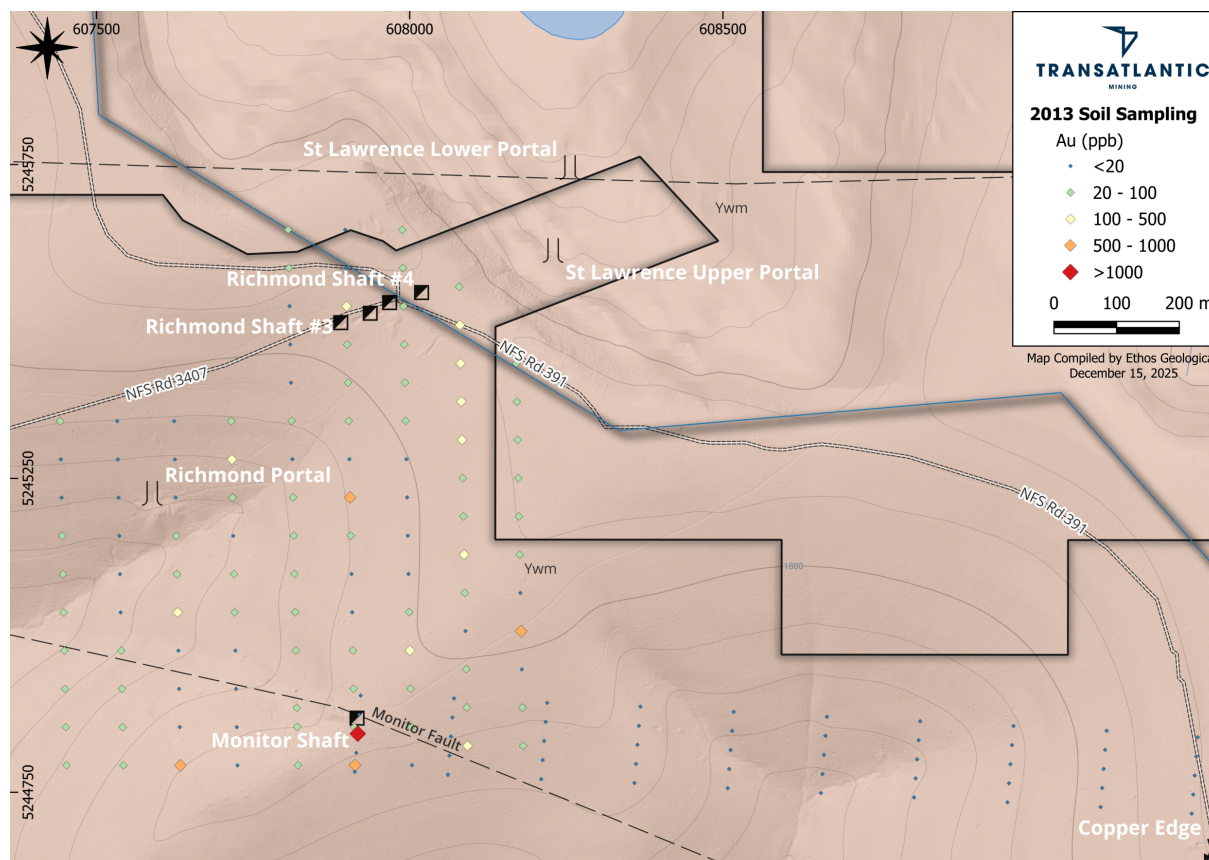


Figure 9.1: Soil Samples

Gold anomalies occur near the Monitor and Richmond veins and in the intervening area, consistent with hydrothermal activity within the structural corridor. Without documentation of sample collection methods or a multi-element analytical suite, the data confirm known mineralization but provide limited additional insight.

9.2 Rock Sampling

TCO collected 271 rock samples between 2013 and 2024 (Table 9.2; Figure 9.2). Samples include grab and chip samples from surface outcrops and historical workings, channel samples from underground workings, and dump samples from historical waste rock piles. Some samples were collected outside the current claim boundaries during property-wide reconnaissance.

Table 9.2: Rock Sample Summary

Area	Type	No.	Cu (%)		Au (g/t)		Ag (g/t)	
			Min	Max	Min	Max	Min	Max
St. Lawrence	UG, Ch, G	40	0.03	22.8	0.0	10.0	0.0	15.2
Richmond	UG, G	16	0.00	1.0	0.0	2.8	0.0	9.5
Monitor Shaft	UG	12	0.00	1.0	0.0	15.4	0.0	57.7
Adair Portal	UG	8	0.00	0.6	0.0	0.2	0.0	1.1
Anvil Tunnel	UG	7	0.06	26.8	0.0	1.5	0.0	11.9
Big Elk	G, D	5	0.01	36.1	–	–	–	–
Copper Age	G	4	0.00	0.2	–	–	–	–
Other	UG, G	2	0.00	3.8	–	–	–	–
Prospecting	G, C, D	177	0.00	30.8	0.0	61.0	0.0	50.4
Total		271	0.00	36.1	0.0	61.0	0.0	57.7

¹ UG = underground; G = grab; C = chip; Ch = channel; D = dump

² Copper over-limit analyses not completed; 36 samples returned $\geq 1\%$ Cu.

Samples were selectively collected from visible mineralization to identify prospective areas.

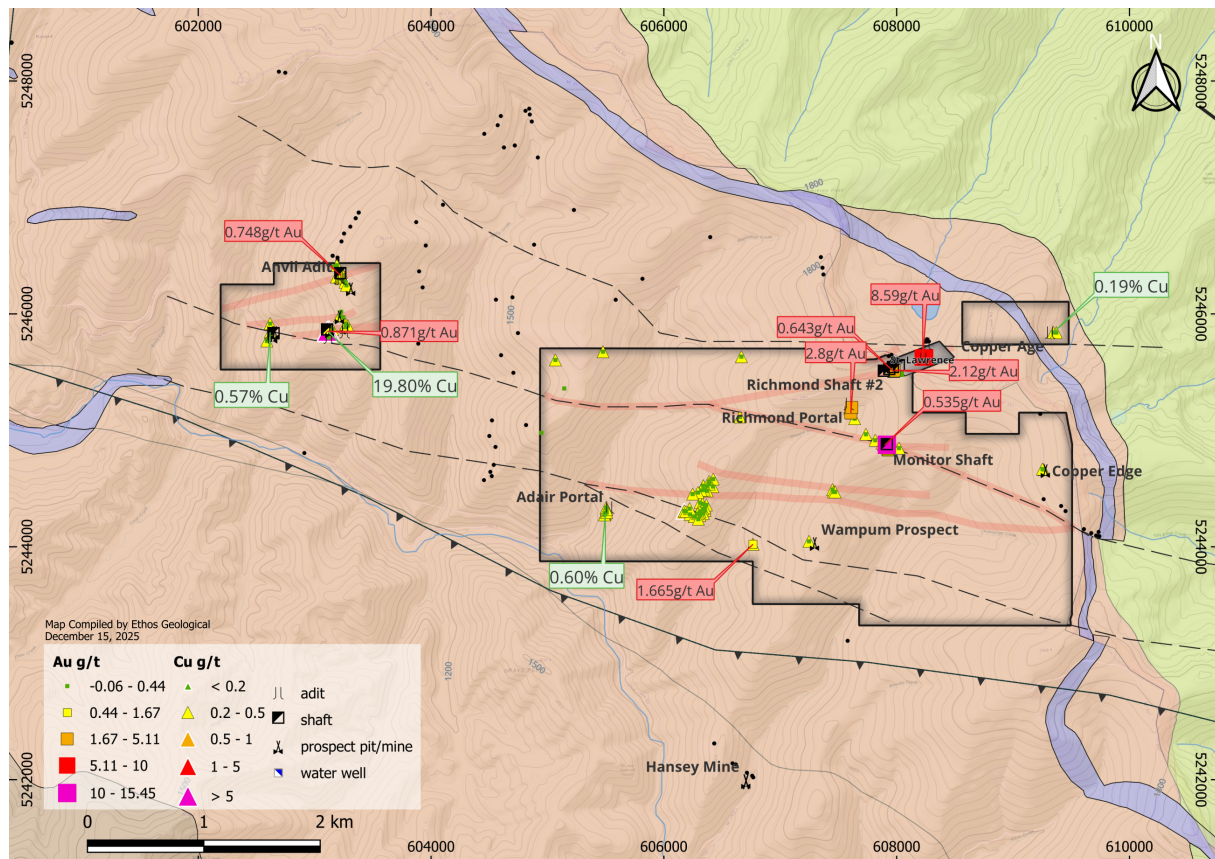


Figure 9.2: Surface Samples

9.2.1 Monitor-Richmond Area

G.E. Ray (Ray, 2013) collected 15 samples from the Monitor shaft area in 2012 as selective samples of visible mineralization (Table 9.3).

Table 9.3: Grab Samples Collected by G.E. Ray, 2012

Sample ID	Au (g/t)	Ag (g/t)	Cu (%)
MON-8	15.45	4.25	5.48
MON-15	9.67	57.70	1.76
MON-6	0.22	1.29	13.55
MON-5	0.11	0.84	8.60
MON-10	0.10	3.11	7.14
MON-7	0.57	1.79	7.30
MON-14	0.03	0.29	5.80
MON-11	0.02	3.62	3.77
MON-1	0.64	3.37	3.63
MON-4	0.10	0.37	2.90
MON-12	0.01	3.45	2.71
MON-13	0.01	1.89	2.46
MON-9	3.83	2.05	1.98
MON-2	0.02	0.15	0.20
MON-3	0.00	0.02	0.06

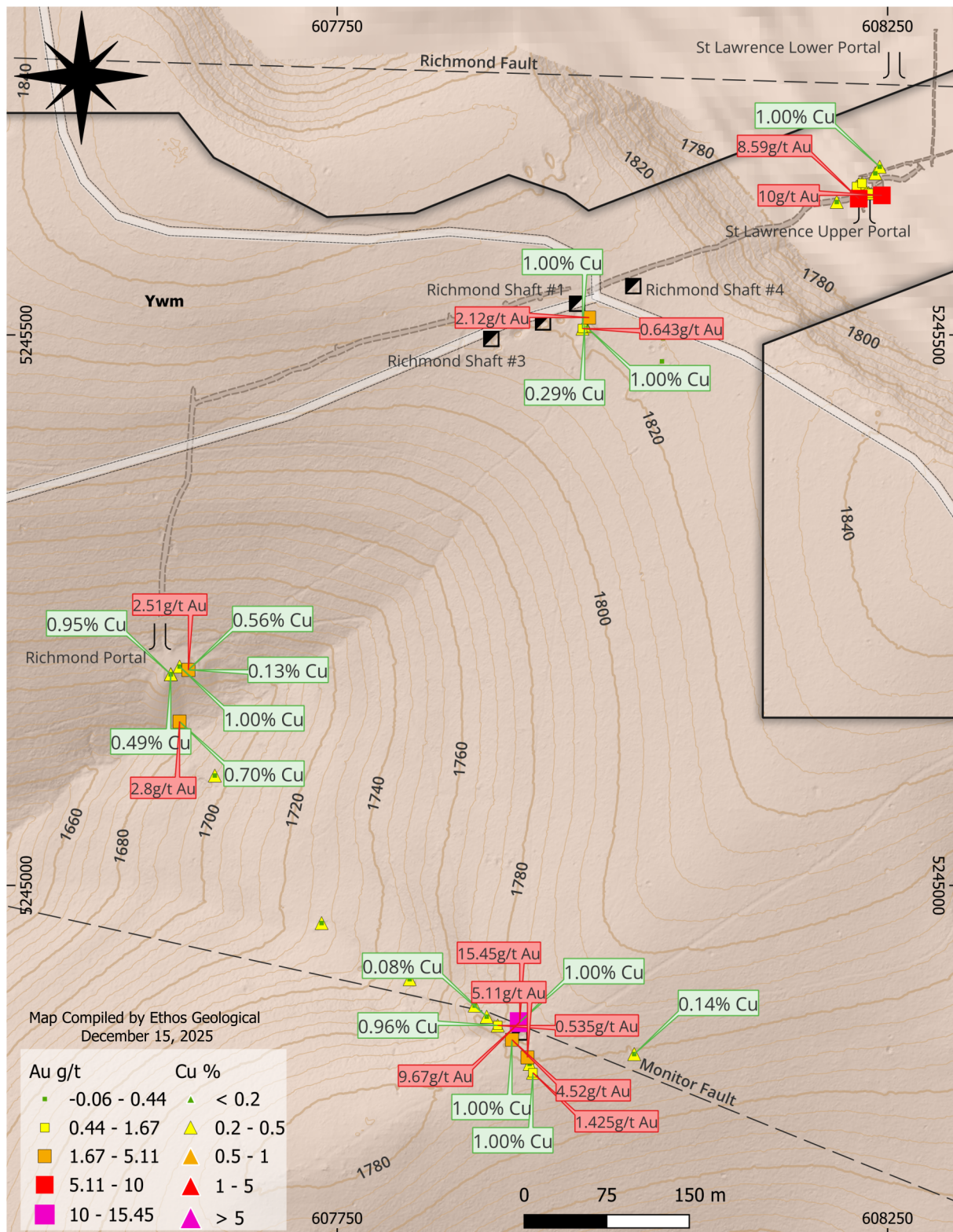
In 2015, TCO collected 14 channel samples from the St. Lawrence tunnel (Table 9.4). Sample

widths represent the sampled interval and do not indicate true vein width.

Table 9.4: St. Lawrence Tunnel Channel Samples, 2015

Distance (m)	Width (m)	Cu (%)	Au (g/t)	Ag (g/t)
92.4	0.36	22.8	12.0	21.2
47.5	0.15	17.6	13.3	0.0
63.7	0.61	15.1	1.58	0.0
91.4	0.38	13.5	1.10	6.8
102.1	1.22	13.0	0.41	17.6
100.0	0.38	12.6	0.96	15.4
103.6	0.43	10.8	0.00	5.1
74.7	0.36	8.0	5.45	0.0
103.0	Grab	7.5	0.17	7.6
30.5	Grab	6.1	0.79	0.0
49.7	0.08	3.0	1.03	5.6
91.4	1.98	1.5	0.00	0.0
79.2	Grab	0.5	0.14	4.9
90.8	Grab	0.3	0.00	0.0

Selective samples and channel samples are consistent with historical reports (Figures 9.3, 9.4, and 9.5). Elevated grades in dump material indicate that selective mining methods employed historically may have left mineralized material that did not meet the selection criteria at the time.



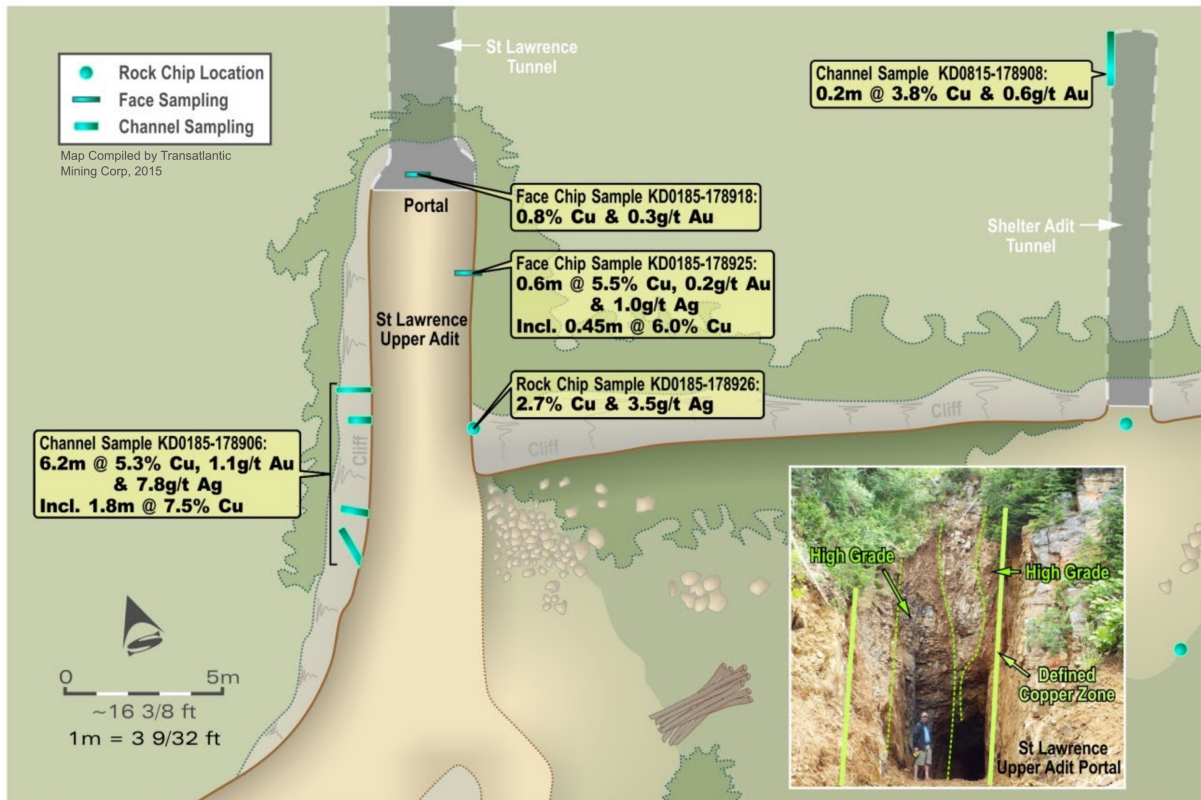


Figure 9.4: St. Lawrence Portal Samples

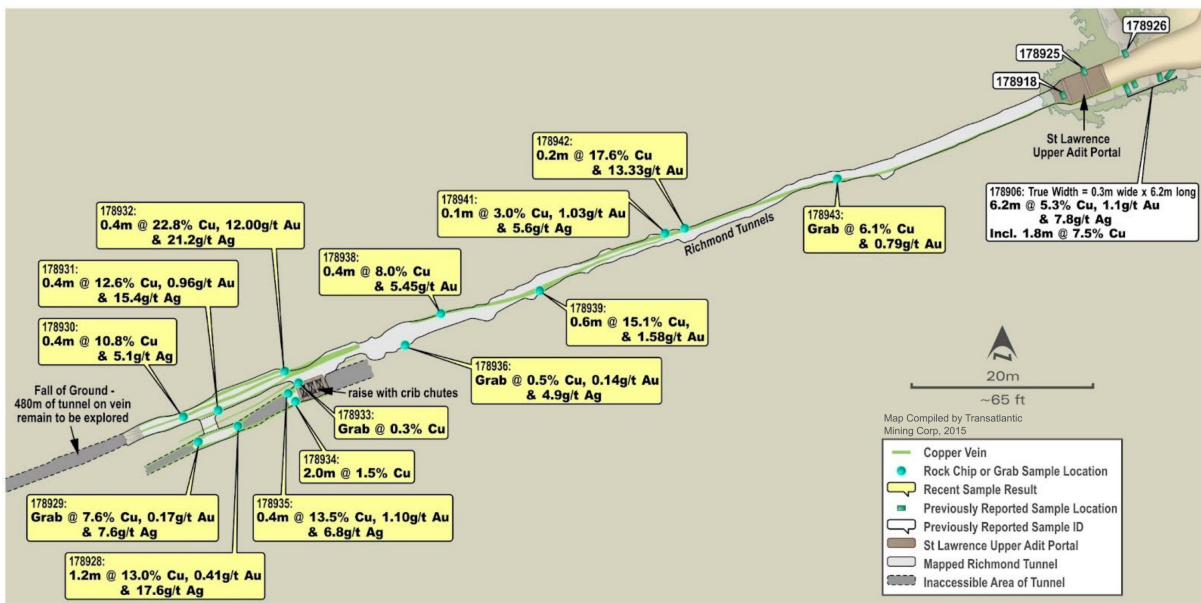


Figure 9.5: St. Lawrence Underground Samples

9.2.2 Big Elk-Anvil Area

Historical reports describe Big Elk as a shear zone trending N 40° to 70° W. Sampling and mapping identified ENE-striking mineralized structures offset by the NW structural zone, indicating a more complex structural setting than the Monitor-Richmond area. The area lies at the

western extent of the Monitor structural zone. Historical grades are consistent with channel samples returning up to 36% Cu (Figures 9.6 and 9.7).

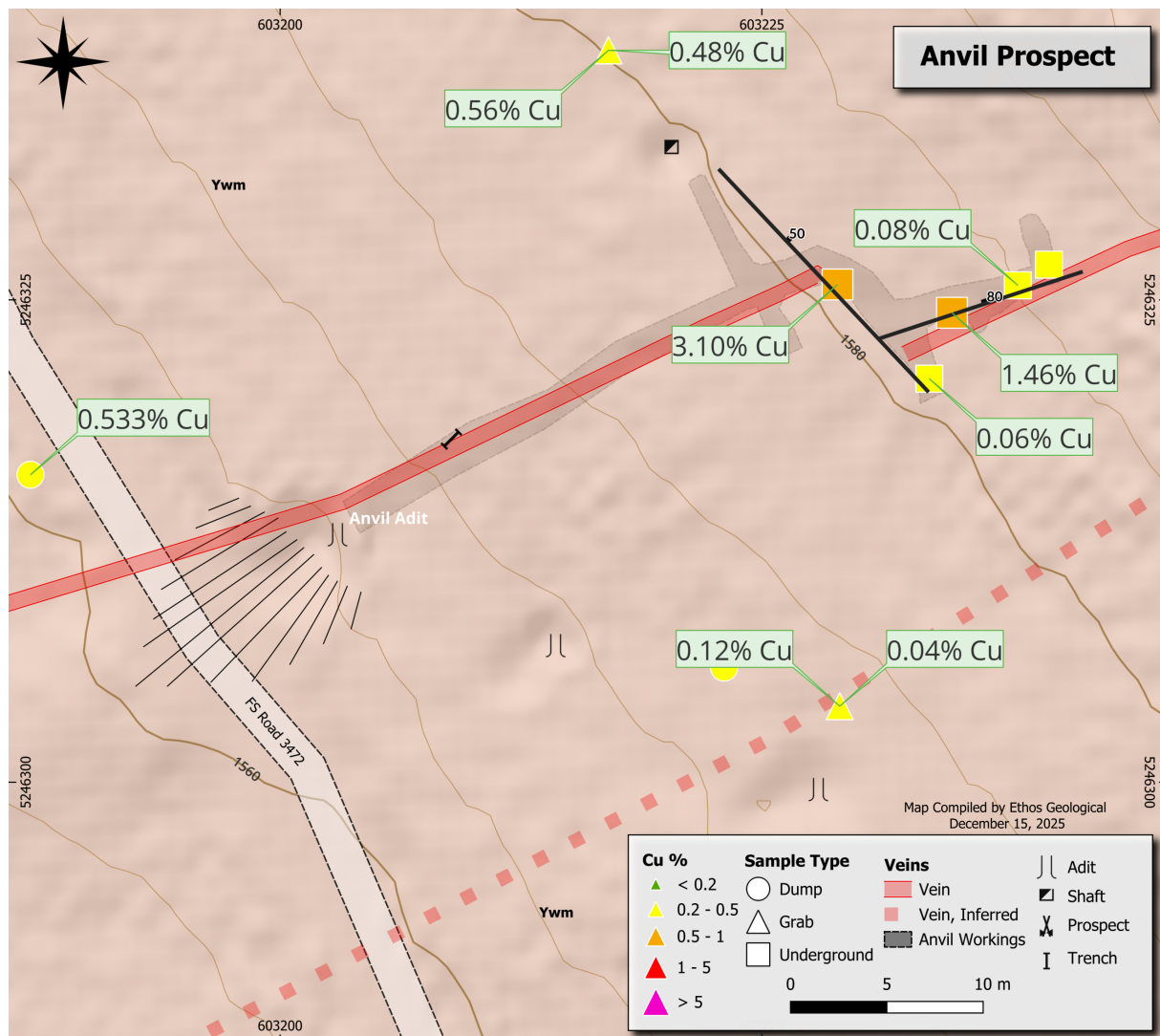


Figure 9.6: Anvil Prospect Samples

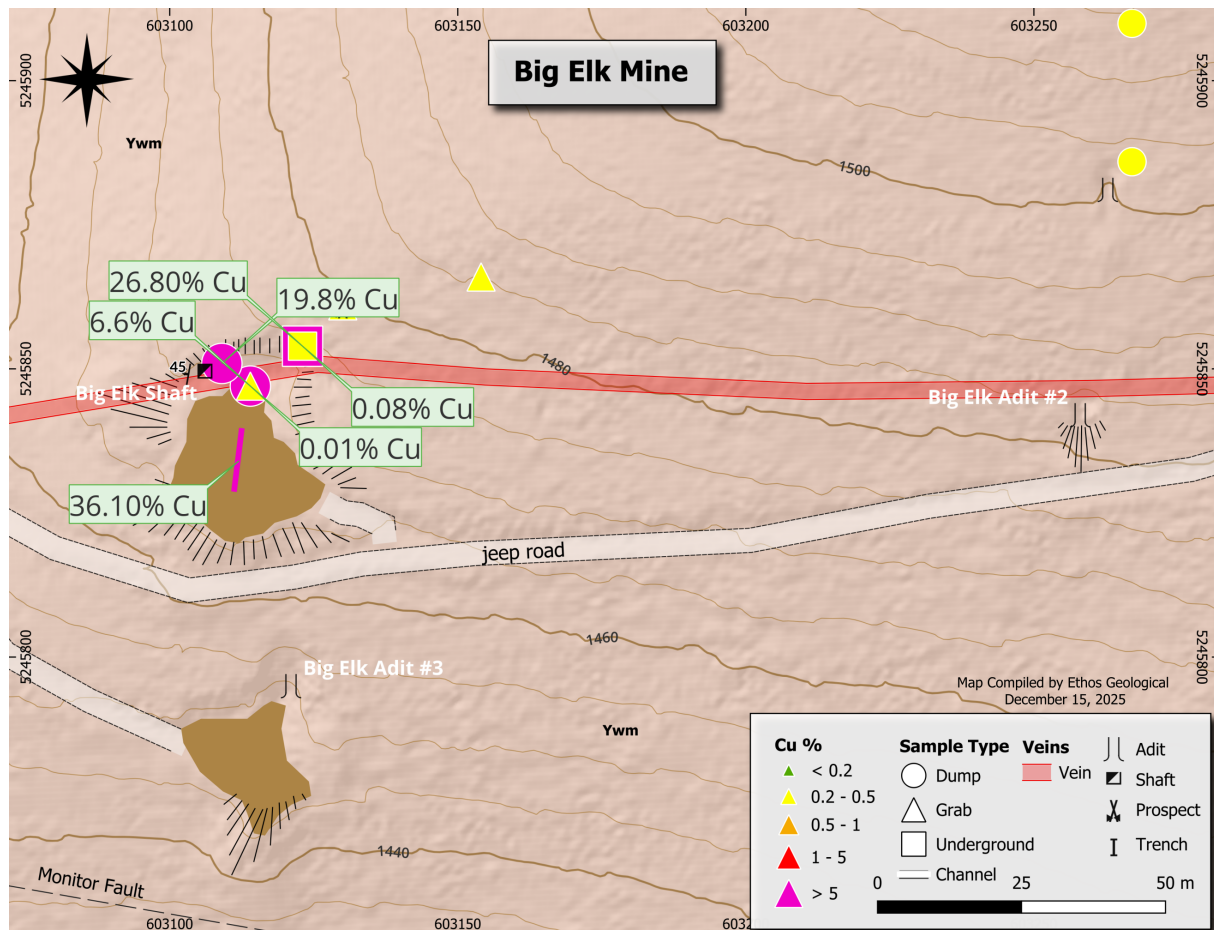


Figure 9.7: Big Elk Samples

9.3 Geophysical Survey

In September 2024, Geotech Direct completed a ground-based magnetometer survey to determine whether magnetic methods could aid in delineating vein systems at the property (Table 9.5; Figure 9.8).

Table 9.5: Magnetometer Survey Parameters

Parameter	Specification
Equipment	GEM Systems GSM-19 Overhauser magnetometer
Sensitivity	0.022 nT @ 1 Hz
Line orientation	North-south
Line spacing	100 m
Total	11.7 line-km
Processing	Diurnal correction, 10 m upward continuation, RTP, 1VD filters

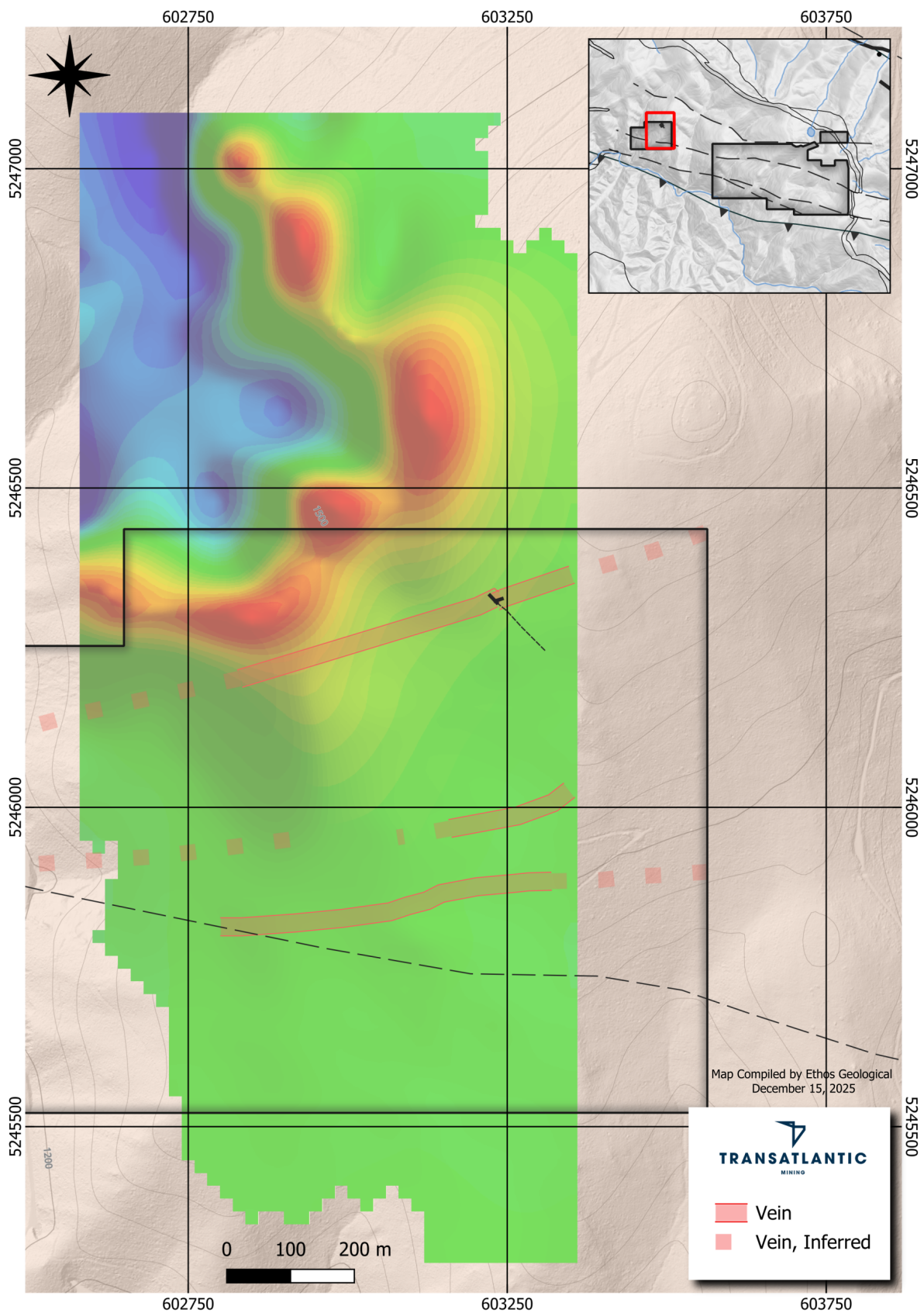


Figure 9.8: Ground-based Magnetic IVD

The survey identified an arcuate magnetic high on the northwest edge of the survey area. Known vein structures were not detected, indicating the veins do not have associated magnetic minerals detectable by this method. Two potential sources for the magnetic anomaly are proposed: a faulted segment of the gabbro sill brought closer to surface, or stratabound mineralization with associated magnetic minerals. The source of the anomaly has not been determined. The contractor recommends IP/resistivity surveying for direct sulfide detection.

10 Drilling

10.1 Type and Extent

TCO has completed two diamond drill programs on the Property. In 2015, 14 NQ2 holes totaling 1,834 m were drilled in the Richmond area. In 2023, 14 HQ holes totaling 1,100 m were drilled at Big Elk. Collar locations are presented in Table 10.1 and Figure 10.1.

Table 10.1: Drill Hole Collars

Hole	Longitude	Latitude	Elev m	Azimuth	Dip	Depth m
DHM#2	-115.5701	47.3546	1827	143	-72	68.9
DHM#3	-115.5701	47.3546	1827	125	-75	61.3
DHM#4	-115.5701	47.3546	1827	136	-84	167.6
DHM#5	-115.5701	47.3546	1827	026	-88	48.8
DHM#8	-115.5725	47.3542	1812	117	-57	55.8
DHM#10	-115.5725	47.3542	1812	188	-77	89.2
DHM#13	-115.5725	47.3542	1812	095	-60	99.4
BEP_01	-115.6346	47.3578	1464	020	-45	22.9
BEP_02	-115.6346	47.3578	1464	020	-60	91.4
BEP_03	-115.6346	47.3578	1464	360	-45	112.8
BEP_04	-115.6346	47.3578	1464	040	-45	45.4
BEP_05	-115.6346	47.3578	1464	040	-60	47.2
BEP_06	-115.6346	47.3578	1464	060	-45	24.7
BEP_07	-115.6346	47.3578	1464	060	-60	20.7
BEP_08	-115.6346	47.3578	1464	060	-85	17.4
BEP_09	-115.6346	47.3578	1464	100	-45	76.2
BEP_10	-115.6346	47.3578	1464	046	-45	27.4
BEP_11	-115.6347	47.3578	1464	046	-80	28.4
BEP_12	-115.6329	47.3577	1477	000	-90	75.9
BEP_13	-115.6339	47.3635	1582	003	-45	44.2
BEP_14	-115.6339	47.3635	1581	000	-60	21.6

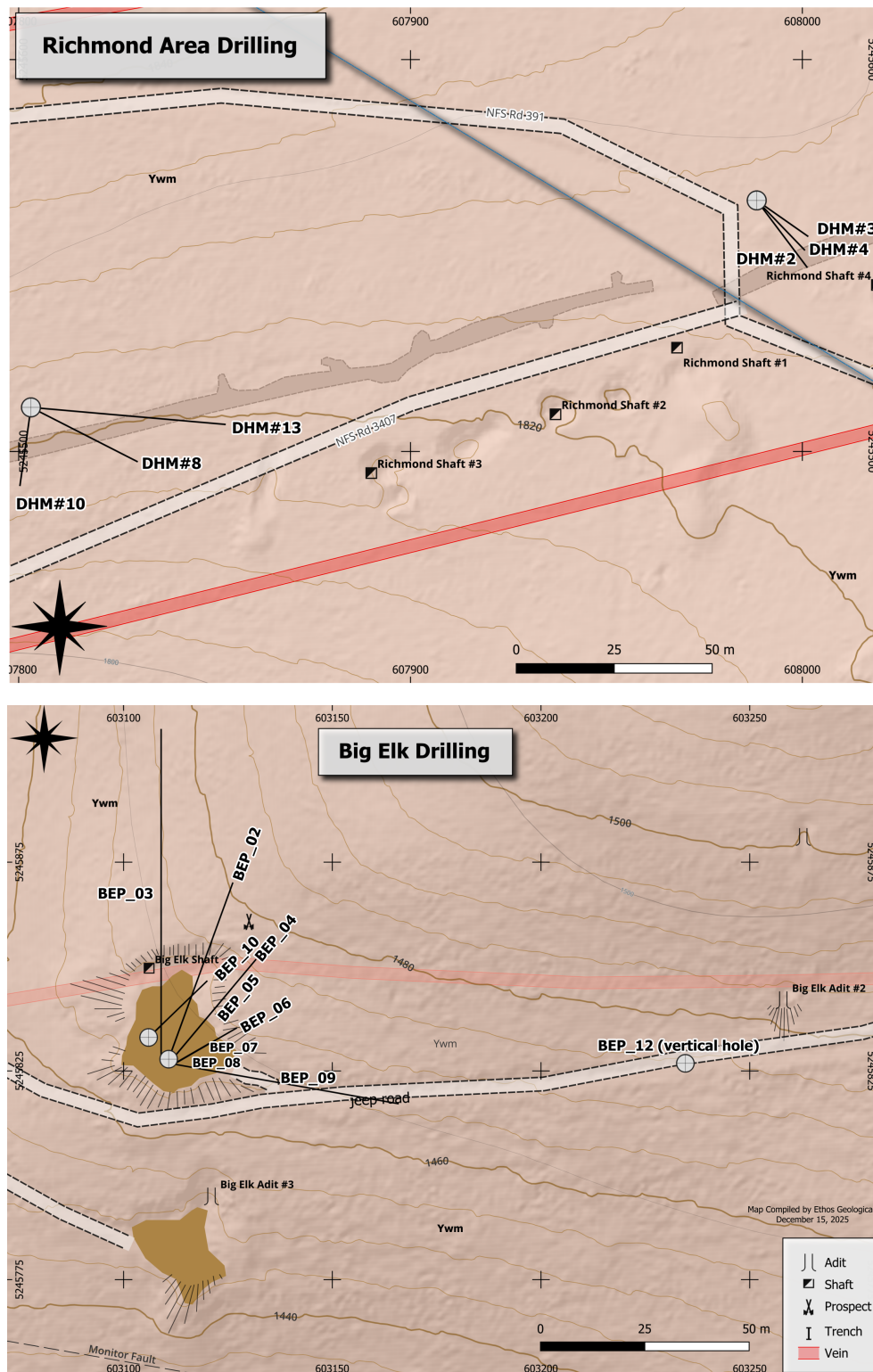


Figure 10.1: Drill Hole Locations

10.2 Procedures

TCO followed consistent procedures for both drill campaigns. Drill collar locations were established using handheld GPS. Hole orientations were set using a Brunton compass. A geologist

was present during drilling operations. Holes were terminated in country rock after penetrating the target structure. Downhole surveys indicate minimal deviation from collar orientations. Core recovery was good. The 2015 program used NQ2 core; the 2023 program used HQ core.

10.3 Relevant Results and Interpretation

10.3.1 Richmond 2015

The 2015 program targeted the Richmond vein system below and along strike from historical workings. Seven holes were sampled and assayed; relevant results are presented in Table 10.2. DHM1 and DHM12 did not intersect the target structure. DHM6 and DHM9 intersected historical stopes. DHM7 and DHM11 intersected silicified vein material with visible sulfides but were not assayed.

Table 10.2: Richmond Significant Intercepts

Hole		From (m)	To (m)	Length (m)	True (m)	Cu (%)	Au (g/t)	Ag (g/t)
DHM#2		49.99	51.05	1.10	0.41	0.55	—	—
DHM#2		53.04	56.69	3.65	1.35	0.23	—	2.3
DHM#2		63.55	67.82	4.27	1.58	1.66	—	2.2
	incl.	65.90	67.82	1.92	0.71	3.40	—	—
DHM#3		41.15	42.06	0.90	0.25	1.31	—	—
DHM#3		43.28	46.33	3.05	0.85	1.10	—	—
	incl.	45.57	46.33	0.80	0.22	1.87	—	—
DHM#3		48.31	48.62	0.30	0.08	0.84	—	—
DHM#4		44.32	45.72	1.40	0.25	0.70	—	—
DHM#4		140.42	142.04	1.60	0.28	0.59	—	3.2
	incl.	140.42	141.12	0.70	0.12	1.34	—	—
DHM#4		156.06	160.08	4.00	0.71	0.38	0.10	—
	incl.	159.72	160.08	0.40	0.07	1.41	—	—
DHM#5		38.71	39.72	1.00	0.39	0.34	—	—
DHM#8		54.56	55.78	1.20	0.52	2.86	0.09	5.5
DHM#10		59.53	62.64	3.20	0.93	0.47	0.06	6.3
DHM#10		64.01	70.20	6.10	1.78	0.71	0.94	3.0
	incl.	67.57	68.18	0.60	0.17	2.85	1.10	4.1
DHM#10		71.32	73.64	2.30	0.67	0.71	0.40	1.2
	incl.	71.93	72.24	0.30	0.09	1.20	1.17	—
DHM#10		87.90	89.15	1.20	0.35	3.54	—	5.3
	incl.	88.51	89.15	0.60	0.17	6.82	—	10.6
DHM#13		84.43	86.87	2.50	0.61	0.50	0.31	1.1
DHM#13		91.29	91.59	0.30	0.07	4.74	3.12	14.7
DHM#13		95.40	95.86	0.50	0.12	1.24	—	4.8

True widths estimated assuming vein orientation N 75° E / 85° N.

Drilling intersected copper mineralization in the Richmond vein system. True widths range from 0.07 to 1.78 m at grades up to 6.82% Cu with associated Au and Ag. The narrow true widths and variable grades are consistent with the pinch-and-swell character typical of fault-hosted veins in the district.

10.3.2 Big Elk 2023

The 2023 program was designed to test copper anomalies identified during surface reconnaissance and confirm the orientation of the mineralized system. Hole depths ranged from 21 to

111 m. Ten holes intersected voids where historical mining had taken place (Figure 10.2); there are no historical mine plans for Big Elk. Four holes did not encounter visible mineralization and were not sampled. While drilling did not intersect new vein material, it confirmed the geometry of the vein system along the Big Elk workings.

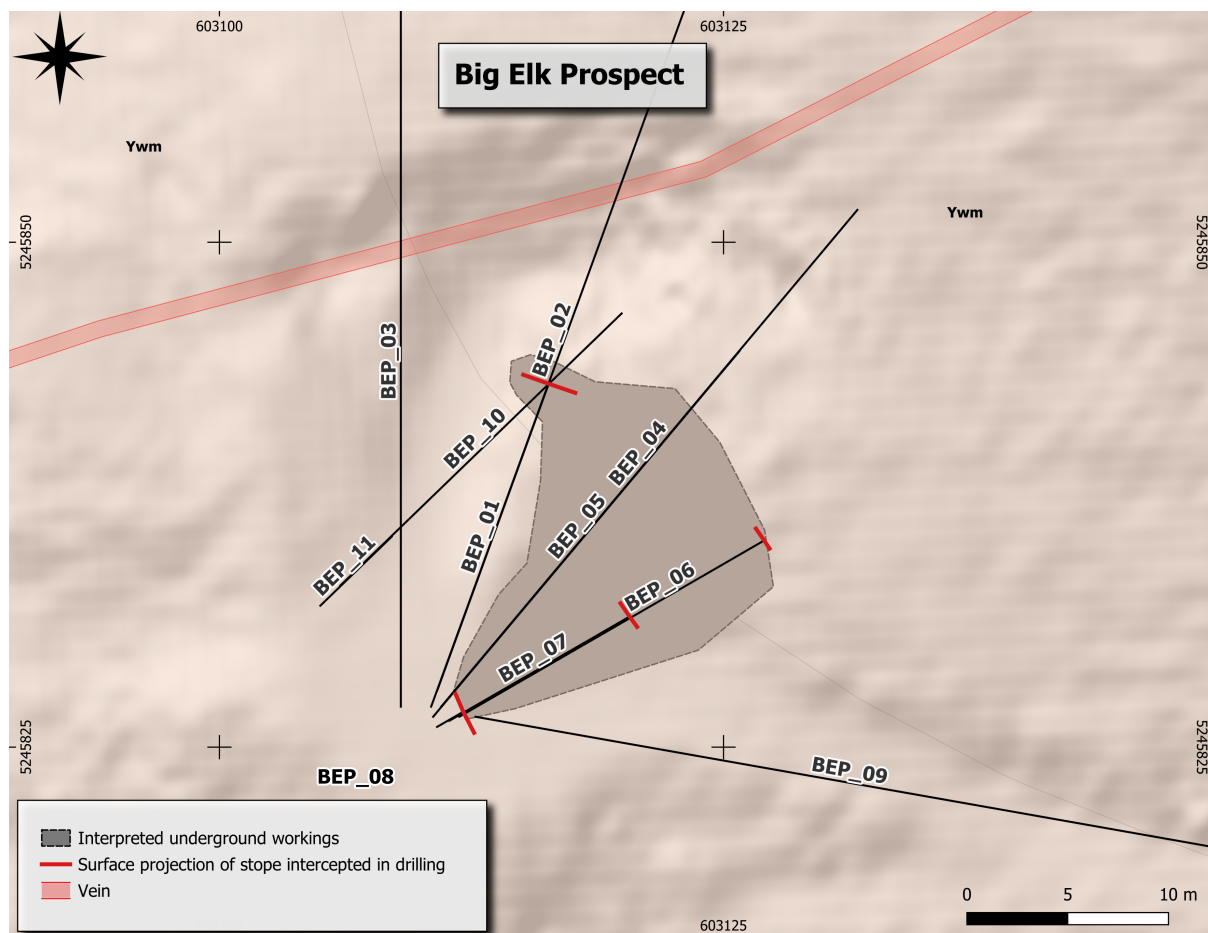


Figure 10.2: Big Elk Drilling

11 Sample Preparation, Analyses, and Security

Core was photographed and logged at the exploration camp. Sample intervals were selected based on lithology and mineralization, bagged, and transported by TCO personnel to CCI in Kellogg, Idaho.

11.1 Sample Preparation

Samples were dried, crushed to 80% passing 10 mesh, split to a 250 g aliquot, and pulverized to 85% passing 140 mesh.

11.2 Analytical Methods

Au and Ag were analyzed by fire assay with gravimetric finish. Sample pulps were forwarded to American Analytical Laboratory (AAL) in Osburn, Idaho for multi-element analysis using four-acid digestion with ICP-OES for 35 elements (Table 11.1).

Table 11.1: Analytical Suite

Element	Range	Element	Range	Element	Range	Element	Range
Al	0.05–50%	Cr	2–10,000	Mo	2–10,000	Sr	2–5,000
As	20–100,000	Cu	2–10,000	Na	0.01–10%	S	0.01–20%
Ba	50–50,000	Fe	0.01–30%	Nb	5–10,000	Ti	0.01–10%
Be	5–5,000	Ga	5–10,000	Ni	2–10,000	V	5–10,000
Bi	5–10,000	K	0.01–10%	Pb	5–20,000	W	5–10,000
Ca	0.01–20%	La	5–10,000	P	50–20,000	Y	1–2,000
Cd	1–1,000	Li	2–2,000	Sb	10–20,000	Zn	2–10,000
Ce	5–10,000	Mg	0.01–20%	Sc	2–5,000	Zr	2–10,000
Co	2–10,000	Mn	2–20,000	Sn	10–20,000		

11.3 Laboratories

AAL is independent of the issuer and holds ISO 17025:2005 accreditation through Perry Johnson Laboratory Accreditation, Inc. The certification status of CCI is not known.

11.4 Quality Control/Quality Assurance

Quality Control (QC): records are available for the 2015 Richmond program. TCO inserted QC samples at approximately 5% of the sample stream.

Blanks: Four blanks were submitted. All returned Au and Ag below detection limits. Maximum Cu value was 44.2 ppm.

Standards: Four certified reference materials were submitted. Results were consistent with expected values.

Duplicates: Nineteen duplicates were submitted (9 coarse, 10 field). Duplicate pairs showed reasonable agreement.

Quality Assurance (QA): procedures for evaluating and responding to control failures were not

documented.

11.5 Opinion on Adequacy

The sample preparation and analytical procedures are adequate for this Technical Report, which presents early-stage exploration results.

12 Data Verification

The QP verified claim status, ownership, and standing through review of BLM LR2000 records and Shoshone County records.

Database values for rock samples and underground channel samples were compared to original assay certificates. Soil sample data could not be verified as assay certificates were not retained; however, soil sampling was conducted for reconnaissance purposes and reported values are consistent with results from other sample types on the Property.

Drill collar coordinates were verified on-site using handheld GPS. Geologic logs were compared to core photographs, confirming lithologies and mineralization styles. Assay values were compared to original certificates and the database was audited for transcription errors and format inconsistencies. The QA/QC data summarized in Section 11 provides reasonable assurance of analytical reliability.

12.1 Opinion on Adequacy

The exploration data is adequate for this Technical Report, which presents early-stage exploration results.

13 Mineral Processing and Metallurgical Testing

Not applicable at the current stage of the project.

14 Mineral Resource Estimates

Not applicable at the current stage of the project.

15 Mineral Reserve Estimates

Not applicable at the current stage of the project.

16 Mining Methods

Not applicable at the current stage of the project.

17 Recovery Methods

Not applicable at the current stage of the project.

18 Project Infrastructure

Not applicable at the current stage of the project.

19 Market Studies and Contracts

Not applicable at the current stage of the project.

20 Environmental Studies, Permitting and Social or Community Impact

No environmental baseline studies have been conducted. Legacy conditions associated with historical workings are described in Section 4. Permitting requirements are described in Section 4.5.

21 Capital and Operating Costs

Not applicable at the current stage of the project.

22 Economic Analysis

Not applicable at the current stage of the project.

23 Adjacent Properties

No adjacent properties.

24 Other Relevant Data and Information

No other relevant data and information.

25 Interpretation and Conclusions

The Monitor Project is located at the eastern margin of the Coeur d'Alene mining district, straddling the Idaho-Montana border. The Project comprises the historical Monitor, Richmond, St. Lawrence, Big Elk, and Copper Age mines.

25.1 Geologic Setting and Mineralization

The Project is hosted within Mesoproterozoic metasedimentary rocks of the Belt Supergroup. The veins occur in the lower Wallace Formation, positioned stratigraphically above the Revett Formation and near the horizon of the Wishards sill. Three subparallel structural zones cross the Project—the Wampum, Monitor, and Richmond—oriented subparallel to the Osburn and Placer Creek faults within the Lewis and Clark structural corridor.

Copper content in Coeur d'Alene district veins increases eastward and up-section, with copper-dominant mineralization concentrated in the Wallace Formation. The veins at Monitor, Richmond, and Big Elk are interpreted as structural traps where metamorphic fluids mixed with copper-bearing fluids derived from stratabound sources in the Revett Formation.

The veins are copper-dominant with minor $\text{Au} \pm \text{Ag}$. Primary sulfide mineralogy consists of chalcopyrite and pyrite, with pyrrhotite at depth. Gangue is dominated by siderite with subordinate calcite and quartz. Wall rock alteration includes bleaching, silicification, and carbonate addition.

25.2 Drilling and Exploration

The 2015 drill program at Richmond intersected copper mineralization in seven of fourteen holes. Representative intercepts include 1.58 m true width at 1.66% Cu in DHM#2 and 1.78 m true width at 0.71% Cu, 0.94 g/t Au, and 3.0 g/t Ag in DHM#10. Rock samples collected from the Monitor shaft area returned values up to 57.7 g/t Ag, 15.45 g/t Au, and 13.55% Cu, though these represent selective sampling of visible mineralization and are not representative of bulk grades. At Big Elk, the 2023 drilling encountered historical stopes in 10 of 14 holes; while this confirmed vein geometry, it limited evaluation of remaining mineralization.

25.3 Exploration Potential

The Monitor, Richmond, and Big Elk veins represent the primary exploration targets. Drilling confirms copper mineralization with minor silver and gold. Vein characteristics vary with structural position and host rock lithology.

The following table presents an Exploration Target with estimated tonnage and grade ranges for each vein system. **The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.**

Table 25.1: Exploration Targets

Vein	Tonnage Range (t)	Cu (%)	Ag (g/t)	Au (g/t)
Monitor	550,000–1,300,000	1.5–2.5	3.5–7.5	0.8–4.2
Richmond	550,000–1,400,000	1.2–2.0	4.0–8.7	1.0–5.5
Big Elk	70,000–190,000	2.0–3.5	3.0–6.5	1.5–3.5

25.3.1 Basis for Exploration Target

Each vein system assumes mapped structure lengths from documented workings (Monitor: 488 m, Richmond: 1,158 m, Big Elk: 305 m), vein widths ranging from 1.2 to 4.6 m, and down-dip extensions based on strike length to depth ratios of 1.5:1 to 2.5:1. Grade ranges are scaled from historical production to reflect broader zones of mineralization, assuming variable concentration and continuity grading outward into peripheral zones of decreasing copper content. Historical mining reached approximately 150 m depth before operations ceased in the 1920s. Specific gravity of 3.3 t/m³ was assumed based on siderite-quartz-sulfide vein mineralogy. These parameters require verification.

25.4 Conclusions

The stratigraphy, structural setting, mineralization, and alteration at the Monitor Project are consistent with a Coeur d'Alene-type polymetallic vein system, and TCO has applied an exploration model appropriate for this style of mineralization. The data are adequate for this stage of the project and support the potential for mineral resources to be developed. There are no known material risks beyond those inherent to mineral exploration at this stage, and results from surface exploration support continued work.

26 Recommendations

The existing St. Lawrence workings provide direct access to the vein system, enabling underground characterization at a fraction of the cost of surface drilling. This positions TCO to advance toward its objective of extracting a 10,000 t bulk sample. This is supported by property-scale geological and geophysical surveys to delineate potential extensions of the vein system and refine underground drill targets.

26.1 Phase 1

26.1.1 Data Management

- Implement a data management system to ensure all geological, geochemical, geophysical, and engineering data is systematically recorded, backed up, and accessible independent of key personnel. Include protocols for digital storage, version control, and long-term preservation.
- Develop a QA/QC program for all sampling and analytical work with defined certified reference material (CRM) acceptance criteria and batch evaluation procedures.

26.1.2 Underground

- Rehabilitate the St. Lawrence workings to provide safe access for geological evaluation. Document ground conditions, water management requirements, ventilation, and structural features during rehabilitation.
- Extend the drift approximately 30 m toward the Monitor vein.
- Complete systematic channel sampling of accessible mineralized zones to characterize grade distribution and define continuity.
- Map geology and structure throughout accessible workings.
- Drill from underground to test the Monitor vein at depth.
- Conduct metallurgical testing on representative samples to determine processing requirements and oxidation state effects.

26.1.3 Surface

- Complete detailed geological mapping at 1:5,000 scale to resolve discrepancies between existing regional maps and characterize structural controls, with focused mapping near the magnetic anomaly.
- Conduct petrophysical analysis of available core and surface samples to determine density, magnetic susceptibility, and electrical properties.
- Expand magnetic survey coverage through ground or drone acquisition.
- Execute a dipole-dipole IP/resistivity survey: orientation lines over known veins to establish chargeability signatures, followed by expanded coverage based on results.

26.2 Phase 2: Surface Drilling

Defer surface drilling pending Phase 1 results. If underground work demonstrates sufficient grade, continuity, and metallurgical characteristics, drill down-dip and along-strike extensions

of vein structures, Revett Formation stratiform targets at depth, and geophysical anomalies identified in Phase 1.

26.3 Budget

Table 26.1: Phase 1 Exploration Budget

Category	Sub-category	Cost (USD)
Data Management		10,000
Underground Program	Rehabilitation and Earthworks	400,000
	Sampling and Mapping	25,000
	Drilling	75,000
	Metallurgy	20,000
	Subtotal	520,000
Surface Program	Geological Mapping	16,500
	Geophysical Surveys	50,000
	Subtotal	66,500
Project Support	Personnel	42,500
	Land and Property	30,000
	Permits and Bonds	225,000
	Field Support	25,000
	Subtotal	322,500
Contingency (10%)		91,000
Total Phase 1		1,000,000

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Appendix A. Mining Claims

Table A1: Unpatented mining claims.

Claim Name	Serial Number	Date	Type	State	County	Claimant
GOLDEN CEDAR 99	ID101867501	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 100	ID101867502	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 101	ID101867503	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 102	ID101867504	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 104	ID101867500	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 105	ID101867499	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 106	ID101867505	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 107	ID101867498	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 108	ID101867506	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 109	ID101867507	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 110	ID101867508	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 111	ID101867509	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 112	ID101867510	01/02/14	Lode	ID	Shoshone	NALLC
GOLDEN CEDAR 113	ID101867511	01/02/14	Lode	ID	Shoshone	NALLC
JOAN'S DREAM 101	MT101344359	11/10/12	Lode	MT	Mineral	NALLC
JOAN'S DREAM 102	MT101344360	11/10/12	Lode	MT	Mineral	NALLC
JOAN'S DREAM 103	MT101344361	11/10/12	Lode	MT	Mineral	NALLC
JOAN'S DREAM 104	MT101344362	11/12/12	Lode	MT	Mineral	NALLC
MONITOR 100	ID101336120	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 101	ID101336833	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 102	ID101336110	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 103	ID101336109	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 104	ID101336111	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 105	ID101336112	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 106	ID101336118	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 107	ID101336119	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 108	ID101742993	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 109	ID101742515	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 110	ID101742516	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 111	ID101742517	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 112	ID101336113	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 113	ID101742518	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 114	ID101336116	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 115	ID101336117	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 116	ID101336114	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 117	ID101336115	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 118	ID101336852	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 119	ID101336853	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 120	ID101336848	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 121	ID101336849	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 122	ID101336850	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 123	ID101336851	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 124	ID101337476	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 125	ID101337477	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 126	ID101742519	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 127	ID101742520	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 128	ID101742521	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 129	ID101742522	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 130	ID101742523	09/01/12	Lode	ID	Shoshone	NALLC

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Claim Name	Serial Number	Date	Type	State	County	Claimant
MONITOR 132	ID101742524	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 134	ID101742525	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 136	ID101338779	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 137	ID101338780	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 138	ID101338137	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 139	ID101338138	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 140	ID101338139	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 141	ID101338140	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 142	ID101338781	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 143	ID101338782	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 144	ID101338776	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 145	ID101338777	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 147	ID101338778	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 200	ID101338133	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 201	ID101338132	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 202	ID101338123	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 203	ID101338124	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 204	ID101338125	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 205	ID101742526	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 206	ID101338134	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 207	ID101742527	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 208	ID101742528	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 209	ID101742988	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 210	ID101742989	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 211	ID101742990	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 212	ID101338127	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 213	ID101338126	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 214	ID101338131	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 215	ID101338130	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 216	ID101338129	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 217	ID101338128	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 218	ID101337478	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 219	ID101337485	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 220	ID101742991	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 221	ID101337486	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 222	ID101742992	09/01/12	Lode	ID	Shoshone	NALLC
MONITOR 223	ID101337487	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 224	ID106743412	06/01/25	Lode	ID	Shoshone	NALLC
MONITOR 225	ID101337488	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 226	ID101337482	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 227	ID101337481	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 228	ID101337490	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 229	ID101337489	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 230	ID101337492	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 231	ID101337491	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 232	ID101337480	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 233	ID101337479	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 234	ID101337494	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 235	ID101337493	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 300	ID101337496	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 301	ID101337495	01/16/13	Lode	ID	Shoshone	NALLC
MONITOR 308	ID101337484	01/15/13	Lode	ID	Shoshone	NALLC
MONITOR 309	ID101337483	01/15/13	Lode	ID	Shoshone	NALLC

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Claim Name	Serial Number	Date	Type	State	County	Claimant
MONITOR 400	ID101336835	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 401	ID101336834	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 402	ID101336836	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 403	ID101336837	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 404	ID101336838	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 405	ID101336839	01/07/13	Lode	ID	Shoshone	NALLC
MONITOR 418	ID101336840	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 419	ID101336841	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 420	ID101336846	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 421	ID101336847	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 422	ID101336844	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 423	ID101336845	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 424	ID101336842	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 425	ID101336843	01/09/13	Lode	ID	Shoshone	NALLC
MONITOR 426	ID101338135	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 427	ID101338774	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 428	ID101338775	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 429	ID101338143	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 430	ID101338136	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 431	ID101338773	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 432	ID101338141	01/23/13	Lode	ID	Shoshone	NALLC
MONITOR 433	ID101338142	01/23/13	Lode	ID	Shoshone	NALLC

Appendix B. St. Lawrence Patented Claim Lease Agreement

MINING EXPLORATION LEASE AGREEMENT

PARTIES TO THIS AGREEMENT:

DAVID VOIT "VOIT" is a single individual residing in the State of Florida.

TRANSATLANTIC IDAHO CORPORATION, "TRANSATLANTIC", is an Idaho Corporation, duly authorized to conduct business in the States of Montana and Idaho. TRANSATLANTIC is a wholly owned subsidiary of TRANSATLANTIC MINING CORPORATION a publicly traded corporation domiciled in British Columbia, Canada.

RECITALS

VOIT is the owner of a certain patented mining claim known as the "St. Lawrence Property" situated in Mineral County, Montana.

It is the Parties' intent that VOIT lease to TRANSATLANTIC all the assets, property, and rights that are necessary for the exploration and development of the St. Lawrence Property along with allowing TRANSATLANTIC access through the St. Lawrence Property to adjoining leased properties controlled by TRANSATLANTIC.

VOIT also desires to lease all of his patented mining claims, real property and all rights related thereto, all improvements to real property on the St. Lawrence Property (collectively with exclusive rights of access, the any and all adjoining mining claims controlled by Transatlantic "Accessed Property"). TRANSATLANTIC desires to lease said Property from VOIT.

In consideration for the mutual covenants and conditions of this Mining Exploration and Lease Agreement ("Agreement"), the Parties accept and agree to the following terms, conditions and obligations.

SECTION 1

DESCRIPTION OF THE PROPERTY

- 1.1 VOIT is the owner of the patented mining claim mineral survey number 5187 known as the St. Lawrence Lode Claim, "the St. Lawrence Property" situated in Mineral County, Montana more particularly described in Exhibit "A" attached hereto and by this reference made a part of this Agreement.
- 1.2 VOIT owns the right of use and passage on and through the St. Lawrence Property which would allow access to mining claims and potential mining operations on lands (collectively "Accessed Property") in Mineral County, Montana and Shoshone County, Idaho more particularly described in Exhibit "B" attached hereto and by this reference made a part of this Agreement.
- 1.3 The term "Leased Property" as used in this Agreement includes all mineral rights, surface rights, title and interest of VOIT, including all of the property and access rights described in the foregoing Sections 1.1 and 1.2 necessary and convenient for the full and complete exploration and mining operations of the "St. Lawrence Property". Along with the adjoining properties or "Accessed Property" that Transatlantic has a separate interest in.

SECTION 2
GRANT OF ACCESS, LEASE, POSSESSION AND CONTROL

- 2.1 VOIT, in consideration of the payments and covenants to be performed by TRANSATLANTIC, leases to TRANSATLANTIC, its successors and assigns, all of the above described Leased Property.
- 2.2 During the term of this Agreement the rights granted to TRANSATLANTIC include the sole and exclusive rights of transit, access, exploration, development and mining the Leased Property and the workings therein; to utilize said property and workings as ventilation, as an emergency escape way as well as to extract ore; to mill the same; to apply such other metallurgical process as are deemed necessary; and to market the ore and concentrates derived from the Leased Property, all in its sole determination it deems appropriate, and to retain the proceeds from the sale of such ore, concentrates or other substances.
- 2.3 VOIT acknowledges that during the terms of this Agreement all decisions with respect to the time, nature, location and extent of any work or operations and the commencement, suspension, resumption or termination of any operations and the exploration, development and mining of the Leased Property, and with respect to the character of the work performed thereon by TRANSATLANTIC under the terms of this Agreement shall be made at the sole discretion of TRANSATLANTIC, whose only obligation to VOIT in this regard is that such work will be performed in compliance with all federal, state, and local laws and regulations in a good and workman like manner and in accordance with accepted mining practices.
- 2.4 TRANSATLANTIC is also granted under this Agreement the sole and exclusive right to use the surface of the St. Lawrence Property as may be necessary, convenient or useful for the enjoyment of all rights herein granted; the right to construct improvements it deems appropriate including but not limited to construction of a surface waste rock dump, a tailings impoundment / treatment facility, and/or a water treatment plant. Upon termination of this Agreement, any surface waste rock dump or tailings impoundment / treatment facility constructed during the life of this Agreement shall be reclaimed by TRANSATLANTIC to standards required by applicable Federal, State, local laws and regulations.
- 2.5 TRANSATLANTIC is also granted under this Agreement the right to mill and process any rock and ores at the St Lawrence Property, which are generated from other properties.
- 2.6 VOIT acknowledges and agrees that all ore, concentrates, metals or other mineral substances produced from the Leased Property shall be the property of TRANSATLANTIC, subject to TRANSATLANTIC's obligation to make payments and other terms and condition, as set forth herein. TRANSATLANTIC may dispose of and market such ore, concentrates, metals or other mineral substances in any manner and means as TRANSATLANTIC, in its sole judgment, may determine. All mining and milling and disposal of waste products, including tailings, shall be in accordance with all applicable Federal, State, local laws and regulations.
- 2.7 TRANSATLANTIC shall use its best efforts to comply with all applicable environmental and mining laws and regulations. At its expense, TRANSATLANTIC will secure all necessary Federal and State permitting and bonding before entering the Lease Property. TRANSATLANTIC will also secure all necessary easements.
The Parties acknowledge that governmental regulatory agencies may claim or send notices of violations of laws, rules or regulations requiring responses and/or action by TRANSATLANTIC.

TRANSATLANTIC will notify VOIT of notices of violation within six (6) business days of receipt.

With the exception of violations, which may impose liens upon the Leased Property or may impose liability upon VOIT (see §2.8), so long as TRANSATLANTIC is acting in good faith to respond, contest or challenge any alleged notice, TRANSATLANTIC shall not be considered in breach of any of the terms and provisions of this Agreement. TRANSATLANTIC shall be solely responsible for determining the proper response to any alleged violations or notices.

- 2.8 Notices of violations which may impose liens upon the Leased Property or may impose liability upon VOIT shall be resolved by TRANSATLANTIC within the regulatory time limit. If required by regulation or law, TRANSATLANTIC shall post bond or place sufficient funds in escrow to pay any fines, penalties and/or interest that may if unresolved be imposed.
- 2.9 In the event of the imposition of a fine, penalty and/or interest by a regulatory agency, TRANSATLANTIC may further any available appellate procedure.
- 2.10 TRANSATLANTIC shall have the right to remove or use timber as required to conduct its operations on the Leased Property. At the option of VOIT, marketable timber removed by TRANSATLANTIC to conduct operations shall be the property of VOIT. All proceeds of sale of removed marketable timber shall be paid to VOIT by the timber buyer/harvester.
- 2.11 VOIT shall not do or permit to be done any act, which would or might hinder or impair the exercise of any rights granted to TRANSATLANTIC under this Agreement including any act or acts, which will encumber or cause a lien to be placed on the St. Lawrence Property during the term of this Agreement.
- 2.12 VOIT shall provide access and control of any information in its possession or control including all maps, surveys, ground records, assay reports, BLM reports or other information that may aid TRANSATLANTIC in its operations. TRANSATLANTIC shall safeguard and maintain said documents. All information and documentation provided shall remain the property of VOIT and be surrendered upon termination of this Agreement.

SECTION 3 EFFECTIVE DATE AND TERM

- 3.1 The Agreement is Effective Date of this 25th of June, 2015.
- 3.2 The Term of this Agreement shall be twenty-five (25) years to commence on the Effective Date. The Term may be extended for an additional twenty-five (25) year Term by TRANSATLANTIC by providing written notice to VOIT of its desire to extend the Term. Notice of any extension shall be served at least ninety (90) days prior to the termination of the initial twenty-five (25) year Term.
- 3.3 Absent early termination or extension of this Agreement, this Agreement shall terminate without further notice required on June 24th, 2040.
- 3.4 Agreement may be terminated by Voigt three years after the granting of the requisite exploration and access permits from the Montana DEQ and USFS, if Transatlantic has not spent \$100,000 in exploring, developing and/or mining mineral resource including improvements on the St. Lawrence Lode claim.
- 3.5 Agreement may be terminated by Voigt after seven years from the execution of this agreement, if Transatlantic has not paid a minimum of \$150,000 compensation in NSR fees or a cash payment equivalent.

SECTION 4
ROYALTIES, PAYMENTS, PURCHASE AND RECORDS

- 4.1 TRANSATLANTIC shall pay VOIT a Royalty of One Percent Net Smelter Return (1% NSR) on all ores and minerals extracted from the St. Lawrence Lode Claim, Richmond ore body, Monitor ore body and all ores and minerals lying within this claim group in sections 7-10 and 15-18 in Township 46 North Range 7 East of the Boise Meridian in Shoshone County, Idaho more particularly depicted in the "Accessed Properties" attached as Exhibit "B" and the St. Lawrence Property lying in section 5, Township 18 North Range 31 West of the Prime Meridian, Mineral County, Montana, survey of said claim attached as Exhibit "A". Transatlantic will also pay a 1% NSR on any future adjoining claims mined that connect to claims listed in Exhibit "A" and "B".
- 4.2 TRANSATLANTIC'S shall pay a \$10,000 (ten-thousand) maintenance fee. Fee will be due at the execution of this agreement and every anniversary of this agreement hereafter. Monies will be wired to an account of VOIT's direction and will be due within 30 (thirty) days of each anniversary. TRANSATLANTIC will convey 1,300,000 one-million three-hundred thousand shares of Transatlantic Mining Corporation TCO:TSX-V within 30 days of execution of this agreement to VOIT. Said shares shall have no restriction on alienation. All conveyances of stock and/or options by TRANSATLANTIC are subject to the rules and regulations of the TSX Venture Exchange.
- 4.3 The NSR or "Net Smelter Returns" as used in this agreement shall mean the net proceeds received by TRANSATLANTIC from the sale of ores and minerals originating from all claims listed in 4.1, after deductions for the following:
- (a) Custom smelting costs, treatment charges and penalties including, but without being limited to, metal losses, penalties for impurities and charges or deductions for refining, selling, transportation from smelter to refinery and from refinery to market.
 - (b) Cost of transportation mineral product to the concentrator then to a smelter, refiner or other place of treatment.
 - (c) Federal and State production royalties, production taxes, severance taxes and sales taxes, privilege and other taxes measured by production or the value of production.
- 4.4 The NSR portion to VOIT shall be paid on a calendar quarterly basis due on or before the end of one (1) month after the end of the calendar quarter when payment was received from the smelter, refinery or buyer. For example, NSR payment for proceeds in the calendar quarter ending March 31, 2016 is due on or before April 30, 2016, provided smelter settlement has been received. All money payments to VOIT shall be made at his place of business or residence or to his designee or otherwise as instructed in writing by VOIT.
- 4.5 TRANSATLANTIC shall provide an NSR Statement which details the amounts of ore, minerals, and/or other products sold and NSR payment due with itemized deductions.
- 4.6 TRANSATLANTIC shall maintain appropriate records detailing the amount, source and assay of ores and minerals or other products recovered and sold from all properties listed in 4.1 to whom sold and payments received. VOIT at his expense may request an independent audit by a CPA or accounting firm that is acceptable to both Parties of all records of ore and mineral sales.
- 4.7 TRANSATLANTIC may co-mingle ores, minerals and other products recovered from all properties listed in 4.1.

- 4.8 TRANSATLANTIC may purchase and treat smelting ores produced from all properties listed in 4.1 at its own facilities. Any purchase and treatment by TRANSATLANTIC shall be under comparable terms as its facilities offer to other suppliers of concentrates and smelting ores of like quality and quantity.

SECTION 5 REPRESENTATIONS AND WARRANTIES

- 5.1 VOIT is not aware of, nor has it received notice from, any governmental agency of any condition existing on the Leased Property which is or might be a violation of any applicable law, regulation or ordinance.
- 5.2 VOIT is not a "foreign person" as defined under Section 1445(f) of the IRS Code.
- 5.3 VOIT holds and possesses full title and has the right to the Leased Property, which is the subject of this Agreement. VOIT shall defend and resolve any claims, litigation or liens regarding right, title and interest to the Leased Property known to VOIT on the Effective Date. TRANSATLANTIC shall have the right in the name of VOIT to remedy and defects of title in VOIT as TRANSATLANTIC, in its sole judgment, shall deem necessary, subject to any statutory redemption period that may be held by VOIT's predecessor in interest in the St. Lawrence Property.
- 5.4 In event of failure by VOIT to provide exclusive possession and control of the Leased Property to TRANSATLANTIC, then this Agreement shall terminate and VOIT shall refund any monetary and in kind payments from the effective date of this Agreement from TRANSATLANTIC prior to the said termination, and TRANSATLANTIC shall have no further obligation hereunder subsequent to said termination.
- 5.5 VOIT represents and warrants that there are no preexisting easements, leases, agreements or other contractual terms, conditions or obligations of record or not of record applicable to the St. Lawrence Property.

SECTION 6 TAILINGS AND RESIDUE

- 6.1 Tailings, residue and beneficiating ores resulting from exploration and mining operations on the St. Lawrence Property and Accessed Property shall be the sole and exclusive property of TRANSATLANTIC during the term of this Agreement and shall revert to VOIT upon termination.

SECTION 7 CROSS MINING RIGHTS

- 7.1 TRANSATLANTIC is granted the right to mine or remove from the Leased Property any ores, waste, water and other materials existing therein or thereon or in any part thereof, through or by means of drifts, adits, shafts, or underground openings which exist or may be sunk or made upon adjoining or nearby property owned or controlled by TRANSATLANTIC, and may stockpile any ores, waste, or other materials and/or concentrated products of ores or materials from the Leased Property or any part thereof, upon grounds situated upon any such adjoining or nearby property. TRANSATLANTIC may use the Leased Property and any part thereof and any drifts, adits, shafts, or underground openings therein to access any adjoining property owned or controlled by TRANSATLANTIC for the mining, removal and/or stockpiling of any ores, waste, water and other

materials and/or concentrated products of ores or materials from any Accessed Property or nearby property, or for any purpose or purposes connected therewith.

SECTION 8 RIGHT OF FIRST REFUSAL

- 8.1 TRANSATLANTIC is granted the Right of First Refusal to purchase the St. Lawrence Property if VOIT receives a bona fide offer from a third party to purchase all or part of the St. Lawrence Property. A bona fide offer must include the placement of sufficient third party funds in escrow to complete the purchase.
- 8.2 If VOIT elects to sell, convey, transfer, or otherwise convey the St. Lawrence Property and receives a bona fide offer for the sale or transfer, TRANSATLANTIC shall be provided written notice by VOIT of its intent to accept the offer and sell the Property.
- 8.3 TRANSATLANTIC shall be allowed sixty (30) days to evaluate the offer and exercise its option. VOIT shall deliver all information requested by TRANSATLANTIC relating to the offer in order for TRANSATLANTIC to fully evaluate and consider the offer and exercise its Right of First Refusal.
- 8.4 TRANSATLANTIC's Right of First Refusal shall be for the duration of this Agreement and any extensions thereof. If during the term of this Right of First Refusal, TRANSATLANTIC has been provided an opportunity to exercise its right and opted not to do so, the Right of First Refusal shall remain effective if VOIT does not sell the Property to the third party.
- 8.5 Upon exercise of Right of First Refusal and tender, title to property shall be conveyed to TRANSATLANTIC by a good and sufficient warranty deed, in fee simple absolute. All other property shall be conveyed by appropriate and proper instruments.
- 8.6 Should TRANSATLANTIC elect not to exercise its Right of First Refusal and purchase the St. Lawrence Property, its contractual rights shall remain intact and be binding upon Voit's heirs, assignees and successors of any kind.

SECTION 9 RETAINED RIGHT OF ENTRY

- 9.1 VOIT retains the right of entry onto the Leased Property. VOIT or his authorized representative shall not interfere with exploration and mining operations and adhere to all safety standards. Any entry upon the Leased Property shall be at VOIT's and his authorized representative's sole risk. With exception of TRANSATLANTIC negligence causing injury or damages, VOIT agrees to indemnify and hold TRANSATLANTIC from any loss, injury or claim suffered by any authorized representative or arising from any inspection.

SECTION 10 BOOKS AND RECORDS

- 10.1 TRANSATLANTIC shall maintain books and records consistent with those ordinarily kept by mining companies or required by Federal, State, local law or regulation, regarding mining operations.
- 10.2 The books and records of TRANSATLANTIC insofar as they relate to required corporate disclosures under Montana law and/or compliance with the terms and conditions of this Agreement, Federal, State and local laws, regulations, reporting requirements, health and safety standards adherence and general operations upon the Leased Property shall be opened to the inspection by VOIT or his duly authorized representatives during regular business hours by providing at least ten (10) business days advance written notice. Required disclosure of books and records do not include disclosure of proprietary or financial books and records of TRANSATLANTIC unrelated to operations on the Leased Property or to the terms and conditions of this Agreement.

SECTION 11 TAXES, LEINS, COMPLIANCE WITH LAWS

- 11.1 The Parties shall each pay their own Federal and State taxes on their income attributable to the Leased Property and any other tax in the nature of an excise.
- 11.2 VOIT shall pay before delinquency all property taxes applicable to the Leased Property. VOIT shall within ten (10) business days of payment provide TRANSATLANTIC an acknowledgment of payment. Transatlantic will be responsible for any increase in the property tax value of the land due to construction of structures or other commercial improvements.
- 11.3 TRANSATLANTIC shall pay before delinquency all ad valorem, other governmental charges and/or taxes applicable to the Leased Property, both real and personal, which if failed to be paid when due could result in a lien upon the Leased Property. TRANSATLANTIC shall within ten (10) business days of payment provide VOIT an acknowledgment of payment. TRANSATLANTIC shall promptly notify VOIT of any delinquent tax, assessment, fee or charge applicable to the Leased Property. VOIT shall promptly forward to TRANSATLANTIC all tax notices it receives that are the responsibility of TRANSATLANTIC.
- 11.4 TRANSATLANTIC shall keep the Leased Property and the whole and every part thereof free and clear of liens for labor done or work performed upon the Property or materials furnished to it for the development or operation thereof under this Agreement while the same is in force and effect. Any secured interest granted in the Leased Property, without the written approval and consent of VOIT, shall not be binding upon VOIT or his real or personal property.
- 11.5 TRANSATLANTIC shall have no liability or obligation to pay, satisfy or deferred any liens in existence or arise from any events occurring prior to the date of entry, possession and control of the Leased Property ("Preexisting Liens"). VOIT shall defend and hold TRANSATLANTIC harmless from all costs, loss or damage, which may arise by reason of any Preexisting Liens.
- 11.6 Filing of a lien upon the Leased Property shall not automatically constitute a default in the terms and conditions of this Agreement. TRANSATLANTIC has the right to defend in good faith and dispute the validity of any claim of lien. Unless extended or waived by mutual consent, TRANSATLANTIC shall within the sooner of one hundred twenty (120) days of the recording of any lien or within thirty (30) days of the filing of an action to foreclose a lien upon the Leased Property due to operations by TRANSATLANTIC, post bond pursuant to the Montana Code and secure an order releasing the Leased Property from the claim of lien. If litigation is commenced by a lien claimant against TRANSATLANTIC, TRANSATLANTIC shall defend the action. If VOIT

is named as a party, TRANSATLANTIC shall continue to be responsible for defending and resolving the lien and shall hold VOIT harmless from any loss resulting therefrom.

- 11.7 TRANSATLANTIC in the conduct of its business may grant security interest in its real and personal property but not in the Leased Property. If TRANSATLANTIC grants a security interest in any of its personal property brought to, stored, placed, stacked or otherwise kept upon the Leased Property, TRANSATLANTIC shall, within thirty (30) days of granting the secured interest provide VOIT with a list of sufficient detail (e.g. a copy of a UCC filing) of said property subject to a third party security interest. VOIT assumes no responsibility or bailment obligation for said and shall store or dispose of the asset at the expense of TRANSATLANTIC and/or the third party upon the termination of the Agreement.
- 11.8 TRANSATLANTIC, in conducting operations on the Leased Property, shall comply with all Federal, State and local laws and regulations pertaining to operations on the Leased Property. TRANSATLANTIC shall defend VOIT and hold harmless in any adverse legal actions including regulatory actions, taxes, fines, levies, materialmen or workmen's claims, any accident or injury due to TRANSATLANTIC's operations, presence, acts or omissions.
- 11.9 If any changes, revisions or amendments are made to the Federal Mining Law which substantially impact TRANSATLANTIC's mining operations, the Parties agree to negotiate in good faith, amendments to this Agreement which may be necessary to meet the intents and objects of the Parties in entering into this Agreement.

SECTION 12 OPEN GROUND

- 12.1 In the event it is discovered after the Effective Date of this Agreement that grounds not within the boundaries of the Leased Property are open to claim location, TRANSATLANTIC may in its name, at its sole option, locate, acquire or otherwise gain control of said claims. The same shall not become a part of the Leased Property or be subject to any term or obligation of this Agreement.

SECTION 13 INSURANCE

- 13.1 TRANSATLANTIC shall maintain liability and property insurance covering the entire Leased Property in a minimum aggregate amount of two million dollars (\$2,000,000.00 USD), one million (\$1,000,000.00 USD) per occurrence with VOIT named as an additional insured. Insurance shall be obtained within thirty (30) days of the Effective Date of this Agreement. Such policy may be in combination with any policy in effect on Accessed Property or TRANSATLANTIC mining properties.
- 13.2 TRANSATLANTIC shall indemnify and hold harmless VOIT from any claims and losses arising from personal injury or property loss suffered by its employees, invitees, agents, vendors, and any other third party entering upon the Leased Property for the benefit of TRANSATLANTIC, except the authorized agents or representatives of VOIT.

SECTION 14 DEFAULTS – DISPUTE RESOLUTION

- 14.1 In the event either Party asserts that a Default of this Agreement has occurred, Notice detailing the nature of the asserted default and the required cure shall be provided in writing to the other Party. Unless otherwise mutually agreed in writing, the receiving Party has ten (10) business days from

receipt of the Notice to respond regarding the asserted default or cure the asserted default. If the receiving Party disputes the claim of default, the asserting Party may accept the response or initiate Dispute Resolution.

- 14.2 If a dispute continues after receiving a response from the receiving Party, either Party may elect to resolve the disagreement regarding the terms and conditions of this Agreement by Alternate Dispute Resolution which may include Mediation or Binding Arbitration.
- 14.3 If Alternate Dispute Resolution is requested by either part, that party shall suggest the process requested. The other Party may accept the proposed resolution process or suggest another process. If a Dispute Resolution process is acceptable to the Parties, the Parties shall confer by discussion or correspondence to determine the time, place and method of Dispute Resolution and facilitator.
- 14.4 Alternate Dispute Resolution by Mediation must be cooperative, mutually beneficial and expedient. Unless extended by mutual consent, the entire Mediation process shall be concluded within sixty (60) days of initiation or be considered deadlocked. Each Party shall bear its own attorney fees and costs. The Parties shall equally share the costs and fees of Mediation.
- 14.5 Binding Arbitration shall be conducted under the Uniform Arbitration Act of Montana or other process by mutual consent. Each Party shall bear its own attorney fees and costs. The Parties shall equally share the costs and fees of Arbitration.
- 14.6 Unless otherwise enjoined or restrained by a regulatory agency or order of a court of competent jurisdiction, TRANSATLANTIC may continue operations during the course of Alternate Dispute Resolution under the terms of this Agreement.

SECTION 15 TERMINATION AND DUTIES ON TERMINATION

- 15.1 TRANSATLANTIC may elect to terminate this Agreement by providing sixty (60) days written notice.
- 15.2 Upon termination and surrender of the Leased Property, TRANSATLANTIC shall have no further financial liability to VOIT, except as otherwise provided in this Agreement or may be imposed by rule, regulation or law.
- 15.3 If TRANSATLANTIC elects to terminate this Agreement, it shall make all payments that have already accrued to the date of such termination and payment of TRANSATLANTIC's obliged taxes and fees accrued while this Agreement was in effect. If TRANSATLANTIC shall have included any part of the Leased Property in a "producing group" for assessment purposes, and taxes based on such assessment shall have been levied but not paid at the time of termination, TRANSATLANTIC shall pay such taxes before they are delinquent and provide acknowledgments of payment to VOIT within ten (10) business days of payment.
- 15.4 In the event of termination of this Agreement, TRANSATLANTIC shall surrender to VOIT peaceable possession of the Leased Property. TRANSATLANTIC shall be required on termination to return the Leased Property in a condition compliant with rehabilitation requirements of all permits secured by TRANSATLANTIC. TRANSATLANTIC shall not be responsible for remediation of activities and/or disturbances to the property that predate this lease. See attached exhibit for known disturbances.

- 15.5 The Leased Property will revert to VOIT free of any liens or encumbrances incurred as a result of TRANSATLANTIC's operations on the Leased Property.
- 15.6 If requested by VOIT, TRANSATLANTIC shall within thirty (30) days after termination of this Agreement, return all information and records provided by VOIT pursuant to section 2, and provide copies of its engineering progress maps showing any workings made or uncovered, factual exploration, development and production data including drill core and assay results from the Leased Property. If engineering maps and production data are voluminous, TRANSATLANTIC shall disclose the information by providing a detailed list and provide access for copying by VOIT.
- 15.7 Upon termination of this Agreement, any permanent improvements and fixtures, whether existing on the Leased Property on the date of entry onto the Leased Property or placed, erected or installed upon the Leased Property by VOIT, TRANSATLANTIC or successor during the term of this Agreement shall remain and be considered the exclusive property of VOIT. Said retention of property shall also apply without limitation to any permanent improvements and fixtures which cannot be removed without damaging said property.
- 15.8 Moveable equipment, fixed plant equipment and tools that may be removed without damage to the Leased Property, which were brought upon the Leased Property by TRANSATLANTIC shall be removed within sixty (60) days, absent force majeure.
- 15.9 Tailings and other residue resulting from mining, milling or other beneficiating of ores remaining upon or in the underground workings of the Leased Property shall be the sole and exclusive property of VOIT upon termination of this Agreement.

SECTION 16 ASSIGNMENT

- 16.1 This Agreement is binding upon and inures only to the benefit of the Parties their heirs, successors and assigns. This Agreement does not confer any rights or remedies or causes of action on any person or entity other than the Parties their heirs, successors and assigns.
- 16.2 TRANSATLANTIC may without the consent of VOIT assign this AGREEMENT to a corporation or other entity with which TRANSATLANTIC may merge or consolidate, to any subsidiary of TRANSATLANTIC, to any corporation or other entity under common control of TRANSATLANTIC or to a purchaser of substantially all of TRANSATLANTIC's assets. Any assignment does not excuse performance of this AGREEMENT by TRANSATLANTIC unless said assignment and a substitution of TRANSATLANTIC is approved in writing by VOIT Party.
- 16.3 TRANSATLANTIC may only assign its interest, or any portion thereof, in this Agreement to any third party, not considered in Section 16.2, with the express written consent of VOIT. Said consent shall not be unreasonably withheld and shall be by formal amendment to this Agreement. The third party shall accept and covenant in writing to VOIT that it will perform the obligations as if it were a party to this Agreement.

SECTION 17 NOT A PARTNERSHIP OR JOINT VENTURE

- 17.1 This Agreement does not imply nor should be construed to imply the creation of any form of joint venture, partnership, mining partnership, business arrangement or business relationship other than LESSOR-LESSEE as stated herein.

SECTION 18 CONFIDENTIALITY

- 18.1 The data and information, including the terms of this Agreement, coming into the possession of either party by virtue of this Agreement, shall be deemed confidential, and shall not be disclosed to outside third parties except as may be required to publicly record, in memorandum form, or protect title to the Leased Property, or to publicly announce and disclose information under the laws and regulations of the United States, any state or local government or any country, or on advice of counsel or under the rules and regulations of any stock exchange on which stock of any party, or the parent or affiliates of any party, is listed. With the exception of a Declarations of Default or Termination, the Parties agree, with respect to any public announcements (other than those exceptions set forth in the preceding sentence), including the announcement of the execution of this Agreement, if any, to inform the other of the contents of the announcement or disclosure in advance of its intention to make such announcement in sufficient time to permit the parties to jointly or simultaneously make similar public announcements or disclosure in the other party so desires. Except, that in the event any party anticipates selling or assigning all or a portion of its interest or negotiations to procure loans from third parties are undertaken, such party shall have the right to furnish information to the party to whom such conveyance or assignment is anticipated, or with whom such negotiations are undertaken, upon obtaining from such party an agreement to hold confidential any information so furnished. Nothing in this Agreement shall limit or restrict the right of the parties to provide, deliver or release to parent companies, companies with a common parent, subsidiary companies, affiliated or related companies and/or co-ventures the data and information, including the terms of this Agreement, coming into the possession of the parties by virtue of this Agreement.

SECTION 19 FORCE MAJEURE

- 19.1 If either Party should be prevented or delayed from performing any of the obligations of this Agreement by reason of weather, acts of nature, strike, or threat of strike, fire, flood, delay in transportation or insurrection, mob violence, requirement or regulation of government, unavoidable casualties, shortage of labor, equipment, material, plant breakdown or other disabling causes or for any reason which cannot be reasonably overcome by the means normally employed in performance or any other reasonable cause or causes, then in such event any such failure to perform shall be excused and not be deemed a breach of this Agreement, and performance of said obligations shall be suspended during such period of disability, and the time for performance of said obligations shall be extended for the period of disability. Additionally time for performance may be extended in excess of the period of disability by mutual agreement of the parties.
- 19.2 This section does not apply for environment or safety related measures that must be undertaken to comply with applicable regulation or law to protect the environment, the Leased Property, or the safety of others.

SECTION 20 RECORDATION

- 20.1 On or after the commencement date of this Agreement, at the request of either Party, an executed and acknowledged original of this Agreement or an executed and acknowledged memorandum of this Agreement may be placed of record in the records of Mineral County, Montana. Each Party agrees to properly execute a memorandum of this Agreement that is in the usual and customary recordable form if requested by the other Party.

SECTION 21 NOTICES

- 21.1 Notices to the Parties to this Agreement shall be in writing via personal service or by certified mail with return receipt. Service shall be effective when delivered, or if mailed, effective three (3) business days after mailing to the Party indicated below or to such other address as the Party may provide in writing.

To VOIT:

David Voit
P.O. Box 22
Franklin, PA 16323

With copies to:
(which shall not constitute service of notice)

Bill Voit
2309 The Woods Lane
Lexington, KY 40502

To TRANSATLANTIC:

Transatlantic Idaho Corporation
1044 Northwest Blvd. Suite D
Coeur d'Alene, ID 83814

With copies to:
(which shall not constitute service of notice)

J. Edward Short, Esq.
P.O. Box 2728
Coeur d'Alene, ID 83816
208 660-0305

SECTION 22 MISCELLANEOUS

- 22.1 This Agreement shall be governed and interpreted in accordance with the laws of the State of Montana with jurisdiction and venue in Mineral County, Montana.
- 22.2 This Agreement may be executed in one or more counterparts, each of which shall constitute one and the same agreement.
- 22.3 The headings or captions contained in each section of this Agreement are for ease of reference and convenience only, and shall not be considered in connection with the construction of this Agreement or any section hereof.
- 22.4 This Agreement constitutes the sole understanding of the parties with respect to the subject matter hereof and all prior written and/or oral agreements or understandings between the Parties are incorporated in and are superseded by this Agreement. No later modification or alteration of the terms of this Agreement shall be binding unless such modification or alteration shall be in writing and executed by all Parties. If any later modification or alteration alters the rights granted in this Agreement, the Parties may execute an amended Memorandum of this Agreement in a recordable form sufficient under the laws of the State of Montana to provide notice to third parties. Time is of the essence of this Agreement.

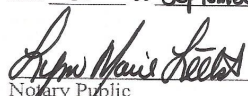
- 22.5 No waiver by either Party of any right herein shall be construed a waiver of any such right in the future or any other right in this Agreement.
- 22.6 No Party has utilized the services of a broker or a finder in the negotiation and/or execution of this Agreement, and they have not incurred any obligation to pay a broker's commission or finder's fee upon the execution and consummation hereof. Each shall pay all costs and expenses. Including legal fees, incurred or to be incurred by it in negotiating and preparing this Agreement, and in closing and carrying out the transactions contemplated by this Agreement. No Party is responsible for any portion of expenses or costs incurred or borne by the other.
- 22.7 This Agreement is the result of negotiations between the Parties and, accordingly, shall not be construed for or against either party regardless of which party drafted this Agreement or any portion thereof.
- 22.8 No term or provision of this Agreement is for the benefit or privity of any non-party.
- 22.9 The Parties shall execute and deliver all documents and perform all acts as reasonably requested by the other to carry out the matters contemplated by this Agreement.
- 22.10 As used herein "Days" are calendar days. "Business Days" are all calendar days with the exception and exclusion of: all Saturdays and Sundays; all federally observed holidays; and all State of Montana observed holidays.
- 22.11 All rights, obligations, terms and conditions of this Agreement are binding upon the Parties and their heirs, successors and assigns.

IN WITNESS WHEREOF, the Parties execute this Mining Exploration and Lease Agreement with Option to Purchase.


 David Voit

State of _____)
) ss:
 County of _____)

I know or have satisfactory evidence that David Voit appeared before me and signed this Agreement as a voluntary act for the uses and purposes stated therein. This 2 of September, 2015.

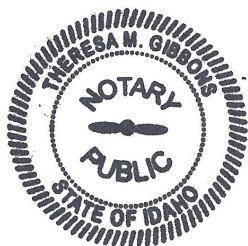

 Notary Public
 State of _____
 County of _____
 My commission expires _____

LYNN MARIE LEETCH, Notary Public
State of Ohio
My Commission Expires August 8, 2017

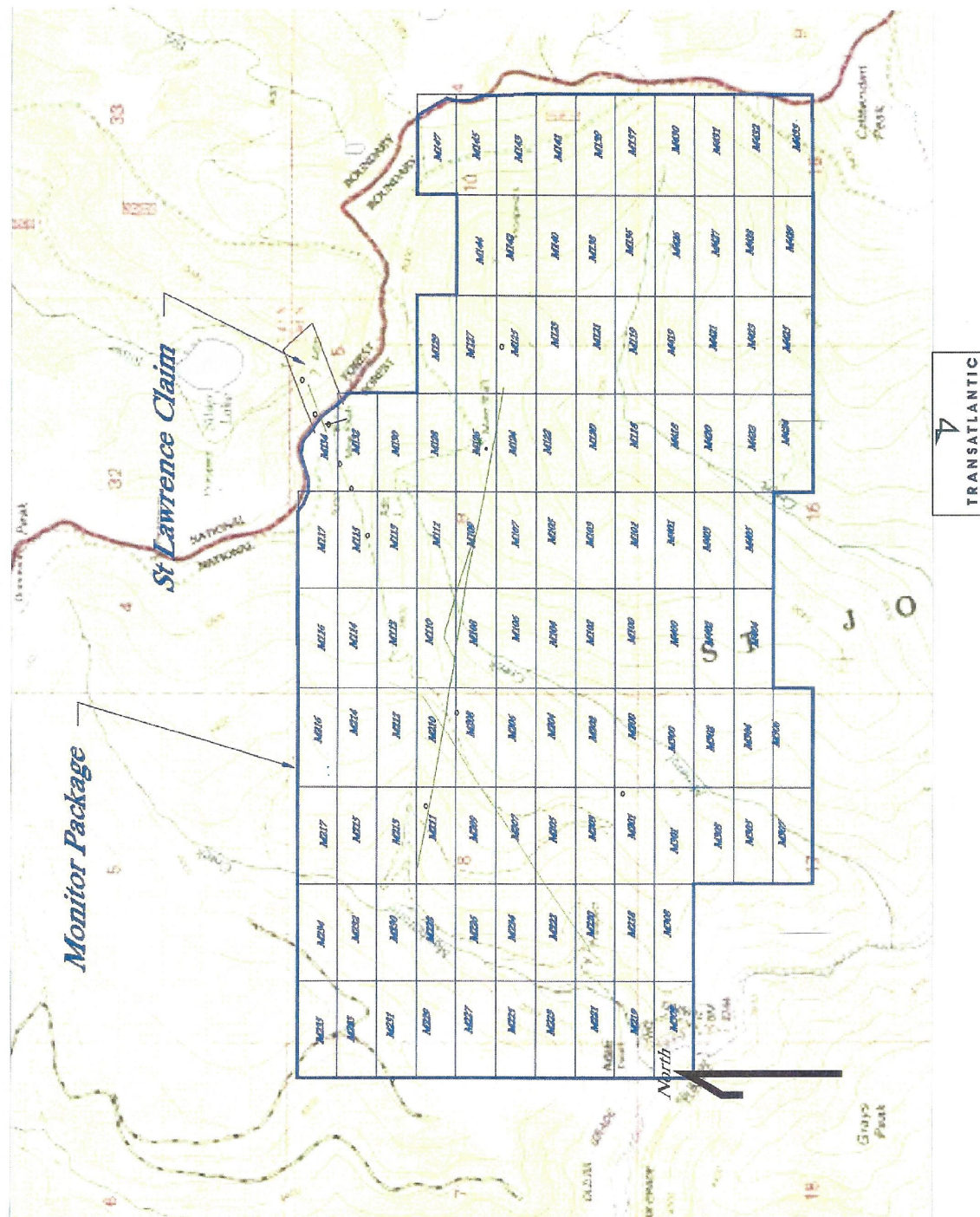
Robert A. [Signature]
PRESIDENT & CEO (title)
for Transatlantic Idaho Corporation

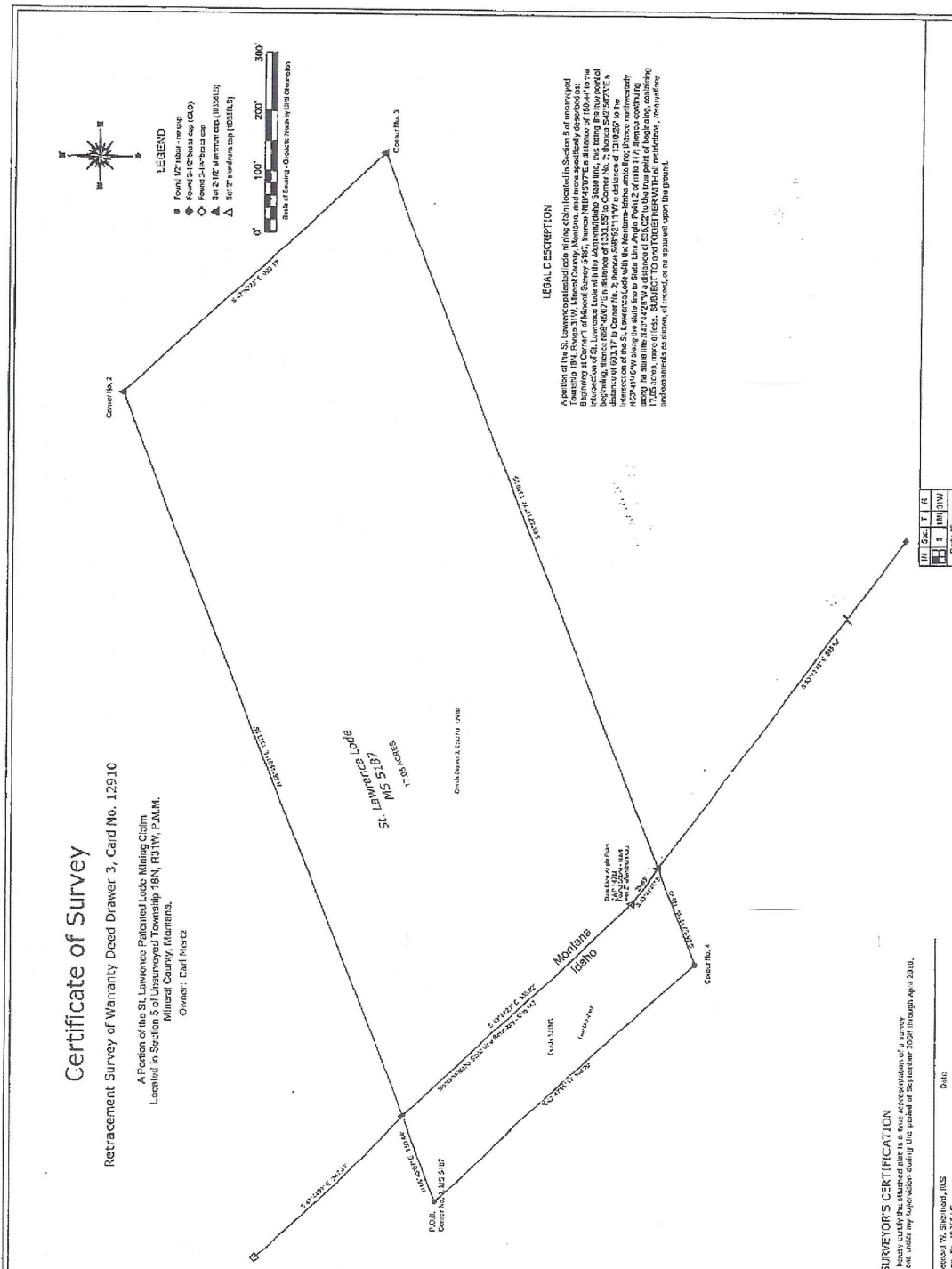
State of Idaho)
County of Kootenai) ss:

I certify that I know or have satisfactory evidence that Robert Tinkh is the person who personally appeared before me, and he is known or identified to me to be the President of the Corporation who executed the instrument on behalf of said Corporation, and acknowledge to me that such Corporation executed the same, on this the 12th of July, 2015.
November



Theresa M. Gibbons [Signature]
Notary Public
State of Idaho
County of Kootenai
My commission expires 1/4/19







CHIEF EXECUTIVE (title)
for Transatlantic Idaho Corporation

State of _____)
) ss:
County of _____)

I certify that I know or have satisfactory evidence that ROBERT is the person who personally appeared before me, and he is known or identified to me to be the CEO of the Corporation who executed the instrument on behalf of said Corporation, and acknowledge to me that such Corporation executed the same, on this the 25th of July, 2015.

Notary Public
State of _____
County of _____
My commission expires _____

Appendix C. Option and Joint Venture Agreement

OPTION AND JOINT VENTURE AGREEMENT

This Agreement is made as of February 5, 2013

AMONG:

ARCHEAN STAR RESOURCES INC., a corporation existing under the laws of British Columbia and having its registered office at 410 – 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5

(hereinafter "**Archean Star**")

AND:

NORTHERN ADVENTURES, LLC., a corporation existing under the laws of the State of Idaho and having its head office at 24785 E. Doyle Road, Cataldo, ID 83810

(hereinafter "**NALLC**")

AND:

AMERICAN CORDILLERA MINING CORPORATION (formerly APD ANTIQUITIES, INC. ("APD")) and AMCOR EXPLORATION, INC. ("AMEX"), a wholly owned subsidiary of **AMERICAN CORDILLERA MINING CORPORATION**, both corporations existing under the laws of the State of Nevada and having their registered offices at 1314 South Grand Boulevard, Suite 2-17, Spokane, WA 99202

(collectively, hereinafter "**AMCOR**")

WHEREAS:

- A. NALLC is the sole registered and legal and beneficial owner of 20 unpatented lode mining claims (the "**Claims**") commonly referred to as the Monitor-Richmond property, located in Shoshone County, Idaho and the Copper Age property, located in Mineral County, Montana, as more particularly described in Schedule A to this Agreement (the "**Property**");
- B. Northern Adventures, Inc. ("**NAI**") acquired a 100% leasehold interest (the "**Leasehold Interest**") in the Claims from NALLC pursuant to the Mining Lease (as hereinafter defined);
- C. NAI, NALLC and AMCOR entered into the Purchase Option Agreement (as hereinafter defined) whereby AMCOR acquired from NAI the option to purchase numerous mining leases, patented mining claims, unpatented mining claims which include, but are not limited to, the Claims that are subject of the Mining Lease, which option was exercised on December 28, 2012;
- D. In connection with the Purchase Option Agreement, AMCOR acquired the 100% Leasehold Interest in the Claims pursuant to the assignment of the Mining Lease by NAI dated December 28, 2012 (the "**Asset Purchase Agreement**") whereby AMCOR holds the right to explore, develop and conduct mining operations on the Property in accordance with the terms of the Mining Lease;

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- E. AMCOR is the registered, legal and beneficial owner of a 100% ownership interest in AMEX;
- F. NAI, NALLC, AMCOR and Archean Star entered into the Letter Agreement dated October 30, 2012 (as hereinafter defined) whereby NAI, NALLC, APD and AMCOR have agreed to grant to Archean Star the exclusive right and Option (as hereinafter defined) to acquire up to an undivided 80% interest in and to the Leasehold Interest subject to the terms of the Mining Lease and in accordance with the terms and conditions of this Agreement; and
- G. After Archean Star earns an interest in the Leasehold Interest, a Joint Venture shall be formed between Archean Star and AMCOR upon the occurrence of certain events, in accordance with the terms and conditions of this Agreement.

For valuable consideration, the parties agree as follows:

1. INTERPRETATION

- 1.1 **Definitions.** In this Agreement, terms and expressions given a defined meaning in any Schedule shall have the corresponding meaning in this Agreement and:

"**Affiliate**" has the meaning given to that term in the *Securities Act* (British Columbia).

"**Agreement**" means this Option and Joint Venture Agreement, and any amendments as may be agreed to in writing from time to time by the Parties hereto.

"**Area of Mutual Interest**" has the meaning ascribed to it in Section 3.14 of this Agreement.

"**Asset Purchase Agreement**" an agreement dated December 28, 2012 between AMCOR, AMEX, NAI and NALLC which has the meaning set out in recital D to this Agreement.

"**BLM**" means United States Bureau of Land Management.

"**Business Day**" means a day on which commercial banks are open both in Vancouver, British Columbia and Spokane, Washington.

"**Buy-out Option**" has the meaning ascribed to it in Section 7.1 of this Agreement.

"**Claims**" has the meaning set out in recital A to this Agreement, including the replacement or successor claims, and all mining leases and other mining interests derived from any such Claims.

"**Decision to Mine**" has the meaning ascribed to it in Section 8.1 of this Agreement.

"**Development**" means all preparation for the removal and recovery of Products, including the construction or installation of a mill or any other improvements to be used for the mining, handling, milling, processing or other beneficiation of Products.

"**Exchange**" means the TSX Venture Exchange Inc.

"**Expenditures**" means, without duplication, all costs and expenses actually and directly incurred by a party on or for the benefit of a Property including without limiting the generality of the foregoing, monies expended in doing geophysical, geochemical and geological surveys, drilling, drifting and other surface and underground work, assaying and metallurgical testing, engineering and geological consulting, and building and operating any exploration facilities on the Property; land fees associated with the management of the Property, including community payments and

expenses directly related to community relations and the acquisition of exploration permits; payment of fees, wages, salaries, travelling expenses, and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property, in paying for the food, lodging and other reasonable needs of such persons and including all costs at prevailing charge out rates for any personnel who from time to time are engaged directly in work on the Property, such rates to be in accordance with industry standards.

“Exploration” means all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products.

“Feasibility Study” means a detailed report prepared by, or prepared under the supervision of, an Independent Qualified Person in accordance with NI 43-101 evaluating the feasibility of placing any part of the Property into commercial production as a Mine and shall include a reasonable assessment of the various categories of ore reserves and resources and their amenability to metallurgical treatment, a detailed description of the work, personnel, equipment and supplies required to bring such part of the Property into commercial production and the estimated cost thereof, a description of the mining and processing methods to be employed and a financial appraisal of the proposed operations. The study will include:

- (i) a description of that part of the Property to be covered by the proposed Mine;
- (ii) the estimated minable reserves and their composition and content;
- (iii) the estimated metal recoveries and results of any metallurgical tests;
- (iv) the proposed procedures for development, mining and processing of the ores;
- (v) the nature and extent of all infrastructure, machinery and equipment required for the proposed Mine and the estimated timing and costs to purchase, construct and install them;
- (vii) a description of the environmental studies, permitting process, and permits required for the construction and operation of the proposed Mine;
- (viii) a description of any additional activities required to achieve commercial production; and
- (ix) such other data and information as are reasonably necessary to substantiate the existence of an ore deposit of sufficient size, grade and recoverability to justify development of a mine, taking into account all relevant business, tax and other economic considerations.

“Independent” means a person who meets the test for Independence.

“Independence” has the meaning ascribed to that term in NI 43-101.

“Joint Venture” means the exploration joint venture which may be formed with respect to the Leasehold Interest pursuant to Section 8.1.

“Joint Venture Assets” means, after the formation of the Joint Venture, the Leasehold Interest and all other assets of the Joint Venture.

“Joint Venture Interest” means the percentage undivided interest of each of AMCOR and Archean Star in the Joint Venture, which interest shall, at all times, correspond with and represent their respective percentage undivided interest in the Leasehold Interest pursuant to this Agreement and vice versa.

“Joint Withdrawal” has the meaning ascribed to it in Section 16.2 of Schedule “C” to this Agreement.

“JV Formation Date” has the meaning ascribed to it in Section 8.1 of this Agreement.

“Leasehold Interest” has the meaning set out in recital B to this Agreement.

“Letter Agreement” means the letter agreement dated October 30, 2012 amongst NAI, NALLC, APD, AMEX and Archean Star, which is superseded in its entirety by this Agreement.

“Lien” means any lien, security interest, mortgage, charge, encumbrance, or other claim of a third party, whether registered or unregistered, and whether arising by agreement, statute or otherwise.

“Management Committee” means the committee established by the parties on the formation of a Joint Venture as described in Section 3.1 of Schedule “C”.

“Minerals” means any and all ores (and concentrates or metals derived therefrom) of precious, base and industrial minerals, in, on or under a Property which may lawfully be explored for, mined and sold by the Parties pursuant to the instruments of title under which the Property is held.

“Mining” means all operations associated with the extraction and treatment of Minerals on a commercial basis.

“Mining Lease” means the Mining Lease Agreement dated June 27, 2012, as amended on December 6, 2012 between NALLC and NAI concerning the Claims.

“Net Proceeds” means certain amounts calculated as provided in Exhibit “G”, which may be payable to a party to the Joint Venture under Section 10 of Schedule “C”.

“NI 43-101” means National Instrument 43-101 entitled “Standards of Disclosure for Mineral Projects” promulgated by the Canadian Securities Administrators.

“NSR” means the net smelter return royalty, which is set out in the Mining Lease and as set out in Schedule “D” to this Agreement.

“Operator” means the party responsible for carrying out, or causing to be carried out, all work in respect of the Property during the period of the Option and during the period of a Joint Venture.

“Operations” means the activities carried out under this Agreement and Schedule C.

“Option” means the option granted to Archean Star by NAI in accordance with Section 3.1.

“Option Date” has the meaning ascribed to it in Section 3.2 of this Agreement.

“Party” and **“Parties”** means the parties, individually or jointly, to this Agreement.

“Prime Rate” means the interest rate quoted as “Prime” by the Bank of Canada.

“Preliminary Economic Assessment” shall have the meaning ascribed to such term in NI 43-101.

"Products" means all ores, minerals and mineral resources produced from the Properties under this Agreement.

"Program" means a written description, prepared by the Operator and adopted by the Management Committee, outlining all Expenditures which the Operator contemplates incurring on the Property, including a detailed description of all work which the Operator proposes to carry out on the Property pursuant to such Program.

"Property" or **"Properties"** means the Claims located in Shoshone County, Idaho and Mineral County, Montana more particularly described in Schedule "A" hereto and those rights and benefits appurtenant to the Property, including those rights and benefits arising under the Mining Lease, together with any and all substitute, modified or successor rights and title thereto.

"Purchase Option Agreement" means the Option to Purchase Assets Agreement dated July 3, 2012, as amended on October 1, 2012 among APD, AMCOR, NAI and NALLC.

"Qualified Person" has the meaning ascribed to that term in NI 43-101.

"Remaining Party" has the meaning ascribed to it in Section 16.1 of Schedule "C" to this Agreement.

"Representative" means the individual appointed from time to time by a Party to act as such Party's representative on a Management Committee.

"Withdrawing Party" has the meaning ascribed to it in Section 16.1 of Schedule "C" to this Agreement.

- 1.2 **Extended Meanings** means, unless otherwise specified, that words importing the singular include the plural and vice versa. The term "including" means "including without limitation."
- 1.3 **Headings.** The division of this Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.
- 1.4 **Severability.** If any term of this Agreement is or becomes illegal, invalid or unenforceable, that term shall not affect the legality, validity or enforceability of the remaining terms of this Agreement.
- 1.5 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein and supersedes all prior arrangements, negotiations, discussions, undertakings, representations, warranties and understandings, whether written or verbal.
- 1.6 **Time.** For every provision in this Agreement, time is of the essence.
- 1.7 **Governing Law.** This Agreement shall be governed by and shall be construed and interpreted in accordance with the laws of British Columbia.
- 1.8 **Statutory References.** Each reference to a statute in this Agreement includes the regulations made under that statute, as amended or re-enacted from time to time.
- 1.9 **Currency.** All references to \$ herein refer to United States dollars.

1.10 **Schedules.** The following Schedules are attached to and form part of this Agreement:

Schedule "A"	Description of the Property and the Claim
Schedule "B"	Property Obligations
Schedule "C"	Joint Venture Terms
Schedule "D"	Mining Lease Net Smelter Returns
Schedule "E"	Mining Lease
Schedule "E"	Joint Venture Net Smelter Returns
Schedule "G"	Net Proceeds Calculation

2. REPRESENTATIONS AND WARRANTIES

2.1 Each Party represents and warrants to the other Parties that:

- (a) each has the full right, power, capacity and authority to enter into, execute and deliver this Agreement and be bound by its terms;
- (b) each is a corporation duly organized, validly existing and in good standing under its applicable laws of incorporation and has all requisite corporate power and authority to own its properties and carry on its business as now being conducted;
- (c) the execution, delivery and performance of this Agreement and the matters contemplated herein have been duly authorized by all necessary corporate action and no other corporate proceedings are necessary to authorize this Agreement and the matters contemplated herein;
- (d) the Agreement, when delivered in accordance with the terms hereof, will constitute a valid and binding obligation enforceable against the Party in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws of general application affecting enforcement of creditors' rights generally; and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies;
- (e) the consummation of this Agreement will not conflict with nor result in any breach of any agreement or other instrument whatever to which each Party herein is a party or by which each Party is bound or to which each Party may be subject;
- (f) no proceedings are pending for, and each Party is unaware of any basis for, the institution of any proceedings leading to the placing of the Party in bankruptcy or subject to any other laws governing the affairs of insolvent parties;
- (g) none of the Parties requires the consent or approval of any other Party or entity to the entering into this Agreement or any of the transactions contemplated hereby;
- (h) each Party has duly executed and delivered this Agreement, which binds it in accordance with its terms; and
- (i) each Party has, or will before the Option Date, duly obtained all necessary governmental, corporate, and other authorizations for its execution and performance of this Agreement, and the consummation of the transactions contemplated herein shall not, with the giving of notice or the passage of time, or both, result in a breach of, constitute a default under,

or result in the creation of any encumbrances on its assets under the terms of provisions of any law applicable to it, its constating documents, any resolution of its directors or shareholders or any indenture, agreement or other instrument to which it is a party or by which it or its assets may be bound.

- 2.2 In addition to the representations of AMCOR and/or NALLC pursuant to section 2.1 above, AMCOR and NALLC represents and warrants to the best of their knowledge to Archean Star, and acknowledges that Archean Star is relying upon such representations and warranties in connection with the grant of the Option, that:
- (a) NALLC is the legal and beneficial owner of the Claims, which are free and clear of all liens, claims or encumbrances of any nature whatsoever;
 - (b) (i) the Claims comprising the Property were properly recorded and filed with appropriate governmental agencies; (ii) all assessment work required to hold the Claims has been performed and all governmental fees have been paid and all filings required to maintain the Claims in good standing have been properly and timely recorded or filed with appropriate governmental agencies; (iii) other than those royalties (including the NSR) with respect to the Property as indicated in Schedule "D" hereto, the Claims are free and clear of encumbrances or defects in title; and (iv) neither AMCOR nor NALLC has no knowledge of conflicting mining claims;
 - (c) all fees, taxes, assessments, rentals, levies or other payments required to be made relating to the Property have been paid;
 - (d) the Property is properly and accurately described in Schedule "A" hereto;
 - (e) NALLC holds all permits, licenses, consents and authorities issued by any government or governmental authority which are necessary in connection with the ownership of the Claims;
 - (f) with the exception of the NSR, no person, firm or corporation has any proprietary or possessory interest in the Property other than AMCOR and no person, firm or corporation is entitled to any royalty or any other payment in the nature of rent or royalty on any mineral products removed from the Property;
 - (g) the Claims are not subject to any mining royalties imposed by the State of Idaho or the State of Montana, or any federal, municipal or local authority;
 - (h) except for the Purchase Option Agreement and the Mining Lease, there are no outstanding agreements or options to acquire the Claims or any portion or interest thereof, and no person, firm or corporation, other than AMCOR and NALLC, has any proprietary or possessory interest in the Claims;
 - (i) NALLC's ownership of the Claims is in compliance with, is not in default or violation in any material respect, under and neither AMCOR nor NALLC have been charged with or received any notice at any time of any material violation of any statute, law, ordinance, regulation, rule, decree or other applicable regulation in connection with NALLC's ownership of the Claims;
 - (j) AMCOR and NALLC are not aware of any material facts relating to the Property that, if known to Archean Star, could reasonably be expected to cause Archean Star to decide to not enter into this Agreement or not proceed with the exercise of the Option and AMCOR

and NALLC have advised Archean Star of all of the material information currently available to AMCOR and NALLC relating to the mineral potential of the Claims of which it has knowledge;

- (k) no filing or registration with, no notice to and no permit, authorization, consent or approval of any public or governmental body or authority or other person or entity is necessary for the exercise of the Option contemplated by this Agreement or to enable Archean Star to acquire an 80% Leasehold Interest in the Claims upon the exercise of the Option;
 - (l) there are no adverse claims or challenges to AMCOR's or NALLC's interest in the Mining Lease or the Property;
 - (m) to the best of AMCOR's and NALLC's knowledge, there has been no known spill, discharge, deposit, leak, emission or other release of any contaminant, pollutant, dangerous or toxic substance, or hazardous waste on, into, under or affecting the Property and no such contaminant, pollutant, dangerous or toxic substance, or hazardous waste is stored in any type of container on, in or under the Property;
 - (n) there are no existing or threatened actions, suits, claims or proceedings regarding the Property and there are no outstanding notices, orders, assessments, directives, rulings or other documents issued in respect of the Mining Lease or the Property by any governmental authority;
 - (o) there are no existing reclamation, rehabilitation, restoration or abandonment obligations with respect to the Property;
 - (p) there are no pending or ongoing actions taken by or on behalf of any native or indigenous persons pursuant to the assertion of any land claims with respect to lands included in the Property;
 - (q) neither AMCOR nor NALLC nor, to the best of AMCOR's knowledge, any other party to the Mining Lease is in breach of any provision of the Mining Lease;
 - (r) the Mining Lease has been duly executed and delivered by the parties thereto and constitutes a legally valid and binding obligation of the parties thereto, enforceable against such parties; and
 - (s) Schedule "B" sets forth all of payment obligations and work commitments under the Mining Lease.
- 2.3 Archean Star hereby represents and warrants that as and from the Option Date, as defined in Section 3.2 below, it shall assume each and every obligation of AMCOR in relation to the Mining Lease.
- 2.4 Each Party's representations and warranties set out above will be relied on by the other Parties in entering into the Agreement and shall survive the execution and delivery of the Agreement. Each Party shall indemnify and hold harmless the other Parties for any loss, cost, expense, claim or damage, including legal fees and disbursements, suffered or incurred by the other Party at any time as a result of any misrepresentation or breach of warranty arising under the Agreement.

3. OPTION

- 3.1 Subject to the terms and conditions set out in this Agreement, AMCOR hereby grants to Archean Star the sole and exclusive right and option to acquire an 80% undivided right, title and interest in the Leasehold Interest.
- 3.2 The Option shall be subject to the approval of the board of directors of Archean Star and the acceptance of the Exchange, which shall be obtained by Archean Star on or before March 31, 2013. The effective date of the Option shall be the date that is five (5) business days following the date of Exchange acceptance (the “**Option Date**”).
- 3.3 In order to exercise the Option, Archean Star shall pay an aggregate of US\$25,000 to AMCOR, issue an aggregate of 3,000,000 common shares to AMCOR and incur not less than an aggregate of US\$2,100,000 of Expenditures on the Property as follows:
- (a) on signing the Letter Agreement, Archean Star pay the sum of US\$10,000 as a non-refundable deposit to NAI, which amount has been paid;
 - (b) on the Option Date Archean Star shall:
 - (i) pay NALLC a cash payment of US\$7,500;
 - (ii) pay AMCOR a cash payment of US\$7,500;
 - (iii) issue 500,000 common shares in the capital stock of Archean Star to NALLC; and
 - (iv) issue 500,000 common shares in the capital stock of Archean Star to AMCOR (or such other such name as may be directed by AMCOR);
 - (c) on the second anniversary of the Option Date, Archean Star shall:
 - (i) issue 500,000 common shares in the capital stock of Archean Star to NALLC; and
 - (ii) issue 500,000 common shares in the capital stock of Archean Star to AMCOR (or such other such name as may be directed by AMCOR);
 - (d) on the third anniversary of the Option Date, Archean Star shall:
 - (i) issue 500,000 common shares in the capital stock of Archean Star to NALLC; and
 - (ii) issue 500,000 common shares in the capital stock of Archean Star to AMCOR (or such other such name as may be directed by AMCOR);
 - (e) on or before the first anniversary of the Option Date, Archean Star shall incur a minimum of US\$700,000 of Expenditures, which is a firm commitment;
 - (f) on or before the second anniversary of the Option Date, Archean Star shall incur a further US\$700,000 of Expenditures;

- (g) on or before the third anniversary of the Option Date, Archean Star shall incur a further US\$700,000 of Expenditures; and
 - (h) Archean Star shall also assume and satisfy the financial obligations and otherwise comply with the terms of the annual required expenditures provision contained in Article 7 of the Mining Lease and the advance royalty payment provision contained in Article 8 of the Mining Lease.
- 3.4 Upon the exercise of the Option in accordance with the terms of this Agreement, Archean Star will have exercised the Option and have acquired an undivided 80% Leasehold Interest pursuant to this Agreement and NALLC shall promptly prepare and deliver to Archean Star a registrable transfer document confirming that Archean Star holds an 80% Leasehold Interest and AMCOR holds a 20% Leasehold Interest, respectively, in the Mining Lease.
- 3.5 Each of the payment and common share issuance obligations set forth in Section 3.3 may be accelerated by Archean Star in order to accelerate Archean Star's exercise of the Option, but if Archean Star fails to meet any such payment or Expenditure obligation when due, the Option will terminate, subject to AMCOR providing Notice of default to Archean Star and Archean Star failing to cure said default pursuant to Section 10.1.
- 3.6 Expenditures incurred by any date in excess of the amount of Expenditures required to be incurred by such date shall be carried forward to the succeeding period and qualify as Expenditures for the succeeding period. If Expenditures incurred by any date are less than the amount of Expenditures required to be incurred by such date, Archean Star may pay the deficiency to or at the direction of AMCOR in cash within sixty (60) days after such date, in order to maintain the Option in good standing. Such payments of cash in lieu of Expenditures shall be deemed to be Expenditures incurred on the Property on or before such date. For greater certainty, if Expenditures incurred by any date are more than the amount of Expenditures required to be incurred by such date, Archean Star may credit such Expenditures to the next Expenditure period as outlined in Section 3.3.
- 3.7 The Parties agree that the share issuances by Archean Star, as set out in Sections 3.3(b)(iii), 3.3(b)(iv), 3.3(c) and 3.3(d) herein shall satisfy in full any and all consideration that is due to NALLC and/or AMCOR in connection with the following:
 - (a) the amendment to the Mining Lease dated December 6, 2012, which amended the terms of the Royalty Schedule contained in the table in Article 8 of the Mining Lease; and
 - (b) the obligation of APD to issue certain restricted common stock in the capital of APD under the paragraph entitled "Stock Issuance" in Article 8 of the Mining Lease, as reflected in Schedule D.
- 3.8 Archean Star will have the right to terminate this Agreement at any time after the Expenditure payment set out in Section 3.3(e) has been paid up to the date of exercise of the Option by giving notice in writing of such termination to AMCOR, and in the event of such termination, this Agreement will, except for the provisions of Sections 2.4, 3.12 and 6.2, be of no further force and effect save and except for any obligations of Archean Star incurred prior to the effective date of termination.
- 3.9 The options described in this Agreement are options only and except for the payments required in Section 3.3(a) and 3.3(e) which are obligatory, and except as specifically provided otherwise, nothing herein contained will be construed as obligating Archean Star to do any acts or make any payments hereunder except as otherwise set forth, and any act or acts or payment or payments as

may otherwise be made hereunder will not be construed as obligating Archean Star to do any further act or make any further payment or payments.

- 3.10 Archean Star may at any time during the Option Period elect to abandon any one or more of the Claims by giving a minimum of a sixty (60) day notice in writing to AMCOR and NALLC of such intention. Any Claims so abandoned shall be in good standing under the laws of the jurisdiction in which they are situate for at least one year from the date of abandonment. Upon any such abandonment, the Claims so abandoned shall for all purposes of this Agreement cease to form part of the Property and, if title to such Claims has been transferred to Archean Star, Archean Star shall retransfer such title to AMCOR at Archean Star's expense.
- 3.11 Between the date of this Agreement and the exercise of the Option, each of the Parties to this Agreement will promptly notify the other Party in writing if it becomes aware of any fact or condition that causes or constitutes a material breach of any of its representations and warranties as of the date of this Agreement, or if it becomes aware of the occurrence after the date of this Agreement of any fact or condition that would cause or constitute a material breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. During the same period, each Party will promptly notify the other parties of the occurrence of any material breach of any of its covenants in this Agreement or of the occurrence of any event that may make the satisfaction of such conditions impossible or unlikely.
- 3.12 AMCOR hereby indemnifies and agrees to hold harmless Archean Star against any losses, claims and liabilities arising out of or in respect of AMCOR failing to maintain the Mining Lease in good standing or exercising its rights thereunder for the benefit of Archean Star in accordance with this Agreement.
- 3.13 The Option cash payments set out in Sections 3.3(a), 3.3(b), 3.3(e), 3.3(f), 3.3(g) and 3.3(h) are exclusive of any State or Federal taxes or other taxes that may be imposed, and in the event that any tax (or taxes) is required to be paid then the Parties agree that the Option terms shall be adjusted accordingly.
- 3.14 The Option is subject to the recognition of an area of mutual interest ("**Area of Mutual Interest**") which shall encompass that area more particularly described as Township 47 North, Range 7 East, Boise Meridian, Township 47 North Range 6 East, Boise Meridian, Township 46 North, Range 7 East, Boise Meridian, Township 46 North, Range 6 East, Sections 1 – 12, Boise Meridian, Shoshone County, Idaho and Township 18 North, Range 31 West, and the South 1/2 of Township 19 North, Range 31 West, Mineral County, Montana, shall apply as described in Article 5 of the Mining Lease. Any and all interests in mineral concessions or other mineral rights that have been, or may be acquired, directly or indirectly, by either Party, or their Affiliates, during the term of this Agreement that lie within the Area of Mutual Interest shall be included in the Property and subject to the terms of this Agreement.

4. COVENANTS OF AMCOR

- 4.1 During the currency of this Agreement, AMCOR covenants to:
- (a) not do any other act or thing which would or might in any way adversely affect the rights of Archean Star hereunder, including without limitation selling, assigning, encumbering or otherwise dealing with or affecting the Property;
 - (b) make available to Archean Star and its representatives all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Property

in AMCOR's or NALLC's possession or control, including rock and soil samples, and all records and files relating to the Property and permit Archean Star and its representatives at their own expense to take abstracts therefrom and make copies thereof;

- (c) promptly provide Archean Star with any and all notices and correspondence received by AMCOR or NALLC from government agencies or other parties to the Mining Lease in respect of the Property;
- (d) cooperate fully with Archean Star in obtaining any surface and other rights, permits or licences on or related to the Property as Archean Star deems desirable, provided that Archean Star shall be responsible for payment of all of the cost for services provided by AMCOR personnel at industry standard rates for such services;
- (e) grant to Archean Star, its employees, agents and independent contractors, the sole and exclusive right and option to:
 - (i) enter upon the Property for the purpose of, and to do such prospecting, exploration, development or other mining work thereon and thereunder as Archean Star in its sole discretion may consider advisable;
 - (ii) bring and erect upon the Property such equipment and facilities as Archean Star may consider advisable; and
 - (iii) remove from the Property and dispose of material for the purpose of testing;
- (f) immediately advise Archean Star by notice in writing of any default under the Mining Lease and provide Archean Star with copies of all communications relating thereto;
- (g) until the earlier of the exercise of the Option or the termination of this Agreement, AMCOR will not, without the prior written consent of Archean Star, allow the Property to become subject to any claims, liens, security interests, charges and encumbrances of any nature or kind whatsoever or enter into any agreement (whether written or verbal) that may result in the creation of any such claims, liens, security interests, charges and encumbrances or otherwise restrict in any manner whatsoever the exercise of the Option by Archean Star as contemplated by the Agreement, except for any encumbrances arising from the activities of AMCOR; and
- (h) do all such other acts and things as may be necessary or desirable in order to give effect to the transaction contemplated by this Agreement.

4.2 During the period of the Option, AMCOR covenants to:

- (a) maintain in good standing the Claims included in the Property by the payment of fees, taxes and rentals and the performance of all other required actions in order to keep the Claims free and clear of all liens and other charges arising from AMCOR's activities thereon, except those contested in good faith by AMCOR; and
- (b) perform all work on the Property in a careful and miner-like manner and in accordance with all applicable laws, regulations, orders and ordinances of any governmental authorities and with Mine Safety and Health Administration (MSHA) and make all local, state and federal filings to hold the claims at least 30 days prior to the legal due date and provide receipts to AMCOR.

5. COVENANTS OF NALLC

5.1 During the currency of this Agreement, NALLC covenants to:

- (a) during the term of the Option, retain title to the Property and not encumber same and shall not deal with title in any manner except to record Archean Star's Option to earn an 80% Leasehold Interest in the Mining Lease, which shall be recorded on title to the Property, as maintained by the applicable mineral title registry in Idaho and Montana, respectively;
- (b) provide such documentation as may be required to ensure that the Option on the Mining Lease is properly recorded with the applicable mineral title registry in Shoshone County, Idaho and Mineral Country, Montana, together with other items and documents as may be necessary to give full force and effect to this Agreement; and
- (c) do all such other acts and things as may be necessary or desirable in order to give effect to the transaction contemplated by this Agreement.

6. COVENANTS OF ARCHEAN STAR

6.1 During the term of the Option, Archean Star covenants to:

- (a) perform AMCOR's obligations under the Mining Lease as if they were Archean Star's obligations and otherwise keep the Mining Lease in good standing;
- (b) concurrently with making any payment pursuant to the Mining Lease, advise AMCOR in writing of same; keep the Property free and clear of all Liens arising from its operations hereunder (except liens for taxes not yet due, other inchoate liens or liens contested in good faith by Archean Star) and proceed with all diligence to contest or discharge any Lien that is filed;
- (c) maintain the Property in good standing with the BLM and such other regulatory agencies by making those annual maintenance payments as required by those agencies and performances of all obligations under the Mining Lease;
- (d) permit AMCOR, or its representatives duly authorized by it in writing, at its own risk and expense, access to the Property at all reasonable times and to all records and reports, if any, prepared by Archean Star in connection with work done on or with respect to the Property, and furnish AMCOR monthly activity reports on or before the 15th of the following month in respect of the work carried out by Archean Star on the Property during the previous month;
- (e) during the implementation of sections 4.1(e)(i), 4.1(e)(ii) and 4.1(e)(iii) above, Archean Star agrees to indemnify and hold AMCOR harmless from any liability related to an accident or personal injury of any of its employees, officers, directors, agents, consultants or sub-contractors;
- (f) conduct all work on or with respect to the Property in a careful and miner-like manner and in compliance with all applicable federal, provincial and local laws, rules, orders and regulations, and with Mine Safety and Health Administration (MSHA) requirements, and indemnify and save AMCOR harmless from any and all claims, suits, demands, losses and expenses including, without limitation, with respect to environmental matters, made

or brought against it as a result of work done or any act or thing done or omitted to be done by Archean Star on or with respect to the Property; and

- (g) return the Property intact upon termination of the Option pursuant to the terms of this Agreement.

- 6.2 In the event of termination of the Option for any reason other than through the exercise thereof, Archean Star will have the right (and, if requested by AMCOR within 90 days of the effective date of termination, the obligation) to remove from the Property within six months of termination of this Agreement all facilities erected, installed or brought upon the Property by or at the instance of Archean Star, failing which, the facilities shall become the property of AMCOR.
- 6.3 Archean Star shall do all such other acts and things as may be necessary or desirable in order to give effect to the transaction contemplated by this Agreement, including using its commercially reasonable efforts to obtain Exchange acceptance of this transaction.

7. BUY-OUT OPTION

- 7.1 Archean Star shall have the right to exercise the buy out clause as set out in Section 7.3 and thereby purchase a 100% interest in the Property from NALLC, and thereby terminate the Mining Lease (the “**Buy-out Option**”). Upon exercise of the Buy-out Option by Archean Star, AMCOR shall be obligated to contribute 20% of the cost of the acquisition of the Property.
- 7.2 If Archean Star exercises the Buyout Option on or before June 27, 2017, Archean Star (with AMCOR contributing 20% of the purchase price) shall pay the sum of US\$10,000,000 to NALLC, and NALLC shall retain a 1% NSR (as defined in Schedule “D”) in the Property. In the event that the Buy-out Option is exercised after June 27, 2017, the purchase price payable to NALLC shall be US\$15,000,000, and all other terms remain the same. Prior payments of royalties, costs, or other expenses will not be included in the Buy-out Option payment. This Buy-out Option terminates any obligations Archean Star has within the Mining Lease, except for the remaining 1% NSR.
- 7.3 Concurrently with the exercise of the Buy-out Option, NALLC shall transfer title to the Claims which comprise the Property to Archean Star, or its nominee, free and clear of all encumbrances, except those encumbrances, if any, resulting from the activities of Archean Star.

8. THE JOINT VENTURE

- 8.1 If Archean Star exercises the Option as set out in Section 3, then, as of the exercise date of the Option, AMCOR shall receive a 20% carried Interest in the Mining Lease until such time as the earlier of:

- (a) a NI 43-101 compliant Feasibility Study has been prepared on the Property for Archean Star; or
- (b) Archean Star has notified AMCOR in writing of its decision to proceed with Mining of the Property (a “**Decision to Mine**”),

has occurred, at which time (the “**JV Formation Date**”) a Joint Venture shall automatically be deemed to be formed between Archean Star and AMCOR in accordance with the terms set out in Schedule “C”, whereby AMCOR shall hold a 20% Joint Venture Interest and Archean Star shall hold an 80% Joint Venture Interest, in and to the Mining Lease, and all Expenditures from the

date of the formation of the Joint Venture shall be apportioned between the parties as to their percentage interest. The Mining Lease shall thereupon become a Joint Venture Asset.

- 8.2 Expenditures, if any, in excess of those required to maintain the Option in good standing which have been committed or incurred by Archean Star at the JV Formation Date will be carried forward and credited to Archean Star's contribution to Joint Venture programs under the Joint Venture.

9. CONFIDENTIALITY

- 9.1 All matters concerning the execution and contents of this Agreement, the Joint Venture, and the Property shall be treated as and kept confidential by the Parties and there shall be no public release of any information concerning the Property without the prior written consent of the other Party, such consent not to be unreasonably withheld; except as required by applicable securities laws, the rules of any stock exchange on which a Party's shares are listed or other applicable laws or regulations. Notwithstanding the foregoing the Parties are entitled to disclose confidential information to prospective investors or lenders, who shall be required to keep all such confidential information confidential.
- 9.2 Each Party shall provide the other with a copy of any news release it proposes to publish relating to the Property or this Agreement prior to publication of the same for the other Party's review which shall not be unreasonably delayed in view of any timely disclosure obligations which may be applicable. Each Party shall use its reasonable efforts to provide any comments it may have to the other Party forthwith, but in any event within one business day.

10. RIGHT OF FIRST REFUSAL

- 10.1 In the event that either party wishes to sell any or all of its interest in the Leasehold Interest or the Joint Venture (the "Offeror"), the Offeror shall first give the other party (the "Offeree") notice in writing containing an offer to sell to it such interest specifying the price in dollars and other terms and conditions for such sale. If within a period of 60 days of the receipt of such notice the Offeree notifies the Offeror in writing that it wishes to accept the offer, the Offeror shall be bound to sell such interest to the Offeree at such price and on the terms and conditions contained in the offer. If the Offeree elects not to accept the offer or fails to notify the Offeror before the expiration of the time herein limited that it will purchase the interest offered, the Offeror may sell and transfer such interest to any third party or parties, at the price, terms and conditions specified in the offer for a period of four months following the date of the Offeree's election not to accept the offer or expiry of the 60-day period, whichever occurs earlier, after which such interest shall again be subject to this Section 10.1. The right of the Offeree under this Section 10 shall continue while the Option remain in good standing, failing which the right shall terminate.

11. TERMINATION

- 11.1 Subject to Section 3.8, in addition to any other termination provisions contained in this Agreement, this Agreement and the Option can be terminated by AMCOR if Archean Star should be in default in performing any requirement herein set forth in a timely manner and has failed to take reasonable steps to cure such default within 30 days after the giving of a written notice of such default by AMCOR.
- 11.2 Upon completion of a minimum expenditure of US\$700,000, Archean Star may terminate the Option Agreement at any time thereafter during the Option period and in accordance with Article 18 and Article 19 of the Mining Lease. In the event that Archean Star makes a decision to terminate the Option, as contemplated in Article 18 of the Mining Lease, prior to completion of

the Option, Archean Star must first notify AMCOR, at which time AMCOR has the right to take over the Mining Lease at its sole discretion.

12. ARBITRATION

12.1 If any question, difference or dispute shall arise between the Parties or any of them in respect of any matter arising under this Agreement or in relation to the construction hereof the same shall be determined by the award of one arbitrator to be named as follows:

- (a) the Party or Parties sharing one side of the dispute shall name a representative to select an arbitrator and give notice thereof to the Party or Parties sharing the other side of the dispute;
- (b) the Party or Parties sharing the other side of the dispute shall, within 14 days of receipt of the notice, name a representative to select an arbitrator; and
- (c) the two representatives so named shall, within 30 days of the naming of the latter of them, select a third person who shall act as arbitrator.

The decision of the arbitrator shall be made within 60 days after selection. The expense of the arbitration shall be borne equally by the parties to the dispute. If the Parties on either side of the dispute fail to name their representative within the time limited or fail to proceed with the arbitration, reference for appointment of an arbitrator shall be made to the British Columbia International Arbitration Centre. The arbitration shall be conducted in accordance with the provisions of the *Commercial Arbitration Act* (British Columbia), and the decision of the arbitrator shall be conclusive and binding upon all the Parties.

13. OPERATOR

13.1 Until a Joint Venture is formed under Section 8 or alternatively, termination of the Option and this Agreement shall have occurred under Section 11 hereof:

- (a) Archean Star shall be the operator of the Property (the "**Operator**"); and
- (b) The Operator shall be responsible for making the Expenditures to be incurred by Archean Star under the terms of this Agreement, for complying with all applicable laws and regulations with respect to its operations on the Property, for making all filings and doing all other things necessary to maintain the mineral claims comprising the Property in good standing, for securing and complying with all work permits and for performance of any reclamation required on the Property in respect of its operations.

14. CONDITIONS PRECEDENT

14.1 The obligations of Archean Star under this Agreement are subject to the fulfillment prior to the Option Date of the following conditions precedent for the exclusive benefit of Archean Star:

- (a) the representations and warranties of all Parties made in this Agreement shall be true and correct in all material aspects as at the Option Date;
- (b) completion of a review by Archean Star of title to the Property to the satisfaction of Archean Star;
- (c) Archean Star has obtained Exchange acceptance for this transaction;

- (d) any approval or consent of any applicable government entities as required for this transaction shall have been obtained;
- (e) AMCOR furnishing to Archean Star all technical data with respect to the Property within 10 days of the Option Date and Archean Star completing a review of such data to its satisfaction;
- (f) Archean Star completing a review of the amended Mining Lease and amended Purchase Option Agreement to its satisfaction;
- (g) except as set forth in the Mining Lease and the Purchase Option Agreement, there shall be no other issued and outstanding option to the Mining Lease and no person shall have the right, agreement, warrant, option or commitment, present or future, contingent or absolute, or anything capable for becoming a right, agreement or option with the passage of time or occurrence of any event or otherwise for any interest in and to the Mining Lease; and
- (h) all requisite approval by the Board of Directors of each of AMCOR and Archean Star.

15. SECURITIES LAWS

- 15.1 The Parties hereto acknowledge that the issuance of the common shares by Archean Star to AMCOR and NALLC, or such other Party as directed by AMCOR, as contemplated by Section 3.3 herein will be made pursuant to an exemption from the registration and prospectus requirements of applicable securities laws of Canada and the United States of America and such share certificates shall bear restrictive legends and will be subject to resale restrictions, as prescribed by applicable securities laws.

16. GENERAL

- 16.1 Neither Party may assign this Agreement or any rights hereunder in the Property without the prior written consent of the other, such consent not to be unreasonably withheld. Notwithstanding this Section 16.1, a Party may assign, without prior written consent, this Agreement to an Affiliate or associate (as that term is defined in the *Business Corporations Act* (British Columbia)) by delivering notice to that effect to the other Party provided that such Affiliate or associate first signs an agreement, in form and substance acceptable to the other Party, agreeing to be bound by the terms of this Agreement. For greater certainty, nothing herein shall prevent any party from entering into any corporate reorganization, merger, amalgamation, take-over bid, plan of arrangement, or any other such corporate transaction which has the effect of, directly or indirectly, selling, assigning, transferring, or otherwise disposing of all or a part of the rights under this Agreement to a purchaser.
- 16.2 This Agreement inures to the benefit of and binds the Parties and their respective successors and permitted assigns.
- 16.3 This Agreement supersedes the Letter Agreement.
- 16.4 Each Party shall from time to time promptly execute and deliver all further documents and take all further action reasonably necessary or desirable to give effect to the terms and intent of this Agreement including executing additional documents and entering into amendments to related agreements.

- 16.5 No waiver of any term of this Agreement by a Party is binding unless such waiver is in writing and signed by the Party entitled to grant such waiver. No failure to exercise, and no delay in exercising, any right or remedy under this Agreement shall be deemed to be a waiver of that right or remedy. No waiver of any breach of any term of this Agreement shall be deemed to be a waiver of any subsequent breach of that term.
- 16.6 No amendment, supplement or restatement of any term of this Agreement is binding unless it is in writing and signed by both Parties.
- 16.7 Notwithstanding any term in this Agreement, if a Party is at any time delayed from carrying out any action under this Agreement due to circumstances beyond the reasonable control of such Party (aside from circumstances arising from the financial difficulty of such Party), acting diligently, the period of any such delay shall be excluded in computing, and shall extend, the time within which such Party may exercise its rights and/or perform its obligations under this Agreement.
- 16.8 Each of the Parties hereto covenants, agrees and acknowledges that each of them was fully and plainly instructed to seek and obtain independent legal and tax advice regarding the terms and conditions and execution of this Agreement and each of them has sought and obtained such legal and tax advice and acknowledges that each has executed this Agreement voluntarily understanding the nature and effect of this Agreement after receiving such advice.
- 16.9 The Parties shall bear their own legal costs in connection with this Agreement.
- 16.10 All references to monies in this Agreement shall be in U.S. funds.
- 16.11 Any notice or other communication required or permitted to be given under this Agreement must be in writing and shall be effectively given if delivered personally or by overnight courier or if sent by fax or electronic transmission, addressed in the case of notice to AMCOR or Archean Star, as the case may be, to its address set out on the first page of this Agreement. Any notice or other communication so given is deemed conclusively to have been given and received on the day of delivery when so personally delivered, on the day following the sending thereof by overnight courier, and on the same date when faxed (unless the notice is sent after 4:00 p.m. (Vancouver time) or on a day which is not a business day, in which case the fax will be deemed to have been given and received on the next business day after transmission). Either Party may change any particulars of its name, address, contact individual or fax number for notice by notice to the other party in the manner set out in this Section 14.9. Neither Party shall prevent, hinder or delay or attempt to prevent, hinder or delay the service on that party of a notice or other communication relating to this Agreement.

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16.12 This Agreement may be executed by facsimile, email or other electronic transmission and in any number of counterparts. Each of which shall constitute one and the same agreement.

The parties have duly executed this Agreement as of the date and year first written above.

ARCHEAN STAR RESOURCES INC

By: 

Authorized Signing Representative

NORTHERN ADVENTURES, LLC

By: 

Floyd Short, Managing Member

AMERICAN CORDILLERA MINING CORPORATION

By: 

Frank Blair, President

AMCOR EXPLORATION, INC.

By: 

Frank Blair, President

SCHEDULE "A" - DESCRIPTION OF THE PROPERTY

<u>NAME</u>	<u>Locator</u>	<u>Shoshone County Date</u>	<u>County Record Number</u>	<u>BLM Filing Date</u>	<u>BLM Serial Number</u>
Monitor 108	Northern Adventures LLC	09/03/2012	469395	11/27/2012	IMC 211608
Monitor 109	Northern Adventures LLC	09/03/2012	469396	11/27/2012	IMC 211589
Monitor 110	Northern Adventures LLC	09/03/2012	469397	11/27/2012	IMC 211590
Monitor 111	Northern Adventures LLC	09/03/2012	469398	11/27/2012	IMC 211591
Monitor 113	Northern Adventures LLC	09/03/2012	469399	11/27/2012	IMC 211592
Monitor 126	Northern Adventures LLC	09/03/2012	469400	11/27/2012	IMC 211593
Monitor 127	Northern Adventures LLC	09/03/2012	469401	11/27/2012	IMC 211594
Monitor 128	Northern Adventures LLC	09/03/2012	469402	11/27/2012	IMC 211595
Monitor 129	Northern Adventures LLC	09/03/2012	469403	11/27/2012	IMC 211596
Monitor 130	Northern Adventures LLC	09/03/2012	469404	11/27/2012	IMC 211597
Monitor 132	Northern Adventures LLC	09/03/2012	469405	11/27/2012	IMC 211598
Monitor 134	Northern Adventures LLC	09/03/2012	469406	11/27/2012	IMC 211599
Monitor 205	Northern Adventures LLC	09/03/2012	469407	11/27/2012	IMC 211600
Monitor 207	Northern Adventures LLC	09/03/2012	469408	11/27/2012	IMC 211601
Monitor 208	Northern Adventures LLC	09/03/2012	469409	11/27/2012	IMC 211602
Monitor 209	Northern Adventures LLC	09/03/2012	469410	11/27/2012	IMC 211603
Monitor 210	Northern Adventures LLC	09/03/2012	469411	11/27/2012	IMC 211604
Monitor 211	Northern Adventures LLC	09/03/2012	469412	11/27/2012	IMC 211605
Monitor 220	Northern Adventures LLC	09/03/2012	469413	11/27/2012	IMC 211606
Monitor 222	Northern Adventures LLC	09/03/2012	469414	11/27/2012	IMC 211607

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SCHEDULE "B" – PROPERTY OBLIGATIONS

Article 7 of the Mining Lease

During the first year of the primary term of the Mining Lease, AMCOR shall perform US\$50,000 of work upon, towards, or for the eventual benefit of the Property. Funds used directly to acquire additional unpatented mining claims will be attributed to the first year's work requirement. During the second and third year, an additional US\$50,000 of work upon, toward, or for the eventual benefit of the Property shall be performed. During the fourth year, and each year thereafter, AMCOR shall perform US\$100,000 of work upon, towards, or for the eventual benefit of the Property. Provided, however, in the event commercial production is commenced at any time, Article 7 of the Mining Lease requiring minimum work shall not be applicable.

The term "upon" means exploration or development work performed within the exterior vertical boundaries of the Property. The work may include, but is not limited to diamond drilling, drifting, shaft sinking, raising, rehabilitation of existing underground openings in advance of any such work, surface mapping, geochemical surveys, stratigraphic and structural investigations, metallurgical and other physical analytical work, mine engineering and geological analysis which enhances the understanding of the geology and possible mineralization of the Property, and, in addition, all unpatented claim holding costs.

The term "toward" means the kind of work described above, but performed within 1,000 feet of any exterior boundary of the Property.

In the event work is performed in excess of the required minimum amounts during any period, the excess may be carried forward to the credit of AMCOR.

SCHEDULE "C" - JOINT VENTURE TERMS

In this Schedule "C", terms and expressions given a defined meaning in the Agreement to which this Schedule "C" is attached shall have the corresponding meaning in this Schedule "C".

1. RELATIONSHIP OF PARTIES

The relationship of the Parties in the Joint Venture shall not be, and shall not be construed to be, a partnership relationship, an agency or legal representative relationship or a fiduciary relationship. Except as otherwise expressly provided in this Schedule "C", the rights, privileges, powers, duties, liabilities and obligations of the Parties shall be as joint venturers and shall be several and not joint or joint and several.

2. CALCULATION OF JOINT VENTURE INTERESTS

The following provisions shall apply until such time as the Parties have entered into the definitive Option and Joint Venture Agreement failing which the Agreement to which this Schedule "C" is attached will continue to govern the relations between them.

- 2.1 **Initial Calculation.** On the date that the Joint Venture is formed as a result of the exercise of the Option, AMCOR and Archean Star are deemed to have the following Joint Venture Interests:

	<u>AMCOR</u>	<u>Archean Star</u>
Deemed Expenditures:	\$420,000	\$2,100,000
Joint Venture Interest	20%	80%

- 2.2 **Calculation on Ongoing Basis.** Subject to Section 2.3 of this Schedule "C", AMCOR's and Archean Star's, as the case may be, Joint Venture Interest, calculated at any time and from time to time, shall be determined in accordance with the formula:

$$A = \frac{B \times 100\%}{C}$$

where

- (a) A is AMCOR's or Archean Star's, as the case may be, Joint Venture Interest;
- (b) B is an amount equal to AMCOR's or Archean Star's, as the case may be, deemed Expenditures under Section 2.1 of this Schedule "C", plus all of AMCOR's or Archean Star's, as the case may be, Expenditures made after the formation of the Joint Venture; and
- (c) C is an amount equal to the Parties' total deemed Expenditures under Section 2.1 of this Schedule "C" plus all of the Parties' Expenditures made after the formation of the Joint Venture.

For greater certainty, for the purposes of the dilution calculation, AMCOR shall be deemed to receive credit for Expenditures incurred by Archean Star during the period from the date of exercise of the Option until the JV Formation Date. For example, if Archean Star has incurred Expenditures totaling US\$20,000,000 as at the JV Formation Date, then AMCOR shall be deemed to have incurred US\$5,000,000 of Expenditures.

- 2.3 **Conversion of Joint Venture Interest.** If AMCOR's or Archean Star's Joint Venture Interest is reduced to 10% or less, then AMCOR's or Archean Star's, as the case may be, Joint Venture Interest shall be converted to a 1% Net Smelter Returns royalty, as provided for in Schedule "F" to the Agreement, which shall be reduced by the amount of any underlying royalty payable on the Property. The Joint Venture shall terminate upon such conversion, and the surviving Party shall become the sole owner of a 100% interest in the Property subject to the Net Smelter Returns royalty and any other royalties under the Mining Lease. The surviving party shall have a right of first refusal to match any third party offer to purchase the royalty.

3. MANAGEMENT COMMITTEE

- 3.1 **Establishment.** Promptly upon the formation of the Joint Venture, the Parties shall establish the Management Committee. One Representative and one alternate shall be appointed in writing by each Party and re-appointed from time to time.
- 3.2 **Powers and Obligations.** Except as expressly provided otherwise in this Agreement, the Management Committee is empowered to make all strategic and planning decisions regarding the Joint Venture. Accordingly, the Management Committee is responsible for revising Programs submitted by the Operator, for approving all Programs and for evaluating the results of all Programs.
- 3.3 **Calling of Meetings.** Meetings of the Management Committee shall be held in Vancouver, British Columbia at such place, time and date as may be determined by the Operator or the non-Operator on at least 15 days' notice. The Representatives may waive the notice period required for any meeting. Any notice must include the time, date, place and agenda of each meeting. On receipt of any such notice, the receiving Party may add any item to the agenda, if the receiving Party notifies the other Party of the addition at least 7 days before the meeting. No item which is not on the agenda may be discussed without the consent of the Representatives. Individuals other than the Representatives may attend meetings of the Management Committee with the unanimous consent of the Representatives.
- 3.4 **Attendance at Meeting by Phone.** Any Representative may attend a meeting of the Management Committee by telephone or video conference call.
- 3.5 **Quorum at Meetings.** The quorum for any meeting of the Management Committee is one Representative from each of the Parties. If a quorum is not present at the date, time and place set for a meeting, then the meeting shall be adjourned to the same place and time on the same day of the following week. At the continuation of the adjourned meeting the Management Committee may conduct business, if a notice regarding the continuation of the adjourned meeting was sent to the Party whose Representative did not attend the meeting as originally scheduled. In no other circumstance may business be transacted at a meeting of the Management Committee without a quorum being present.
- 3.6 **Chairman and Secretary of Meetings.** The initial chairman of the Management Committee (the "Chairman") shall be determined by Archean Star and thereafter designated annually by the Party with the greater Joint Venture Interest. The Chairman shall appoint a secretary to act as a secretary of the Management Committee at the beginning of each meeting of the Management Committee. Such secretary shall carry out the duties of the secretary of the Management Committee until such secretary's replacement is appointed. The secretary shall prepare and maintain minutes of each meeting of the Management Committee. The secretary shall distribute to the Representatives such minutes, as soon as practicable following each meeting. The

secretary shall also maintain, and distribute to the Representatives, copies of all correspondence and instruments received, sent or signed by the Management Committee or the Representatives (when acting in the capacity of a Representative).

- 3.7 **Making Decisions.** All decisions of the Management Committee shall be by majority vote by the two voting Representatives, who shall each have the number of votes equal to such Representative's respective Party's Joint Venture Interest from time to time. In the event of an equality of votes, the Operator's Representative shall have an additional and casting vote. Alternatively, the Management Committee may transact any business by a written instrument signed by a Representative of each Party. Each decision of the Management Committee shall be final and binding on the Parties.

- 3.8 **Consent of Management Committee Required.** Notwithstanding any term in this Agreement, the Operator shall not take any of the following actions without obtaining the prior written consent of Parties holding at least a 60% Joint Venture Interest:

- (a) create, or permit to remain, any material Liens, upon any Joint Venture Asset, except for any Liens which are customary in the circumstances of an mining joint venture;
- (b) settle any suit, claim or demand with respect to the Joint Venture involving an amount in excess of \$100,000; or
- (c) abandon, sell or otherwise dispose of a Joint Venture Asset having a net book value greater than \$100,000 or, if related to normal business operations, a net book value greater than \$250,000.

The Operator shall not abandon, sell or otherwise dispose of the Property, or any material part thereof without obtaining the prior written consent of Parties holding 100% of the Joint Venture Interests.

4. THE OPERATOR, ITS POWERS AND OBLIGATIONS

- 4.1 **Initial Operator.** Upon the formation of the Joint Venture, Archean Star shall be the first Operator.

- 4.2 **Resignation and Replacement.** The Operator may resign as Operator upon notifying the non-Operator in writing of its resignation at any time after a Program has been approved by the Management Committee but before the commencement of the implementation of such Program, or at any time if no Program is being carried out at that time. The Operator shall be deemed to have resigned if:

- (a) the Operator materially defaults in its obligations as operator hereunder and fails to commence and diligently prosecute measures to remedy such default within 30 days after the non-Operator shall have given written notice to the Operator of such default specifying in such notice the nature of the default;
- (b) the Joint Venture Interest of the Operator becomes less than 50%; or
- (c) pursuant to Section 6.1 of this Schedule "C", during the period of the Second Option, the Operator fails to submit a Program requiring minimum Expenditures of at least \$100,000 to the Management Committee within six months of the completion of the previous

Program and the non-Operator commits to such Program and the Expenditures required therein.

- (d) pursuant to Section 6.1 of this Schedule "C", Archean Star, the Operator fails to submit a Program requiring minimum Expenditures of at least \$1,000,000 in each calendar year thereafter to the Management Committee within six months of the completion of the previous Program and the non-Operator commits to such Program and the Expenditures required therein. In the event of the occurrence of (c) or (d) above, the Party that was previously the non-Operator shall have the right within a period of 90 days of the occurrence of such event to prepare and deliver to the Management Committee a Program requiring minimum Expenditures outlined in (c) or (d) above and the provisions of this Section 4.2 and Section 7 of this Schedule "C" shall for all purposes of this Schedule "C" apply mutatis mutandis as if for such Program the non-Operator was the Operator, provided further that notwithstanding the foregoing, Archean Star so long as it retains at least a 50% interest in the Joint Venture, shall continue to have the right to retain its position as Operator in accordance with this Section 4.2 following completion of a Program by the non-Operator.

On any change or replacement of the Operator, the retiring Operator shall transfer all data, documents, reports, records, accounts, samples and assays in its possession or control, and relating to the Mining Operations or the Property, to the incoming Operator.

- 4.3 **Powers and Obligations.** Subject to the approval of each Program by the Management Committee and to funds being advanced by the Parties who have elected to contribute to such Program, the powers and obligations of the Operator shall be as follows:

- (a) to manage the Joint Venture and conduct, or cause to be conducted, all work performed under a Program in a careful and miner-like manner in accordance with good exploration, engineering and mining practice and in accordance with the terms of this Agreement;
- (b) to submit each Program to the Management Committee for approval by delivering the Program to the Representatives at least 30 days in advance of the meeting of the Management Committee at which such Program is to be considered;
- (c) subject to Section 3.8 of this Schedule "C", to keep the Property in good standing and to pay all applicable payments, fees and taxes, and other similar governmental charges lawfully levied or assessed in respect of the Property, except that the Operator shall not be obliged, however, to make any such payment as long as such payment is being contested in good faith and the non-payment thereof does not adversely affect the Property;
- (d) subject to Sections 8, 9 and 10 of this Schedule "C", to provide, purchase, lease or rent all plant, buildings, machinery, equipment, tools, appliances, materials, supplies and services required for a Program and to dispose of the same when no longer required or useful for the purposes of the Property and the Joint Venture;
- (e) to maintain and keep the Joint Venture Assets, or to cause the Joint Venture Assets to be maintained and kept, in good operating condition and repair in accordance with good exploration and mining practice;

- (f) to open and maintain a bank account for the Joint Venture for Expenditures incurred and revenue received in connection with the Property.
- (g) to comply with all applicable statutes, regulations, by-laws, laws, orders and judgments and all directives, rules, consents, permits, orders, guidelines, approvals and policies of any applicable governmental authority affecting the Joint Venture;
- (h) to obtain and maintain such types and levels of property and liability insurance with respect to the Joint Venture as the Operator shall consider necessary from time to time, such coverage to include the non-Operator as a named insured to the extent of the non-Operator's undivided interest in the Joint Venture from time to time;
- (i) to require the Operator's contractors and subcontractors to take out and maintain such types and levels of property and liability insurance as the Operator shall consider necessary or advisable from time to time and to comply with the requirements of all applicable unemployment insurance and workers' compensation legislation, and with Mine Safety and Health Administration (MSHA) requirements with respect to work or services to be provided by such contractors or subcontractors;
- (j) to advise the non-Operator of any accident or occurrence resulting in any material damage to or destruction of any Joint Venture Assets or material harm or injury to any individual;
- (k) to keep adequate data, information and records of the Operator's management of the Joint Venture and to keep suitable accounts which reflect all financial aspects of the Joint Venture and once per year to make such available to the non-Operator, at the place designated by the Operator, within ten days of receipt of a written request for disclosure by the non-Operator;
- (l) to provide the non-Operator with monthly reports on activities on the Property during periods of active field work or when mine operations are active, quarterly reports and a detailed annual report on the Operator's management of the Joint Venture, including an accounting of all Expenditures made by the Operator under the current or previous Program;
- (m) to permit the non-Operator, at the non-Operator's sole risk and expense and with prior notice to the Operator, access to the Property during normal working hours for the purpose of examining activities and work thereon so long as such access shall not materially interfere with or impair such activities and work;
- (n) to have all powers necessary to carry out, or cause to be carried out, all of the Operator's obligations set out in this Agreement and to otherwise carry out, or cause to be carried out, all Programs approved by the Management Committee; and

5. ESTABLISHMENT OF OPCO

The Operator may, at any time, establish an operating company, as a wholly-owned subsidiary ("Opco"), to hire the labour and contractors necessary to construct and operate the mine subject to the Operator being responsible for the performance and obligations of Opco. The Operator may delegate those of its obligations and, to the extent necessary, rights hereunder, to Opco necessary for Opco to carry out its objectives, subject to withdrawal of that delegation at any time by Notice in writing from Operator to

Opco. As Opco's assumption of specific duties regarding mine construction and operation will obviate the need for the Operator to perform some or all of the work, the Operator will, in good faith, review and, if appropriate, adjust the Operator's charge under Section 6.1(b) of this Schedule "C".

6. REIMBURSEMENT OF OPERATOR

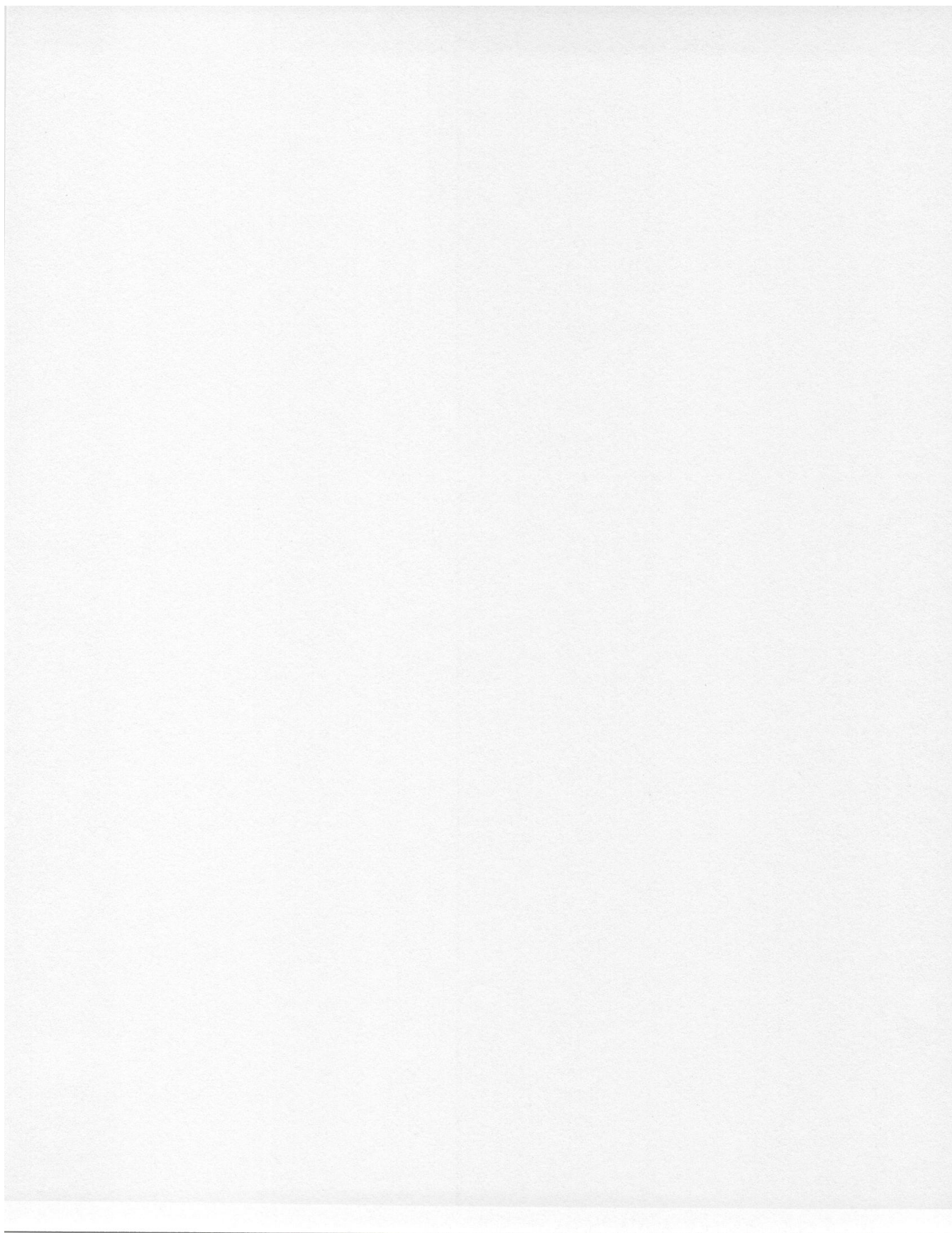
6.1 **Costs.** The Operator shall be reimbursed by the joint venture participants for any Costs it incurs in carrying out approved exploration programs, capital plans and mine operating plans or otherwise carrying out its duties as Operator. "Costs" means

- (a) all costs, payments, expenses, charges and outlays, direct and indirect, made or incurred by the Operator on or in respect of the Claims after commencement of this joint venture including taxes, duties and imposts; and
- (b) administrative services, head office overhead and use of the Operator's corporate infrastructure shall not be charged directly in Section 6.1. Rather, the Operator shall be entitled to an Operator's fee on the Costs contemplated in Section 6.1 of:
 - (i) 12% of Costs incurred prior to a Decision to Mine; and
 - (ii) 3% on Costs incurred after the date of the Decision to Mine;

subject in each case to review and adjustment, if any, under The fee has been established on the basis that the party acting as Operator shall not profit nor suffer a loss by virtue of providing these services. The fee shall not be subject to audit but may be reviewed, in good faith, by the parties from time to time, at the instance of either party.

6.2 **Emergencies.** In an emergency, the Operator, without the consent of the non-Operator, may take such immediate actions and make such immediate Expenditures as the Operator deems necessary to keep the Property in good standing or for the protection of individuals and/or property. The Operator shall promptly report such emergency actions and Expenditures to the non-Operator by delivering an invoice to the non-Operator. The non-Operator shall pay its share of the Expenditures to the Operator in accordance with Section 7.4 of this Schedule "C".

6.3 **Contingency Fund.** The Operator may establish and administer a contingency fund to be applied by the Operator to satisfy any legal obligations of the Parties respecting a mine maintenance plan or mine closure plan, including obligations for severance pay, pensions, rehabilitation and reclamation work. Each Party shall contribute its proportionate share of such fund based on such Party's Joint Venture Interest at the time of the establishment of the fund (or at the time of the contribution, in respect of subsequent contributions). The Operator shall invest any unused portion of such fund and all income thereon shall accrue in such fund. If the Operator determines that such fund, or any portion thereof, is no longer necessary, the Operator shall make payments to the Parties in proportion to their contribution to such contingency fund on the date of such payments.



7. PROGRAMS

- 7.1 **Contents of Program.** The Operator shall prepare a Program and submit such Program budget to the Management Committee for approval at least 30 days before the beginning of each calendar year. The Management Committee must approve each Program prior to implementation. Each Program shall cover a period of up to 12 months or such other period as the Parties may agree. Each Program must contain:
- (a) a reasonably detailed outline of all work which the Operator contemplates carrying out on the Property under such Program detailing the areas on the Property to be subject to such work and the time frame for each of the major elements of such work;
 - (b) a reasonably itemized budget, broken down by month, of the projected Expenditures under the Program; and
 - (c) the estimated amount and date of each payment that the non-Operator would have to make to the Operator.
- 7.2 **Election by Representatives.** If the Operator proposes a Program which is approved by the Management Committee:
- (a) for \$1,000,000 or lesser amounts, the Representatives shall then have 60 days to elect whether or not to participate in the Program; or
 - (b) for more than \$1,000,000, the Representatives shall then have 90 days to elect whether or not to participate in the Program.
- 7.3 **Approved Programs.** The Operator shall carry out each Program approved by the Management Committee provided the Parties who have elected to contribute to such Program provide the Operator with their proportionate share of the funding in respect of the Program.
- 7.4 **Payments to Operator.** If a Representative elects to participate in a Program on behalf of a Party, the Operator will submit an invoice to such Representative on or between the first and 15th day of the month immediately preceding a month in which Expenditures are to be made under a Program. The invoice must set out the estimated Expenditures under the Program for the immediately following month, multiplied by the Joint Venture Interest of such Party. Within 30 days of receipt of such invoice, such Party shall pay the Operator the invoice amount. The Operator may also submit other invoices relating to reconciliations, bills, accounts or other requests for payment in respect of any Expenditures made by the Operator under a Program or otherwise in accordance with this Agreement. Such invoice must set out the total amount involved, multiplied by the participating Party's Joint Venture Interest. Within 30 days of receipt of such invoice, such Party shall pay the Operator the invoice amount. If such Party fails to make any payment to the Operator under this Section 7.4 of this Schedule "C" within any applicable 30 day payment period, after previously having elected to do so, such Party shall make such payment together with an interest payment, calculated at the rate equal to the annual rate of interest announced from time to time by the Bank of Montreal as its reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada (commonly known as its prime rate), plus 5%, for the period commencing on the expiry of such 30 day payment period and terminating on the date that full payment is made. If such Party fails to make full payment, including in respect of interest, to the Operator within 60 days of the expiry of the applicable 30 day payment period, Section 7.6 of this Schedule "C" applies.

- 7.5 **Failure to Participate.** Subject to Sections 7.7 and 7.8 of this Schedule "C", if a Party does not elect to participate in a Program, its Joint Venture Interest shall be diluted with respect to Expenditures made in respect of such Program in accordance with Section 2.2 of this Schedule "C".
- 7.6 **Failure to Make Payment by non-Operator.** Subject to Sections 7.7 and 7.8 of this Schedule "C", if a Party which has elected to participate in a Program fails to make a required payment within the 60 day period referred to in Section 7.4 of this Schedule "C", such Party's Joint Venture Interest shall be diluted with respect to Expenditures made in respect of such Program at a rate of two times normal dilution.
- 7.7 **Failure to Spend at Least 80% of Budget.** If a Party does not elect to participate in a Program and the Operator does not make Expenditures under the Program at least equal to 80% of budgeted Expenditures, the non-participating Party shall not have its Joint Venture Interest reduced in accordance with Section 2.2 of this Schedule "C" if the non-participating Party pays the Operator within 60 days, following the completion of such Program, an amount equal to the total Expenditures made under such Program, multiplied by the non-participating Party's Joint Venture Interest, determined at the commencement of such Program.
- 7.8 **Expenditures More Than 10% Above Budget.** Expenditures made by the Operator exceeding the Expenditures contemplated by the Program by less than 10% will be funded by the Parties in proportion to their Joint Venture Interests. Expenditures made by the Operator exceeding the Expenditures contemplated by the Program by more than 10% will be funded solely by the Operator, unless otherwise agreed by the Parties in writing. Unless otherwise agreed by the Parties in writing, any such payments exceeding the Expenditures contemplated by the Program by more than 10% which are made by either the Operator or the non-Operator will not form part of the calculations used to determine the Joint Venture Interests of the Parties in accordance with Section 2.2 of this Schedule "C".
- 7.9 **Return of Surplus Monies.** If, after completion of any Program, the Operator is in possession of any moneys contributed by the Parties and which are not required for the discharge of obligations relating to such Program, the Operator shall repay such moneys to the contributing Parties.
- 7.10 **Failure to Submit Program to Management Committee.** If the Operator does not submit a Program involving Expenditures of at least \$100,000 to the Management Committee for approval within a period of at least six months from the date of completion of the last Program (being when the report is complete and delivered to the non-Operator), then the non-Operator may propose a Program to the Management Committee for an amount not less than \$100,000. If the non-Operator makes such a proposal and the Program is approved by the Management Committee, the Operator shall carry out such Program and fund its proportionate share. If the Management Committee does not approve such Program, the non-Operator may, notwithstanding Section 4.2 of this Schedule "C", become the Operator and carry out the Program. Following the completion of such Program Section 4.2 of this Schedule "C" shall apply once again.

8. DEALINGS WITH AFFILIATES

Any Joint Venture Assets that the Operator may purchase, lease or rent from an Affiliate shall be purchased, leased or rented at fair market value. The cost of all work which the Operator may contract to an Affiliate shall be equal to the fair market value of such work. Any Joint Venture Assets that the Operator may sell or otherwise dispose of to an Affiliate shall be sold or otherwise disposed of at fair market value. The Operator shall pay the net proceeds received in respect of such Joint Venture Assets, if

any, to the Parties in proportion to their respective Joint Venture Interests. The Operator shall give the non-Operator written notice of any transaction with an Affiliate and the non-Operator may, at any time within 12 months after it has received such notice, dispute whether such transaction was at fair market value.

9. USE OF SURPLUS JOINT VENTURE ASSETS

Subject to Section 5.4 of this Schedule "C", the Operator may use any Joint Venture Assets which are no longer required for the Joint Venture for such other purposes and on such terms as the Operator may from time to time determine. The Operator shall pay the net proceeds received in respect of such Joint Venture Assets, if any, to the Parties in proportion to their respective Joint Venture Interests. If such surplus Joint Venture Assets are used by the Operator, outside the scope of the Joint Venture, or are used by an Affiliate of the Operator, outside the scope of the Joint Venture, then the net proceeds in respect of such use shall be deemed to be an amount equal to what could be obtained from an arms-length third party.

10. DISPOSITION OF SURPLUS JOINT VENTURE ASSETS

Subject to Section 3.8 and 6.4 of this Schedule "C", the Operator shall provide quarterly interim financial statements and annual audited financial statements to the Joint Venture parties in accordance with National Instrument 51-102. If it is established from the financial statements that there is a distributable profit, or Joint Venture Assets as are no longer required for Joint Venture operations, the Operator shall report this to the Management Committee who can then determine whether, subject to Section 17, to sell or otherwise dispose of such part of the Joint Venture Assets that are no longer required for Joint Venture Operations. The Operator shall pay the Net Proceeds (as calculated in Schedule "G" to this Agreement) received in respect of such Joint Venture Assets, if any, to the Parties in proportion to their respective Joint Venture Interests, within 30 days of the sale and receipt of the Net Proceeds.

11. INSURANCE PROCEEDS

The Operator shall apply, to the extent determined by the Operator, any insurance proceeds received by the Operator in respect of any loss or damage to Joint Venture Assets towards the repair or replacement of the lost or damaged Joint Venture Assets. The Operator shall pay the remaining proceeds received in respect of such Joint Venture Assets, if any, to the Parties in proportion to their respective Joint Venture Interests.

12. SETTLEMENT PAYMENTS

Subject to Section 3.8(c) of this Schedule "C", all losses, costs, expenses, claims or damages, including legal fees and disbursements, net of any insurance proceeds, incurred and paid by the Operator in settlement of any loss, cost, expense, claim, damage, judgment or similar matter (including a payment made, or an action taken, by the Operator as a result of an action of a governmental agency) shall constitute an Expenditure made by the Operator under the applicable Program. In addition, the non-Operator, in proportion to its Joint Venture Interest calculated on the date that the initial liability was incurred which gives rise to this indemnification obligation, shall indemnify and hold harmless the Operator for any loss, cost, expense, claim or damage, including legal fees and disbursements, suffered or incurred by the Operator in respect of a third party claim (including an action of a governmental agency which results in a payment made, or an action taken, by the Operator), except to the extent that such claim arose from the gross negligence or willful misconduct of the Operator.

13. LIABILITY OF OPERATOR

The Operator shall not be liable to the non-Operator for any loss, cost, expense, claim or damage, including legal fees and disbursements, (including a payment made, or an action taken, by the Operator as a result of an action of a governmental agency) except to the extent that such loss, cost, expense, claim or damage is attributable to the gross negligence or willful misconduct of the Operator. In no event (including fundamental breach) shall the Operator be liable to the non-Operator for any indirect, special or consequential damages (including for loss of goodwill, loss of actual or anticipated profits or other economic loss), even if the Operator has been advised of the potential for such damages.

14. NO RESTRICTION ON OTHER ACTIVITIES

Each Party has the unrestricted right to engage in, and receive the full benefit of, any activity outside the scope of the Joint Venture, without consulting with, or accounting to, the other Party, or permitting the other Party to participate in such activity.

15. TERMINATION

If the Parties agree to terminate the Joint Venture, the Operator may take any actions necessary or desirable to wind up the Joint Venture. All costs, charges and expenses of winding up the Joint Venture (including in respect of any reclamation) shall be for the account of the Joint Venture and the Parties shall divide the net Joint Venture Assets in proportion to their Joint Venture Interests, although any loans advanced to the Joint Venture by a Party shall be satisfied before any other distribution of assets is made to the Parties. Once the said costs, charges and expenses have been paid in full, the Operator may sell the Joint Venture Assets, in accordance with Section 3.8 of this Schedule "C", or distribute the Joint Venture Assets to the Parties in kind.

16. WITHDRAWAL FROM JOINT VENTURE

16.1 **Right of Withdrawal and Mechanics.** Either Party may, at any time during the Joint Venture, voluntarily withdraw from the Joint Venture (the "**Withdrawing Party**") and forfeit its interest in and to the Property and its rights under this Agreement by giving written notice of such withdrawal to the other Party (the "**Remaining Party**"). The notice must indicate an effective date for such withdrawal which may not be earlier than 90 days after receipt of such notice. The effects of the delivery of such notice are set out below.

- (a) The Withdrawing Party shall:
 - (i) remain liable for its share, based on its Joint Venture Interest, of all costs, expenses and obligations arising out of operations conducted before the effective date of the withdrawal;
 - (ii) secure by way of a letter of credit, or otherwise to the satisfaction of the Remaining Party, its share, based on its Joint Venture Interest, of the costs of reclaiming the Property, as estimated at the effective date of the withdrawal considering all applicable statutes, regulations, by-laws, laws, orders and judgments and with all directives, rules, consents, permits, orders, guidelines, approvals and policies of any governmental authority;
 - (iii) continue, for a period of three years after the effective date of the withdrawal, to be bound by Section 12 of this Schedule "C";

- (iv) execute and deliver such documents as may be necessary to transfer the Property to the Remaining Party;
 - (v) remove, within 12 months of the effective date of the withdrawal, all buildings, machinery, equipment and supplies brought upon the Property by the Withdrawing Party that are not Joint Venture Assets; and
 - (vi) not be entitled to any royalty under this Agreement.
- (b) The Remaining Party shall become the owner of a 100% of the Withdrawing Party's interest in and to the Property as of the effective date of the withdrawal.
- (c) The Joint Venture shall be terminated and the Management Committee shall be terminated, as of the effective date of the withdrawal.

16.2 **Right of Remaining Party to Withdraw.** Upon receipt by the Remaining Party of a notice of withdrawal, the Remaining Party may give notice to the Withdrawing Party prior to the effective date of the withdrawal electing to join in the withdrawal ("**Joint Withdrawal**"). In such case, the Joint Venture shall be terminated in accordance with Section 15 of this Schedule "C".

17. RIGHTS TO MINERAL PRODUCTS

- 17.1 Each Party shall own and have the right, privilege and power to take in kind and separately dispose of a portion of all mineral products produced from the Property, in accordance with its Joint Venture Interest. The Operator shall designate and notify the Parties of the points of delivery situated on the Property for the Parties respective Joint Venture shares of such Mineral Product and all costs in respect of such mineral products shall be for the account of the Joint Venture, until such mineral products are delivered to such points. After such mineral products are delivered to such points each Party shall pay its own costs in respect of such mineral products. The Operator shall use its best efforts to ensure that each Party receives product of like quality.
- 17.2 The Operator shall have no obligation in respect of the Parties' mineral products after delivery of such mineral products to the point of delivery provided, however, that if a Party is prepared to sell its mineral products at the same time and on the same terms and conditions as the Operator is selling its own mineral products and so advises the Operator the Operator may, but is not obligated to, act as an agent for the Non-Operator in relation to the sale of the Non-Operator's mineral products on the terms and conditions that are equivalent to the terms and conditions obtained for its own mineral products. If the Operator elects to act as agent for the Non-Operator, it may discontinue such agency at any time upon giving the Non-Operator 30 days advance notice. If the Operator, while acting as the Non-Operator's agent, is of the opinion that 100% of its own mineral products and 100% of the Non-Operator's mineral products available for sale cannot be sold at the same time for revenue deemed acceptable by the Operator, the Operator shall arrange for sales of a lesser amount of each Party's mineral products on a pro rata basis. In the event that the Operator acts as an agent for the Non-Operator, the Operator shall be entitled to sale commissions equal to prevailing rates charged by other agents for effecting similar sales. In the event of a non-arm's length sale of mineral products, such sale shall be at commercially competitive rates.

18. FORCE MAJEURE

A party may claim *force majeure* if such party is prevented from or delayed in performing any obligation under this Agreement by any cause beyond its reasonable control, excluding only lack of finances, but including, without limitation, acts of God, strikes, lockouts, or other industrial disputes, laws, rules and regulations or orders of any duly constituted court or governmental authority, acts of terrorism, acts of the public enemy, war, insurrection, riots, fire, storm, flood, unusually harsh weather causing delay, explosion, government restriction, failure to obtain any approvals required from regulatory authorities or unavailability of equipment, materials or transportation (provided the approvals were properly applied for and pursued in good faith and on a timely basis or the equipment, materials or transportation were sought in a timely way), any delay by a regulatory authority in renewing a tenure to the Property or, where a party is entitled thereto, to a higher form of tenure being issued (provided applications therefor were made reasonably in advance of the tenure due date and pursued in good faith), interference by third party interests groups (including environmental lobbyists or indigenous peoples' groups) or other causes whether of the kind enumerated above or otherwise, then the time for the performance of that obligation shall be extended for a period equivalent to the total period the cause of the prevention or delay persists regardless of the length of such total period. A party may also claim force majeure, if such party, acting reasonably, believes that social or political unrest in the region of the Property or the threat of that unrest will endanger the safety of its employees or the employees of its contractors if the party were to continue with the work program unless such social or political unrest is caused by action or inaction by that party. The party that claims force majeure shall promptly notify the other party and shall take all reasonable steps to remove or remedy the cause of the prevention or delay insofar as it is reasonably able to do so and as soon as possible. The party claiming force majeure will provide the other party with a regular a written report summarizing events that have occurred and prospects for resolution.

19. ARBITRATION

19.1 If any question, difference or dispute shall arise between the Parties or any of them in respect of any matter arising under this Agreement or in relation to the construction hereof the same shall be determined by the award of one arbitrator to be named as follows:

- (a) the Party or Parties sharing one side of the dispute shall name a representative to select an arbitrator and give notice thereof to the Party or Parties sharing the other side of the dispute;
- (b) the Party or Parties sharing the other side of the dispute shall, within 14 days of receipt of the notice, name a representative to select an arbitrator; and
- (c) the two representatives so named shall, within 30 days of the naming of the latter of them, select a third person who shall act as arbitrator.

The decision of the arbitrator shall be made within 60 days after selection. The expense of the arbitration shall be borne equally by the parties to the dispute. If the Parties on either side of the dispute fail to name their representative within the time limited or fail to proceed with the arbitration, reference for appointment of an arbitrator shall be made to the British Columbia International Arbitration Centre. The arbitration shall be conducted in accordance with the provisions of the *Commercial Arbitration Act* (British Columbia), and the decision of the arbitrator shall be conclusive and binding upon all the Parties.

SCHEDULE "D" – MINING LEASE NET SMELTER RETURNS

Article 8 of the amended Mining Lease

Royalty Schedule. AMCOR shall pay NALLC a net smelter royalty ("NSR") on all development and production ores and minerals extracted, milled, and sold from the Property as shown in the following table:

<u>Value Per Ton</u>	<u>NSR</u>
Less than \$500/per ton	2%
\$500/per ton or more	3%

NSR Payment. The NSR shall be determined by the actual payment for the ores by the smelter, refinery, or buyer less reasonable charges for concentrate transportation and insurance. The quarterly payment to AMCOR shall be made on or before the 30th day of the third month following each calendar quarter.

Royalty Statements. Due on the same day as the NSR payment, AMCOR shall provide NALLC with a royalty statement ("Royalty Statement") which details the amount of ores, minerals, or other products sold or processed and a detailed compilation of the payment due.

Examination and/or audit. NALLC may require an independent audit by a certified public accountant ("CPA") or accounting firm that is acceptable to both parties of the Royalty Statement and all records related to concentrate or product sales. If the audit discloses a substantial discrepancy(ies), defined as discrepancy(ies) resulting in an underpayment to NALLC of five percent (5%) or more of the NSR due or an ongoing history of significant underpayment to NALLC, the cost of the audit shall be paid by AMCOR. If the audit fails to disclose a substantial discrepancy(ies), the cost of the audit shall be paid by NALLC. AMCOR shall keep appropriate records detailing the amount, source, and assay of ores, minerals, or other products recovered, processed, sold, or shipped and the amount and source of payment received.

Commingling of Ore. AMCOR may commingle ore from the Property with ore from other properties, either before or after concentration or beneficiation, so long as the data necessary to determine the weight and grade, both of the ore removed from the Leased Premises and the ore with which it is commingled, are obtained by AMCOR. All such weight, grade and allocation calculations by AMCOR shall be done in a manner recognized by the mining industry as practical and sufficient at that time.

Treatment at AMCOR's Processing Facilities. AMCOR shall have the right to purchase and to treat concentrates and smelting ores produced from the Property at its own metallurgical facility; however, that any such purchase and treatment shall be made under comparable terms as the metallurgical facility is then offering to other shippers of concentrates and smelting ores or purchases of like quantities and qualities.

Advance Royalty Payments. NALLC and AMCOR confirm that an advance royalty payment of \$25,000 was paid to NALLC at the time of the execution of the letter of intent between AMCOR and NALLC.

In addition, AMCOR shall pay an annual advance minimum royalty of \$10,000 on the first anniversary of this lease, \$20,000 on the second anniversary, \$30,000 on the third anniversary, \$40,000 on the fourth anniversary, \$50,000 on the fifth anniversary, and \$50,000 on each anniversary thereafter. The advance minimum royalty shall be paid on or before ten days after the anniversary date, and thereafter on or before

ten days following the anniversary each succeeding year, and shall be deducted from future NSR payments that may be paid during that year.

Disputes Regarding Royalties. NALLC shall be deemed to have waived any right NALLC may have had to object to the royalty settlement made by AMCOR for any calendar quarter, unless NALLC notifies AMCOR in writing of such objection within twelve (12) months after such royalty is due under this Lease. The dispute or disagreement must list the specific items being contested and detail with particularity the grounds for each contest or dispute. If NALLC and AMCOR are unable to resolve the question by agreement within thirty (30) days after AMCOR's receipt of NALLC's notice, the dispute shall be resolved by arbitration, in accordance with the provisions of Article 22 of the Mining Lease.

Hedging/Future Market. NALLC acknowledges that AMCOR may from time to time participate in hedging and/or metal futures markets and, further, NALLC agrees that all such activity shall be for the sole account of AMCOR and NALLC shall not share in any of the benefits or risks associated with such activity.

Assays by NALLC. NALLC may at any time and at its own expense assay samples of ore extracted by AMCOR.

SCHEDULE “E” – MINING LEASE

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SCHEDULE "F" – JOINT VENTURE NET SMELTER RETURNS

1. For the purpose of this Schedule, "**Agreement**" shall mean the Agreement to which this Schedule is attached, "**Owner**" shall mean the party or parties paying a percentage of Net Smelter Returns pursuant to the Agreement and other capitalized terms shall have the meanings assigned to them in the Agreement.
2. For the purposes of the Agreement and this Schedule, the term "**Net Smelter Returns**" shall, subject to paragraphs 3, 4, 5 and 6 below, mean gross revenues received from the sale by the Owner of all ore mined from the Properties and from the sale by the Owner of concentrate, metal and products derived from ore mined from the Properties, after deduction of the following:
 - (a) all smelting and refining costs, sampling, assaying and treatment charges and penalties including but not limited to metal losses, penalties for impurities and charges for refining, selling and handling by the smelter, refinery or other purchaser (including price participation charges by smelters and/or refiners);
 - (b) costs of handling, transporting, securing and insuring such material from the Properties or from a concentrator, whether situated on or off the Properties, to a smelter, refinery or other place of treatment, and in the case of gold or silver concentrates, security costs;
 - (c) ad valorem taxes and taxes based upon sales or production, but not income taxes; and
 - (d) marketing costs, including sales commissions, incurred in selling ore mined from the Properties and from concentrate, metal and products derived from ore mined from the Properties.
3.
 - (a) Where revenue otherwise to be included under this Schedule is received by the Owner in a transaction with a Party with whom it is not dealing at arm's length, the revenue to be included shall be based on the fair market value under the circumstances and at the time of the transaction.
 - (b) Where a cost otherwise deductible under this Schedule is incurred by the Owner in a transaction with a party with whom it is not dealing at arm's length, the cost to be deducted shall be the fair market cost under the circumstances and at the time of the transaction.
4. For the purposes of determining Net Smelter Returns, all receipts and disbursements in a currency other than Canadian shall be converted into Canadian currency on the day of receipt or disbursement, as the case may be, and all other disbursements in a currency other than Canadian shall be converted into Canadian currency at the average rate for the month of disbursement determined using the Bank of Canada noon rates.
5. The Owner and the person receiving a percentage of Net Smelter Returns hereby expressly agree that in no event shall the Owner have any liability to the person receiving a percentage of Net Smelter Returns as the result of the amount of revenues received by the Owner from any forward sales or other hedging activities engaged in and by the Owner with respect to ore concentrate, metal and products from the Properties. In addition, the Owner and the person receiving a percentage of Net Smelter Returns agree that the Owner shall have no obligation, express or implied, to engage in (or not engage in) any forward sales or other hedging activities with respect to ore concentrate, metal or products from the Properties. For greater certainty the person

receiving a percentage of Net Smelter Returns will be paid for the amount of product actually produced from the Properties calculated according to paragraph 2 of this Schedule regardless of the hedging practices of the Owner.

6. If the Properties is brought into commercial production, it may be operated as a single operation with other mining properties owned by third parties or in which the Owner has an interest, in which event, the parties agree that (notwithstanding separate ownership thereof) ores mined from the mining properties (including the Properties) may be blended at the time of mining or at any time thereafter; provided, however, that the respective mining properties shall bear and have allocated to them their proportionate part of costs described in paragraphs 2(a) to 2(d) above incurred relating to the single operation, and shall have allocated to each of them the proportionate part of the revenues earned relating to such single operation. In making any such allocation, effect shall be given to the tonnages of ore and other material mined and benefited and the characteristics of such material including the metal content of ore removed from, and to any special charges relating particularly to ore, concentrates or other products or the treatment thereof derived from, any of such mining properties. The Owner shall ensure that reasonable practices and procedures are adopted and employed for weighing, determining moisture content, sampling and assaying and determining recovery factors.
7. Payments of a percentage of Net Smelter Returns shall be made within thirty (30) days after the end of each calendar quarter in which Net Smelter Returns, as determined on the basis of final adjusted invoices, are received by the Owner. All such payments shall be made in Canadian dollars.
8. In the year in which commercial production is commenced on the Properties, each person receiving a percentage of Net Smelter Returns from the Owner shall be provided quarterly within ninety days (90) after the end of each calendar quarter, with a copy of the calculation of Net Smelter Returns, determined in accordance with this Schedule, for the preceding calendar, certified correct by the Owner. The person receiving a percentage of Net Smelter Returns shall have the right, upon serving thirty (30) days' notice to the Owner, to conduct an independent audit, at its sole cost, and the Owner will provide such materials and information as reasonably necessary to allow the audit to be performed.
9. Nothing contained in the Agreement or any Schedule attached thereto shall be construed as conferring upon any person receiving a percentage of Net Smelter Returns any right to or beneficial interest in the Properties. The right to receive a percentage of Net Smelter Returns from the Owner as and when due is and shall be deemed to be a contractual right only. Furthermore, the right to receive a percentage of Net Smelter Returns by a party from the Owner as and when due shall not be deemed to constitute the Owner the partner, agent or legal representative of such party or to create any fiduciary relationship between them for any purpose whatsoever.
10. The Owner shall be entitled to (i) make all operational decisions with respect to the methods and extent of mining and processing of ore, concentrate, metal and products produced from the Properties (for example, without limitation, the decision to process by heap leaching rather than conventional milling), (ii) make all decisions relating to sales of such ore, concentrate, metal and products produced and, (iii) make all decisions concerning temporary or long-term cessation of operations.

any profits or losses attributable to smelting or refining.

2. **Payment of Net Proceeds.** Payments of Net Proceeds shall commence in the financial year for the Joint Venture in which Net Proceeds are first realized, and shall be made 60 days following the end of each interim quarter for the Joint Venture during which Net Proceeds are realized, and shall be subject to adjustment, if required, at the end of each financial year for the Joint Venture. The recipient of such Net Proceeds payments shall have the right, upon serving thirty (30) days' notice to the Operator, to conduct an independent audit, at its sole cost, and the Operator will provide such materials and information as reasonably necessary to allow the audit to be performed.