

Memorandum of Understanding

ENTERED INTO effective the 20th day of March 2018.

B E T W E E N:

**Matachewan First Nation & Mattagami First Nation
(Collectively, the "First Nations")**

- and -

**Central Timmins Exploration Corp.
("CTEC")**

OF THE FIRST PART

(The First Nations and CTEC collectively, the "Parties")

OF THE SECOND PART

- A. WHEREAS the First Nations are a signatory to Treaty No. 9 and hold inherent aboriginal rights and treaty rights to and over their traditional territory and exercise those rights in their territory and assert certain rights and claims in respect of surface and subsurface rights;
- B. AND WHEREAS CTEC is a mineral exploration and development company with an objective for the development and mining of minerals on its mining claims and properties ("Project");
- C. AND WHEREAS CTEC has pursued and intends to continue to pursue its claims and leases which fall within the traditional territory of the First Nations including the Project area (as described in Schedule 1: "Properties"), and has conducted and intends to conduct exploration activities and mining and mill operations (as described in Schedule 2, "Exploration Program") on the Properties;
- D. AND WHEREAS the First Nations consider that the activities CTEC in developing the Project will have an impact upon the exercise of the aboriginal and treaty rights of the First Nations;
- E. AND WHEREAS the First Nations wish to be consulted with respect to the impact upon the exercise of their aboriginal and treaty rights, and have their interests accommodated through a negotiated process with CTEC.
- F. AND WHEREAS the First Nations desire to work cooperatively to secure an agreement with CTEC with respect to CTEC's Project on its Properties;
- G. AND WHEREAS CTEC recognizes and agrees to respect the aboriginal rights and treaty rights of the First Nations while engaged in the development, construction and operation of the Project, and wishes to consult with and accommodate the interests of the First Nations, as outlined herein;

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H. AND WHEREAS the First Nations and CTEC wish to work together to establish a long-term, mutually beneficial, cooperative and respectful relationship based on confidence, trust and certainty, and to agree upon certain matters with respect to CTEC's Project on its Properties;

I. AND WHEREAS this Memorandum of Understanding between the First Nations and CTEC signals the Parties' intention to engage in negotiations toward an Impact Benefit Agreement regarding CTEC's Project on its Properties.

NOW THEREFORE the undersigned hereby agree as follows.

1. PURPOSE

1.1 The purpose of this Memorandum of Understanding is:

- a) to establish a mutually beneficial, cooperative and productive relationship through which CTEC recognizes and agrees to respect the aboriginal rights and treaty rights of the First Nations while engaged in the exploration activities and operation of the Project;
- b) to provide a process through which CTEC can consult with and accommodate the interests of the First Nations as outlined herein with a view to reconciling any competing interests at stake;
- c) to establish a relationship through which the First Nations can identify opportunities for its businesses and citizens to participate in CTEC's exploration activities and operations;
- d) to provide CTEC with evidence for its stakeholders and the Ontario Ministry of Mines and Northern Development that the First Nations and CTEC intend to work together in a spirit of cooperation for mutual benefit as well as social, ecological, cultural and economic well-being;
- e) To set out the objectives, process and topics for negotiations of an Impact Benefit Agreement between the First Nations and CTEC; and
- f) To come to a negotiated settlement of financial compensation for exploration activities.

1.2 First Nation Objection to Other Regulatory Matters and Programs

Notwithstanding any other provision in this MOU, the First Nations reserve the right to take any position with respect to:

- a) any permits, licenses or other regulatory matters outside the scope of the matters covered by this MOU; and
- b) any other activity of CTEC, outside the scope of this MOU, that would affect the First Nations Territory, including any of CTEC's exploration, advanced exploration, environmental assessment processes or mine development.

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2. INTERIM MEASURES—BUSINESS OPPORTUNITIES

2.1 Objectives. The parties agree that it is their common objective to assist the First Nations and their Members to benefit from business opportunities associated with the Project.

2.2 Businesses. For purposes of this Memorandum of Understanding, the First Nations will designate businesses which they consider to be First Nation Businesses. The First Nations will provide CTEC with updated lists of qualified First Nations businesses.

2.3 Contracts. CTEC agrees to undertake all reasonable efforts to package exploration work and operation contracts in a manner to assist the qualified First Nations businesses to access business opportunities.

2.4 Preferred Access. CTEC agrees to conduct open-book negotiations on a preferred basis with the First Nations businesses for goods and services as may be required during all phases of the Exploration Program and will award contracts through the open-book process to the First Nations businesses provided that the First Nations businesses can provide the required goods and services in accordance with reasonable Project schedules and budgets subject to local conditions.

2.5 Final Business Decisions. Subject to adherence by Central Timmins Exploration Corp. to the provisions of this Memorandum of Understanding, final business decisions with respect to the award of any contract are the sole discretion of CTEC.

3. INTERIM MEASURES - EMPLOYMENT & TRAINING

3.1 Employment Preference. CTEC agrees to make best efforts to employ First Nations Members during all phases of the Project. To this end, CTEC will:

- a) circulate notice of job opportunities and minimum qualifications and experience to the First Nations on an ongoing basis;
- b) ensure that the minimum qualifications requirements do not include the requirement for a high school diploma or equivalent;
- c) interview on a priority basis applicants from the First Nations that meet the minimum job qualifications and experience, or who with reasonable on-the-job training could meet such qualifications;
- d) hire on a priority basis those applicants who meet the minimum job qualifications and other posted job requirements, or subject to the availability of on-the-job training opportunities, could with reasonable training meet such qualifications;
- e) track and report to the First Nations on a quarterly basis the number of employed First Nation Members;

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- f) use best efforts to have any contractors or sub-contractors employed by CTEC respect the provisions of this section; and
- g) Upon signing an IBA the First Nations and CTEC will establish a committee that, amongst other duties to be negotiated, will create a training and employment plan that will maximize the benefits of employment and training for the First Nations.

3.2 Training. CTEC agrees, where practical, to make the best efforts to provide training opportunities for First Nations Members during all phases of the Project. To this end CTEC will:

- a) make best efforts to provide and cover costs of training for employment during the Project; and
- b) provide written support to any applications for training funds related to the Project that may be submitted by the First Nations to funding agencies.

4. INTERIM MEASURES- FINANCIAL COMPENSATION

4.1 Capacity Funding. CTEC agrees that it must compensate for the impact of all exploration activities related to the Exploration Program to the First Nations and to that end the parties agree that:

- a) CTEC will pay 2% of all costs of the Exploration Program incurred to date upon the signing of this agreement, and annually thereafter, to be divided as outlined in Schedule 3 "First Nation Territory & CTEC Claims".
- b) CTEC will grant 50,000 options to each of the First Nations at an exercise price to be determined as of the date this MOU takes effect, subject to approval of the TSX Venture Exchange, with the options to vest on the following schedule, unless this MOU has been otherwise terminated:
 - i) 25% on the approval of the TSX Venture Exchange;
 - ii) 25% six months after the date of this MOU;
 - iii) 25% 12 months after the date of this MOU;
 - iv) 25% 18 months after the date of this MOU.
- c) CTEC will grant 50,000 shares to each of the First Nations, subject to approval of the TSX Venture Exchange, with the shares to be delivered on signing of this agreement.
- d) For the purpose of compliance with the applicable policies of the TSX Venture Exchange, it is agreed that the deemed price of the foregoing securities to be issued will be determined as at the date of issue, and each date of issue reflects the consultation and advice provided pursuant to this MOU as at the date thereof.
- e) That the First Nations will support all activities related to the Exploration Program except those as described in section 6.3.

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- 4.2. MOU Negotiation Expenses. CTEC will pay the First Nations negotiations costs for this MOU in the amount of \$0, payable immediately upon signing of this MOU.

5. IMPACT BENEFIT AGREEMENT NEGOTIATIONS ("IBA")

5.1 IBA Negotiations. Subject to the terms and conditions set out herein, the First Nations and CTEC agree to establish a timetable and commence negotiations toward an IBA as soon as appropriate and reasonably practicable.

5.2 Approval. Following termination of this Memorandum of Understanding final approval of an IBA is required as a condition of continued First Nation consent, for CTEC's work on its Properties, and the Parties agree that such final approval will require the First Nations community members' prior consultation, support and ratification, as determined by the First Nations' own processes, and the approval of CTEC's Board.

5.3 Target Date. The parties agree that they shall use their best efforts to negotiate an Impact Benefit Agreement on or before the completion of a feasibility study.

5.4 Good Faith. The Parties agree to conduct the IBA negotiations in good faith and with mutual respect for one another.

5.5 Negotiation Topics. CTEC and the First Nations agree that negotiations toward an IBA agreement will include, but not be limited to, the following topics and related objectives:

- a) Education and Training: To provide ongoing opportunities for First Nations Members to become qualified for employment opportunities during all phases of the Project;
- b) Employment Opportunities: To enable the First Nations Members to secure employment during all phases of the Project and to reduce barriers to the First Nations Members employment on the Project;
- c) Workplace Conditions: To promote workplace and working conditions that are safe, healthy and supportive of First Nations employees and which are respectful and supportive of their culture;
- d) Business Opportunities: To maximize the benefit from business opportunities associated with all phases of the Project to the First Nations and their members;
- e) Financial Participation and/or Compensation: To set out the financial and other compensation for Project impacts on and affecting the First Nations territory and the First Nations, and to set out how the First Nations will share in benefits realized by the Project;
- f) Environmental Protection, Mitigation, Monitoring and Reporting: To establish and promote measures intended to protect the environment and minimize the adverse environmental effects of the Project;

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- g) Ongoing Communications and Consultation Between the Parties; To set out implementation processes that will guide the ongoing relationship between the Parties including a dispute resolution process;
- h) Access to the Project Area: To establish the conditions for access to the Project Area by the First Nations Members for practice of traditional pursuits; and
- i) Such other topics as the Parties may agree.

5.6 IBA Negotiation Expenses.

- a) The First Nations and CTEC together will develop a negotiation budget with respect to negotiation of an IBA, including;
 - i) reasonable legal, financial and other professional and consulting fees and expenses;
 - ii) community consultation costs, including community consultation personnel, material development, translation and distribution, meetings and the like;
 - iii) technical expertise and review costs;
negotiation team members costs; and
reasonable travel, administrative and other costs.

5.7 Contribution to Negotiation Costs. CTEC will cover the reasonable IBA Negotiations Costs as set out in section 4.6 b), where not covered by 4.8 below.

5.8 Access to Government Funding for Negotiation Costs. The Parties agree to work cooperatively to maximize government funding to support the Negotiation Costs.

5.9 First Nation Accountability. The First Nations agree to provide summaries of incurred Negotiation Expenses within 30 days after each month same are incurred. Nothing in this Agreement will require the First Nations to divulge matters subject to solicitor-client privilege or any positions or strategies of the First Nations with respect to the IBA Negotiations.

5.10 First Nations to Minimize Costs. To the extent reasonable and possible, the Parties agree that in their procurement of goods and services for the IBA Negotiations, they will minimize potential financial liabilities that could result from possible termination or suspension of the Negotiations or from the possible termination of this Memorandum of Understanding.

6. ENVIRONMENTAL MATTERS

6.1 Government Permits. CTEC will obtain any and all necessary governmental permission or approvals for the Project.

6.2 Environmental Standards. CTEC will comply with all required environmental standards including implementation of any and all mitigation measures respecting

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wildlife; and will disclose to the First Nations any direct, indirect or cumulative environmental impacts that may result from the Exploration Project, and provide the First Nations with a plan for prevention and remediation of any and all such direct, indirect or cumulative impacts.

6.3 Hunting and Trapping Activities. CTEC will seek input from any individual who holds an MNR-registered trap line on the CTEC mining operations, claims and leases, respecting their trapping activities should they exist. CTEC will also seek input from, and attempt to address the reasonable concerns raised by the First Nations Members concerning hunting/trapping/harvesting activities on the territory covered by CTEC's mining claims and leases, including, where appropriate, through compensation.

6.4. First Nation Values. CTEC will, as required, engage with the First Nations through identified Consultation Policy, when requested, and will accommodate the values identified by the First Nation. In addition, CTEC will seek the First Nations' local and traditional knowledge about potential burial or other archaeological significant sites. The First Nations will set out a process and the conditions by which such local and traditional knowledge may be shared and CTEC will only be committed to incorporate such information that is shared with them.

6.5 First Nations Environmental Capacity. The First Nations will retain the appropriate technical expert(s) to review the information produced by CTEC during the consultations and permit review, and to conduct a peer review. This review also may include advice respecting ecological issues. The First Nations will apply to the Ontario Ministry of Mines and Northern Development for funding to support work of the technical expert(s). CTEC will fund any shortfall in the reasonable budgeted costs of the First Nation pursuant to this section.

6.6 First Nations Environmental/Elders Committee (EEC). The First Nations shall appoint the EEC which will be engaged for the purpose of consultation and advice. CTEC agrees to fund the EEC, up to a maximum of \$15,000 per year, and to provide the First Nations EEC with access to the Project site. The First Nations will designate the EEC, and the EEC will report directly to the First Nations. CTEC further agrees to respond within a reasonable time-frame to any issues raised by the EEC. The EEC may be present throughout the Exploration Program.

6.7 First Nations Site Access. The Permit Holder must provide authorized representatives of the First Nation(s) with full access to the Exploration Site at all reasonable times. The number of Site visits will be set out in the Permit but shall be no less than one during the exploration season and one post-closure Site inspection, necessary in order to confirm satisfactory completion of the work detailed in the Reclamation and Closure Plan (as contained in the Approved Permit) and authorize release of the financial security for the Exploration Program.

7. FIRST NATIONS SUPPORT

7.1 Project Support. Subject to CTEC's adherence to the terms and conditions of this Memorandum of Understanding the First Nations agree to support the Project while this Memorandum of Understanding remains in force.

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7.2 Community Support. Notwithstanding the foregoing, any First Nation may, on written notice, terminate its participation in this Agreement if the First Nation determines that there is no reasonable prospect of obtaining, from the First Nation's membership, community sanction for the Project. If any First Nation exercises its right of termination under this section, any non-vested entitlements of the First Nation under this Agreement shall be forfeited. In the event of termination by one or two First Nations, this Agreement shall continue to be in effect according to its terms for any non-terminating First Nation(s).

7.3 Environmental Support. Subject to section 5 of this Memorandum of Understanding, the First Nations agree to support CTEC's permit or license applications as may be required for the Exploration Program. Political support could also be provided to the Exploration Program where that support does not conflict with other First Nation priorities.

8. CONFIDENTIALITY

8.1 Confidential Information. CTEC will provide all relevant information in their control or possession to the First Nations necessary for the First Nations to perform due diligence to confirm CTEC's stated exploration costs as set out in section 3.3(a) of the Memorandum of Understanding, and to conduct the Negotiations and conclude an IBA, and if such information is of a proprietary or otherwise confidential nature to CTEC, they may require that the First Nations or their representatives in the Negotiations enter into a confidentiality agreement for this purpose.

8.2 Confidentiality. Unless CTEC agrees otherwise, the First Nations agree that all Exploration Program and financial information obtained directly from CTEC and not available through any other means as a result of this Memorandum of Understanding is and shall remain the sole and exclusive secret property of CTEC forever and agree that they will not divulge to anyone other than CTEC and its duly authorized representatives any information so obtained for any purpose whatsoever, except for the use of such information by the First Nations in consultations with the First Nations Members or the Crown.

8.3 Communication. It is agreed that CTEC and the First Nations will use best efforts to keep all communication internal, and not utilize the media or public avenues to discuss the relationship between the First Nations and CTEC without joint review and concurrence on any public releases, including press releases and news conferences.

9. DISPUTE RESOLUTION

9.1 Resolution of Disputes. The Parties shall endeavour to amicably resolve, by negotiation, any dispute which arises between them in connection with this agreement. The Parties will make *bona fide* efforts to resolve any dispute by amicable negotiations

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and the Parties agree to provide, without prejudice, frank, candid and timely disclosure of all relevant facts, information, and documents to facilitate such resolutions.

10. GENERAL

10.1. Nothing in this Memorandum of Understanding is intended to define, create, or extinguish any rights of the First Nations or CTEC.

10.2 This Memorandum of Understanding is legally binding on the Parties.

10.3 This Memorandum of Understanding supersedes any other agreements currently in place between CTEC and the First Nations.

10.4 This Memorandum of Understanding will be consistent with the law and the regulations of Ontario and Canada.

10.5 CTEC will provide the First Nations with advance notice of any public disclosure relating to this agreement that may be required by the securities laws or the rules of any stock exchange on which the shares of CTEC may be listed. Any public communication regarding this agreement not covered by the securities laws or stock exchange rules requires the consent of both parties.

10.6 Subject to section 6.2, this Memorandum of Understanding shall come into effect upon execution and remain in effect until IBA negotiations between the First Nations and CTEC with respect to agreements contemplated by this Memorandum of Understanding have been concluded.

10.7 CTEC may sell, assign, transfer or otherwise dispose of the whole or any part of its interest in the Project at any time upon notice to the First Nations, provided that any such sale, assignment, transfer or other disposition shall carry the rights, and shall delegate and make the interest subject to, all the liabilities and obligations of CTEC under this Agreement. Each transferee of such interest shall, by written agreement with and for the benefit of the First Nations, assume and agree to pay and perform such liabilities and obligations. Such assumption shall not serve to release or discharge CTEC from any of the said liabilities and obligations theretofore accrued with respect to the interest or portion thereof being transferred, but shall release and discharge CTEC from all of the said liabilities and obligations thereafter accruing with respect to the interest or portion thereof being transferred.

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IN WITNESS WHEREOF the parties have executed this Memorandum of understanding as of the date first written above.

Central Timmins Exploration Corp.

Matachewan First Nation
Chief Alex (Sonny) Batisse

Per: Charles Gribba
CHARLES GRIBBA DIRECTOR

Per: Alex Batisse

Mattagami First Nation
Chief Chad Boissoneau


Neville Dastor
NEVILLE DASTOR
DIRECTOR

Chad Boissoneau

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Schedule 1: Properties

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Schedule 2: Exploration Program


Exploration Activities consists of on-site activities undertaken by or on behalf of CTEC on the Properties, which are normally considered to be exploration activities in Ontario, to determine the extent, geometry and grade of target mineral deposits until a positive bankable feasibility stage is reached. These activities may include, but are not limited to, line cutting, claim staking, bedrock sampling, ground surveys within control grids (cut lines) including geological mapping and geophysical/geochemical surveys, airborne geophysical surveys, stripping and trenching, bulk sampling and drilling, assaying and related exploration activities. The goal of the Exploration Program is to develop a sufficient database of results that increase the level of confidence in the deposit and the Project to a point where an economic analysis of the results, known as a feasibility study, ends in a decision on whether to proceed with development of terminate the project. The confidence will be accomplished primarily through diamond drilling, however, will also be dependent on environmental, metallurgical and other studies.

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Schedule 3: First Nations Territories & CTEC Claims

The First Nations agree that CTEC's claim package is located on an area of territorial overlap, as well as in certain instances, on solely the territory of the Mattagami First Nation. As a result, the Capacity Funding, as described in Section 4.1(a) shall be disbursed as outlined below.

Township / Area	Claim Number	Matachewan (%)	Mattagami (%)
DELORO	4278600	50	50
DELORO	4279925	50	50
DELORO	4279929	50	50
DELORO	4279930	50	50
DELORO	4279931	50	50
DELORO	4281835	50	50
OGDEN	4243411	0	100
OGDEN	1199806	0	100
OGDEN	1199807	0	100
OGDEN	4221819	50	50
OGDEN	4221820	0	100
OGDEN	4240518	0	100
OGDEN	4240519	0	100
OGDEN	4241470	0	100
OGDEN	4246736	50	50
MOUNTJOY	4246835	0	100
MOUNTJOY	4277337	0	100
MOUNTJOY	4277338	0	100
MOUNTJOY	4277395	0	100
MOUNTJOY	4278586	50	50
MOUNTJOY	4278587	50	50
MOUNTJOY	4278588	50	50
MOUNTJOY	4278589	0	100
MOUNTJOY	4278590	0	100
MOUNTJOY	4278591	0	100
MOUNTJOY	4278592	0	100
MOUNTJOY	4278594	0	100
MOUNTJOY	4278596	0	100
MOUNTJOY	4279046	0	100
MOUNTJOY	4279047	0	100

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MOUNTJOY	<u>4279923</u>	0	100
MOUNTJOY	<u>4281147</u>	50	50
MOUNTJOY	<u>4281148</u>	50	50
MOUNTJOY	<u>4281831</u>	0	100
MOUNTJOY	<u>4281832</u>	50	50
MOUNTJOY	<u>4281835</u>	0	100
MOUNTJOY	<u>4281837</u>	0	100
MOUNTJOY	<u>4281844</u>	0	100
GODFREY	<u>3010919</u>	0	100
GODFREY	<u>4281841</u>	0	100
GODFREY	<u>4285151</u>	0	100
GODFREY	<u>4285152</u>	0	100
GODFREY	<u>4285153</u>	0	100
JAMIESON	<u>3010918</u>	0	100
JAMIESON	<u>3012747</u>	0	100
JAMIESON	<u>3012748</u>	0	100
JAMIESON	<u>3012751</u>	0	100
JAMIESON	<u>3012757</u>	0	100
JAMIESON	<u>3016588</u>	0	100
ROBB	<u>3011003</u>	0	100
ROBB	<u>3011006</u>	0	100
ROBB	<u>3012745</u>	0	100
TURNBULL	<u>3012749</u>	0	100
Ogden	<u>P26758</u>	0	100
Ogden	<u>TRP812</u>	0	100
Ogden	<u>TRP811</u>	0	100
Ogden	<u>P26757</u>	0	100
Ogden	<u>P6426</u>	0	100
Ogden	<u>P6427</u>	0	100
Ogden	<u>TRP621</u>	0	100
Ogden	<u>P33594</u>	0	100
Ogden	<u>P35760</u>	0	100
Ogden	<u>P35991</u>	0	100
Ogden	<u>P35990</u>	0	100
Ogden	<u>P35989</u>	0	100
Ogden	<u>P11464</u>	50	50
Ogden	<u>P11465</u>	50	50
Deloro	<u>P11050</u>	50	50

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Deloro	P11051	50	50
Deloro	P11058	50	50
Deloro	P11064	50	50
Deloro	P11063	50	50
Deloro	P11030	50	50
Deloro	P11256	50	50
Deloro	P10878	50	50
Deloro	P11052	50	50
Deloro	P11047	50	50
Deloro	P11046	50	50
Deloro	P11053	50	50
Deloro	P11504	50	50
Deloro	P11290	50	50
Deloro	P9756	50	50
Deloro	P11478	50	50
Deloro	P9757	50	50
Deloro	P9758	50	50
Deloro	P11480	50	50
Deloro	P11479	50	50
Deloro	P8915	50	50
Deloro	HR867-P11584	50	50
Deloro	TRP2761	50	50
Deloro	P10911	50	50
Deloro	P11313	50	50
Deloro	P11364	50	50
Deloro	P11467	50	50
Deloro	P11477	50	50
Deloro	P11363	50	50
Deloro	P11312	50	50
Deloro	P11311	50	50
Deloro	P10671	50	50
Deloro	P11048	50	50
Deloro	P11585-HR866	50	50
Deloro	P9259	50	50
Deloro	P9260	50	50
Deloro	P10912	50	50
Deloro	P11466	50	50
Deloro	HR1114	50	50

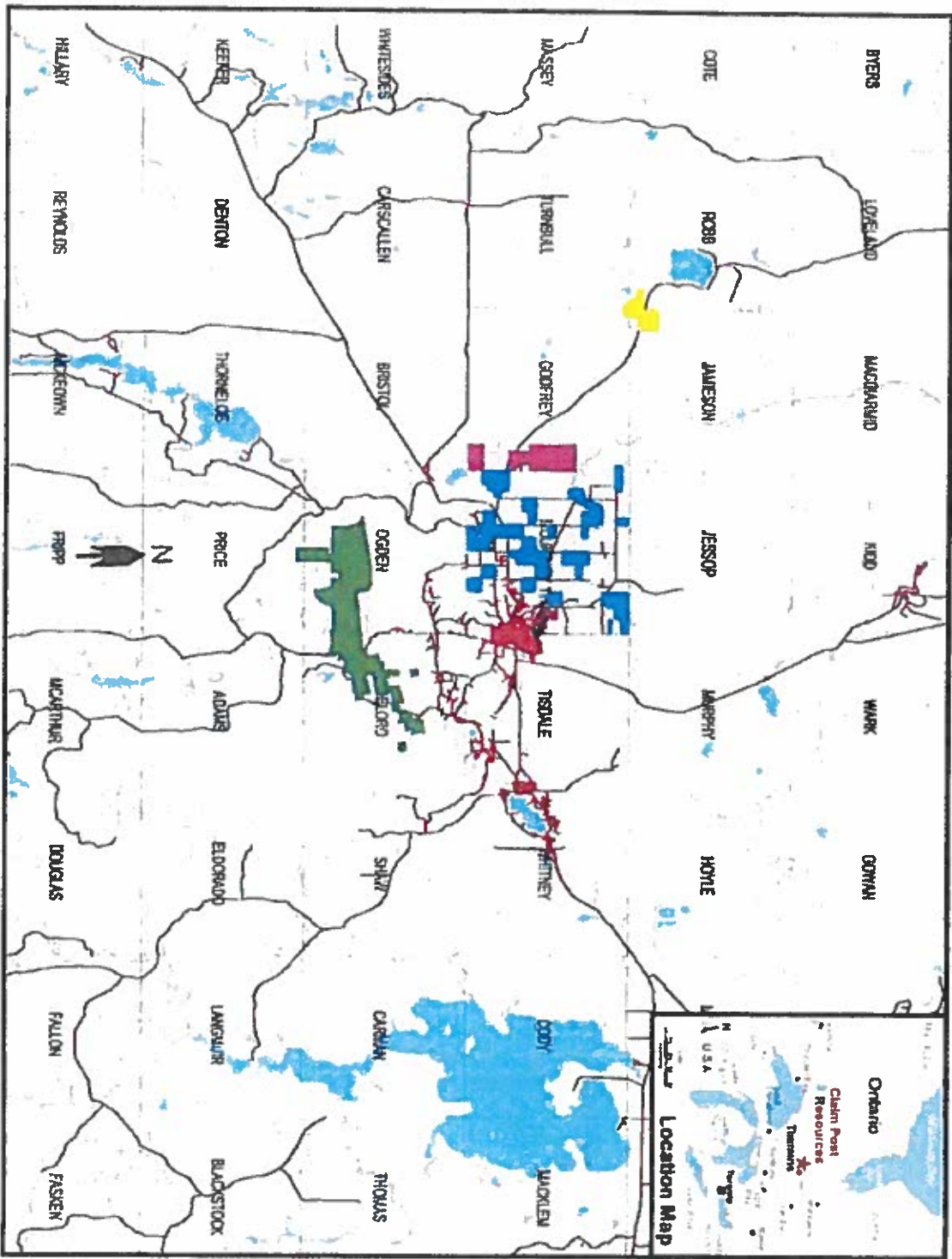
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Deloro	HR828-P8408	50	50
Deloro	HR1084-P8409	50	50
Deloro	HR1082	50	50
Deloro	HR1080	50	50
Deloro	HR1081	50	50
Deloro	TRP99315 (OR TRP9935)	50	50
Deloro	P841	50	50
Deloro	ME64	50	50

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Exploration Agreement

Schedule 1: Properties



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