

<p>derivan o para la disposición de tales derechos sobre las CONCESIONES, constituye una obligación contractual que limita y condiciona el ejercicio de: (a) el derecho de transmisión establecido en la fracción VII del artículo 19 de la Ley Minera; (b) el derecho a reducir la superficie amparada por las CONCESIONES que establece la fracción VIII del artículo 19 de la Ley Minera; y (c) el derecho a desistirse de las CONCESIONES que establece la fracción IX del mismo artículo 19 de la Ley Minera; y que, conforme al artículo 78 del Reglamento de la Ley Minera, el obligado al pago de la REGALÍA es el concesionario legalmente inscrito en el Registro Público de Minería.</p>	<p>over the PROPERTIES constitutes a contractual obligation which limits and creates a condition for the exercise of: (a) the right to transfer established in article 19, paragraph VII of the Mining Law; (b) the right to reduce the surface covered by the PROPERTIES established by article 19, paragraph VIII of the Mining Law; and (c) the right to waive or withdraw from the PROPERTIES established by article 19, paragraph IX of the Mining Law; and that pursuant to article 78 of the Regulations to the Mining Law the obligor to pay the ROYALTY is the concessionaire legally recorded in the Public Registry of Mining.</p>
<p><b>CUARTA. Cesión.</b> Para efectos de cualquier cesión de las CONCESIONES y/o de los derechos y las obligaciones que derivan de este contrato a favor y a cargo de la CONCESIONARIA, ésta observará lo previsto en la Cláusula Primera de este instrumento; y, para efectos de cualquier cesión de la REGALÍA y/o de los derechos y las obligaciones que derivan de este contrato a favor y a cargo de la BENEFICIARIA DE LA REGALÍA, ésta observará las disposiciones convenidas por las Partes en la sección 9 del Net Smelter Return Royalty Agreement citado anteriormente.</p> <p>Cualquier cesión o transmisión de las CONCESIONES o del derecho a percibir la REGALÍA y/o de los derechos y las obligaciones que derivan de este contrato que cualquiera de las Partes efectúe en contravención a lo convenido en el párrafo anterior, será nula y no surtirá efectos legales.</p> <p>En virtud de lo antes señalado, queda expresamente convenido que este contrato será válido y obligatorio y surtirá todos sus efectos tanto para las Partes contratantes como para sus respectivos causahabientes y cesionarios.</p>	<p><b>FOURTH. Assignment.</b> For the purposes of any assignment of the PROPERTIES and/or of rights and obligations deriving from this agreement in favor and in charge of the TITLEHOLDER it shall observe the provisions of Clause First above; and for the purposes of any assignment of the ROYALTY and/or of rights and obligations deriving from this agreement in favor and in charge of the ROYALTY HOLDER it shall observe the provisions agreed by the Parties in section 9 of the Net Smelter Return Royalty Agreement referred to above.</p> <p>Any assignment or transfer of the PROPERTIES or of the right to receive the ROYALTY and/or of the rights and obligations deriving from this agreement that any of the Parties performs in breach of that agreed hereinabove shall be null and void and will have no legal effects.</p> <p>Given that mentioned above, it is expressly agreed that this document shall be valid and binding and shall inure for the benefit of the contractual Parties as well as for their respective successors and assigns.</p>
<p><b>QUINTA. Comunicaciones.</b> Todas las comunicaciones que deban darse las Partes por virtud de este contrato se efectuarán por escrito, entregadas en los domicilios que para tal efecto</p>	<p><b>FIFTH. Communications.</b> All notices between the Parties in connection with this agreement shall be in writing and addressed to and delivered at their domiciles or by email</p>

<p>señalan o bien por medio de correo electrónico con confirmación de recibido o evidencia de su entrega; y, al efecto, las Partes señalan los siguientes domicilios y direcciones de correo electrónico para recibir notificaciones:</p> <p><b>La CONCESIONARIA</b> Minera Tlali, S.A.P.I. de C.V. Javier de León 707 Col. Pític Hermosillo, Sonora Atención: Benjamín Arturo López Molina Email: <a href="mailto:benjamin.lopez@minera-piedra-azul.com">benjamin.lopez@minera-piedra-azul.com</a></p> <p>Con copia para: Pizarro-Suárez &amp; Rodríguez Matus Félix Berenguer 125 – 4 Col. Lomas Virreyes 11000 Ciudad de México Atención: Juan E. Pizarro-Suárez Email: <a href="mailto:jpizarro@psrm.mx">jpizarro@psrm.mx</a></p> <p><b>La BENEFICIARIA DE LA REGALÍA</b> Minera Teck, S.A. de C.V. Nebulosa 2802 Col. Jardines del Bosque C.P. 44520 Guadalajara, Jalisco, México Atención: Gerente de Exploración Email: <a href="mailto:corporate.secretary@teck.com">corporate.secretary@teck.com</a></p> <p>Con copia para: Sánchez Mejorada, Velasco y Ribé, S.C. Paseo de la Reforma 450 Col. Lomas de Chapultepec 11000 Ciudad de México Atención: Rodrigo Sánchez Mejorada Velasco Email: <a href="mailto:rsanchezmejorada@smvr.com.mx">rsanchezmejorada@smvr.com.mx</a></p> <p>Cualquier aviso o notificación entregado personalmente, se considerará dado y recibido en la fecha que sea entregado a su destinatario y, si es enviado por correo certificado con acuse de recibo, servicio especializado de mensajería o transmitido por correo electrónico o cualquier otro medio similar de comunicación, se considerará dado y entregado en la fecha que sea efectivamente recibido en el domicilio o en la dirección de correo electrónico del destinatario correspondiente.</p> <p>Cualquier cambio de domicilio, de dirección de correo electrónico o de representante se comunicará por escrito a la otra Parte, entregado</p>	<p>with acknowledgement of its receipt or evidence of its delivery and, therefore, the Parties designate the following addresses and email addresses for said purposes:</p> <p><b>The TITLEHOLDER</b> Minera Tlali, S.A.P.I. de C.V. Javier de León 707 Col. Pític Hermosillo, Sonora Attention: Benjamín Arturo López Molina Email: <a href="mailto:benjamin.lopez@minera-piedra-azul.com">benjamin.lopez@minera-piedra-azul.com</a></p> <p>With a copy to: Pizarro-Suárez &amp; Rodríguez Matus Félix Berenguer 125 – 4 Col. Lomas Virreyes 11000 Ciudad de México Attention: Juan E. Pizarro-Suárez Email: <a href="mailto:jpizarro@psrm.mx">jpizarro@psrm.mx</a></p> <p><b>The ROYALTY HOLDER</b> Minera Teck, S.A. de C.V. Nebulosa 2802 Col. Jardines del Bosque C.P. 44520 Guadalajara, Jalisco, Mexico Attention: Manager, Exploration Email: <a href="mailto:corporate.secretary@teck.com">corporate.secretary@teck.com</a></p> <p>With a copy to: Sánchez Mejorada, Velasco y Ribé, S.C. Paseo de la Reforma 450 Col. Lomas de Chapultepec 11000 Ciudad de México Attention: Rodrigo Sánchez Mejorada Velasco Email: <a href="mailto:rsanchezmejorada@smvr.com.mx">rsanchezmejorada@smvr.com.mx</a></p> <p>Any notice or notification delivered personally shall be considered as given and received on the date it is actually delivered to the addressee and if forwarded by registered mail return receipt requested, courier or by email it shall be considered as given and received on the date it is actually received at the addressee's address or email address.</p> <p>Any change of address or of email address or of representative shall be notified to the other Party in writing and delivered in an authentic</p>
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<p>en forma indubitable. No obstante lo anterior, si cualquiera de las Partes omite notificar a la otra de cualquier cambio de domicilio o de dirección de correo electrónico, se entenderá que las notificaciones efectuadas en el último domicilio señalado o en la última dirección de correo electrónico señalada, serán plenamente válidas y surtirán todos sus efectos.</p>	<p>manner. Notwithstanding the above, if any Party fails to notify the other of any change of address or of email address it shall be understood that the notifications made at the last designated address or email address shall be deemed to have been validly given and will have all legal effects.</p>
<p><b>SEXTA. Gastos, honorarios e impuestos.</b> Cada una de las Partes será responsable del cumplimiento de las obligaciones fiscales que a cada una corresponda, conforme lo establecen las disposiciones legales aplicables.</p> <p>Todos los gastos y honorarios que se causen con motivo de la celebración de este contrato serán por cuenta de la CONCESIONARIA; lo anterior, salvo por lo que se refiere a los gastos y honorarios en que incurra o haya incurrido la BENEFICIARIA DE LA REGALÍA con motivo de la asesoría que reciba o hubiere recibido, ya sea en materia legal, fiscal, contable o de cualquier otra naturaleza.</p>	<p><b>SIXTH. Expenses, fees and taxes.</b> Each Party shall be responsible of the fulfillment of their corresponding tax obligations, pursuant to that set forth in the applicable legal provisions.</p> <p>All the expenses and fees incurred by virtue of the execution of this agreement shall be borne by the TITLEHOLDER, except for the expenses and fees incurred or to be incurred by the ROYALTY HOLDER with respect to any advice it has requested on any legal, tax or accounting matters or with respect to any other matters.</p>
<p><b>SÉPTIMA. Legislación Aplicable.</b> Este Contrato se celebra en términos del artículo 78 del Código de Comercio es de naturaleza mercantil, por lo que, para lo que no esté expresamente aquí pactado y para la interpretación y cumplimiento del mismo se aplicarán la Ley Minera y su Reglamento y, en su carácter de supletorio, el Código Civil Federal para lo no previsto en los primeros, así como cualesquiera otras disposiciones legales que resulten aplicables en México; y para cualquier controversia que surja, derive o se relacione con la REGALÍA objeto de este contrato, las Partes se someten al procedimiento arbitral pactado entre ellas en la sección 12 del Net Smelter Return Royalty Agreement citado anteriormente.</p>	<p><b>SEVENTH. Applicable Laws.</b> This agreement which is entered into pursuant to that set forth in article 78 of the Commerce Code is of a mercantile nature and, therefore, for anything not expressly agreed herein and for the interpretation and compliance of this agreement the Mining Law and its Regulations, as well as the Federal Civil Code as a suppletory law and any other legal provisions applicable in Mexico shall apply; and for any disputes arising out of, deriving from or in connection with the ROYALTY subject matter of this agreement, the Parties are hereby submitted to the arbitration procedure agreed upon them in section 12 of the Net Smelter Return Royalty Agreement referred to above.</p>
<p><b>OCTAVA. Ausencia de Lesión.</b> Las Partes, no obstante la naturaleza de este documento, declaran expresamente que en las convenciones objeto del mismo no existe lesión y, aun cuando la hubiese, renuncian expresamente al derecho</p>	<p><b>EIGHTH. Absence of Harm.</b> Notwithstanding the legal nature of this document, the Parties expressly declare that no harm derives from the covenants contained in this agreement and, even in case</p>

<p>de pedir la nulidad relativa de que tratan los artículos 2228 y 2239 del Código Civil para el Distrito Federal y los artículos correlativos del Código Civil Federal y del Código Civil de cada Estado de los Estados Unidos Mexicanos.</p>	<p>it might exist, the parties expressly waive their right to request the relative nullity referred to in articles 2228 and 2239 of the Civil Code for the Federal District, and their corresponding articles of the Federal Civil Code and of the Civil Code of each State of the United Mexican States.</p>
<p><b>NOVENA. Ejemplares.</b> Este contrato puede ser firmado y ratificado ante fedatario público por separado y entregado en cualquier número de ejemplares y por cada una de las Partes en ejemplares distintos. Cada ejemplar una vez firmado y entregado constituirá un original y todos los ejemplares juntos constituirán uno solo y el mismo documento. Dichos ejemplares podrán ser entregados por las Partes por correo ordinario, servicio especializado de mensajería o por correo electrónico.</p>	<p><b>NINTH. Counterparts.</b> This agreement may be executed and ratified in front of a notary public or a public attestor separately and delivered in any number of counterparts and by each one of the Parties hereto on separate counterparts. Each counterpart when executed and delivered will be deemed an original and all counterparts together will constitute one and the same document. Such counterparts may be delivered by regular post, courier or electronic mail.</p>
<p><b>DÉCIMA. Idioma.</b> Este contrato se firma en español e inglés. En caso de cualquier diferencia o discrepancia entre las dos versiones, prevalecerá en México la versión en idioma español.</p>	<p><b>TENTH. Language.</b> This agreement is executed in both English and Spanish languages. In case of any difference or discrepancy between said two versions the Spanish version shall prevail in Mexico.</p>
<p>Leído que fue este documento y debidamente enteradas de su contenido y alcance legal, las Partes lo ratifican en todos sus términos y firman por cuadruplicado para debida constancia, la CONCESIONARIA en la Ciudad de Hermosillo, Sonora y la BENEFICIARIA DE LA REGALÍA en la Ciudad de México, el 27 de agosto de 2019.</p>	<p>Having read this agreement and being completely aware of its contents and legal consequences, the Parties sign it and ratify the same in its entirety in four copies, the TITLEHOLDER in the City of Hermosillo, Sonora, and the ROYALTY HOLDER in Mexico City, on August 27, 2019.</p>

<div><div><b>La CONCESIONARIA</b> Minera Tlali, S.A.P.I. de C.V.</div><div><div>Benjamín Arturo López Molina</div><div>Apoderado y Representante Legal</div></div></div>	<div><div><b>The TITLEHOLDER</b> Minera Tlali, S.A.P.I. de C.V</div><div><div>Benjamin Arturo Lopez Molina</div><div>Attorney-in-fact and Legal Representative</div></div></div>
<div><div><b>La BENEFICIARIA DE LA REGALIA</b> Minera Teck, S.A. de C.V.</div><div><div>Paola Salgado Tonda</div><div>Apoderado y Representante Legal</div></div></div>	<div><div><b>The ROYALTY HOLDER</b> Minera Teck, S.A. de C.V.</div><div><div>Paola Salgado Tonda</div><div>Attorney-in-fact and Legal Representative</div></div></div>

**ANEXO 1 / EXHIBIT 1**  
**CONCESIONES / PROPERTIES**

Lote / Lot	Título / Title	Superficie / Surface
Hidalgo	166374	99.0000
Hidalgo 2	166369	99.0000
Hidalgo 3	166368	99.0000
Hidalgo 4	166366	99.0000
Hidalgo 5	166370	99.0000
Hidalgo 6	166371	99.0000
Hidalgo 7	166373	99.0000
Hidalgo 8	166372	99.0000
Hidalgo 9	166375	99.0000
Kino 2	166313	100.0000
Kino 3	166312	100.0000
Kino 4	166314	100.0000
Kino 8	166315	100.0000
Kino 9	166316	100.0000
Kino 10	166317	100.0000
Kino 11	166318	100.0000
Kino 15	166365	100.0000
Kino 16	166367	100.0000
San Simón	166376	100.0000
San Simón 2	166377	100.0000
El Alacrán	201817	3,442.3590
<b>SUPERFICIE TOTAL</b>		<b>5,433.5390 hs.</b>

## EXHIBIT E

## STOCK PURCHASE AGREEMENT

<p><b>CONTRATO DE COMPRAVENTA DE ACCIONES QUE CELEBRAN, POR UNA PARTE, MINERA TECK, S.A. DE C.V. (EN LO SUCESIVO LA "VENDEDORA"), REPRESENTADA EN ESTE ACTO POR PAOLA SALGADO TONDA; Y, POR LA OTRA PARTE, AZURE MINERALS LIMITED (EN LO SUCESIVO LA "COMPRADORA"), REPRESENTADA EN ESTE ACTO POR ANTHONY ROVIRA (CONJUNTAMENTE REFERIDAS LA VENDEDORA Y LA COMPRADORA COMO LAS "PARTES"), AL TENOR DE LAS SIGUIENTES DECLARACIONES Y CLÁUSULAS:</b></p>	<p><b>STOCK PURCHASE AGREEMENT ENTERED INTO BY AND BETWEEN, AS A FIRST PARTY, MINERA TECK, S.A. DE C.V. (HEREINAFTER THE "SELLER"), REPRESENTED HEREIN BY PAOLA SALGADO TONDA; AND, AS A SECOND PARTY, AZURE MINERALS LIMITED (HEREINAFTER THE "PURCHASER"), REPRESENTED HEREIN BY ANTHONY ROVIRA (JOINTLY REFERRED THE SELLER AND THE PURCHASER AS THE "PARTIES"), PURSUANT TO THE FOLLOWING REPRESENTATIONS AND CLAUSES:</b></p>
<p style="text-align: center;"><b>DECLARACIONES</b></p> <p><b>I. <u>Declara la VENDEDORA por conducto de su representante:</u></b></p> <p>a) Que es una sociedad legalmente constituida y existente conforme a las leyes de los Estados Unidos Mexicanos, según consta en la escritura pública 148,124 de fecha 21 de agosto de 1992, otorgada ante el licenciado Fausto Rico Álvarez, titular de la notaría pública 6 de la Ciudad de México, cuyo primer testimonio quedó inscrito en el Registro Público de la Propiedad y del Comercio de la Ciudad de Hermosillo, Estado de Sonora, en la Sección Comercio, Libro Primero, Volumen 19, bajo el número 7,179, e inscrita en el Registro Federal de Contribuyentes bajo la clave MTC920824GK9; y que, de acuerdo con su objeto social, está legalmente capacitada para celebrar toda clase de contratos, incluyendo este contrato.</p> <p>b) Que su representante tiene facultades suficientes para representarla en este acto y para obligarla en los términos de este contrato; mismas facultades que a la fecha de celebración de este contrato no le han sido revocadas, limitadas o modificadas en forma alguna.</p> <p>c) Que es única y legítima titular de 1 (una) acción ordinaria, nominativa, sin expresión de</p>	<p style="text-align: center;"><b>REPRESENTATIONS</b></p> <p><b>I. <u>The SELLER represents through its legal representative:</u></b></p> <p>a) That it is a company legally incorporated and existing pursuant to the laws of the United Mexican States as it is evidenced in public instrument 148,124 dated August 21, 1992, granted before Mr. Fausto Rico Alvarez, notary public 6 of Mexico City, which first original is recorded in the Public Registry of Property and Commerce of Hermosillo, State of Sonora, in the Commerce Section, Book First, Volume 19, under number 7,179 and recorded in the Federal Taxpayers' Registry under code MTC920824GK9; and according to its corporate purpose it is legally qualified to enter into any kinds of agreements including this agreement.</p> <p>b) That its representative has enough powers to act on its behalf and to obligate its principal in the terms of this agreement, which authority and powers have not been revoked, limited or modified in any manner whatsoever as of the date of execution of this agreement.</p> <p>c) That it is the sole and legitimate holder of 1 (one) common, ordinary, nominative, non-par</p>

<p>valor nominal y con un valor de aportación del equivalente a \$1.00 dls. (un dólar moneda de los Estados Unidos de América), íntegramente suscrita, pagada y liberada (en lo sucesivo la "ACCIÓN"), emitida por Minera Tlali, S.A.P.I. de C.V. (en lo sucesivo la "SOCIEDAD") y representativa del capital mínimo de dicha SOCIEDAD.</p> <p>d) Que dicha ACCIÓN se encuentra libre de toda carga, gravamen, afectación o limitación de dominio de cualquier naturaleza, por lo que puede disponer libremente de la misma, toda vez que ha dado cumplimiento a todas las obligaciones que las leyes mexicanas y los estatutos sociales de la SOCIEDAD imponen a los titulares de acciones.</p> <p>e) Que no existe orden o decisión judicial o administrativa ni procedimiento legal u obligación contractual alguna, que impida a la VENDEDORA la libre enajenación de la ACCIÓN, y ha recabado todas las autorizaciones que pudieran ser necesarias para la celebración de este contrato, así como para realizar todos y cada uno de los actos que pudiesen derivar del mismo.</p> <p>f) Que desea transmitir la ACCIÓN de que es titular a la COMPRADORA, en los términos y condiciones pactados en este contrato.</p>	<p>value share of stock with a contribution value equivalent to US\$1.00 (one dollar currency of the United States of America), fully subscribed, paid and non-assessable (hereinafter the "SHARE"), issued by Minera Tlali, S.A.P.I. de C.V. (hereinafter the "COMPANY"), and which is part of the minimum portion of the capital stock of the COMPANY.</p> <p>d) That said SHARE is free and clear of any lien, encumbrance, burden, affectation or limitation of ownership of any nature whatsoever, thus it may freely dispose of the same given that it has complied with all the obligations that the Mexican laws and the by-laws of the COMPANY impose to the titleholders of shares.</p> <p>e) That there is no court decision or any judicial or administrative order nor any legal procedure or contractual obligation which might prevent the SELLER from the free transfer of the SHARE, and it has obtained all the authorizations that may be necessary for the purpose of entering into this agreement and to perform each and all of the actions which may derive therefrom.</p> <p>f) That it wishes to transfer the SHARE it owns to the PURCHASER in the terms and conditions agreed upon herein.</p>
<p><b><u>II. Declara la COMPRADORA por conducto de su representante:</u></b></p> <p>a) Que es una sociedad legalmente constituida y existente conforme a las leyes de Australia, según consta en sus documentos constitutivos y en los registros de las autoridades competentes del país en el que fue constituida, y está legalmente capacitada para celebrar toda clase de contratos, incluyendo este contrato.</p> <p>b) Que su representante tiene facultades suficientes para representarla en este acto y para obligarla en los términos de este contrato; mismas facultades que a la fecha de celebración de este contrato no le han sido revocadas, limitadas o modificadas en forma alguna.</p>	<p><b><u>II. The PURCHASER represents through its legal representative:</u></b></p> <p>a) That it is a company legally incorporated and existing pursuant to the laws of Australia as it is evidenced in its constating documents and the recordings of the competent authorities of its jurisdiction of incorporation and is legally qualified to enter into any kinds of agreements including this agreement.</p> <p>b) That its representative has enough powers to act on its behalf and to obligate its principal in the terms of this agreement, which authority and powers have not been revoked, limited or modified in any manner whatsoever as of the date of execution of this agreement.</p>



c) Que desea adquirir de la VENDEDORA la ACCIÓN a la que se hace referencia en la declaración I.(c) de este contrato, y reconoce las obligaciones que las leyes mexicanas y los estatutos sociales de la SOCIEDAD imponen a los titulares de ese tipo de acciones.	c) That it wishes to acquire from the SELLER the SHARE to which recital I.(c) above makes reference to, acknowledging the obligations that the Mexican laws and the by-laws of the COMPANY establish to the titleholders of said kinds of shares.
Hechas las declaraciones anteriores, las Partes convienen en las siguientes:	Having made the forgoing representations, the Parties hereto agree on the following:
<b>CLAUSULAS</b>	<b>CLAUSES</b>
<b>PRIMERA. Objeto.</b> La VENDEDORA transmite en propiedad en este acto a la COMPRADORA la ACCIÓN descrita en la declaración I.(c) de este contrato, emitida por la SOCIEDAD, libre de toda carga, gravamen, afectación o limitación de dominio de cualquier naturaleza, así como libre de todo juicio, litigio, demanda, embargo, prenda, reclamaciones de terceros y restricciones legales, contractuales o de cualquier otra naturaleza.	<b>FIRST. Subject Matter.</b> The SELLER hereby sells, transfers and convey to the PURCHASER, free and clear of any lien, encumbrance, burden, affectation or limitation of ownership of any nature whatsoever, as well as free of any lawsuit, litigation, legal procedure, seizure, pledge, complaints by third parties and any legal or contractual restrictions of any nature, the ownership of the SHARE described in recital I.(c) of this agreement, issued by the COMPANY.
<b>SEGUNDA. Precio.</b> El precio de la ACCIÓN objeto de este contrato de compraventa es la cantidad total de \$3,960.00 dls. (tres mil novecientos sesenta dólares 00/100 moneda de los Estados Unidos de América); mismo precio que la COMPRADORA paga a la VENDEDORA en esta fecha, mediante transferencia electrónica de fondos a la cuenta que la VENDEDORA ha designado para tales efectos y que esta última recibe a la firma de este contrato a su entera satisfacción, constituyendo este documento el recibo correspondiente.	<b>SECOND. Price.</b> The price of the SHARE subject matter of this purchase and sale agreement is the total amount of US\$3,960.00 (three thousand nine hundred and sixty dollars 00/100 currency of the United States of America), which the PURCHASER pays to the SELLER on the date hereof by means of an electronic transfer of funds to the bank account designated by the SELLER and which the latter receives to its satisfaction upon the signing of this agreement, considering this document as the respective receipt thereof.
<b>TERCERA. Endoso.</b> La VENDEDORA entrega en este acto a la COMPRADORA el título representativo de la ACCIÓN objeto de este contrato, debidamente endosado en su favor, mismo que la COMPRADORA recibe a su entera satisfacción.	<b>THIRD. Endorsement.</b> The SELLER delivers to the PURCHASER the share certificate covering the SHARE subject matter of this agreement duly endorsed in favor of the PURCHASER and which the latter receives to its satisfaction.
<b>CUARTA. Otros efectos.</b> La COMPRADORA conoce la situación que guarda la SOCIEDAD hasta esta fecha y reconoce las condiciones que constituyen participar como accionista de la SOCIEDAD como un negocio en marcha, por lo que la COMPRADORA no se reserva acción o derecho alguno que ejercitar en el futuro en contra de la VENDEDORA ni de sus accionistas.	<b>FOURTH. Other effects.</b> The PURCHASER is acquainted of the current situation of the COMPANY and it acknowledges the prevailing conditions of participating as a shareholder of the COMPANY as an on-going concern and, therefore, the PURCHASER does not reserve the right to initiate any legal action against the SELLER, its shareholders, directors, officers or consultants due

<p>consejeros, funcionarios o asesores, con motivo de la compra de la ACCIÓN que en este acto lleva a cabo, lo cual, para efectos de claridad, no incluye la posibilidad de exigir de la VENDEDORA cualquier otro tipo de responsabilidad que derive de cualesquiera otros actos, contratos, convenios o instrumentos suscritos entre las mismas Partes.</p>	<p>to the purchase of the SHARE herein performed, which, for the sake of clarity, does not include the possibility of asserting any other liability from the SELLER which may derive from any other actions, contracts, agreements or instruments subscribed among the same Parties.</p>
<p><b>QUINTA. Impuestos.</b> Cada una de las Partes será responsable del cumplimiento de las obligaciones fiscales que a cada una corresponda, conforme lo establecen las disposiciones legales aplicables.</p>	<p><b>FIFTH. Taxes.</b> Each Party shall be responsible of the fulfillment of their corresponding tax obligations, pursuant to that set forth in the applicable legal provisions.</p>
<p><b>SEXTA. Comunicaciones.</b> Todas las comunicaciones que deban darse las Partes por virtud de este contrato se efectuarán por escrito, entregadas en los domicilios que para tal efecto señalan o bien por medio de correo electrónico con confirmación de recibido o evidencia de su entrega; y, al efecto, las Partes señalan los siguientes domicilios y direcciones de correo electrónico para recibir notificaciones:</p> <p><b>La VENDEDORA</b>  Minera Teck, S.A. de C.V.  Nebulosa 2802  Col. Jardines del Bosque  C.P. 44520 Guadalajara, Jalisco, México  Atención: Gerente, Exploración  Email: <a href="mailto:corporate.secretary@teck.com">corporate.secretary@teck.com</a></p> <p><b>La COMPRADORA</b>  Azure Minerals Limited  Level 1, 34 Colin Street  West Perth, Western Australia 6005  Atención: Tony Rovira  Email: <a href="mailto:tony@azureminerals.com.au">tony@azureminerals.com.au</a></p> <p>Cualquier aviso o notificación entregado personalmente, se considerará dado y recibido en la fecha que sea entregado a su destinatario y, si es enviado por correo certificado con acuse de recibo, servicio especializado de mensajería o transmitido por correo electrónico o cualquier otro medio similar de comunicación, se considerará dado y entregado en la fecha que sea efectivamente recibido en el domicilio o en la dirección de correo electrónico del destinatario correspondiente.</p>	<p><b>SIXTH. Communications.</b> All notices between the Parties in connection with this agreement shall be in writing and addressed to and delivered at their domiciles or by email with acknowledgement of its receipt or evidence of its delivery and, therefore, the Parties designate the following addresses and email addresses for said purposes:</p> <p><b>The SELLER</b>  Minera Teck, S.A. de C.V.  Nebulosa 2802  Col. Jardines del Bosque  C.P. 44520 Guadalajara, Jalisco, Mexico  Attention: Manager, Exploration  Email: <a href="mailto:corporate.secretary@teck.com">corporate.secretary@teck.com</a></p> <p><b>The PURCHASER</b>  Azure Minerals Limited  Level 1, 34 Colin Street  West Perth, Western Australia 6005  Attention: Tony Rovira  Email: <a href="mailto:tony@azureminerals.com.au">tony@azureminerals.com.au</a></p> <p>Any notice or notification delivered personally shall be considered as given and received on the date it is actually delivered to the addressee and if forwarded by registered mail return receipt requested, courier or by email it shall be considered as given and received on the date it is actually received at the addressee's address or email address.</p>

<p>Cualquier cambio de domicilio, de dirección de correo electrónico o de representante se comunicará por escrito a la otra Parte, entregado en forma indubitable. No obstante lo anterior, si cualquiera de las Partes omite notificar a la otra de cualquier cambio de domicilio o de dirección de correo electrónico, se entenderá que las notificaciones efectuadas en el último domicilio señalado o en la última dirección de correo electrónico señalada, serán plenamente válidas y surtirán todos sus efectos.</p>	<p>Any change of address or of email address or of representative shall be notified to the other Party in writing and delivered in an authentic manner. Notwithstanding the above, if any Party fails to notify the other of any change of address or of email address it shall be understood that the notifications made at the last designated address or email address shall be deemed to have been validly given and will have all legal effects.</p>
<p><b>SÉPTIMA. Legislación y Jurisdicción.</b> Este contrato será regido por las leyes de los Estados Unidos Mexicanos. Para toda controversia que surja entre las Partes respecto a la interpretación, ejecución o cumplimiento del presente contrato o en relación con el mismo, las Partes se someten a los tribunales competentes de la Ciudad de México y renuncian expresamente a cualquier otra jurisdicción que pudiera corresponderles en razón de sus domicilios actuales o futuros o por cualquier otra causa.</p>	<p><b>SEVENTH. Applicable laws and jurisdiction.</b> This agreement will be governed by the laws of the United Mexican States. For any dispute arising between the Parties from the interpretation or compliance of this agreement or in connection therewith, the Parties submit to the competent courts of Mexico City and the Parties hereto expressly waive to any other venue that may correspond to them by virtue of their current or future domiciles or for any other reason.</p>
<p><b>OCTAVA. Ausencia de Lesión.</b> Las Partes, no obstante la naturaleza de este documento, declaran expresamente que en las convenciones objeto del mismo no existe lesión y, aun cuando la hubiese, renuncian expresamente al derecho de pedir la nulidad relativa de que tratan los artículos 2228 y 2239 del Código Civil para el Distrito Federal y los artículos correlativos del Código Civil Federal y del Código Civil de cada Estado de los Estados Unidos Mexicanos.</p>	<p><b>EIGHTH. Absence of Harm.</b> Notwithstanding the legal nature of this document, the Parties expressly declare that no harm derives from the covenants contained in this agreement and, even in case it might exist, the Parties expressly waive their right to request the relative nullity referred to in articles 2228 and 2239 of the Civil Code for the Federal District, and their corresponding articles of the Federal Civil Code and of the Civil Code of each State of the United Mexican States.</p>
<p><b>NOVENA. Ejemplares.</b> Este contrato puede ser firmado por separado y entregado en cualquier número de ejemplares y por cada una de las Partes en ejemplares distintos. Cada ejemplar una vez firmado y entregado constituirá un original y todos los ejemplares juntos constituirán uno solo y el mismo documento. Dichos ejemplares podrán ser entregados por las Partes por correo ordinario, servicio especializado de mensajería o por correo electrónico.</p>	<p><b>NINTH. Counterparts.</b> This agreement may be executed separately and delivered in any number of counterparts and by each one of the Parties hereto on separate counterparts. Each counterpart when executed and delivered will be deemed an original and all counterparts together will constitute one and the same document. Such counterparts may be delivered by regular post, courier or electronic mail.</p>
<p><b>DÉCIMA. Idioma.</b> Este contrato se firma en español e inglés. En caso de cualquier</p>	<p><b>TENTH. Language.</b> This agreement is executed in both English and Spanish languages.</p>

diferencia o discrepancia entre las dos versiones, prevalecerá en México la versión en idioma español.	In case of any difference or discrepancy between said two versions the Spanish version shall prevail in Mexico.
Leído que fue este contrato y debidamente enteradas de su contenido y alcance legal, las Partes lo ratifican en todos sus términos y firman para debida constancia, la VENDEDORA en la Ciudad de México y la COMPRADORA en la Ciudad de West Perth, Western Australia, el 27 de agosto de 2019.	Having read this agreement and being completely aware of its contents and legal consequences, the Parties sign it and ratify the same in its entirety, the SELLER in the City of Mexico, and the PURCHASER in the City of West Perth, Western Australia, on August 27, 2019.
<p><b>LA VENDEDORA</b> Minera Teck, S.A. de C.V.</p> <p>_____ Paola Salgado Tonda Apoderado y Representante Legal</p>	<p><b>The SELLER</b> Minera Teck, S.A. de C.V.</p> <p>By: _____ Paola Salgado Tonda Attorney-in-fact and Legal Representative</p>
<p><b>LA COMPRADORA</b> Azure Minerals Limited</p> <p>_____ Anthony Rovira Director General y Representante Legal</p>	<p><b>The PURCHASER</b> Azure Minerals Limited</p> <p>By: _____ Anthony Rovira Managing Director and Legal Representative</p>

This is Annexure 'C' of 2 pages referred to in Form 603 being a true copy of the Purchase and Sale Agreement dated 27 August 2019 made between Minera Teck SA de CV and Teck Resources Limited.



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Amanda Robinson  
Corporate Secretary  
Teck Resources Limited  
Date: August 28, 2019

## PURCHASE AGREEMENT

**THIS AGREEMENT** is dated effective August 27, 2019.

**BETWEEN:**

**MINERA TECK, S.A. DE C.V.**, a corporation incorporated under the laws of Mexico

(**"MT"**)

**AND:**

**TECK RESOURCES LIMITED**, a company incorporated under the laws of Canada

(**"TRL"**)

**WHEREAS:**

- A. On August 27, 2019 (the **"Effective Date"**) an aggregate of 27,545,566 common shares (the **"Shares"**) of Azure Minerals Limited (**"AML"**) were issued to MT;
- B. The closing price for common shares of AML, as quoted on the Australian Securities Exchange, on the Effective Date was AU\$0.12;
- C. MT is a direct or indirect subsidiary of TRL, and as a part of TRL's general investment holding practice, the Shares are to be transferred to TRL immediately following issuance; and
- D. The parties hereto have entered into this Agreement for the purpose of memorializing the transfer of the Shares to TRL for the fair market value of the same as at the Effective Date.

**NOW THEREFORE** the parties hereby agree as follows:

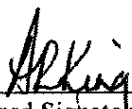
- 1. Subject to the terms of this Agreement, effective as of the Effective Date, MT hereby sells and TRL hereby purchases the Shares for aggregate consideration of CA\$2,963,682.54, being AU\$0.12/Share converted to Canadian dollars at an exchange rate of AU\$1/CA\$0.8966 (the **"Purchase Price"**).
- 2. Payment of the Purchase Price by TRL shall be satisfied in full through a wire transfer of the Purchase Price to the account of MT, an adjustment to the inter-company accounts between TRL and MT, or a combination thereof.
- 3. MT hereby represents and warrants that it is the registered and beneficial owner of the Shares and that it owns the same free and clear of any claims, pledges, charges, liens or encumbrances.
- 4. Each party hereto hereby represents to the other that it is a valid and subsisting corporation, duly incorporated and with the power and capacity to enter into this agreement and performance obligations thereunder, and that this Agreement has been duly authorized by all necessary corporate action on its part.

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5. Each of the parties hereto will execute and deliver all such further documents and instruments and do all acts and things as may be necessary or desirable to give effect to this Agreement.
6. All references to "dollars" or "\$" or "CAS" or "funds" shall mean lawful currency of Canada, unless otherwise indicated.
7. This Agreement will be governed by and construed in accordance with the laws of British Columbia.


**IN WITNESS WHEREOF** each of the parties has executed this agreement as of the day and year first above written.

**MINERA TECK, S.A. DE C.V.**

By:  \_\_\_\_\_  
Authorized Signatory

**TECK RESOURCES LIMITED**

By:  \_\_\_\_\_  
Authorized Signatory

By:  \_\_\_\_\_  
Authorized Signatory

This is Annexure 'D' of 88 pages referred to in Form 603 being a true copy of the Option Agreement dated 15 December 2014 made between Minera Teck SA de CV; Minera Piedra Azul SA de CV; and Azure Minerals Limited (ACN 106 346 918).



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Amanda Robinson  
Corporate Secretary  
Teck Resources Limited  
Date: August 28, 2019



## **ALACRÁN OPTION/SHAREHOLDERS' AGREEMENT**

made between

**MINERA TECK, S.A. de C.V.**

and

**MINERA PIEDRA AZUL, S.A. de C.V.**

and

**AZURE MINERALS LIMITED**  
(as to certain matters)

in respect of the  
Alacrán Property, México

Made as of December 15, 2014

# ALACRÁN OPTION/SHAREHOLDERS' AGREEMENT

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## ALACRÁN OPTION/SHAREHOLDERS' AGREEMENT

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**THIS AGREEMENT made as of December 15, 2014**

**BETWEEN:**

**MINERA TECK, S.A. de C.V.**, a company organized under the laws of México with an office at Nebulosa 3019, Col. Jardines del Bosque, Guadalajara, Jalisco, México;

**("Teck")**

**AND:**

**MINERA PIEDRA AZUL, S.A. de C.V.** a company organized under the laws of México with an office at Javier de Leon #707 entre, Jose Gutierrez y Alfonso Iberri, Col. Pitic Hermosillo, Sonora, México

**("Azure")**

(each of Teck and Azure is also called a **"Party"**)

**AND:**

**AZURE MINERALS LIMITED**, a company organized under the laws of Australia with an office at Level 1, 30 Richardson Street, West Perth, WA, Australia 6005

**("AML")**

**WHEREAS:**

- A. This agreement (the **"Agreement"**) sets out the understanding between Teck and Azure whereby Azure will have the option to acquire up to a 100% legal and beneficial interest in Teck's Alacrán property and all mineral, surface and water rights that pertain thereto (the **"Property"**), more fully described in Schedule A attached hereto;
- B. The Property is encumbered by an underlying 2% net smelter returns royalty held by Buenavista del Cobre S.A. (the **"Underlying Royalty"**);
- C. If Azure exercises its option granted in this Agreement, Teck may elect to earn back up to a 65% interest following which Azure and Teck will participate as corporate joint venturers through Holdco, with their respective rights and obligations governed by a Shareholders' Agreement as set out in this Agreement upon and subject to the terms herein; and
- D. Holdco would be formed as a *sociedad anónima promotora de inversión de capital variable* under the laws of México for the purpose of receiving and holding title to the Property.

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**THEREFORE, THIS AGREEMENT WITNESSES** that, in consideration of the mutual covenants and agreements herein contained, the Parties hereto mutually agree as follows:

**Representations, Warranties and Covenants**

**1. Representations and Warranties**

**1.1 Teck warrants and represents to Azure that, as of the date of this Agreement:**

- (a) Teck is duly organized, validly existing and qualified to transact business under the laws of México;
- (b) Teck has all necessary corporate power to own its properties and assets, including its right, title and interest in and to the Property, as applicable, and to carry on its business as now conducted or proposed to be conducted by it;
- (c) Teck has the right, power and authority to enter into this Agreement and has obtained all necessary internal corporate approvals, consents and authorizations to enter into this Agreement and complete the transactions contemplated in this Agreement;
- (d) the Property and its tenure is accurately described in Schedule A attached hereto;
- (e) subject to the superior rights of the Republic of México, Teck is the sole legal and beneficial owner of the Property, free and clear of all liens, charges and subject to the Underlying Royalty;
- (f) Teck has the right, power and authority to dispose of its interest in the Property free of any consent rights, preferential purchase rights or other restrictions held by other parties and to vest the legal and beneficial ownership of the Property in Azure on completion of the Azure Option;
- (g) this Agreement will constitute a valid, binding and enforceable obligation of each member of Teck and its Affiliates, as appropriate, in accordance with its terms, subject to the discretionary authority of a court in granting equitable remedies and all applicable bankruptcy and insolvency laws;
- (h) subject to the mining laws of the Republic of México, Teck has the exclusive right and necessary lawful authority to explore for minerals on the Property;
- (i) tenure to the mineral concessions that comprise the Property is in good standing;
- (j) Teck has not created any mortgages, liens, charges, pledges, security interests, encumbrances or other claims whatsoever against the Property (except for taxes not yet due, other inchoate liens and liens contested in good faith by Teck);
- (k) Teck has not granted any person the right to use the Property, or to any royalty, other than the Underlying Royalty, or other interest whatsoever in production therefrom;
- (l) Teck is not a party to any other agreements with respect to the Property including surface owner agreements, water use agreements or other rights or interests to the lands covered by the Property;
- (m) no government consents or third party consents are required to grant the Azure Option or to enter into or complete the transactions contemplated hereunder;

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- (n) Teck is not subject to any governmental order, judgment, decree, debarment, sanction or laws that would preclude it from entering into this Agreement or completing the transactions contemplated in this Agreement;
- (o) Teck has not received any written notice of any adverse claim or challenge against or to the ownership by Teck of the concessions comprising the Property or any portion thereof; and
- (p) all operations conducted by Teck on or with respect to the Property have been conducted in a manner consistent with good exploration, engineering and mining practices and in material compliance with all applicable laws and regulations, including without limitation all environmental laws.

**1.2 Azure warrants and represents to Teck that:**

- (a) it is duly organized, validly existing and qualified to transact business under the laws of México;
- (b) it has the right, power and authority to enter into this Agreement, and has obtained all necessary internal corporate approvals, consents and authorizations to enter into this Agreement and complete the transactions contemplated in this Agreement;
- (c) Azure has all necessary corporate power to own its properties and assets and to carry on its business as now conducted or proposed to be conducted by it;
- (d) this Agreement will constitute a valid, binding and enforceable obligation of each of Azure and AML, as appropriate, in accordance with its terms, subject to the discretionary authority of a court in granting equitable remedies and all applicable bankruptcy and insolvency laws;
- (e) neither the execution of this Agreement nor actions taken in order to comply with conditions contemplated hereunder will result in a breach or violation of the laws, any agreements that Azure or AML is a party to or its articles of association, or other constitutional documents; and
- (f) Azure is not subject to any governmental order, judgment, decree, debarment, sanction or laws that would preclude it from entering into this Agreement.

**1.3 AML warrants and represents to Teck that:**

- (a) it owns or controls all of the issued and outstanding ordinary shares of Azure and no other person holds any options, warrants or securities convertible into shares of Azure;
- (b) it is not included in the list of defaulting reporting issuers maintained by the *Australian Securities Exchange ("ASX")*;
- (c) all of the documentation which has been filed by or on behalf of Azure with the ASX pursuant to the requirements of applicable securities laws, including all press releases, were true and correct in all material respects as of the date of such issuance or filing, and, to the extent required, provided full, true and plain disclosure of all material facts relevant to AML and did not contain a misrepresentation;
- (d) it is in compliance with all applicable securities laws and regulations;

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- (e) this Agreement has been duly executed and delivered by Azure and is valid and binding upon it in accordance with its terms; and
- (f) to AML's knowledge, there are no suits, actions, prosecutions, investigations or proceedings, actual, pending or threatened, that relate to or may have an adverse effect on the issuance of AML shares under this Agreement.

## **2. Indemnification**

- 2.1 Subject to §2.3, Teck agrees to indemnify, hold harmless and release Azure and its Affiliates and their respective directors and employees from and against any and all claims, causes of action, liabilities, obligations, losses, damages, penalties, fines, settlements, costs or expenses of any nature whatsoever, including without limitation reasonable attorneys' fees and disbursements arising from:
  - (a) any of Teck's representations or warranties set forth in §1.1 of this Agreement being incorrect or untrue, in any material respect, or any state of facts contrary to any such representation or warranty, in any material respect;
  - (b) directly or indirectly, any work done by or for Teck on or in respect of the Property during the term of the T1 Option and T2 Option; and
  - (c) any breach of Teck's covenants, duties, obligations or agreements contained in this Agreement which occurs prior to the Participation Date or earlier termination of this Agreement.
- 2.2 Subject to §2.3, Azure agrees to indemnify and hold harmless and release Teck and its Affiliates and their respective directors and employees from and against any and all claims, causes of action, liabilities, obligations, losses, damages, penalties, fines, settlements, costs or expenses of any nature whatsoever, including without limitation reasonable attorneys' fees and disbursements, arising from:
  - (a) any of Azure's representations or warranties set forth in §1.2 of this Agreement being incorrect or untrue, in any material respect, or any state of facts contrary to any such representation or warranty, in any material respect; and
  - (b) directly or indirectly, any work done by or for Azure on or in respect of the Property during the term of the Azure Option; and
  - (c) any breach of Azure's covenants, duties, obligations or agreements contained in this Agreement, all of which occurs prior to the Participation Date or earlier termination of this Agreement.
- 2.3 Subject to §2.4, AML agrees to indemnify, hold harmless and release Teck and its affiliates and its respective officers, directors and employees from and against any and all claims, causes of action, liabilities, obligations, losses, damages, penalties, fines, settlements, costs or expenses of any nature whatsoever, including without limitation reasonable attorneys' fees and disbursements to the extent that Azure does not satisfy its obligations under §2.2.
- 2.4 Neither AML nor any Party hereto shall be liable to AML or another Party hereto in contract, tort or otherwise for special or consequential damages, including, without limiting the generality of the foregoing, loss of profits or revenues suffered by the indemnified Party. The limits on liability set out in this section do not apply to claims made by a third



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party against the indemnified party, its directors, officers and employees for its special or consequential damages.

- 2.5 Each Party and AML agrees that it accepts each indemnity in favour of any indemnified party that is not a party hereto as agent and trustee of each such indemnified party. Each Party and AML agrees that Teck, on the one hand, and Azure and AML on the other, may enforce an indemnity in favour of any of that Party's indemnified parties on behalf of that indemnified party.

### **Option Terms**

#### **3. Consideration**

- 3.1 In consideration for the grant of the Azure Option, Azure shall promptly on execution of this Agreement, cause AML to issue and deliver to Teck 100,000 fully paid ordinary shares of AML.
- 3.2 Promptly upon Azure completing the Expenditures under §4.2 and delivering Notice under §4.4, Azure will cause AML to issue and deliver to Teck an additional 400,000 fully paid ordinary shares of AML.
- 3.3 Teck hereby directs Azure to cause AML to, and AML shall, prepare share statements evidencing the AML shares described in the preceding clauses in the name of Teck and deliver the same to Teck at its address for Notice, to the attention of the México Exploration Country Manager.
- 3.4 On each occasion AML issues AML shares to Teck, AML will comply with the requirements of section 708A of the *Corporations Act* and issue the notice that complies with section 708A(6) (commonly referred to as the "cleansing notice").
- 3.5 Nothing in this Agreement shall limit Teck's rights, or the rights of any of its Affiliates, to purchase or otherwise acquire ordinary shares or other securities of AML.

#### **4. The Azure Option**

- 4.1 Teck hereby grants Azure the option to acquire a 100% legal and beneficial interest in the Property (the "**Azure Option**"), subject to Teck's back-in rights outlined in §10 and to the Underlying Royalty, but otherwise free from any mortgages, liens, charges, pledges, security interests, encumbrances or other claims whatsoever.
- 4.2 Azure may exercise the Azure Option by incurring an aggregate of US\$5,000,000 in Expenditures over four years in accordance with the following schedule and by causing its parent corporation AML to issue and deliver to Teck the 500,000 fully paid ordinary shares of AML as contemplated in §3:

<b>On or Before</b>	<b>Cumulative Aggregate Work Expenditures (US \$)</b>
November 30, 2015	\$ 1,000,000
November 30, 2016	\$ 2,000,000
November 30, 2018	\$ 5,000,000

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The Expenditures to be incurred on or before November 30, 2016 (the "**Minimum Expenditures**") are a firm commitment.

- 4.3 If Azure has not incurred the requisite Expenditures by the due dates specified in §4.2 but has incurred Expenditures in aggregate that is required to ensure the minimum expenditure requirements under the terms of the tenements comprised in the Property are complied with and wishes to maintain the Azure Option in good standing, Azure may pay in cash to Teck, within 30 days of the due date, the amount of the deficiency and such amount shall thereupon be deemed to have been Expenditures duly and timely incurred by Azure for all the purposes of this Agreement.
- 4.4 Promptly following its completing the aggregate Expenditures contemplated in §4.2 and, in any event no later than 30 days after November 30, 2018, Azure will give Notice thereof to Teck. Upon the date of delivery of that Notice and subject to the issue and delivery of the 500,000 fully paid ordinary shares of AML as contemplated in §3.1 and 3.2 (the "**Earn-in Date**"), Azure shall have exercised the Azure Option.
- 4.5 Promptly following the Earn-in Date, Azure will, by Notice, deliver to Teck a detailed statement of Expenditures incurred under the Azure Option and the results of its work on the Property.

## 5. **Expenditures Defined**

### 5.1 The term "**Expenditures**" means:

- (a) all costs, expenses, charges and outlays, direct and indirect, incurred on or in respect of the Property by or on behalf of Azure from the date of this Agreement to the Earn-in Date or by or on behalf of Teck under the T1 Option and T2 Option prior to the Participation Date, without limiting generality, all on-site costs, costs for prospecting, claim staking, property payments, any payments to holders of surface rights, tenure maintenance payments, any payments or expenses incurred for fulfilling any (community, social or similar) commitments undertaken by Azure or Teck, as the case may be, with local stakeholders, taxes, mapping, surveying, permitting, geochemical surveys, geophysical surveys, sampling, assaying, trenching, drilling, geochemical analyses, road building, drill site preparation, drafting, report writing, metallurgical testing; metallurgical and economic studies; pre-feasibility or feasibility studies; technical reports, reclamation, and all other project expenditures; and
- (b) a charge of 10%, reduced in the case of individual third party contracts in excess of US\$500,000 to 5% on the amount in excess of \$500,000, of all Expenditures incurred under §5.1(a) in lieu of any fees for administrative services, head office overhead, use of the corporate infrastructure, and other general services provided by Azure or Teck, as the case may be, and/or by any of its Affiliates during the periods contemplated in §5.1(a), including but not limited to costs for officers and their expenses, secretarial work, legal, accounting, human resources, taxes, payroll, data processing, employee benefit administration, office rents, office supplies, and other expenditures made for the benefit of the exploration work, which shall not be charged directly in §5.1(a) above,

in each case, net of the amounts of credits received for VAT.

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5.2 Costs, expenses, charges and outlays incurred prior to the Participation Date are defined in §5.1 as "Expenditures". Following the Participation Date, costs, expenses, charges and outlays are defined in §17 as "Costs".

## 6. **Azure's Rights and Obligations**

6.1 During the currency of the Azure Option, Azure shall have the right and option, as between Azure and Teck:

- (a) to enter upon the Property;
- (b) to have sole and exclusive and quiet possession thereof;
- (c) to have the sole and exclusive right to do such prospecting, exploration, development or other mining work thereon and thereunder as Azure in its sole discretion may consider advisable (despite any contrary view or opinion of the Technical Committee) and including, without limitations, the removal of ores and minerals from the Property but only for the purpose of testing;
- (d) to have the sole and exclusive right to bring upon and erect upon the Property such facilities and workings (whether fixed or moveable) as Azure may consider advisable;

and Azure shall:

- (e) assume and satisfy all obligations and liabilities arising during the currency of the Azure Option under or associated with any concessions, leases, licenses and authorizations in relation to the Property;
- (f) keep the Property free and clear of all liens, charges and encumbrances arising from its operations hereunder (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by Azure) and shall proceed with all diligence to contest and discharge any such lien that is filed;
- (g) keep the Property in good standing by paying all taxes arising during the currency of the Azure Option and doing all necessary exploration work and all other acts and things which may be necessary in that regard and, while Teck holds title to the Property, providing Teck documentation (including all copies of all invoices or proof of expenditures for filing) and funds, in advance of requirements, in order for Teck to file such information and make all necessary payments;
- (h) permit Teck, or its representatives upon reasonable Notice, at its own risk and expense, access to the Property at all reasonable times and access to all factual reasonably required records in the possession of Azure, its servants and agents in connection with work done on or with respect to the Property, provided that in exercising such rights Teck and its representatives shall not interfere or impede Azure's operations and will comply with any direction or requirement of Azure and its representatives concerning occupational health and safety;
- (i) comply with all applicable laws, rules, orders and regulations related to its activities on or in respect of the Property;
- (j) conduct all work on or with respect to the Property in a manner consistent with good exploration practices;
- (k) furnish Teck with annual reports by January 15 of each year during the conduct of the work carried out by Azure on or with respect to the Property and results

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obtained in the 12 months ending on November 30 of the previous calendar year, together with regular progress updates (not less than quarterly), during periods of active work, on the status of exploration; and

- (l) by January 15 of each year, provide Teck with a detailed statement of Expenditures incurred during the 12 months ending on November 30 of the previous calendar year. The detailed statement of Expenditures incurred in any period will be conclusive evidence of the making of those Expenditures unless within 30 days after delivery of that statement ("**Objection Period**") Teck delivers a Notice detailing Teck's objections to the statement to Azure. If Teck delivers such a Notice, Azure will request its independent external auditors to promptly audit the Expenditures recorded in the statement of Expenditures that is the subject of the Notice. If the auditor determines that the statement of Expenditures:
  - (i) overstated or understated Expenditures actually incurred by greater than a 3% margin, then the costs of the audit will be borne by Azure but will not constitute Expenditures under this Agreement,
  - (ii) if otherwise, then the reasonable costs of the audit will be borne by Teck
 and, in all events and whatever the misstatement, only the actual Expenditures so determined will constitute Expenditures for the purposes of the relevant period. Any shortfall in Expenditures required to be incurred by Azure to maintain or exercise the Azure Option will be settled by Azure making a cash payment to Teck within 30 days of the auditor's report.

6.2 Azure shall, at no cost to Teck nor as a direct charge to Expenditures, acquire and maintain, and Azure shall require its contractors to acquire and maintain, comprehensive general liability insurance, having a limit of at least US\$5 million inclusive of any one claim, protecting Teck and Azure, their Affiliates and their respective directors, employees and agents, insuring against claims by third parties for personal injury (including death), and against claims by third parties for property damage any of which may arise directly or indirectly from work performed by or on behalf of Azure:

- (a) which insurance policy shall name Teck and its Affiliates and their directors, employees, agents, subcontractors, licensees and invitees as additional insureds with respect to work carried out by or on behalf of Azure with respect to the Property and shall state that the coverage shall not be amended or terminated except on 30 days' written notice from the insurer to Teck;
- (b) promptly furnish a certificate of insurance to Teck Resources Limited's Director, Risk and Global Insurance, 3300 – 550 Burrard Street, Vancouver, B.C. V6C 0B3, as proof of that comprehensive general liabilities insurance; and
- (c) to provide health, accident and unemployment insurance and worker's compensation coverage for itself and its employees hired to perform the services hereunder, to the extent required by applicable Mexican law.

## 7. Holding of Property

7.1 Until the transfer of the legal and beneficial title to the Property to Azure or Holdco, as the case may be, Teck will make all necessary payments to keep the Property free and clear of any mortgages, liens, charges, pledges, security interests, encumbrances or other claims whatsoever against the Property arising from Teck's operations prior to the date of

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this Agreement (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by Teck) and shall proceed with all diligence to contest and discharge any such lien that is filed.

- 7.2 During the term of the Azure Option, Azure will assume the obligation to control and protect the Property tenure and keep it in good standing, and for that purpose Azure will advance Teck the funds to make all necessary payments to keep the tenements comprised in the Property in good standing, having regard to Azure's operations after the date of this Agreement. In that regard, Azure will prepare documents, including Powers of Attorney, for signature by Teck, and file those documents in a timely manner. Teck and Azure shall keep each other informed regarding their steps taken to keep the tenements comprised in the Property in good standing and provide sufficient evidence of the performed payments and legal actions.

## 8. Termination Prior to Exercise of the Azure Option

- 8.1 Azure may, on Notice to Teck, at any time before exercising the Azure Option, terminate this Agreement so long as it is not in default of any of its material obligations under this Agreement. Further, this Agreement shall terminate if Azure fails, subject to §4.3, to incur the Minimum Expenditures contemplated in §4.2 or, subject to §4.3, the requisite Expenditures as set forth in §4.2. On termination aforesaid, this Agreement shall be of no further force or effect and Azure shall have no interest in the Property; provided, however, that termination will not relieve Azure of:

- (a) any shortfall in incurring the Minimum Expenditures, which shortfall Azure shall pay to Teck on or before the earlier of the date Azure terminates this Agreement as aforesaid and December 15, 2016;
- (b) liabilities, whether known or unknown, present or future, to Teck, to third parties or to governmental authorities that arise from Azure's activities on the Property; and
- (c) any other obligation under this Agreement that is specifically stated to survive termination.

- 8.2 Notwithstanding termination of this Agreement as described in §8.1, Azure will ensure that the tenure to the Property must be left in good standing for at least 90 days following the date of termination. Promptly following termination Azure shall:

- (a) transfer to Teck any mineral, surface or water rights that pertain to the Property that may be held in its name; and
- (b) deliver to Teck a technical report along with a copy of all results of all work done by Azure.

## 9. Technical Committee

- 9.1 The Parties shall, as soon as practicable after signing this Agreement, establish a committee (the "**Technical Committee**") to serve as a forum through which both Parties can participate in discussions concerning the design of work plans and budgets ("**Initial Programs**") for the Property and to review Initial Program results from time to time from the date of this Agreement to the Participation Date. The Technical Committee shall remain constituted until the earlier of the Participation Date or termination of this Agreement. The Technical Committee's role is advisory only and is not intended to impede or obstruct Initial Program approval or exploration activities. Final approval of

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Initial Programs shall rest with Azure (in its absolute discretion) during the term of the Azure Option and with Teck (in its absolute discretion) during the term of the T1 Option and T2 Option. Each Party shall be entitled to representation on the Technical Committee and may be represented by such individuals that Party considers appropriate for the subject matter of discussion at the meetings and the nature of the Initial Program to be considered. Without limiting generality, the Technical Committee shall:

- (a) evaluate the results of Initial Program work; and
- (b) evaluate and comment upon:
  - (i) the scope, budget and timing of proposed Initial Programs including all alternative suggestions or proposals of Technical Committee members;
  - (ii) any proposed acquisitions within the Area of Interest and proposed terms of acquisition; and
  - (iii) any proposed tenure abandonments or reductions.

The Technical Committee will initially consist of four members. Teck shall initially be entitled to appoint two members of the Technical Committee and Azure shall be initially entitled to appoint two members of the Technical Committee.

9.2 Notwithstanding the provisions of §9.1, in the event of any increase or decrease in the number of members of the Technical Committee, each of Teck and Azure shall be entitled to appoint an equal number of members to the Technical Committee. If either Teck or Azure fails to appoint all of the members to which it is entitled, it does not affect the number of appointments the other such party is entitled to make.

9.3 Meetings shall be held on not less than 15 days' Notice from Azure or Teck and shall be held not less frequently than annually unless otherwise agreed by all Parties. If both Parties are in attendance their members may waive in writing the giving of Notice for any meeting, either before or after the meeting. Meetings may take place by teleconference or videoconference.

#### 10. **Teck Back-in Rights**

10.1 Teck will retain the right to earn back up to a 65% indirect interest in the Property through a single purpose company ("**Holdco**").

10.2 Teck may earn an initial 51% interest in Holdco (the "**T1 Option**") by delivering Notice to Azure (the "**T1 Notice**") at any time up to 60 days after Teck has received the Notice contemplated in §4.4.

10.3 Teck may exercise the T1 Option by sole funding Expenditures (to a maximum of US\$10,000,000) on the Property and making cash payments (to an aggregate \$500,000) to Azure in accordance with the following schedule:

(a) **Cash Payments:**

<b>On or Before</b>	<b>Cash Payment (US \$)</b>
Delivery of T1 Notice	\$ 100,000
Fourth anniversary of T1 Notice	\$ 400,000

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(b) Expenditures:

<b>On or Before</b>	<b>Cumulative Aggregate Work Expenditures (US \$)</b>
First anniversary of T1 Notice	\$ 2,000,000
Second anniversary of T1 Notice	\$ 4,000,000
Fourth anniversary of T1 Notice	\$10,000,000

If Teck has not incurred the requisite Expenditures by the due dates specified in §10.3 but wishes to maintain the T1 Option in good standing, Teck may pay in cash to Azure, within 30 days of the due date, the amount of the deficiency and such amount shall thereupon be deemed to have been Expenditures duly and timely incurred by Teck.

10.4 Promptly following its completing the aggregate Expenditures contemplated in §10.3 and, in any event, no later than 30 days after the fourth anniversary of the T1 Notice, Teck will give Notice thereof to Azure. Upon the date of delivery of that Notice and the payment of the US\$400,000 to Azure, Teck shall have exercised the T1 Option and shall have earned back a 51% interest in Holdco ("**First Earn-back Date**").

10.5 If Teck exercises the T1 Option, Teck shall have the option, by delivering Notice (the "**T2 Notice**") in conjunction with its T1 Option exercise Notice contemplated in §10.4, and the payment described in §10.6(b) to earn an additional 14% interest in Holdco for a total of 65% (the "**T2 Option**").

10.6 Teck may exercise the T2 Option by:

- (a) sole funding additional Expenditures to a maximum of an additional US\$5,000,000 (to a maximum aggregate of US\$15,000,000 between the T1 Option and T2 Option) on the Property; and
- (b) making cash payments (to an aggregate \$1,500,000) to Azure as follows:

<b>On or Before</b>	<b>Cash Payment (US \$)</b>
Delivery of T2 Notice	\$ 300,000
Second anniversary of T2 Notice	\$ 1,200,000

10.7 If Teck has not incurred the requisite Expenditures by the due dates specified in §10.6(a) but wishes to maintain the T2 Option in good standing, Teck may pay in cash to Azure, within 30 days of the due date, the amount of the deficiency and such amount shall thereupon be deemed to have been Expenditures duly and timely incurred by Teck.

10.8 Promptly following its completing the aggregate Expenditures contemplated in §10.6(a) and, in any event no later than 30 days after the second anniversary of the T2 Notice, Teck will give Notice thereof to Azure. Upon the date of delivery of that Notice and the payment of the US\$1,200,000 to Azure, Teck shall have exercised the T2 Option and shall have earned back an additional 14% interest in Holdco ("**Second Earn-back Date**").

10.9 During the T1 Option and T2 Option periods Teck shall have the same access rights to the Property as Azure during the Azure Option and have and be subject to the same rights and obligations as Azure during the Azure Option, all as set out in §6.1.

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## 11. Transfers

### 11.1 On the Earn-in Date:

- (a) Teck will hold all of its right, title and interest in and to the Property in trust for Azure; and
- (b) Teck must deliver to Mr. Rodrigo Sánchez-Mejorada Velasco, c/o Sánchez-Mejorada Velasco y Ribé, Paseo de la Reforma 450, Colonia Lomas de Chapultepec, 11000 México D.F., México (the "**Escrow Agent**") each document required under Mexican mining laws to transfer the legal and beneficial ownership in the Property to Azure (or as Azure may direct) if §11.2 applies or to Holdco if §11.3 applies, including a short form of this Agreement in Spanish evidencing only the terms and conditions of the transfer, for notarisation and registration with the Public Registry of Mining in México) in each case free and clear of any mortgages, liens, charges, pledges, security interests, encumbrances or other claims whatsoever against the Property ("**Transfer Documents**"). Teck will provide Azure with a copy of its delivery note to the Escrow Agent.

11.2 If Teck does not give the T1 Notice, then on the first Business Day after the period of 60 days described in §10.2 the Escrow Agent is authorised and directed to deal with the Transfer Documents as Azure in its absolute discretion determines without reference or notification to Teck.

11.3 If Teck delivers the T1 Notice, then promptly following the date of the T1 Notice:

- (a) Teck will, if Holdco is not then incorporated, complete the incorporation with Azure and Teck each holding 1 share; and
- (b) Teck must cause Holdco to be registered as the legal owner of the Property; and
- (c) Azure must transfer its beneficial ownership in the Property and title to all of the information and data it generated during the Azure Option then in the possession, custody and control of Azure, to Holdco in consideration for the issue and allotment to Azure of 5,000,000 shares.

11.4 On the First Earn-back Date Teck must transfer title to all of the information and data it generated prior to this Agreement and during the T1 Option then in the possession, custody and control of Teck to Holdco in consideration for the issue and allotment to Teck and/or Azure of that number of Shares which will result in Teck holding 51% of the Shares and Azure holding 49% of the Shares.

11.5 On the Second Earn-back Date Teck must transfer title to all of the further information and data generated by it during the T2 Option then in the possession, custody and control of Teck to Holdco in consideration for the issue and allotment to Teck and/or Azure of that number of Shares which will result in Teck holding 65% of the Shares and Azure holding 35% of the Shares.

## 12. Incorporation of Holdco

12.1 Teck, in consultation with Azure, will incorporate a *sociedad anónima promotora de inversión de capital variable* ("**Holdco**") under the laws of México on a date which is no later than the date of delivery of the T1 Notice (the "**Formation Date**"). Holdco will be formed with corporate objects appropriate for the further exploration and, if feasible,



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development of the Property and a nominal share capital, with by-laws in the form set out in Schedule C with such changes as the parties may agree. On the Participation Date the Parties and Holdco will enter into an agreement (the "**Shareholders' Agreement**") substantially on the same terms as this Agreement, with such necessary changes to reflect the structure of Holdco. Teck's solicitors shall prepare by-laws for Holdco and the Shareholders' Agreement, which incorporates the terms of this Agreement and which contains such other provisions as the Parties may otherwise agree. The Parties shall endeavour to settle the Shareholders' Agreement in good faith and in a timely fashion and pending the execution of the Shareholders' Agreement this Agreement will continue to apply. The actual out-of-pocket cost of incorporating Holdco will be borne by Teck and considered as Expenditures. If there is any conflict or inconsistency between this Agreement and the by-laws of Holdco, this Agreement shall prevail and, if necessary, the Shareholders shall meet and pass the resolution necessary to amend the by-laws of Holdco to rectify the provisions, or lack of them, which give rise to any conflict or controversy.

- 12.2 While a Party is sole funding Expenditures with a view to exercising the Azure Option, T1 Option or T2 Option, as the case may be, those Expenditures shall be carried on its books, for its own account, until the Participation Date when the relevant Party will contribute the information and data generated by it during the period preceding the Participation Date to Holdco for Shares of Holdco that will result in it holding the corresponding percentage Shareholding contemplated in §11.
- 12.3 It is the intention of the parties that, if Holdco is formed while either party has the right to sole fund Expenditures, Holdco will be capitalized, initially, with a nominal capital and that upon Teck completing the last of the First Option and Second Option that it has, the interests held by the parties in the title to the property and in the information and data generated from work on the Property will be transferred to Holdco for shares in Holdco for a total capitalization equivalent to the Expenditures incurred by Teck to the Participation Date, and each Shareholder being deemed to hold a pro-rata portion of that capital based upon the interest earned by Teck.
- 12.4 If at the time of incorporation of Holdco the laws of México permit the same, each Share of Holdco ("**Share**") will be issued at a price per share equal to one United States Dollar. It is the intention of the Shareholders that their respective percentage Shareholdings from the Participation Date and thereafter, from time to time, represents their respective Expenditures as contemplated in §12.3 and their subsequent contributions to Holdco in US dollars. To the extent that the laws of México permit, Shares will have no par value but will be issued at a price of US\$1.00 per Share and reflect the Shareholders' respective contributions to Holdco. If Mexican law requires Shares to be issued at a fixed par value denominated in Mexican currency then, in respect of each subscription made by a Shareholder including the Expenditures contemplated in §12.3, the subscription amount shall be accounted firstly to shares at the par value and the balance to a capital surplus account and, just prior to the next following subscription, the amount in the capital surplus account shall be capitalized by the issue of new shares to each Shareholder in an amount proportionate to its contribution to that capital surplus account. In this manner, at any point in time, prior to a Production Notice, each Shareholder's percentage holding will reflect its contribution to Holdco.
- 12.5 If so requested by a Shareholder after the end of each calendar year after the Participation Date, an audit of Holdco for such calendar year (or part thereof) shall be

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completed by certified public accountants independent of Holdco. The audit shall be conducted in accordance with generally accepted auditing standards and shall cover all books and records maintained by Holdco pursuant to this Agreement, all assets and encumbrances, and all transactions and operations conducted during such calendar year (or part thereof), including production and inventory records and all Costs for which Holdco sought such audits. The cost of the audit shall be solely for the account of the Shareholder requesting the audit, unless the audit disclosed an error which is in excess of 3%, in which case the cost shall be solely for the account of the Operator.

- 12.6 To secure the due and punctual payment by each Shareholder of its proportionate share of Exploration Costs, Mandatory Costs, Construction Costs and Operating Costs and, where applicable, interest payable under this Agreement and any other amounts owing to Holdco, all when the same shall become due and payable, on and with effect from the Participation Date, each Shareholder grants a security interest ("**Security Interest**") to and in favour of each other Shareholder (in this §12.6, each a "**Securityholder**"), in the Shares held by that Shareholder and any dividends payable to that Shareholder.

13. **Conversion Royalty**

- 13.1 If a Shareholder's Shareholding is reduced to less than 10% (the "**Conversion Threshold**") as a result of the operation of §22.4 and a Conversion Notice is given, that Shareholder shall cease to be entitled to be a Shareholder and to have any rights attributable to its Shares (the "**Conversion Shares**") and shall tender its Conversion Shares, duly endorsed for cancellation, to Holdco for cancellation in consideration for which Holdco shall enter into a royalty agreement with that Shareholder under which that Shareholder will be entitled to that portion of the Conversion Royalty to which it is then entitled by operation of §13.3, subject in the case of §22.6(b) to the cap contemplated in §21.2. The "**Conversion Royalty**" will be a 0.5% Net Smelter Returns royalty, as more particularly defined in, and to be calculated and paid in accordance with, Schedule B, and that Shareholder and Holdco shall use commercially reasonable efforts to effect the conversion of the shareholding into the Conversion Royalty in a manner which is expeditious and cost effective to both Holdco and the Shareholder.

- 13.2 Each of the Shareholders hereby agrees that each of:

- (a) Teck and its direct and indirect assigns/transferees; and
- (b) Azure and its direct and indirect assigns/transferees;

shall be entitled to a maximum aggregate Conversion Royalty payable pursuant to this Agreement of 0.5% Net Smelter Returns (the "**Maximum Royalty Entitlement**").

- 13.3 Upon Teck or Azure (in either case, the "**Transferor**") transferring any of its Shares as permitted hereunder to any person (the "**Transferee**"), the Maximum Royalty Entitlement and Conversion Threshold shall be allocated between the Transferor and the Transferee in proportion to the Shares of Holdco held by each of them immediately following such transfer, such that the sum of the resulting royalty entitlements (and the number of Shares comprising the Conversion Threshold) (the "**Allocated Entitlements**") is equal to the Maximum Royalty Entitlement and the Conversion Threshold, as applicable. Upon any subsequent transfer of Shares by the Transferor or the Transferee, the applicable Allocated Entitlements shall be further allocated between the applicable transferor and transferee in proportion to the Shares respectively held by them immediately following

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such transfer, and the same method of allocation for royalty entitlements (and the calculation of the number of Shares comprising the Conversion Threshold) shall apply to any subsequent transfers of Shares.

- 13.4 If a Shareholder's shareholding is to be converted into a Conversion Royalty in accordance with §13.1, Holdco shall cause a short form of this Agreement in Spanish, evidencing only the terms and conditions of the Conversion Royalty, to be prepared for execution by the applicable parties for notarisation and registration with the Public Registry of Mining in México. This Agreement, itself, shall not be recorded or registered.
- 13.5 Upon conversion, the sole right of that Shareholder will be to receive the share of a Conversion Royalty to which it is entitled and any other rights and privileges shall cease to be applicable to the Conversion Shares. If the Board decides it is not legally possible or practicable to cancel the Conversion Shares all Shareholders will attend at a Shareholders' meeting and vote in favour of a resolution which establishes that the Conversion Shares will constitute a separate class of non-voting Shares whose only attribute will be for that Shareholder to receive the share of a Conversion Royalty to which it is entitled.

#### **Terms of Shareholders' Agreement**

##### **14. Participation Date**

- 14.1 If Azure exercises the Azure Option and Teck exercises the T1 Option, the parties will be deemed to have entered into a corporate joint venture relationship as of the date (the "**Participation Date**") that:

- (a) Teck delivers Notice to Azure that it does not intend to proceed with the T2 Option;
- (b) the T2 Option terminates or expires, unexercised; and
- (c) Teck exercises the T2 Option.

Although Holdco has been formed and the parties are Shareholders in Holdco, this joint venture relationship contemplates that the parties shall bear all Costs and all liabilities arising under this Agreement and shall own the Property, the Assets and any Mine indirectly under the terms of this Agreement, all in proportion to their respective Shareholdings, with the parties having agreed to associate and participate in Holdco as a single purpose entity for the purposes of further exploring the Property and, if deemed warranted, of developing, constructing and operating a Mine.

- 14.2 From the Participation Date Holdco will further explore and, if warranted, develop the Property, with Azure's and Teck's (collectively the "**Shareholders**" and individually a "**Shareholder**") initial Shareholdings being:
- (a) if Teck exercised the T1 Option only: Teck 51% and Azure 49%; and
  - (b) if Teck exercised both the T1 Option and T2 Option: Teck 65% and Azure 35%.
- 14.3 The terms which are set out in §12 to §38 of this Agreement will be embodied in the Shareholders' Agreement. The Shareholders' relationship in Holdco will be governed by the constituent documents for Holdco and this Agreement, until such time as it is replaced

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by the Shareholders' Agreement and such other documents as may be mutually agreed, which shall be consistent with the provisions of this Agreement.

**15. Operator**

15.1 With effect from the Participation Date, the Shareholder who has the largest single shareholding percentage, will be the initial operator (the "**Operator**") of the Property, through a services contract (the "**Services Contract**") with Holdco substantially as set out in Schedule D and may remain Operator so long as it has the single largest shareholding. If the Shareholder holding the largest single Shareholding percentage ceases to be entitled to be Operator, the Board shall appoint a replacement Operator. The Operator will be responsible for the daily direction of exploration, development, mining and other activities and operations of Holdco in accordance with approved JV Programs and Plans on behalf of Holdco and, in connection therewith, will have the same rights and obligations as set out in §6.

15.2 Holdco and each of its Shareholders (severally to the extent only of their respective proportionate shareholdings at the date of the relevant act or omission) will indemnify and hold harmless the Operator, its Affiliates and its and their directors, officers, agents and employees from and against any loss, liability, claim, demand, damage, expense, injury and death (including lawyer's fees, unless Holdco assumes and pays the defence using counsel agreed to in writing by the Operator) resulting from any act or omission of the Operator, its directors, officers, agents or employees in conducting Programs on the Property pursuant to this Agreement provided however that the Operator will not be indemnified or held harmless by Holdco or any Shareholder for any loss, damage, claim or liability, resulting from the negligence or wilful misconduct of the Operator, its Affiliates and its and their directors, officers, agents and employees. No act or omission of the Operator, its directors, officers, agents or employees, will of itself be deemed negligence or wilful misconduct if it is done or omitted to be done:

- (a) at the direction, or within the scope of direction, or with the concurrence of, Holdco; or
- (b) at the direction of any governmental authority, whether or not the validity of the direction is challenged by Holdco; or
- (c) unilaterally in good faith to protect life, limb or property.

provided that the Operator has otherwise performed its duties and obligations in a sound and workmanlike manner substantially in accordance with exploration, engineering and mining industry practice.

15.3 The Operator shall indemnify and hold harmless Holdco, its Shareholders and their Affiliates and its and their directors, officers, agents and employees from and against any loss, liability, claim, demand, damage, expense, injury and death (including lawyer's fees, unless the Operator assumes and pays the defence using counsel agreed to in writing by Holdco) for any claims made by third parties against Holdco arising out of the Operator's negligence or wilful misconduct in its duties hereunder. The Operator shall give prompt Notice and details of the claim to Holdco.

15.4 No Shareholder hereto shall be liable to another party hereto in contract, tort or otherwise for special or consequential damages, including, without limiting the generality of the foregoing, loss of profits or revenues suffered by the indemnified party. The limits of

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liability in this §15.4 do not apply to claims made by a third party against the indemnified party, its directors officers and employees for the third party's special or consequential damages, provided that the third party is not an associate or Affiliate of the indemnified party.

- 15.5 Each Shareholder, in proportion to its Shareholding at the date the claim the subject of the indemnity occurred, shall, on invoice from Holdco, reimburse Holdco for the Costs paid by Holdco to satisfy the indemnity to the Operator subject to the terms of §15.2.
- 15.6 Each Shareholder agrees that it accepts each indemnity in favour of any of its respective indemnified parties who are not party hereto as agent and trustee of each such indemnified party. Each Shareholder agrees that Teck, on the one hand, and Azure, on the other, may enforce an indemnity in favour of any of that Shareholder's indemnified parties on behalf of that indemnified party.

#### 16. Reimbursement of Operator

- 16.1 The Services Contract will provide for the Operator to be reimbursed for any Costs it incurs on behalf of Holdco and Holdco shall be liable to pay the Operator the Costs actually incurred under or pursuant to approved JV Programs, Mandatory Programs, the Mine Construction Plan and Mine Operating Plans (the latter two plans collectively called "Plans"), including Cost overruns of up to but not exceeding 10% of the budget approved in connection with such JV Programs and Plans.

#### 17. Costs Defined

- 17.1 "Costs" means, (excluding any credit received by the Operator in respect of VAT):

- (a) all costs, expenses, charges and outlays, direct and indirect, made or incurred by the Operator or by Holdco on or in respect of the Property after the Participation Date under or pursuant to approved JV Programs, Mandatory Programs, Mine Construction Plans and Mine Operating Plans; and
- (b) the Operator's fee provided for in the Services Contract, as follows:
  - (i) 10%, reduced in the case of individual third party contracts in excess of US\$500,000 to 5% on the amount in excess of \$500,000, of all Costs, described in §17.1(a) incurred by the Operator prior to a Production Notice having been delivered;
  - (ii) 2% of Costs described in §17.1(a) incurred by the Operator after a Production Notice has been delivered and prior to the Completion Date; and
  - (iii) 3% of Costs described in §17.1(a) incurred by the Operator after the Completion Date.

The "**Completion Date**" is the earlier of the date therefor established under IFRS rules and the date established in any lending agreements with third parties who have advanced project financing for the mine. This Operator's fee is in full and final satisfaction and reimbursement of the costs of the time incurred by head office management and support functions of the Operator in respect of the daily direction of exploration, development, mining and other activities and operations of Holdco in accordance approved JV Programs, Mine Construction Plans and Mine

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Operating Plans on behalf of Holdco, which is not properly chargeable as Cost under §17.1(a). This Operator's fee shall not be subject to audit but may be reviewed by the Parties (as Parties and not as Shareholders) from time to time.

**18. Holdco's Board of Directors**

**18.1** With effect from the Participation Date a board of directors (the "**Board**") will be appointed so that it is comprised of five representatives with the majority Shareholder entitled to three directors and the minority Shareholder to two directors. A representative appointed by the single largest Shareholder shall be entitled to be the Board's chairman ("**Chairman**"), but shall not have any second vote by virtue of being Chairman. Each director shall have an alternate who can act in the absence of the appointed director. The Shareholders' Agreement will provide for more administrative matters such as notices, time and place of meetings, minute taking and distribution of minutes. To the maximum extent permissible under applicable laws, the Board will have the right, power and authority to make all decisions concerning the management, finances, operations, activities, actions, affairs and business of Holdco, including without limitation all decisions with respect to the following matters:

- (a) the creation, approval, development, implementation and carrying out of JV Programs, Mandatory Programs and Plans and budgets;
- (b) all exploration, development, mining and other activities and operations of Holdco;
- (c) the maintenance, protection, defence, curing and perfection of title to the concessions and the Property. However, if the Board should decide to drop all or a portion of the Property, the Operator will give the other Shareholder 60 days Notice of that intention to drop and will transfer that part of the Property to the other Shareholder for nominal consideration but at the other Shareholder's transfer expense, in good standing to at least the end of the Operator's 60-day Notice period aforesaid, if the other Shareholder so requests within 30 days of the Operator's Notice, in which event that part of the Property will no longer be subject to this Agreement;
- (d) obtaining and maintaining permits, licences, approvals and authorizations;
- (e) the hiring and firing of employees, attorneys, accountants, consultants and other agents;
- (f) obtaining and maintaining policies of insurance with respect to the assets and operations of Holdco (as the Board deems appropriate and desirable in its discretion);
- (g) the disposition, sale, lease or other transfer of any of the assets or property of Holdco other than as provided in §18.1(s);
- (h) subject to §18.1(o) the acquisition, purchase or lease of any right, title or interest in any new or additional assets, mineral rights or other real or personal property;
- (i) the construction, repair, commissioning or replacement of any facility, plant, improvement, road, building, capital improvement or infrastructure;
- (j) subject to §18.1(p), the incurring of debt and the granting of any liens and encumbrances on the assets or property of Holdco, provided that no debt on the property of Holdco or on Holdco will be incurred prior to a Production Notice having been given;

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- (k) maintaining all required accounting and financial records in accordance with international financial reporting standards;
- (l) the initiation, defence and settlement, through independent attorneys or otherwise, of litigation;
- (m) the treatment, milling or processing, smelting, refining, beneficiation, commingling, disposition and sale of minerals produced from the Property; and
- (n) the establishment and maintenance of cash reserves to cover the anticipated costs of reclamation, environmental compliance and other foreseeable liabilities and obligations.

Board and Shareholder decisions will be made by simple majority based on percentage shareholding except that any decision by the Board or the Shareholders:

- (o) to conduct any business other than related to exploration and mining on or for the benefit of the Property;
- (p) to borrow money other than as contemplated in §26.4 for financing Construction Costs;
- (q) to issue Shares to any third party who is not already a Shareholder;
- (r) to wind up, amalgamate or undertake a corporate merger or similar transaction;
- (s) to sell or dispose of all or substantially all of the assets of Holdco or of the Property; or
- (t) that this Agreement expressly provides for a unanimous decision;

shall require the prior unanimous approval of the Shareholders or, should unanimity not be permitted under Mexican corporate law, unanimity shall be substituted by the highest majority admissible under Mexican corporate law. In order to enable decisions that have been properly made under this Agreement to be implemented even if Mexican corporate law provides for higher percentage approvals, the Shareholders agree that except for the issues in §18.1(o) to §18.1(t), if greater than 50% Shareholder approval is required under Mexican law, a Shareholder holding 50% or less shall attend at Shareholder meetings and vote its Shares in favour of resolutions proposed by the Shareholder or Shareholders, holding more than 50% of the Shares of Holdco.

## 19. General Manager

- 19.1 With effect from the Participation Date, the Board shall appoint a **"General Manager"** who shall be a nominee of the majority Shareholder. Until the Board determines that Holdco should hire its own staff or assume specific duties regarding mining operations, which obviates the need for an Operator, the powers conferred upon the General Manager shall be subordinate to those granted to the Operator, that is, the General Manager shall exercise such powers only to the extent they are not reserved for the Operator or incompatible to the powers and obligations of the Operator.

## 20. Exploration JV Programs after the Participation Date

- 20.1 After the Participation Date but prior to a Production Notice having been given, the Operator is to propose draft exploration programs and budgets (**"JV Programs"**) for Board approval and carry out approved JV Programs. Each Shareholder may elect to contribute its proportionate share of the Costs of the approved JV Program (**"Exploration**

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**Costs**"). Unless otherwise unanimously approved, contributions will be made by way of equity in Holdco as contemplated in §22. Notwithstanding §22.4, if a JV Program to which a Shareholder elected not to contribute is completed or terminated with less than 80% of the budgeted Exploration Costs having been incurred, the non-contributing Shareholder will be given Notice thereof, including the results of the JV Program, and it may within 30 days elect to contribute its proportionate share based on its shareholding percentage immediately prior to that JV Program in order to maintain its prior shareholding percentage level.

**21. Mandatory Program after the Participation Date**

- 21.1 If, in any year after the Participation Date prior to a Production Notice having been given, there is no approved JV Program and circumstances are such that Holdco must incur Costs in order to maintain the Property ("**Mandatory Costs**"), the Operator shall be entitled to propose a Program (the "**Mandatory Program**") to incur those Costs. The Mandatory Program shall be deemed to be approved by the Board and each Shareholder shall be obligated to contribute its proportionate share of Mandatory Costs. Unless otherwise approved, contributions will be made by way of equity in Holdco as contemplated in §22.
- 21.2 If a Shareholder fails to contribute its share of Mandatory Costs as contemplated in §22.3, §22.6 shall become applicable.

**22. Share Subscription for JV Programs**

- 22.1 Each approved JV Program shall be funded by the Shareholders through a subscription for new Shares of Holdco through a capital increase approved in accordance with Mexican corporate law. Each new Share will be offered for subscription at a price of one United States Dollar. Each Shareholder may elect to subscribe the portion of the newly offered Shares that is proportionate to its then existing Shareholding, or any lesser number of Shares as it elects (in connection therewith if the number of Shares subscribed for is not a whole number the contribution will be adjusted up so that the number of Shares issued is a whole number) in accordance with §22.2.
- 22.2 In respect of an approved JV Program the Board shall provide to each of the Shareholders a Notice of the total number of new Shares available for subscription, of the number of new Shares available for subscription by each of the Shareholders and the anticipated timetable for payment of the subscription monies. Within 30 days of such Notice each of the Shareholders shall provide a Notice to the Board specifying the number of new Shares for which it elects to subscribe (which cannot exceed its proportionate number), which election shall be final and binding, and failing providing any Notice, a Shareholder shall conclusively and irrevocably be deemed to have elected not to subscribe for any Shares.
- 22.3 In respect of approved JV Programs, each Shareholder that has elected to subscribe, and in the case of a Mandatory Program each Shareholder, shall pay its proportionate share of the subscription amount to allow Holdco to pay the Mandatory Costs in connection with the Mandatory Program and in the case of an approved JV Program (each a "**Contribution Amount**") generally in accordance with the anticipated timetable for payment for the approved JV Program, to allow Holdco to pay Exploration Costs in accordance with the approved JV Program. If the Shareholder does not pay the



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subscription amount within 30 days, in the case of Exploration Costs, and 90 days, in the case of Mandatory Costs, §22.6 shall become applicable.

- 22.4 If a Shareholder elects (or is deemed to have elected) not to subscribe under §22.2 for any new Shares available to it, Holdco shall give Notice to the other Shareholder of the number of Shares the Shareholder has elected not to subscribe for and the other Shareholder may elect within 10 days of the Notice to subscribe for those Shares.
- 22.5 If the Shareholders ultimately and collectively subscribe under §22.2 for less than all of the newly offered Shares, the Board shall have the right, in its discretion, either to cancel and rescind the approved JV Program (in which case the corresponding subscription for new Shares by the Shareholders shall also be cancelled and rescinded) or to propose a revised JV Program to the Shareholders.
- 22.6 If:
- (a) a Shareholder who elects to participate in Exploration Costs under §22.3 does not contribute the applicable Contribution Amount within the time set out in §22.3, Holdco may give Notice of default to that Shareholder (in this §22.6, the **"Defaulting Shareholder"**); or
  - (b) a Shareholder that is obligated to contribute its proportionate share of Mandatory Costs under §21.1, does not contribute the applicable Contribution Amount within the time set out in §22.3, Holdco may give Notice of default to that Defaulting Shareholder.

If the Defaulting Shareholder does not pay the amount due within 14 days of the Notice of default subject to unanimous Shareholder consent to a reasonable extension of time, Holdco shall give Notice thereof (in this §22.6, the **"Conversion Notice"**) to all of the Shareholders, including the Defaulting Shareholder, in which case the Defaulting Shareholder shall tender its Shares, duly endorsed for cancellation, to Holdco for cancellation and, in consideration therefor, Holdco shall enter into a royalty agreement with the Defaulting Shareholder under which the Defaulting Shareholder will be entitled to that portion of the Conversion Royalty to which it is entitled under §13.3.

## 23. Feasibility Study

- 23.1 After the Participation Date, on the recommendation of the Operator, Holdco may, if its Board unanimously approves, prepare a Feasibility Study, as herein defined, as a separate JV Program.
- 23.2 **"Feasibility Study"** means a study prepared pursuant to this Agreement which shall contain all geological, engineering, operating, economic and other relevant factors which the Operator considers are in sufficient detail so that in the Operator's opinion, acting reasonably and in good faith, it provides a comprehensive analysis of the economic and technical viability of constructing and operating a mine on the Property. The Feasibility Study shall examine the following matters: ore reserves; mining methods; metallurgy and processing (including metal recovery); environment, tailings and waste disposal; capital and operating cost estimates; manpower, social and community affairs; transportation methods and costs; marketing; project financing alternatives; a sensitivity analysis; such other matters as are appropriate. The Feasibility Study shall include at least the following information:

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- (a) a description of that part of the Property to be covered by the proposed mine;
- (b) the estimated recoverable reserves of minerals and the estimated composition and content thereof;
- (c) the proposed procedure for development, mining and production;
- (d) results of ore amenability tests;
- (e) the nature and extent of the facilities proposed to be acquired which may include mill facilities, if the size, extent and location of the ore body makes such mill facilities feasible, in which event the study shall also include a preliminary design for such mill;
- (f) the total costs, including capital budget, which are reasonably required to purchase, construct and install all structures, machinery and equipment required for the proposed mine, including a schedule of timing of such requirements;
- (g) all environmental impact studies and costs;
- (h) the period in which it is proposed the Property shall be brought to commercial production;
- (i) such other data and information as are reasonably necessary to substantiate the existence of an ore deposit of sufficient size and grade to justify development of a mine, taking into account all relevant business, tax and other economic considerations; and
- (j) working capital requirements for the initial four months of operation of the Property as a mine or such longer period as may be reasonably justified in the circumstances.

23.3 If a JV Program is approved to commence a Feasibility Study, the Operator shall keep the non-Operator generally informed of developments. The non-Operator shall be entitled to second, at its cost, a representative to the Property so that the non-Operator can remain informed so as to be able to participate in Board meetings to review the Feasibility Study. Upon the Operator completing a Feasibility Study, it will provide a copy of the same to the non-Operator. The non-Operator shall cause its employees, directors, consultants and advisors to agree to keep the contents of the Feasibility Study and matters which come to its attention while the Feasibility Study is being prepared confidential and will not make disclosure, other than to the non-Operator, without the Operator's consent (which will not be unreasonably withheld); which requirement is in addition to the corporate confidentiality restrictions set out in §34. The non-Operator will make its own inquiries in relation to the matters in the Feasibility Study and the Operator will be under no liability to the non-Operator in respect of the contents of the Feasibility Study.

#### 24. Production Decision

24.1 The Board shall not meet to consider a Feasibility Study any sooner than 60 days after it was delivered to each Shareholder, unless the Shareholders agree to an earlier meeting. The Board may approve any Feasibility Study by passing a resolution which:

- (a) approves the Feasibility Study with such modifications, if any, as it considers necessary or desirable;
- (b) authorizes a Notice (the "**Production Notice**") be given by the Operator to each of the Shareholders together with a copy of the Mine Construction Plan, stating that

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the Board has made a production decision and authorized that the Property be brought into commercial production through the construction of a mine in conformity with the Feasibility Study as so approved; and

- (c) approves a construction plan (the "**Mine Construction Plan**"), including a Cost estimate, with a reasonable allowance for contingencies, which the Board considers necessary to implement the Production Notice together with a schedule of advances which the Shareholders will be required to make in respect of mine construction Costs ("**Construction Costs**").

24.2 Each Shareholder is entitled to elect, upon Notice to Holdco within 90 days after receipt of the Production Notice authorized under §24.1(b), to participate in the Construction Costs required to construct and operate the mine:

- (a) at its then shareholding percentage or a stated greater percentage to cover any shortfall created by any Shareholder who does not elect to contribute its proportionate share of Construction Costs; or
- (b) at some lesser percentage, but at least 10%.

If a Shareholder does not give a Notice within 90 days of the Production Notice that Shareholder is conclusively and irrevocably deemed to have elected to participate at its then Shareholding percentage. If a Shareholder elects to participate at a lesser percentage than its then shareholding percentage the shareholdings of the Shareholders shall be adjusted by the Shareholder that has elected to contribute less than its then percentage shareholding, transferring, at nominal cost, to the other Shareholder that elected to contribute a greater percentage to make up the shortfall, so that each Shareholder has a shareholding percentage equivalent to its elected level of participation. If the Construction Costs are not fully committed within 180 days of the Production Notice, the Production Notice shall be deemed withdrawn.

24.3 If any Shareholder elects not to contribute at a level of at least 10% as contemplated in §24.2 and the other Shareholders elect to increase their participation so that Construction Costs are fully committed, that Shareholder shall tender its Shares, duly endorsed for cancellation, to Holdco for cancellation and, in consideration therefor, Holdco shall enter into a royalty agreement with the holders under which those holders will be entitled to the Conversion Royalty.

## 25. **Mine Construction and Operations**

25.1 The mine will be constructed substantially in accordance with the Mine Construction Plan, as approved by the Board subject in each case to the unanimous decision of the Board to approve reasonable variations in construction.

25.2 With effect from the Completion Date the Operator is to propose annual mining operations, programs and budgets (each a "**Mine Operating Plan**") for Board approval. All mining operations shall be planned and conducted and all estimates, reports and statements shall be prepared and made annually on the basis of a calendar operating year and be approved by the Board. It is intended that Mine Operating Plans will be designed so that the mine is operated at production rates contemplated in the Mine Construction Plan and the Property explored to delineate new ore reserves to achieve those production rates. Mine Operating Plans will be in substantial conformity with the production rates contemplated in the Mine Construction Plan until completion of payback

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of third party mine construction debt, subject to the decision of the Board to vary from such. During the period that any project financing remains outstanding, the budget for a Mine Operating Plan will not exceed the budget forecast for that year in the Mine Construction Plan, or a forecast subsequently unanimously approved by the Board, plus 10%. Thereafter Mine Operating Plans will be decided by the Board on a calendar year basis taking into reasonable account the views of the Parties in respect of the Mine Operating Plans. Upon mine construction commencing the Operator shall provide monthly progress reports to the non-Operator.

**26. Financing Construction and Operating Costs**

- 26.1 If the Board approves the issuing of a Production Notice, the Shareholders that elected to participate under §24.2 ("**Participating Shareholders**") shall, individually and separately, provide their proportionate share of any Construction Costs.
- 26.2 If the Board approves a Mine Operating Plan, the Participating Shareholders shall, individually and separately, provide their proportionate share of any Costs incurred or to be incurred pursuant to a Mine Operating Plan ("**Operating Costs**"), which Costs are not and cannot be funded through revenue from mining operations available to Holdco in accordance with the Mine Operating Plan.
- 26.3 Unless otherwise unanimously agreed, Construction Costs and Operating Costs shall be funded by the Participating Shareholders through Shareholder loans under a common form of loan agreement agreed by all Shareholders, failing which through a subscription for new Shares of Holdco. If through subscription, new Shares will be offered from time to time against a Notice from Holdco calling for payment in order to allow Holdco to pay Construction Costs and Operating Costs. The subscription price will be one United States Dollar. Each Participating Shareholder shall be required to provide the loan funds or the subscription monies, as the case may be, at the times and from time to time notified by the Board (being the same time for each Shareholder and consistent with the Production Notice and Mine Operating Plan) in proportion to its Shareholding .
- 26.4 Except to finance its proportionate share of Construction Costs or with the consent of all Shareholders, no Shareholder shall pledge, charge or otherwise encumber its Shareholding. Solely in order to meet its respective contributions toward Construction Costs, but subject as follows in this §26.4, a Participating Shareholder may pledge, mortgage, charge or otherwise encumber its Shares provided that pledgee, mortgagee and/or holder of the charge or encumbrance undertakes in writing that:
- (a) its security shall be held subject to this Agreement;
  - (b) its remedies under that security shall be limited to the sale of the whole (but only the whole) of the encumbering Shareholder's secured Shares; and
  - (c) its security shall be subordinate to the Security Interest set out in §26.6.
- 26.5 If a Participating Shareholder does not contribute the loan funds or pay the subscription amount, as the case may be in accordance with §26.1 or §26.2 ("**Default Sum**"), Holdco may give Notice of default to that Participating Shareholder (in this §26 called the "**Defaulting Shareholder**"). If the Defaulting Shareholder does not pay the Default Sum within 14 days of the Notice of default, subject to unanimous Board approval to a reasonable extension, Holdco shall give Notice thereof (in this §26, the "**Final Default Notice**") to all of the Shareholders, including the Defaulting Shareholder, in which case a

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Securityholder shall be entitled to enforce its Security Interest. The Default Sum shall bear interest calculated monthly not in advance from the 30th day after the date of the initial subscription Notice at a rate equivalent to the United States dollar LIBOR for a three-month period (plus 5% until paid ("**Interest Rate**").

- 26.6 If a Securityholder receives Final Default Notice under §26.5, the Security Interest will be enforceable by a Securityholder against a Defaulting Shareholder's Shares. The proceeds of the sale of the Defaulting Shareholder's Shares shall, after deduction of:

- (a) the costs of enforcement of the Security Interest and the costs of sale; and
- (b) interest at the Interest Rate

be applied by the Securityholder in payment of the Default Sum and the balance remaining, if any, shall be paid to the Defaulting Shareholder.

**27. Holdco Payment of Royalties and Taxes**

- 27.1 All required payments of production royalties, taxes based on production of mineral products from the Property, and other payments out of production to private parties and governmental bodies shall be determined and made by Holdco, and Holdco undertakes to make such payments timely and otherwise in accordance with applicable laws and agreements. Each Shareholder undertakes to provide funding for such payments to Holdco, in proportion to its shareholding percentage in Holdco, in a timely manner and otherwise in accordance with applicable laws and agreements.

**28. Sale of Product**

- 28.1 To the extent permitted by law and the contracts by which any project financing is perfected, each Participating Shareholder who is not a Defaulting Shareholder shall be entitled to purchase, on market terms, a share of mineral products produced from the mine which is proportionate to its Shareholding.

**29. Dividends**

- 29.1 Holdco shall declare and pay on an annual basis the maximum dividend or distribution possible, based on net after-tax profits, after making due provision for mandatory reserves foreseen by Mexican law, for maintenance of adequate working capital, reserves required to be established in connection with mine construction project financing obligations and reserves established in accordance with generally accepted accounting principles in respect of mine closure and reclamation costs; provided, however, that the Board may agree to establish such other reasonable reserves as they deem prudent in the circumstances.

**Terms Applicable to the Entire Agreement**

**30. Curing Defaults**

- 30.1 Except as otherwise provided in this Agreement, if a Party, other than a Defaulting Shareholder contemplated in §22.6 or §26.5 (the "**Defaulting Party**") is in breach or default of any requirement herein set forth, the other Party may give Notice to the Defaulting Party specifying the breach or default. The Defaulting Party shall not lose any

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rights under this Agreement unless promptly and in any event within 30 days after the Notice of default has been given by the other Party, the Defaulting Party fails promptly to take reasonable steps to commence to cure, and thereafter to continue diligently to cure, the breach or default by the appropriate performance. Upon any such failure the other Party shall be entitled to seek any remedy it may have on account of such default.

**31. Restrictions on Alienation**

**31.1** Except in accordance with this Agreement, Azure shall not transfer, sell, dispose or encumber its interest in the Property or rights under this Agreement prior to the Earn-in Date, provided that this restriction on alienation shall not apply to bona fide transfers to an Affiliate. However, such Affiliate shall first agree to be bound by the term of this Agreement and if the transferee ceases to be an Affiliate it shall transfer the beneficial interest back to the initial transferring Party or, if it ceases to be an Affiliate after the Participation Date, offer the interest to the remaining Party or Parties under the terms of this §31.1. After the exercise of the Azure Option, if either party wishes to dispose of its interest or rights, the other party shall have the right of first offer (the "ROFO").

**31.2** If either Party (in this paragraph, the "**Disposing Party**") wishes to dispose of any of its Shares and its corresponding rights under this Agreement (the "**Offered Holding**") after the Earn-in Date, it will, by Notice, first offer to dispose of the Offered Holding to the other Party for a price (in cash) and on terms which the Disposing Party establishes. If the other Party does not accept the offer within 60 days the Disposing Party shall then have 180 days to dispose of the Offered Holding to a third party for the same or greater price and on the same terms or terms no more favourable to the third party, provided that the incoming third party delivers, in a form acceptable to the other Party (acting reasonably and without delay) a document whereby it agrees to be bound by, and comply with, the terms of this Agreement.

**31.3** A Party may not transfer, sell, dispose or encumber its interest in the Property, this Agreement or its Shares other than as one transaction to the same party at the same time where the acquiring party delivers, in a form acceptable to the other Party, a document whereby it agrees to be bound by, and comply with, the terms of this Agreement.

**31.4** For purposes of this Agreement, "**Affiliate**" means, with respect to a particular person, another person that controls, is controlled by, or is under common control with that particular person. For the purposes of this definition, a person "controls" another person (other than an individual) if the first person:

- (a) holds more than 50% of the voting securities of such other person; or
- (b) has power to appoint a majority of the board of directors or comparable body of such other person.

or otherwise has the power to direct or cause the direction of management or policies of such other person, in each case, regardless of whether such right or power is held or exercisable directly or through intermediaries or whether such right or power is held beneficially or as a trustee, guardian or similar capacity. In addition, if such other person is a partnership and all of the partners therein would be considered "**Affiliates**" of each other as provided above in this §31.4, such partnership shall be deemed to be Affiliate of each such partner and each other person that is or would be deemed to be an Affiliate of each such partner.

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## 32. **Area of Interest**

32.1 During the term of this Agreement there shall be an area of interest around the Property which will comprise any lands solely within one kilometer of the outermost boundary of the Property as comprised on the date of this Agreement and shown, for illustrative purposes only, on the map attached hereto as Schedule A (the "**Area of Interest**"). If, prior to the Participation Date, either Party or, following the Participation Date, either Shareholder, stakes or acquires any surface or water rights or mineral properties within the Area of Interest, it will offer to have those rights or properties included in this Agreement; it being agreed that the Parties or Shareholders, as the case may be, shall consult each other prior to making any acquisitions of lands held by third parties within the Area of Interest. The other Party, or Shareholder, as the case may be, shall have 30 days to elect whether to accept that offer. If the offer is accepted and the acquisition is made:

- (a) prior to the Earn-in Date, the cost of acquisition shall be solely for Azure's account;
- (b) during the term of the T1 Option or T2 Option, the cost of acquisition shall be solely for Teck's account;
- (c) following the Participation Date, the Shareholders will fund their pro-rata share of the costs of acquisition;

in which case those rights or properties will be deemed to be included in the Property and the costs of acquisition will be considered Expenditures if solely funded by Azure or Teck, or Costs if funded following the Participation Date, as the case may be. Failing the election and payment referred to in the preceding sentence, the acquiring Party may retain the rights or properties so acquired free of the terms of this Agreement. This Agreement shall not restrict the rights of either Party to acquire surface or water rights or mineral properties outside the Area of Interest.

## 33. **Force Majeure**

33.1 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, inability or failure to obtain surface access rights at all or on reasonable commercial terms, 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), interference by local community or third party interests groups (including environmental lobbyists and 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

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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 monthly written report summarizing events that have occurred and prospects for resolution.

**34. Confidentiality and Disclosure**

- 34.1 During the term of this Agreement, all information and data concerning this Agreement, the Property and Holdco shall generally be kept confidential and, except to the extent required by law or in connection with the customary reporting requirements or investor relations activity of a Party or its Affiliates, shall not be disclosed to any person other than an Affiliate without the prior consent of the other Party, which consent shall not unreasonably be withheld, conditioned or delayed.
- 34.2 A Party (or its Affiliates) proposing a press release or public statement relating to this Agreement, the Property and Holdco, or the terms of this Agreement, work thereon, or the activities of the Parties or their Affiliates with respect thereto, shall provide a copy to the other Party for its information and comments using its best efforts to ensure it is provided at least three Business Days (where used in this Agreement, the term "**Business Day**" means a day on which the Bank of Montreal, Main Branch, Vancouver, British Columbia, Canada, is open for business) prior to release. Any comments that the receiving Party may make shall not be considered certification by the other Party of the accuracy of the information in such press release, or a confirmation by it that the content of such press release complies with the rules, policies, by-laws and disclosure standards of the applicable regulatory authorities or stock exchanges. If the receiving Party fails to provide comments within said time period the providing Party may, subject to §34.3 make the proposed press release.
- 34.3 Each Party shall obtain prior approval of the other Party before issuing any press release or public statement using the other Party's name or the name of any of its Affiliates, or the names of any of the officers, directors or employees of the other Party or its Affiliates. The foregoing prohibition shall not apply if disclosure of the other Party's, or its Affiliate's, name is required, in the opinion of counsel to a Party, by applicable public disclosure requirements however in such a case the Party wishing to make the disclosure must provide a copy to the other Party for its information and comments using its best efforts to ensure it is provided at least three Business Days prior to release. However, such approval shall not be considered certification by the other Party of the accuracy of the information in such press release, or a confirmation by it that the content of such press release complies with the rules, policies, by-laws and disclosure standards of the applicable regulatory authorities or stock exchanges.

**35. Notices**

- 35.1 Any notice ("**Notice**"), direction or other instrument given hereunder shall be in writing and will, if delivered, be deemed to have been given and received on the Business Day following the day it was delivered and, if sent by facsimile during normal business hours (9:00 a.m. - 5:00 p.m. local time of the place of receipt), be deemed to have been given or received on the Business Day following the day it was so sent, or in the case of facsimile sent outside normal business hours, on the next following Business Day. Any Notice to be given under this Agreement will be addressed as follows:



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If to **Teck**:

**Minera Teck, S.A. de C.V.**  
Nebulosa 3019  
Col. Jardines del Bosque  
C.P. 44520 Guadalajara, México

Attention:

Fax: (52-33) 3122-9085

With a copy to **Teck Resources Limited** at:

**Teck Resources Limited**  
3300 - 550 Burrard Street  
Vancouver, BC, Canada V6C 0B3

Attention: Corporate Secretary

Fax: (604) 699-4729

If to **Azure** at:

**Minera Piedra Azul, S.A. de C.V.**  
Javier de Leon #707 entre,  
Jose Gutierrez y Alfonso Iberri,  
Col. Pitic Hermosillo, Sonora, México

Attention:

Fax: ( )

With a copy to **Azure Minerals Limited** at:

**Azure Minerals Limited**  
Level 1, 30 Richardson Street  
West Perth, WA, Australia 6005

Attention: Tony Rovira, Managing Director

Fax: +1 (61-8) 9485 1290

Any Party may at any time give to the other Notice of any change of address of the Party giving such Notice and from and after the giving of such Notice, the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving Notice hereunder.

### **36. Termination**

**36.1** Except as to any indemnification or any Conversion Royalty under this Agreement, this Agreement shall terminate upon the occurrence of the earliest of:

- (a) a termination under §8;
- (b) a Shareholder becoming entitled to receive the Conversion Royalty, whether capped or not;

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- (c) one Shareholder acquiring 100% Shareholding ; or
- (d) sale or other disposition of the Property and other assets of Holdco following the written agreement by the Parties to terminate this Agreement and wind down Holdco.

**37. Governing Law and Arbitration**

- 37.1 This Agreement shall be governed by the laws of British Columbia, Canada.
- 37.2 Any dispute, controversy or claim arising out of or resulting from this Agreement shall be settled by arbitration, in accordance with the International Commercial Arbitration Rules of Procedure of the British Columbia International Commercial Arbitration Centre in effect on the date of this Agreement.
- 37.3 The arbitration will be conducted by three arbitrators. Each Party shall appoint one arbitrator of its choice within 30 days after the receipt of the arbitration Notice. The two arbitrators appointed will, in turn, appoint, within 30 days, a third arbitrator, who will preside over the arbitration tribunal.
- 37.4 The arbitrators shall be independent, having no financial interest in the dispute, controversy or claim, and shall have the experience and technical qualification required to arbitrate on the matter in dispute.
- 37.5 Unless the Parties to the arbitration agree otherwise, in writing, it is hereby agreed that:
- (a) the arbitration shall be held in Vancouver, British Columbia;
  - (b) the arbitration shall be conducted in English, but the arbitrators shall speak both English and Spanish fluently. Documents may be drafted in Spanish, but also made available in English upon request by either Party. The witnesses may testify in either of the two languages. Nevertheless, for all legal purposes the English versions will prevail;
  - (c) all decisions and awards produced by the arbitration tribunal shall be made by majority votes;
  - (d) there shall be no remedy against the arbitrators' resolutions. The arbitrators are especially empowered to resolve any matter relating to their competence and/or jurisdiction; and
  - (e) the arbitrators will be empowered to act as arbitrator-at-law with regard to the substance of the dispute and as *ex aequo et bono* with regard to the procedure.
- 37.6 The arbitrators shall be entitled to award the costs of the arbitration, including the arbitrators' fees, at their discretion.
- 38. General**
- 38.1 This Agreement shall be a binding agreement between the Parties, until such time, if any, as the Shareholders' Agreement contemplated under §14.3 is executed, that shall govern joint operations on or in respect of the Property and Holdco.
- 38.2 Unless otherwise noted herein, all amounts are in United States dollars.

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- 38.3 This Agreement has been drawn up in English at the express wish of the Parties. This English version shall prevail over any translation into Spanish.
- 38.4 This Agreement and the agreements contemplated in this Agreement comprise the entire agreement between the Parties relating to the Property and supersedes all previous negotiations and communications related to the terms set out in this letter.
- 38.5 Each of the Parties shall do all such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order fully to perform the terms of this Agreement.
- 38.6 The bearer of the authorized copy of the present deed is empowered to request and subscribe all annotations, registrations, sub registrations and cancelations that are appropriate in the pertinent Registries at the corresponding Custodian of Mines.
- 38.7 No modification of this Agreement shall be valid unless made in writing and duly executed by the Parties.
- 38.8 Nothing contained in this Agreement shall be construed as creating a partnership or in imposing any fiduciary duty on any Party.
- 38.9 Except as expressly provided in this Agreement, each Party shall have the right to engage in and receive full benefits from any independent business activities or operations, whether or not competitive with this Agreement, without consulting with, or obligation to, the other Party. Neither Party shall have any obligation to the other with respect to any opportunity to acquire any property outside the Area of Interest at any time, or within the Area of Interest after the termination of this Agreement.
- 38.10 The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.
- 38.11 Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall be ineffective in such jurisdiction only to the extent of such prohibition or unenforceability without affecting the remaining provisions of this Agreement.
- 38.12 Other than as expressly provided herein, this Agreement shall be construed to benefit Teck and Azure and shall not be construed to create third party beneficiary rights in any other party or in any governmental body.
- 38.13 This Agreement shall be read with such changes in gender or number as the context shall require.
- 38.14 The captions in this Agreement have been provided for ease of reference and shall be disregarded in interpreting this Agreement.
- 38.15 Unless otherwise stated, a reference to an Article means an Article of this Agreement and the symbol "§" followed by a number or some combination of numbers and letters refers to the provision of this Agreement so designated and the symbol "§" followed by a letter within a provision refers to a clause within such provision. A reference to "this

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Agreement", "hereof", "hereunder", "herein" or words of similar meaning, means this agreement including the schedules hereto, together with any amendments thereof.

38.16 Time is of the essence in this Agreement and the performance by the Parties of their respective duties and obligations hereunder.

38.17 This Agreement may be executed in any number of counterparts and exchanged or delivered electronically, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the day and year first above written, AML executing this Agreement as a Deed.

MINERA TECK, S.A. de C.V.

MINERA PIEDRA AZUL, S.A. de C.V.

By:   
Name: Diego Fernández Balderrás  
Title: Exploration Country Manager, México

By:   
Name: Anthony Rovira  
Title: President

As to §2.3, §3 and §15:  
**AZURE MINERALS LIMITED**

By:   
Name: Anthony Rovira  
Title: Managing Director

*(Signature page of Alacrán Option/Shareholders' Agreement  
between Minera Teck, S.A. de C.V., Minera Piedra Azul, S.A. de C.V. and Azure Minerals Limited  
made as of December 15, 2014)*

A - 1

This is **SCHEDULE A**  
to the Alacrán Option/Shareholders' Agreement between  
**MINERA TECK, S.A. de C.V., MINERA PIEDRA AZUL, S.A. de C.V.**  
and **AZURE MINERALS LIMITED**  
made as of December 15, 2014

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**ALACRÁN PROPERTIES**

The Property consists of the following properties:

CLAIM	FILE	TITLE	HECTARES
Hidalgo	1794	166374	99.0000
Hidalgo 2	1796	166369	99.0000
Hidalgo 3	1797	166368	99.0000
Hidalgo 4	1798	166366	99.0000
Hidalgo 5	1799	166370	99.0000
Hidalgo 6	1800	166371	99.0000
Hidalgo 7	1801	166373	99.0000
Hidalgo 8	1802	166372	99.0000
Hidalgo 9	1803	166375	99.0000
Kino 2	1886	166313	100.0000
Kino 3	1887	166312	100.0000
Kino 4	1888	166314	100.0000
Kino 8	1892	166315	100.0000
Kino 9	1893	166316	100.0000
Kino 10	1894	166317	100.0000
Kino 11	1895	166318	100.0000
Kino 15	1899	166365	100.0000
Kino 16	1800	166367	100.0000
San Simón	1894	166376	100.0000
San Simón 2	1895	166377	100.0000
El Alacrán	E.4.1.3/1182	201817	3,442.3590
<b>TOTAL SURFACE ALACRAN CLAIMS</b>			<b>5,433.3590</b>

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This is **SCHEDULE B**  
to the Alacrán Option/Shareholders' Agreement between  
**MINERA TECK, S.A. de C.V., MINERA PIEDRA AZUL, S.A. de C.V.**  
and **AZURE MINERALS LIMITED**  
made as of December 15, 2014

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**NET SMELTER RETURNS ROYALTY**

**1. DEFINITION**

**1.1 "Net Smelter Returns" for purposes of the Agreement are defined as follows:**

- (a) where all or a portion of the ores or concentrates derived from the Property are sold as ores or concentrates, the Net Smelter Returns shall be the gross amount received from the purchaser following sale thereof after deduction, (i) if applicable under the sale contract, of all smelter charges, penalties and other deductions; and (ii) all costs of transporting and insuring the ores or concentrates from the mine to the smelter or other place of final delivery; and
- (b) where all or a portion of the said ores or concentrates derived from the Property are treated in a smelter and a portion of the metals recovered therefrom are delivered to, and sold by the Royaltypayor, the Net Smelter Returns shall be the gross amount received from the purchaser following sale of the metals so delivered, after deduction of (i) all smelter charges, penalties and other deductions; (ii) all costs of transporting and insuring the ores or concentrates from the mine to the smelter, and (iii) if applicable under the smelter contract, all costs of transporting and insuring the metals from the smelter to the place of final delivery by the purchaser.

Where any ores or concentrates are sold to, or treated in, a smelter owned or controlled by the Royaltypayor, the pricing for that sale or treatment will be established by the Royaltypayor on an arm's-length basis so as to be fairly competitive with pricing, net of transportation, insurance, treatment charges and other related costs, then available on world markets for product of like quantity and quality.

**2. PAYMENT OF NET SMELTER RETURNS**

**2.1** The Royaltypayor shall calculate the Net Smelter Returns and the sums to be disbursed to the Royaltyholder as at the end of each calendar quarter.

**2.2** Royaltypayor shall, within 60 days of the end of each calendar quarter, as and when any Net Smelter Returns are available for distribution:

- (a) pay or cause to be paid to the Royaltyholder that percentage of the Net Smelter Returns to which the Royaltyholder is entitled under the Agreement;
- (b) deliver to the Royaltyholder a statement indicating:

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- (i) the gross amounts received from the purchaser contemplated in §1.1 of this Schedule B;
- (ii) the deductions therefrom in accordance with §1.1 of this Schedule B;
- (iii) the amount of Net Smelter Returns remaining; and
- (iv) the amount of those Net Smelter Returns to which the Royaltyholder are entitled;

supported by such reasonable information as to the tonnage and grade of ores or concentrates shipped as will enable the Royaltyholder to verify the gross amount payable by the smelter or other purchaser.

### **3. ADJUSTMENTS AND VERIFICATION**

- 3.1 Payment of any Net Smelter Returns by the Royaltypayor shall not prejudice the right of the Royaltypayor to adjust any statement supporting the payment; provided, however, that all statements presented to the Royaltyholder by the Royaltypayor for any quarter shall conclusively be presumed to be true and correct upon the expiration of 12 months following the end of the quarter to which the statement relates, unless within that 12-month period the Royaltypayor gives notice to the Royaltyholder claiming an adjustment to the statement which will be reflected in subsequent payment of Net Smelter Returns.
- 3.2 The Royaltypayor shall not adjust any statement in favour of itself more than 12 months following the end of the quarter to which the statement relates.
- 3.3 The Royaltyholder shall, upon 30 days' notice in advance to the Royaltypayor, have the right to request that the Royaltypayor have its independent external auditors provide their audit certificate for the statement or adjusted statement, as it may relate to the Agreement and the calculation of Net Smelter Returns.
- 3.4 The cost of the audit certificate shall be solely for the Royaltyholder's account unless the audit certificate discloses material error in the calculation of Net Smelter Returns, in which case the Royaltypayor shall reimburse the Royaltyholder the cost of the audit certificate. Without limiting the generality of the foregoing, a discrepancy of 1% in the calculation of Net Smelter Returns shall be deemed to be material.

### **4. ROYALTYPAYOR TO DETERMINE OPERATIONS**

- 4.1 The Royaltypayor will have complete discretion concerning the nature, timing and extent of all exploration, development, mining and other operations conducted on or for the benefit of the Property and may suspend operations and production on the Property at any time it considers prudent or appropriate to do so. The Royaltypayor will owe the Royaltyholder no duty to explore, develop or mine the Property, or to do so at any rate or in any manner other than that which the Royaltypayor may determine in its sole and unfettered discretion. The Royaltypayor may, but will not be obligated to treat, mill, heap leach, sort, concentrate, refine, smelt, or otherwise process, beneficiate or upgrade the ores, concentrates, and other products at sites located on or off the Property, prior to sale, transfer, or conveyance to a purchaser, user, or consumer. The

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Royaltypayor will not be liable for mineral values lost in processing under sound practices and procedures, and no royalty will be due on any such lost mineral values.

**5. COMMINGLING**

- 5.1 Ores, concentrates and derivatives mined or retrieved from the Property may be commingled with ores, concentrates or derivatives mined or retrieved from other properties. All determinations required for calculation of Net Smelter Returns, including without limitation the amount of the metals contained in or recovered from ores, solutions, concentrates or derivatives mined or retrieved from the Property, the amount of the metals contained in or recovered from commingled ores, solutions, concentrates or derivatives shall be made in accordance with prudent engineering, metallurgical and cost accounting practices.

**6. TRADING ACTIVITIES**

- 6.1 The Royaltypayor may, but need not, engage in forward sales, futures trading or commodity options trading, and other price hedging, price protection, and speculative arrangements ("**Trading Activities**") which may involve the possible delivery of base or precious metals produced from the Property. The parties acknowledge and agree that the Royaltyholder shall not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Trading Activities.



C - 1

This is **SCHEDULE C**  
to the Alacrán Option/Shareholders' Agreement between  
**MINERA TECK, S.A. de C.V., MINERA PIEDRA AZUL, S.A. de C.V.**  
and **AZURE MINERALS LIMITED**  
made as of December 15, 2014

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**HOLDCO BYLAWS**

(see following pages)

## ESTATUTOS

### **"ARTICULO PRIMERO. DENOMINACION.**

*La sociedad se denominará "\_\_\_\_\_". Esta denominación irá seguida de las palabras "Sociedad Anónima Promotora de Inversión de Capital Variable", o de sus abreviaturas "S.A.P.I. de C.V."*

### **ARTICULO SEGUNDO. OBJETO.**

*La sociedad tendrá por objeto el dedicarse a la industria minero-metalúrgica en general y por tanto, estará capacitada para realizar todos los actos que sean conducentes para la realización de este objeto, tales como:*

- 1. Adquirir concesiones mineras para exploración y explotación o derechos contractuales para la exploración y explotación de cualesquiera minerales, así como enajenar, gravar o en cualquier otra forma disponer de tales concesiones y derechos y de los derechos derivados de los mismos.*
- 2. Adquirir, instalar y operar plantas de beneficio e instalaciones accesorias.*
- 3. Explotar terreros, fajas, graseros, escorias, etc.*
- 4. Importar, exportar, comercializar e industrializar toda clase de minerales y sustancias derivadas de éstos.*
- 5. Construir, adquirir y utilizar por cualquier título jurídico los terrenos y edificios necesarios para el objeto anterior, gravarlos arrendarlos o enajenarlos, así como constituir derechos reales sobre ellos y adquirir toda clase de derechos reales sobre inmuebles.*
- 6. Adquirir o arrendar maquinaria, equipo y demás elementos necesarios para la realización del objeto señalado.*

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7. *Prestar servicios técnicos, de asesoría y de administración.*
8. *Emitir, suscribir, aceptar, negociar y efectuar operaciones con toda clase de títulos de crédito.*
9. *Adquirir y disponer por cualquier título legal de toda clase de acciones o participaciones en otras empresas o asociaciones, ya sean mercantiles o civiles.*
10. *Otorgar garantías reales o personales en favor de terceros y obligarse solidariamente con ellos contratar líneas de crédito o financiamiento con instituciones nacionales o extranjeras, y otorgar y recibir préstamos con o sin garantías.*
11. *Obtener y explotar todo tipo de instrumentos de propiedad industrial e intelectual y derechos de autor, así como representaciones de empresas nacionales y extranjeras.*
12. *Celebrar toda clase de contratos para la realización de su objeto, incluyendo contratos de trabajo individuales y colectivos.*
13. *En general celebrar todos los actos y convenios que sean necesarios o conducentes para la realización del objeto mencionado.*

#### **ARTICULO TERCERO. DURACION.**

*La duración de la sociedad será indefinida.*

#### **ARTICULO CUARTO. DOMICILIO.**

*El domicilio de la sociedad será la Ciudad de México, Distrito Federal. La sociedad podrá establecer oficinas, agencias o sucursales en cualquier parte de la República Mexicana o del extranjero, así como pactar domicilios convencionales.*

**ARTICULO QUINTO. NACIONALIDAD.**

*La sociedad es mexicana. Los socios extranjeros actuales o futuros de la sociedad, se obligan formalmente con la Secretaría de Relaciones Exteriores a considerarse como nacionales respecto de las acciones de la sociedad que adquieran o sean titulares, así como de los bienes, derechos, concesiones, participaciones o intereses de que sea titular la sociedad, o bien de los derechos y obligaciones que deriven de los contratos en que sea parte la propia sociedad con autoridades mexicanas, y a no invocar, por lo mismo, la protección de sus gobiernos, bajo la pena en caso contrario, de perder en beneficio de la Nación las participaciones sociales que hubieren adquirido.*

**ARTICULO SEXTO. CAPITAL SOCIAL Y ACCIONES.**

*El capital social será variable. El capital estará representado por acciones ordinarias, nominativas, sin valor nominal, las cuales podrán ser suscritas libremente por personas que posean la capacidad legal para ello.*

*El capital mínimo, fijo, sin derecho a retiro será de \$50,000.00 (cincuenta mil pesos) representado por 50,000 acciones ordinarias, nominativas, sin valor nominal.*

*No habrá límite para el capital en su parte variable. La porción variable del capital social estará representada por acciones ordinarias, nominativas, sin valor nominal.*

*Las acciones de la sociedad serán indivisibles y estarán representadas por títulos definitivos o certificados provisionales que amparen una o más acciones.*

*La asamblea general extraordinaria de accionistas podrá resolver que se emitan distintos tipos de acciones con las características que considere conveniente, de conformidad con las disposiciones aplicables de la Ley General de Sociedades Mercantiles.*

*Todas las acciones conferirán los mismos derechos.*

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*Excepto por lo que se contempla específicamente en estos estatutos, ningún accionista podrá directa o indirectamente vender, transmitir, donar, ceder, dar en prenda o gravar (en lo sucesivo, cualquiera de dichos actos referido como "Transmisión"), sus acciones o derechos que deriven de las mismas a menos que (a) dicha Transmisión no esté prohibida en forma alguna por estos estatutos sociales y se realice de conformidad con las disposiciones aplicables de los mismos y de cierto convenio de accionistas en inglés intitulado "Joint Venture Shareholders' Agreement" de fecha \_\_\_\_ de \_\_\_\_ de 201\_\_\_\_, celebrado entre \_\_\_\_\_ y la sociedad (el "Convenio de Accionistas"), (b) el adquirente propuesto, a menos que ya sea un accionista de la sociedad, acuerde por escrito ser parte del Convenio de Accionistas y de los presentes estatutos sociales y (c) tal Transmisión no resulte en que un accionista sea titular de menos del 10% del capital social total de la sociedad. En caso de que cualquier accionista lleve a cabo una Transmisión de sus acciones (o derechos derivados de las mismas) en contravención al Convenio de Accionistas y/o los presentes estatutos, dicha Transmisión será nula y no tendrá efectos legales, no deberá ser registrada por la sociedad en sus libros, ni tendrá efectos para fin alguno.*

#### **ARTICULO SEPTIMO. AUMENTO Y DISMINUCION DEL CAPITAL SOCIAL. DILUCIÓN.**

##### **1. Disposiciones generales para la porción fija.**

*El capital de la sociedad puede ser aumentado o disminuido en su porción fija por resolución de la asamblea general extraordinaria de accionistas, mediante modificación del artículo sexto de estos estatutos de acuerdo con lo previsto por la Ley General de Sociedades Mercantiles y el Convenio de Accionistas.*

##### **2. Disposiciones generales para la porción variable.**

*El capital en su porción variable podrá ser aumentado ilimitadamente sobre el monto del capital fijo, o posteriormente disminuirse hasta dicho monto, por resolución de la asamblea extraordinaria de accionistas, sin más formalidades que las establecidas en el capítulo VIII de la Ley General de Sociedades Mercantiles y en el Convenio de Accionistas.*

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### **3. Aumento de la porción fija.**

*Los aumentos de capital en su porción fija podrán efectuarse mediante aportaciones de los accionistas o de terceros, capitalización de utilidades, superávits o reservas, la conversión de parte o de todas las acciones representativas del capital variable, o por cualquier otra forma prevista por la ley y/o el Convenio de Accionistas. En todo caso los accionistas existentes tendrán el derecho preferente para suscribir y adquirir las nuevas acciones que hayan de emitirse y ponerse en circulación, en proporción al número de acciones de que sean propietarios, de acuerdo con las siguientes reglas:*

- a) Los accionistas tendrán preferencia en primer lugar para suscribir las acciones que se emitan.*
- b) En caso de que alguno de los accionistas no ejercite esta preferencia, los demás accionistas que sí la hayan ejercitado, tendrán preferencia en segundo lugar para suscribir las acciones que hayan quedado pendientes de suscripción.*
- c) En todos los casos a que se refieren los incisos que anteceden, los accionistas ejercitarán la preferencia dentro de un plazo no menor de quince días hábiles que al efecto señale la asamblea a partir de la publicación del aviso correspondiente en el sistema electrónico establecido por la Secretaría de Economía para tal fin. En tanto no se establezca dicho sistema, la publicación se hará en el periódico oficial del domicilio social.*
- d) En el supuesto de conversión de acciones representativas del capital variable en representativas del capital fijo, la sociedad avisará a los accionistas para que efectúen el canje de sus títulos.*

### **4. Aumento de la porción variable.**

*En los casos de aumento de capital en su porción variable, la asamblea determinará la forma y términos en que deban hacerse las correspondientes emisiones de las acciones que deban representar el aumento acordado. Las acciones emitidas y no suscritas permanecerán en la tesorería de la sociedad. La asamblea podrá delegar en el*

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*Consejo de Administración la facultad de determinar la oportunidad de poner las acciones de tesorería en circulación. Al ponerse en circulación, los accionistas tendrán el derecho preferente de suscripción a que se refiere el inciso 3 precedente y se procederá como ahí se indica.*

**5. Disminución de la porción fija o variable.**

*La disminución del capital en su porción fija o variable mediante reembolso a los accionistas, sólo podrá hacerse mediante el reembolso a todos los accionistas de la proporción que corresponda del monto pagado de las acciones o en el caso de que las acciones no estuvieren totalmente pagadas, mediante liberación del accionista de la obligación de pagar el saldo insoluto, salvo que los accionistas se hubiesen puesto unánimemente de acuerdo acerca de las acciones que habrán de amortizarse o en otro procedimiento.*

**6. Derecho individual de retiro.**

*Los accionistas renuncian al ejercicio del derecho de retiro parcial o total de las aportaciones a que se refieren los artículos 220 y 221 de la Ley General de Sociedades Mercantiles.*

**7. Dilución y conversión a regalía.**

*En caso de que la participación de cualquier accionista en la sociedad sea diluida a menos del 10% del capital social total de la misma, dicho accionista acepta expresamente que la sociedad procederá a adquirir las acciones de que sea titular hasta ese momento el mencionado accionista a cambio del pago de cierta regalía de conversión de conformidad con las disposiciones del Convenio de Accionistas.*

**ARTICULO OCTAVO. CERTIFICADOS PROVISIONALES Y TITULOS DE ACCIONES.**

*Los certificados provisionales y los títulos de acciones deberán reunir los requisitos señalados por los artículos aplicables de la Ley General de Sociedades Mercantiles, el*

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*artículo 13 de la Ley del Mercado de Valores y por estos estatutos, y contendrán el texto del artículo quinto de estos estatutos y serán firmados, en su caso, con firma autógrafa o en facsímil por dos consejeros.*

#### **ARTICULO NOVENO. REGISTRO DE ACCIONES.**

*La sociedad llevará un registro de acciones en que se harán constar todas las operaciones de suscripción, adquisición o transmisión de que sean objeto las acciones que forman parte del capital social, con expresión del titular anterior, fecha de transmisión y los nombres, domicilio y nacionalidad de los cesionarios o adquirentes y los números, serie, clases, en su caso, y demás particularidades de las acciones, con la indicación de las exhibiciones que se efectúen.*

*Este registro será llevado por el Secretario o por el Secretario Suplente del Consejo de Administración, a menos que los accionistas o el Consejo de Administración designen a una persona diferente para ello.*

*Para los efectos del artículo 129 de la Ley General de Sociedades Mercantiles, la sociedad considerará como dueña de las acciones a las personas que aparezcan inscritas en el Registro de acciones de la sociedad.*

#### **ARTICULO DECIMO. CONVOCATORIA A ASAMBLEAS DE ACCIONISTAS.**

##### **1. Convocatoria.**

*Las asambleas de accionistas deberán ser convocadas por acuerdo del Consejo de Administración, o del Presidente del Consejo de Administración, o de cualquier comisario.*

##### **2. Publicación de la convocatoria.**

*La convocatoria será publicada conforme al artículo 186 de la Ley General de Sociedades Mercantiles, cuando menos con 15 (quince) días naturales de anticipación a la fecha de la asamblea. En tanto la Secretaría de Economía implementa el sistema*



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*electrónico al que se refiere dicha disposición, las convocatorias se harán en el periódico oficial del domicilio social.*

### **3. Segunda y subsecuentes convocatorias.**

*Para el caso de que no se obtenga el quórum necesario como consecuencia de una primera convocatoria, deberá publicarse una segunda convocatoria dentro de los 5 (cinco) días naturales siguientes a la fecha señalada para la asamblea que no se pudo celebrar por falta de quórum, citando para asamblea que deberá celebrarse dentro de los 30 (treinta) días naturales siguientes a la fecha de esta nueva convocatoria.*

## **ARTICULO DECIMO PRIMERO. ASAMBLEAS ORDINARIAS.**

### **1. Asuntos.**

*Serán asambleas ordinarias las que se reúnan para tratar asuntos que no competen a las asambleas extraordinarias conforme a la Ley General de Sociedades Mercantiles y a estos estatutos.*

### **2. Quórum en primera convocatoria.**

*Para celebrar una asamblea general ordinaria de accionistas como consecuencia de una primera convocatoria, deberá estar representado por lo menos el 51% (cincuenta y uno por ciento) del capital social.*

### **3. Quórum en segunda convocatoria.**

*Se podrá celebrar asamblea general ordinaria de accionistas como consecuencia de segunda convocatoria cualquiera que sea el número de acciones representadas.*

#### **4. Adopción de resoluciones.**

*Para la adopción de resoluciones en las asambleas generales ordinarias de accionistas, se requerirá el voto afirmativo de por lo menos una mayoría de las acciones representadas en ella.*

#### **5. Adopción de resoluciones tomadas fuera de asamblea.**

*Para la adopción de resoluciones tomadas fuera de asamblea ordinaria, se requerirá el voto unánime de los accionistas que representen la totalidad de las acciones con derecho de voto o de la categoría especial de acciones de que se trate, en su caso, y tendrán, para todos los efectos legales, la misma validez que si hubieren sido adoptadas reunidos en asamblea general o especial, respectivamente siempre que se confirmen por escrito.*

#### **6. Representación de los accionistas.**

*Los accionistas de la sociedad podrán hacerse representar en las asambleas generales ordinarias de accionistas y en las resoluciones tomadas fuera de asamblea ordinaria mediante simple carta poder firmada por dichos accionistas ante dos testigos, sin necesidad de que dicha carta poder esté otorgada ante notario público, apostillada o legalizada.*

#### **7. Actas y resoluciones.**

*Las actas de las asambleas generales ordinarias de accionistas y las resoluciones adoptadas fuera de asamblea general ordinaria de accionistas deberán ser transcritas al libro de actas de asamblea de la sociedad y firmadas por el Presidente y el Secretario de la asamblea en el primer caso y por los accionistas o sus representantes en el segundo caso. En caso de que dichas actas o resoluciones consten en pliego suelto y sean firmadas así, el Secretario o el Secretario Suplente del Consejo de Administración deberá transcribirlas al libro de actas de asamblea y asentar la respectiva certificación.*

**ARTICULO DECIMO SEGUNDO. ASAMBLEAS EXTRAORDINARIAS.****1. Asuntos.**

*En los términos del artículo 182 de la Ley General de Sociedades Mercantiles serán asambleas extraordinarias las que se reúnan para tratar los asuntos comprendidos en las fracciones I a XII de dicho artículo, y los asuntos especiales que se especifican en la sección tercera de la presente cláusula, de conformidad con el Convenio de Accionistas.*

**2. Quórum.**

*Para considerar legalmente instalada una asamblea general extraordinaria en primera convocatoria, deberán estar representadas por lo menos el 75% (setenta y cinco por ciento) de las acciones emitidas y en circulación, y en segunda o ulterior convocatoria deberán estar representadas cuando menos el 50% (cincuenta por ciento) de las acciones emitidas y en circulación.*

**3. Adopción de resoluciones.**

*Para la adopción de resoluciones en las asambleas generales extraordinarias de accionistas se requerirá el voto afirmativo de por lo menos el 50% (cincuenta por ciento) de las acciones emitidas y en circulación, salvo en los siguientes asuntos en que se requerirá el voto unánime afirmativo ya sea de todos los miembros del Consejo de Administración o de la totalidad de los accionistas de la sociedad, según corresponda, de acuerdo a lo establecido en el Convenio de Accionistas:*

- a) Llevar a cabo cualquier actividad que no sea relacionada con la exploración y explotación minera según se especifica en el Convenio de Accionistas.*
- b) Obtener préstamos para propósitos distintos al desarrollo de las actividades de exploración y explotación minera según se especifica en el Convenio de Accionistas.*
- c) Emisión de acciones a un tercero que no sea ya un accionista.*

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*d) Liquidar, amalgamar o llevar a cabo una fusión o escisión de la sociedad o cualquier operación similar.*

*e) Vender o disponer de todos o substancialmente todos los activos de la sociedad.*

#### ***4. Adopción de resoluciones tomadas fuera de asamblea extraordinaria.***

*Para la adopción de resoluciones tomadas fuera de asamblea extraordinaria, se requerirá el voto unánime de los accionistas que representen la totalidad de las acciones con derecho de voto o de la categoría especial de acciones de que se trate, en su caso, y tendrán, para todos los efectos legales, la misma validez que si hubieren sido adoptadas reunidos en asamblea general o especial, respectivamente, siempre que se confirmen por escrito.*

#### ***5. Representación de los accionistas.***

*Los accionistas de la sociedad podrán hacerse representar en las asambleas generales extraordinarias de accionistas y en las resoluciones tomadas fuera de asamblea extraordinaria mediante simple carta poder firmada por dichos accionistas ante dos testigos, sin necesidad de que dicha carta poder esté otorgada ante notario público, apostillada o legalizada.*

#### ***6. Actas y resoluciones.***

*Las actas de las asambleas generales extraordinarias de accionistas y las resoluciones adoptadas fuera de asamblea general extraordinaria de accionistas deberán ser transcritas al libro de actas de asamblea de la sociedad y firmadas por el Presidente y el Secretario de la asamblea en el primer caso y por los accionistas o sus representantes en el segundo caso. En caso de que dichas actas o resoluciones consten en pliego suelto y sean firmadas así, el Secretario o el Secretario Suplente del Consejo de Administración deberá transcribirlas al libro de actas de asamblea y asentar la respectiva certificación.*

**ARTICULO DECIMO TERCERO. ADMINISTRACION DE LA SOCIEDAD.****1. Forma.**

*La dirección y administración de la sociedad estará a cargo de un Consejo de Administración, cuyos miembros podrán ser personas extrañas a la sociedad.*

**2. Integración del Consejo de Administración.**

*El Consejo de Administración se compondrá por el número de miembros propietarios que para cada ejercicio determine la asamblea, de conformidad con las disposiciones contenidas en el Convenio de Accionistas.*

**3. Nombramiento de suplentes.**

*Podrán nombrarse suplentes hasta por un número igual al de los propietarios. La asamblea determinará cuándo deberán entrar en funciones.*

**4. Presidente y Secretario.**

*Si la asamblea no lo hace, el Consejo de Administración nombrará de entre sus miembros a un Presidente, a un Secretario así como a un Secretario Suplente, quienes podrán ser o no consejeros.*

**5. Sesiones del Consejo de Administración.**

*El Consejo de Administración podrá reunirse en cualquier lugar de México o del extranjero a donde sea legal y oportunamente citado. El Consejo podrá reunirse cuantas veces lo juzguen necesario o conveniente el Presidente, Secretario o Secretario Suplente del Consejo de Administración, cualesquiera dos consejeros propietarios o suplentes o cualquier comisario.*

#### **6. Convocatorias para las sesiones del Consejo de Administración.**

- a) *Los consejeros propietarios y, en su caso, los suplentes, así como el (los) comisario(s) propietario(s) y en su caso, suplente(s), serán convocados a las sesiones del Consejo de Administración por el Secretario o el Secretario Suplente del mismo con cuando menos 15 (quince) días naturales de anticipación a la fecha de la sesión. La convocatoria indicará el día, la hora y lugar donde se celebrará la sesión.*
- b) *Los consejeros y comisario(s) serán convocados personalmente con acuse de recibo, por telegrama o fax confirmados por carta enviada por correo certificado o por servicio de mensajería.*
- c) *Las convocatorias se enviarán a la última dirección que dichos destinatarios hayan registrado con el Secretario o con el Secretario Suplente del Consejo.*
- d) *Podrán celebrarse sesiones sin que medie convocatoria con los requisitos indicados cuando todos los consejeros estén presentes.*

#### **ARTICULO DECIMO CUARTO FACULTADES DEL CONSEJO DE ADMINISTRACION.**

*El Consejo de Administración tendrá a su cargo la administración y dirección de los negocios de la sociedad. Por lo tanto, podrá realizar cuantos actos y operaciones sean conducentes para lograr el objeto social, salvo aquellos que por ley o por disposición de estos estatutos estén reservados exclusivamente a la asamblea de accionistas. Podrá representar a la sociedad ante toda clase de autoridades judiciales, civiles y penales, laborales o administrativas, ya sean federales, estatales o municipales. Para llevar a cabo lo anterior, estará investido de los más amplios poderes, tales como los que de manera enunciativa y no limitativa se mencionan a continuación:*

1. **Pleitos y cobranzas.** *Poder general para pleitos y cobranzas, sin limitación alguna, incluyendo todas las facultades generales y las especiales que conforme a la ley requieran cláusula especial en los términos del primer párrafo del artículo 2554 del Código Civil Federal y sus correlativos de los Estados de la República y*

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*del Distrito Federal, entre ellas aquellas a las que se refiere el artículo 2587 de dicho Código, y la de desistirse del juicio de amparo, la de denunciar hechos delictuosos y presentar querellas y desistirse de ellas, constituirse en coadyuvante del Ministerio Público y otorgar el perdón legal.*

2. *Actos de administración. Poder general para actos de administración en los términos del segundo párrafo del citado artículo 2554.*
3. *Actos de dominio. Poder general para actos de dominio en los términos del tercer párrafo del citado artículo 2554.*
4. *Títulos de crédito. Poder para suscribir y otorgar títulos y operaciones de crédito en los términos del artículo 9 de la Ley General de Títulos y Operaciones de Crédito.*
5. *Sustitución. Facultad para otorgar poderes generales y especiales y revocar unos y otros, incluyendo la facultad de conferir a terceros la presente facultad de sustitución.*
6. *Nombramiento de funcionarios. Para nombrar directores, gerentes, auditor externo de la sociedad, otros funcionarios y comités que juzgue conveniente y determinar sus funciones y facultades, así como revocar libremente las designaciones, delegaciones y poderes que hubiere conferido.*
7. *Limitaciones. Ningún miembro del Consejo de Administración podrá ejercer separadamente los poderes mencionados, salvo autorización del propio Consejo o de la asamblea de accionistas.*

#### **ARTICULO DECIMO QUINTO. SESIONES DEL CONSEJO DE ADMINISTRACION.**

##### **1. Quórum.**

*Para celebrar sesión del Consejo de Administración se requerirá que estén presentes por lo menos la mayoría de los consejeros.*

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## **2. Adopción de resoluciones.**

*Para la adopción de cualquier resolución se requerirá el voto afirmativo de la mayoría de los miembros presentes, salvo en los siguientes asuntos en que se requerirá el voto unánime afirmativo ya sea de todos los miembros del Consejo de Administración o de la totalidad de los accionistas de la sociedad, según corresponda, de acuerdo a lo establecido en el Convenio de Accionistas: [NOTA: ADECUAR AL CONVENIO DE QUE SE TRATE]*

- a) Llevar a cabo cualquier actividad que no sea relacionada con la exploración y explotación minera según se especifica en el Convenio de Accionistas*
- b) Obtener préstamos para propósitos distintos al desarrollo de las actividades de exploración y explotación minera según se especifica en el Convenio de Accionistas.*
- c) Emisión de acciones a un tercero que no sea ya un accionista.*
- d) Liquidar, amalgamar o llevar a cabo una fusión o escisión de la sociedad o cualquier operación similar.*
- e) Vender o disponer de todos o substancialmente todos los activos de la sociedad.*

## **3. Resoluciones adoptadas fuera de sesión.**

*Las resoluciones tomadas fuera de sesión del Consejo de Administración por unanimidad de sus miembros tendrán, para todos los efectos legales, la misma validez que si hubieren sido adoptadas en sesión de consejo, siempre que se confirmen por escrito.*

## **4. Actas.**

*Las actas de las sesiones del Consejo de Administración serán firmadas, por lo menos, por el presidente y el secretario de la sesión que se trate.*



**ARTICULO DECIMO SEXTO. VIGILANCIA DE LA SOCIEDAD.**

*La vigilancia de la sociedad podrá confiarse a uno o más comisarios propietarios o sus respectivos suplentes, según lo determine la asamblea de accionistas.*

**ARTICULO DECIMO SEPTIMO. EJERCICIO SOCIAL.****1. Duración del ejercicio social.**

*El ejercicio social correrá del primero de enero al treinta y uno de diciembre de cada año.*

**2. Informe financiero.**

*Anualmente se formulará en los términos de ley un informe financiero que deberá quedar concluido dentro de los tres (3) meses siguientes a la clausura de cada ejercicio social. El Consejo de Administración lo entregará al (los) Comisario(s) por lo menos con treinta días de anticipación a la fecha de celebración de la asamblea general ordinaria de accionistas que haya de discutirlo.*

**3. Dictamen del (los) Comisario(s).**

*El (los) Comisario(s), dentro de los quince (15) días naturales siguientes a la fecha en que haya recibido el informe, formulará un dictamen con las observaciones que contendrán los puntos a que se refiere el artículo 166 de la Ley General de Sociedades Mercantiles. El informe financiero y el dictamen del Comisario quedarán en poder del Consejo de Administración para que puedan ser examinados por los accionistas.*

**ARTICULO DECIMO OCTAVO. UTILIDADES Y DIVIDENDOS.**

*Las utilidades que anualmente obtenga la sociedad conforme al balance general que debe formularse al fin de cada ejercicio social y que haya sido aprobado por la asamblea ordinaria de accionistas, se aplicarán a los fines que disponga la propia asamblea después de efectuar las separaciones necesarias para la creación o aumento del*

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*fondo de reserva legal, hasta que éste alcance, por lo menos, la quinta parte del capital social. Los dividendos que la asamblea decreta y resuelva pagar anualmente a los accionistas, en su caso, deberá llevarse a cabo de conformidad con las disposiciones del Convenio de Accionistas.*

#### **ARTICULO DECIMO NOVENO. DISOLUCION Y LIQUIDACION DE LA SOCIEDAD.**

*La sociedad se disolverá en los casos enumerados en el artículo 229 de la Ley General de Sociedades Mercantiles. La liquidación de la sociedad deberá sujetarse a lo dispuesto por el capítulo XI de la Ley General de Sociedades Mercantiles, y a lo que disponga la asamblea general extraordinaria de accionistas que acuerde la disolución.*

#### **ARTICULO VIGESIMO. FACULTADES DE LOS LIQUIDADORES.**

*Durante la liquidación de la sociedad, el o los liquidadores tendrán la misma autoridad y obligaciones que los miembros del Consejo de Administración y funcionarios durante la existencia normal de la sociedad. El Comisario o Comisarios continuarán en funciones.*

#### **ARTICULO VIGESIMO PRIMERO. DISCREPANCIAS**

*En caso de conflicto o discrepancia entre estos estatutos y el Convenio de Accionistas, prevalecerá el Convenio de Accionistas."*

## BYLAWS

### **"ARTICLE FIRST. NAME.**

*The company shall be called "\_\_\_\_\_". This name shall be followed by the words "Sociedad Anónima Promotora de Inversión de Capital Variable" (variable capital investment promotion stock company) or the abbreviation thereof: "S.A.P.I. de C.V."*

### **ARTICLE SECOND. PURPOSE.**

*The purpose of the company shall be involvement in the mining-metallurgy industry in general, and therefore it shall have the capacity to perform any relevant act to realize this purpose, such as:*

- 1. Acquire mining concessions for exploration and exploitation or contractual rights for the exploration and exploitation of any ores, as well as sell, encumber or in any other manner dispose of such concessions and rights.*
- 2. Acquire, install and operate mineral processing plants and ancillary installations.*
- 3. The exploitation of dumps, tailings, slag dumps, etc.*
- 4. The importation, exportation, marketing and industrialization of all classes of ores and substances derived therefrom.*
- 5. Construction, purchase or use by whatever legal title, of the lands and buildings necessary for the above purposes, encumber, lease or transfer them, as well as create real rights on them and acquire all class of real rights on real estate.*
- 6. Purchase or lease of machinery, equipment and the other elements required for realization of the specified purposes.*
- 7. Rendering technical, advisory and administrative services related to its purpose.*
- 8. Issue, subscribe, accept, negotiate and carry out operations with all kinds of negotiable instruments.*
- 9. Acquire and dispose by any legal title of all kinds of shares or participations in other companies or partnerships, whether mercantile or civil.*

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10. *The grant of real or personal guarantees in favor of third parties and obligate itself jointly with them as long as they are related to the corporate purpose, as well as contracting credit lines or financing with national or foreign institutions and furnishing and receiving secured and unsecured loans.*
11. *Obtain and exploit all types of industrial and intellectual property rights and copyrights as well as representations of national and foreign companies.*
12. *Enter into all kinds of agreements for the attainment of its corporate object, including individual and collective bargaining labor agreements.*
13. *In general, execution of all acts and agreements necessary for or relative to attaining the mentioned purposes.*

#### **ARTICLE THIRD. DURATION.**

*The duration of the company shall be indefinite.*

#### **ARTICLE FOURTH. DOMICILE.**

*The domicile of the company shall be Mexico, Federal District. The company may set up offices, agencies or branches anywhere in Mexico or abroad and covenant contractual domiciles in order to perform its obligations.*

#### **ARTICLE FIFTH. FOREIGN SHAREHOLDERS.**

*The company is of Mexican nationality. The present or future foreign shareholders of the company formally agree with the Foreign Affairs Ministry to be considered as Mexicans with respect to the shares of the company that they acquire or hold as well as the property rights, concessions, participations, or interests owned by the company or to the rights and obligations derived from the agreements to which the company is a party with Mexican authorities and not to invoke the protection of their Governments, under the penalty, for failure to comply with same, of forfeiting the capital interests they have acquired in favor of the Mexican Nation.*

#### **ARTICLE SIXTH. CAPITAL STOCK AND SHARES.**

*The capital stock shall be variable. The variable part of the capital shall be unlimited. The capital shall be represented by ordinary, nominative shares with no par value, which may be subscribed freely by all persons legally entitled for that purpose.*

*The minimum, fixed, nonwithdrawable capital shall be \$50,000.00 (fifty thousand pesos), represented by 50,000 ordinary, nominative, without par value shares.*

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*The variable portion of the capital stock shall have no limit. The variable portion of the capital stock shall be represented by ordinary, nominative, without par value shares.*

*The shares of the company may not be divided and shall be represented by share certificates or provisional certificates that represent one or more shares.*

*The general extraordinary shareholder's meeting may resolve to issue different types of shares with the specifications it deems convenient, according to the applicable provisions of the General Law for Mercantile Corporations.*

*All the shares shall confer the same rights.*

*Except for the provisions specifically included in these by-laws, no shareholder may directly or indirectly sell, transfer, donate, assign, pledge or encumber (hereinafter, any of such acts referred to as "Transfer"), their shares or rights derived from the same unless (a) such Transfer is not prohibited in any way by these by-laws and is carried out in conformity with the applicable provisions of the same and of certain shareholders' agreement dated \_\_\_\_\_, 201\_\_\_\_, entered into by \_\_\_\_\_, and the company (the "Shareholders' Agreement"), (b) the proposed purchaser, unless he is already a shareholder, agrees in writing to be part of the Shareholders' Agreement and of these by-laws and (c) such Transfer does not result in any shareholder holding less than 10% of the total capital stock of the company. In case any shareholder carries out a Transfer of his shares (or the rights derived from the same) in contravention of the Shareholders' Agreement and/or these by-laws, such Transfer shall be null and have no legal effect, shall not be registered by the company in its books, nor have any effect for any purpose.*

## **ARTICLE SEVENTH. CAPITAL STOCK INCREASE AND DECREASE, DILUTION.**

### **1. General Rules for the Fixed Portion.**

*The fixed portion of the company's capital may be increased or reduced by resolution of the extraordinary general shareholders meeting through modification of Article Sixth of these by-laws, in accordance with that stipulated by the General Corporation Law and the Shareholders' Agreement.*

### **2. General Rules for the Variable Part.**

*The variable part of the capital may be increased over the amount of the fixed capital without limit, or later be diminished to such amount by resolution of the extraordinary shareholders' meeting with no further formalities than those established in Chapter VIII of the General Corporation Law and the Shareholders' Agreement.*

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### **3. Increase of the Fixed Portion.**

*The fixed portion of the capital may be increased through contributions by the partners or by third parties, by capitalization of profits, surpluses or reserves, the conversion of part or all the shares representing the variable capital, or by any other way provided by law and/or the Shareholders' Agreement. The existing shareholders shall in all cases have the right of first refusal to subscribe and acquire the new shares to be issued and put into circulation in proportion to the number of shares they own, in accordance with the following rules:*

- a) The shareholders shall have the right of first refusal to subscribe the shares which are issued.*
- b) If any of the shareholders do not exercise their right of first refusal, the other shareholders who have exercised it shall have the second right to subscribe the pending shares.*
- c) In all the cases of the preceding subsections, the shareholders shall exercise the right to first subscribe within a term not less than fifteen calendar days specified by the shareholders meeting as from the publication of the corresponding notice in the electronic system established by the Ministry of the Economy for such purpose. Until such system is established, the publication will be made in the official newspaper of the corporate domicile.*
- d) When shares representing the variable capital are converted to shares representing fixed capital, the company shall notify the shareholders to exchange their titles.*

### **4. Increase to the Variable Portion.**

*When the variable portion of the capital is increased, the Shareholders' Meeting shall decide on the form and terms to govern the corresponding issues of shares that will represent the increase decreed. Shares issued and not subscribed shall remain in the company's treasury. The Shareholders' Meeting may delegate the power to determine the opportunity for putting the treasury shares into circulation in the Board of Directors. When they are put into circulation, the shareholders shall enjoy the right of first refusal established in section 3 above and that specified therein shall be observed.*

### **5. Decrease of the Fixed or Variable Portion.**

*The decrease of the fixed or variable portion of the capital by reimbursement to the shareholders, may only be made by reimbursing to all the shareholders the corresponding proportion of the amount paid on the shares, or if the shares have not been completely paid, by releasing the shareholder from the obligation to pay the outstanding balance,*

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*unless the shareholders have come to a unanimous agreement regarding the shares to be redeemed.*

**6. Right of Withdrawal.**

*Shareholders waive exercising the right referred to in Articles 220 and 221 of the General Corporation Law to totally or partially withdraw contributions.*

**7. Dilution and conversion to royalty.**

*In case that the interest of any shareholder in the company is diluted to less than 10% of the total capital stock of the same, such shareholder expressly accepts that the company shall acquire the shares owned by such shareholder to that moment in exchange for the payment of a certain conversion royalty according to the provisions of the Shareholders' Agreement.*

**ARTICLE EIGHT. PROVISIONAL CERTIFICATES AND STOCK CERTIFICATES.**

*The provisional certificates and the stock titles shall meet the requirements exacted by the applicable articles of the General Corporation Law, article 13 of the Securities Exchange Law and these by-laws and they shall also contain the text of Article Fifth of these by-laws, and shall be signed with an autograph signature or in facsimile, whichever is the case, by two board members.*

**ARTICLE NINTH. STOCK REGISTER.**

*The company shall keep a stock register evidencing all the subscription, purchase or transfer operations involving the shares which form part of the capital stock and stating the name of the previous owner and the name, address and nationality of the assignees or purchasers, as well as the number, series, classes (if any) and other pertinent data thereof, and whether the shares have been totally or partially paid.*

*This stock register shall be kept by the Secretary or by the Assistant Secretary of the Board of Directors, unless the shareholders or the Board of Directors designates another person to keep such register.*

*To the effect of article 129 of the General Corporation Law, the company shall consider as owner of the shares the persons that are registered in the stock register of the company.*

**ARTICLE TENTH. NOTICE FOR SHAREHOLDERS MEETINGS.****1. Notice.**

*Shareholders meetings shall be called by the resolution of the Board of Directors or the Chairman of the Board of Directors or any Examiner.*

**2. Publication of Notice.**

*The notice shall be published as provided in article 186 of the General Law of Mercantile Corporations at least 15 (fifteen) days in advance of the date of the meeting. Until the Ministry of the Economy implements the electronic system referred to in such article, the calls will be made in the official newspaper of the corporate domicile.*

**3. First and subsequent notice.**

*If the quorum required as a consequence of a first notice is not obtained, a subsequent notice shall be published within 5 (five) calendar days following the date specified for the meeting not held due to the lack of a quorum, summoning a meeting to be held within 30 (thirty) calendar days following the date of this new notice.*

**ARTICLE ELEVENTH. ORDINARY MEETINGS.****1. Matters.**

*Ordinary meetings shall be those which gather to deal with business for which extraordinary meetings are not competent according to the Law and these by-laws.*

**2. Quorum on first notice.**

*At least 51% (fifty one percent) of the capital stock shall be represented in order to hold an ordinary general shareholders meeting pursuant to a first notice.*

**3. Quorum on subsequent notices.**

*An ordinary general shareholders meeting may be held consequent to a subsequent notice regardless of the number of shares represented.*

**4. Adoption of Resolutions.**

*Resolutions in ordinary general shareholders meetings shall be adopted by the affirmative vote of at least a majority of the shares therein represented.*



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**5. Resolutions taken outside of an ordinary meeting.**

*For the adoption of resolutions taken outside of an ordinary shareholders' meeting, the unanimous vote of the shareholders that represent all of the voting shares or those of the special class in question, if any, shall have for all legal purposes, the same validity as if they had been taken in a general or special shareholders' meeting, and long as they are confirmed in writing.*

**6. Representation of the shareholders.**

*The shareholders of the company may be represented in the ordinary shareholders' meeting and in the shareholders' resolutions adopted outside of an ordinary shareholders' meeting by simple proxy signed by such shareholders before two witnesses, without the need of such proxy being granted before a notary public, apostilled or legalized.*

**7. Minutes and resolutions.**

*The minutes of the ordinary shareholders' meeting and the shareholders' resolutions adopted outside the ordinary shareholders' meeting shall be transcribed to the shareholders' meeting minutes book of the company and signed by the President and Secretary of the meeting in the first case and by the shareholders or their representatives in the second case. In case that such minutes or resolutions are contained in a separate document and signed that way, the Secretary or Assistant Secretary of the Board of Directors shall transcribe them to the shareholders' meeting minutes book and include the respective certification.*

**ARTICLE TWELFTH. EXTRAORDINARY MEETINGS.**

**1. Matters.**

*Pursuant to Article 182 of the General Corporation Law, extraordinary meetings shall be those which gather to deal with business included in Sections I to XII of said Article, and the matters described in section third of this clause, according to the provisions of the Shareholders' Agreement.*

**2. Quorum.**

*In order for an extraordinary general meeting to be considered legally convened on a first notice at least 75% (seventy five percent) of the shares issued and in circulation shall be represented, and on second or subsequent notice at least 50% (fifty percent) of the shares issued and in circulation shall be represented.*

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### **3. Adoption of Resolutions.**

*Resolutions shall be adopted in extraordinary general shareholders meeting by the affirmative vote of at least 50% (fifty percent) of the capital stock, except for the following issues which shall require the unanimous affirmative vote of either all the members of the Board of Directors or the totality of the shareholders of the company, as applicable, as provided in the Shareholders' Agreement: [NTD: ADAPT AS PER APPLICABLE AGREEMENT]*

- a) Conduct any business other than the exploration and mining exploitation specified in the Shareholders' Agreement.*
- b) Obtain loans for purposes other than the carrying out of exploration and mining exploitation as specified in the Shareholders' Agreement.*
- c) Issuance of shares to a third party who is not already a shareholder.*
- d) Liquidate, amalgamate or undertake a merger or split of the company or similar transaction.*
- e) Sell or dispose of all or substantially all of the assets of the company.*

### **4. Resolutions taken outside of an extraordinary meeting.**

*For the adoption of resolutions taken outside of an extraordinary shareholders' meeting, the unanimous vote of the shareholders that represent all of the voting shares or those of the special class in question, if any, shall have for all legal purposes, the same validity as if they had been taken in a general or special shareholders' meeting, as long as they are confirmed in writing.*

### **5. Representation of the shareholders.**

*The shareholders of the company may be represented in the extraordinary shareholders' meeting and in the shareholders' resolutions adopted outside of an extraordinary shareholders' meeting by simple proxy signed by such shareholders before two witnesses, without the need of such proxy being granted before a notary public, apostilled or legalized.*

### **6. Minutes and resolutions.**

*The minutes of the extraordinary shareholder's meeting and the shareholders' resolutions adopted outside the extraordinary shareholders' meeting shall be transcribed to the shareholders' meeting minutes book of the company and signed by the President and Secretary of the meeting in the first case and by the shareholders or their representatives in the second case. In case that such minutes or resolutions are contained in a separate*

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*document and signed that way, the Secretary or Assistant Secretary of the Board of Directors shall transcribe them to the shareholders' meeting minutes book and include the respective certification.*

**ARTICLE THIRTEENTH. ADMINISTRATION OF THE CORPORATION.**

**1. Form.**

*The management and administration of the company shall be the responsibility of a Board of Directors, and the members of the Board may be persons outside the company.*

**2. Integration of the Board of Directors.**

*The Board of Directors shall be composed by the number of proprietary members decided by the Meeting for each business year, according to the provisions of the Shareholders' Agreement.*

**3. Appointment of Alternates.**

*A number of alternates equal to that of the proprietary members may be appointed. The Meeting shall decide when they shall perform their duties.*

**4. Chairman and Secretary.**

*If the meeting does not do it, the Board of Directors shall designate from among its members a Chairman, a Secretary and an Assistant Secretary. The Secretary and the Assistant Secretary may or not be members of the Board.*

**5. Meetings of the Board of Directors.**

*The Board of Directors may meet anywhere in Mexico or abroad to which they are legally and opportunely summoned. The Board may meet as often as its Chairman, Secretary or Assistant Secretary consider necessary or advisable, or when at least two proprietary or alternate board members so request in writing.*

**6. Notice for meetings of the Board of Directors.**

*a) The proprietary board members and, as the case may be, the alternates, as well as the Examiner(s) and, as the case may be, the alternate Examiner(s), shall be summoned to meetings of the Board by the Secretary or Assistant Secretary of the same at least 15 (fifteen) days in advance of the date set for the meeting. The notice shall specify the day, time and place of the meeting.*

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*b) The Board members and the Examiner(s) shall be summoned personally, or by telegram or fax, in both cases with confirmation by certified mail or by courier service required.*

*c) The notice shall be sent to the last address registered by the addressees with the Secretary or Assistant Secretary of the Board.*

*d) Meetings may be held without a call with the specified requirements when all board members are present and waive the notice.*

#### **ARTICLE FOURTEENTH. POWERS OF THE BOARD OF DIRECTORS.**

*The Board of Directors shall have under its responsibility the administration and direction of the corporate business. Therefore it may perform as many acts and operations as are pertinent to the achievement of the corporate purpose with the exception of those reserved exclusively by law or these by-laws for the shareholders' meeting; it may thus represent the company before private persons and before all kinds of Federal, State or Municipal judicial, civil, criminal, labor or administrative authorities. For these purposes, it shall be vested with the most ample general powers of attorney mentioned below:*

##### **1. Lawsuits and Collections.**

*General power for lawsuits and collections without restriction, pursuant to the first paragraph of Article 2554 of the Civil Code for the Federal District and its equivalent article in the Civil Codes of the States of the Republic of Mexico, including the special powers that by law require a special clause, among them, those established in Article 2587 of said Code, the power to desist from the "amparo" proceeding, to denounce criminal acts and file charges and desist therefrom, to assist the District Attorney ("Ministerio Público") and to grant legal pardon.*

##### **2. Acts of Administration.**

*General power for acts of administration, in the terms of the second paragraph of Article 2554 of the Civil Code for the Federal District and its equivalent article in the Civil Codes of the States of the Republic of Mexico.*

##### **3. Acts of Ownership.**

*General power for acts of ownership, in the terms of the third paragraph of Article 2554 of the Civil Code for the Federal District and its equivalent article in the Civil Codes of the States of the Republic of Mexico.*

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**4. Negotiable Instruments.**

*Power to subscribe and grant negotiable instruments of any nature in the terms of Article 9 of the General Law on Credit Titles and Operations.*

**5. Substitution.**

*Powers to grant, substitute and revoke general and special powers of attorney, including the power to grant to third parties the power of attorney of substitution.*

**6. Appointment of officers.**

*To appoint the officers, managers, external auditor(s), other agents and committees it considers advisable and decide their functions and powers as well as freely revoke such designations, delegations and powers of attorney it has conferred.*

**7. Limitations.**

*No member of the Board of Directors may exercise the above mentioned powers of attorney separately except with the express written authorization from the general shareholders' meeting or from the Board of Directors, as the case may be.*

**ARTICLE FIFTEENTH. MEETINGS OF THE BOARD OF DIRECTORS.**

**1. Quorum.**

*In order for a meeting of the Board of Directors to be held at least the majority of the Board members shall be present.*

**2. Adoption of resolutions.**

*Resolutions shall be adopted by the affirmative vote of the majority of the members present, except for the following issues which shall require the unanimous affirmative vote of either all the members of the Board of Directors or the totality of the shareholders of the company, as applicable, as provided in the Shareholders' Agreement:*

- a) Conduct any business other than the exploration and mining exploitation specified in the Shareholders' Agreement.*
- b) Obtain loans for purposes other than the carrying out of exploration and mining exploitation as specified in the Shareholders' Agreement.*
- c) Issuance of shares to a third party who is not already a shareholder.*

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d) *Liquidate, amalgamate or undertake a merger or split of the company or similar transaction.*

e) *Sell or dispose of all or substantially all of the assets of the company.*

**3. Resolutions taken outside of a meeting.**

*Resolutions taken outside of a board of directors' meeting by the unanimous decision of all directors shall have for all legal purposes, the same validity as if they had been taken in a meeting of the Board of Directors, as long as they are confirmed in writing.*

**4. Minutes.**

*The minutes of the meetings of the Board of Directors shall be signed at least by the Chairman and the Secretary of the Board.*

**ARTICLE SIXTEENTH. SURVEILLANCE OF THE COMPANY.**

*Surveillance of the company shall be entrusted to one or more proprietary Examiner(s) and their respective alternates, as determined by the shareholders meeting.*

**ARTICLE SEVENTEENTH. CORPORATE YEAR.**

**1. Corporate year.**

*The corporate year shall run from January first to December thirty first of each year.*

**2. Financial Report.**

*A financial report shall be drawn up annually in the terms of law, which shall be completed within the 3 (three) months following the close of each corporate year. The Board of Directors shall deliver it to the Examiner(s) at least 30 (thirty) days in advance of the date of the ordinary general shareholders meeting which will discuss it.*

**3. Examiner's Certification.**

*Within 15 (fifteen) calendar days from the date he has received the report, the Examiner shall draw up a certification with the observations containing the points referred to in Article 166 of the General Corporation Law. The financial report and the Examiner's certification shall remain in the possession of the Board of Directors to be examined by the shareholders.*

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#### **ARTICLE EIGHTEENTH. PROFITS AND DIVIDENDS.**

*The profits obtained annually by the company according to the general balance sheet which shall be drawn up at the end of each business year and has been approved by the ordinary shareholders meeting shall be used as ordered by such meeting after setting aside the necessary amounts for tax payments, profit sharing, creation or increase of the legal reserve fund until it reaches at least one-fifth of the capital stock. The dividends that the shareholder's meeting decrees and resolves to annually pay to the shareholders, in its case, shall be carried out according to the provisions of the Shareholders' Agreement.*

#### **ARTICLE NINETEENTH. DISSOLUTION AND LIQUIDATION OF THE COMPANY.**

*The company shall be dissolved in the cases listed in Article 229 of the General Corporation Law. The liquidation of the company shall be subject to that stipulated by chapter XI of the General Corporation Law, and to that ordered by the extraordinary general shareholders meeting which resolves the dissolution.*

#### **ARTICLE TWENTY. POWERS OF LIQUIDATORS.**

*During the company's liquidation, liquidators will have the same authority and obligations as the Directors and officers would enjoy under normal course of business. The Examiner(s) shall remain in office.*

#### **ARTICLE TWENTY FIRST. DISCREPANCIES.**

*In case of conflict or discrepancy between these by laws and the Shareholders Agreement, the Shareholders Agreement shall prevail."*

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This is **SCHEDULE D**  
to the Alacrán Option/Shareholders' Agreement between  
**MINERA TECK, S.A. de C.V., MINERA PIEDRA AZUL, S.A. de C.V.**  
and **AZURE MINERALS LIMITED**  
made as of December 15, 2014

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**SERVICES CONTRACT**

(see following pages)



## SERVICES AGREEMENT

**THIS AGREEMENT** made as of [ date ]

**BETWEEN:**

**[MINERA TECK, S.A. de C.V.]**, a company organized under the laws of Mexico with an office at Nebulosa 3019, Col. Jardines del Bosque, C.P. 44520, Guadalajara, Jalisco, Mexico

**("Teck")**

**AND:**

**[HOLDCO]**, a company organized under the laws of Mexico, with an office at \_\_\_\_\_

**("Holdco")**

**WHEREAS:**

- A. Holdco is a party to an agreement between Teck, Minera Piedra Azul, S.A. de C.V., Azure Minerals Limited and Holdco dated December 15, 2014 (the "**Shareholders' Agreement**"), in respect of the Alacrán property more particularly described in Schedule A (the "**Property**");
- B. In order for it to carry out its obligations under the Shareholders' Agreement Holdco requires certain management, administrative and technical services;
- C. The Shareholders' Agreement contemplated that the largest shareholder of Holdco would provide those services to Holdco under the terms of a service agreement with Holdco; and
- D. Holdco hereby agrees to engage Teck to provide certain contract services as set forth herein.

**NOW THEREFORE THIS AGREEMENT WITNESSES that the parties agree as follows:**

**1. INTERPRETATION**

- 1.1 **Defined Terms** – In this Agreement, unless otherwise defined herein, words and expressions defined in the Shareholders' Agreement are used herein with the same meanings.
- 1.2 **References** – References herein to recitals, parts and sections are, unless otherwise specified, references to the recitals, parts and sections of this Agreement.

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## 2. PROVISIONS RELATING TO MANAGER

- 2.1 **Retention as Manager** – Subject to the provisions governing the resignation and removal of the Manager in §2.5 and §2.6, Holdco hereby retains Teck to act as the manager (“Manager”) until such time as it is replaced as Manager by resolution of the Board of Holdco or it resigns or is removed as contemplated in this Agreement. The Manager shall be responsible for the daily direction of exploration, development and mining activities under Programs and Plans approved under the Shareholders’ Agreement and which it carries out on behalf of Holdco.
- 2.2 **Status of Manager** – The status of the Manager shall be that of an independent contractor.
- 2.3 **Standard of Care** – The Manager will perform its duties and obligations under this Agreement in a prudent, workmanlike and commercially reasonable manner consistent with the generally accepted Canadian and Mexican exploration, development, community relations, health and safety, mining, engineering and processing methods and practice standards, whichever is the higher standard.
- 2.4 **No Warranties** – The Manager does not represent or warrant that the Programs and Plans or any part thereof will achieve the results which were anticipated or projected by Holdco and the Manager shall have no liability to Holdco therefor.
- 2.5 **Voluntary Resignation** – The Manager may voluntarily resign from its duties and obligations hereunder at any time upon 30 days’ prior Notice to Holdco or such shorter period of notice as Holdco may accept.
- 2.6 **Removal of the Manager upon Default** – If the Manager:
- (a) fails to perform in a manner consistent with its duties and responsibilities pursuant to this Agreement; or
  - (b) defaults in performance of a material obligation hereunder; or
  - (c) is adjudged to be bankrupt or insolvent or a receiver is appointed for its business and assets; or
  - (d) ceases to be the single largest Shareholder of Holdco;
- that occurrence shall constitute a default by the Manager. Holdco may at any time after a default give to the Manager a Notice setting forth particulars of the Manager’s default. For any default under §2.6(a) or (b), the Manager will, promptly following receipt of Holdco’s Notice of default, commence to take all such measures required to remedy the default and shall remedy the same within 30 days. If:
- (e) the Manager fails promptly to commence measures to remedy the default and to have remedied the same within the 30-day period; or
  - (f) any circumstance described in §2.6(c) occurs;
- that will constitute grounds for Holdco, upon Notice to the Manager, to immediately remove and terminate Teck’s appointment as Manager.

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- 2.7 **Resignation of Manager** – The Manager may, on at least 30 days' Notice to Holdco and its Shareholders, or such shorter period as Holdco or its Shareholders may accept, resign as Manager. If the Manager resigns or otherwise ceases to be Manager, the Manager shall forthwith deliver to the Operator appointed in accordance with the terms of the Shareholders' Agreement custody of all Programs and Plans, and copies of all data, reports and other information prepared or maintained under this Agreement, as Manager, regarding the Property or the Programs and Plans. Upon such transfer and delivery the Manager shall be released and discharged from all duties and obligations of the Manager hereunder except for the unsatisfied duties and obligations or any liabilities of the Manager and for which the Manager shall, notwithstanding its release and discharge, continue to remain liable.

### 3. **MANAGER'S DUTIES**

- 3.1 **Manager's General Powers, Rights and Duties** – Subject to the terms of the Shareholders' Agreement, the Manager will have full right, power and authority to do, in accordance with the standard of care set forth in §2.3 hereof, everything necessary or desirable in connection with the exploration and development of the Property including, without limiting the generality of the foregoing, the right, authority and duty to, in accordance with the terms of and as approved under, the Shareholders' Agreement:
- (a) create, develop, implement and carry out Programs and Plans, subject to applicable Board approvals;
  - (b) conduct all exploration, including the commissioning and preparation of a Feasibility Study, development, and other activities and operations of Holdco, approved by the Board;
  - (c) make all Costs on behalf of Holdco necessary to carry out the Programs and Plans approved by the Board;
  - (d) obtain and maintain on behalf of Holdco permits, licences, approvals and authorizations;
  - (e) maintain compliance with applicable laws;
  - (f) promptly notify Holdco and the Shareholders of any allegations of a material violation of applicable law relating to the Programs and Plans or the Property of which it receives notice;
  - (g) promptly advise Holdco and the Shareholders of all litigation or prospective litigation to which the Manager may be a party as plaintiff or defendant;
  - (h) acquire, purchase or lease any right, title or interest in any new or additional assets, minerals or other real or personal property as approved by the Board;
  - (i) hire and terminate employees, attorneys, accountants, consultants and other agents of the Manager and/or an affiliate of the Manager, as applicable;
  - (j) have possession of the Property and the right to do work and explore the Property and to incur Costs; provided that each Shareholder will have access to the Property, at its sole cost and risk, at all reasonable times;

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- (k) construct, repair, commission or replace any facility, plant, improvement, road, building, capital improvement or infrastructure as reasonably necessary to carry out approved Programs or Plans;
- (l) keep the Property free and clear from any liens or encumbrances relating to its work on the Property, except such as the Manager is contesting in good faith, and whenever required proceed with diligence to contest and discharge any such lien or charge which is filed;
- (m) provide the Shareholders and Holdco with regular progress reports during periods of active exploration and, by January 15 in each year with an annual summary of the work performed and the results obtained in the 12 months ending on November 30 of the previous calendar year. The annual summary shall include copies of any drill records, assays, maps, plans and all other relevant factual information and materials not previously delivered; the Manager shall, in advance, if reasonably possible notify Holdco of any change in Programs and Plans which the Manager considers material and, if it is not reasonably possible, the Manager shall notify Holdco as soon thereafter as is reasonably possible.
- (n) assume and satisfy all obligations and liabilities under or associated with any concessions, leases, licenses and authorizations in relation to the Property;
- (o) keep the Property free and clear of all liens, charges and encumbrances arising from its operations hereunder (except liens for taxes not yet due, other inchoate liens and liens contested in good faith by Teck) and shall proceed with all diligence to contest and discharge any such lien that is filed;
- (p) keep the Property in good standing by paying all taxes and doing all necessary exploration work and all other acts and things which may be necessary in that regard and, while Teck holds title to the Property, providing Teck documentation and funds in advance of requirements, in order for Teck to file such work and make all necessary payments;
- (q) maintain accounts of its Costs on the Property in accordance with accounting principles generally accepted in the mining industry and in a manner consistent with the accounts it or its ultimate parent corporation maintains for its other joint venture projects; and
- (r) maintain all required accounting and financial records in accordance with generally accepted accounting principles, including applicable international financial reporting standards ("IFRS"). If other than IFRS applies to Holdco, then the accounting and financial records will also be translated into IFRS compliant statements.

**3.2 Obligations of Holdco** – To the extent that it is necessary under applicable laws for Holdco, rather than the Manager, to be the entity which takes certain steps or actions that would otherwise be the obligations of the Manager hereunder (including, but not limited to, the execution or filing of any applications to obtain permits or licences or the taking of any steps to keep the Property free and clear of all liens) Holdco, shall, to the extent necessary and upon reasonable and timely request by the Manager, take such steps or actions in lieu of the Manager; provided that the Manager will nevertheless be

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entitled to the charge contemplated in §4.5 (if any) in respect of any such steps and action so taken by Holdco. If and to the extent that (a) Holdco's failure to perform any of its obligations under this Agreement or Holdco's other default or act of prevention directly causes the Manager to suffer an actual delay to the achievement of the obligations of the Manager under this Agreement, or (b) Holdco's failure directly increases the Manager's costs of performing any of its obligations under this Agreement, then, unless Holdco's failure to perform is caused by the Manager's personnel or the default of or a breach by the Manager of any of its obligations under this Agreement or a matter which is at the risk of the Manager under this Agreement, the Manager will be entitled to an amount accounted for such directly increased costs.

- 3.3 **Emergency Costs** – Notwithstanding §3.2, in case of emergency, the Manager may, in good faith, without the requirement to first obtain Holdco's approval of a Program or Plan, take any action or incur reasonable Costs as it deems necessary to protect life, limb or property, to protect the Property or to comply with law or government regulation. In the case of an emergency, the Manager shall promptly notify Holdco of the Costs, and the Manager shall be reimbursed therefor by Holdco.
- 3.4 **Cost Overruns** – If the forecasted Costs for the relevant Program or Plan exceed or are expected to exceed the approved Program or Plan then the Manager will promptly notify Holdco. Unless otherwise determined or authorized by the unanimous approval of the Board of Holdco, if the Manager exceeds forecast Costs (or re-forecast of Costs, as the case may be) by more than 10%, then the amount of the Program or Plan overrun up to and including the 10% shall be borne by the Shareholders in proportion to their Shareholding Interest and the excess over 10% shall be for the sole account of the Manager.
- 3.5 **Reports of Costs** – The Manager shall deliver to the Shareholders of Holdco a detailed breakdown of all Costs incurred by the Manager at such times and in such form as the Shareholders may reasonably require. The Manager shall also permit the Shareholders to inspect and take copies from any or all of the books and records of accounts maintained or caused to be maintained by the Manager pursuant hereto during normal business hours and to undertake periodic audits thereof in accordance with the terms of the Shareholders' Agreement.
- 3.6 **Programs and Plans, and Technical Meetings** – The Manager shall prepare and submit to the Technical Committee draft Programs and Plans, and amendments to draft Programs and Plans in accordance with the terms of the Shareholders' Agreement.
4. **MATERIALS, SUPPLIES, EQUIPMENT AND SUBCONTRACTORS**
- 4.1 **Materials, Supplies and Equipment** – The Manager may purchase or rent such materials, supplies and equipment at commercially competitive rates, as it considers reasonably necessary for the Program or Plan.
- 4.2 **Subcontractors** – Subject to §7 and this §4, the Manager may employ, engage and retain such subcontractors as the Manager determines are necessary or advisable to implement, manage and conduct the Programs and Plans.
- 4.3 **Contracting Party** – The Manager or any subcontractor engaged by the Manager from time to time in accordance with §4.2 will contract for the supply of material, supplies, equipment and services; provided however, that Holdco reserves the right to contract

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directly with suppliers of material, supplies equipment and services, subject to the Manager's prior written consent. If Holdco exercises such right, the Manager will nevertheless be entitled to the charge contemplated in §4.5 on the contracts referred to in this §4.3.

- 4.4 **Invoicing** – During the term of the Joint Venture, the Manager shall, on behalf of Holdco, submit to each Shareholder which elected to contribute to the Program or Plan then in effect an invoice, in Mexican pesos, for such Shareholder's share of estimated Costs as set forth in such Program and Plan for each calendar month in the upcoming calendar quarter. If that quarterly estimate needs to be adjusted, the Manager may, prior to the last day of each calendar month, submit to each Shareholder which elected to contribute to the Program or Plan then in effect an invoice, in Mexican pesos, for such Shareholder's share of estimated Costs, not otherwise provided for in the quarterly invoice previously delivered. Each invoice is called a "Cash Call". In order to avoid a duplication of taxes, the Manager shall, on a monthly basis, collect all invoices for work (whether in respect of contracts signed by Holdco (to the extent permitted in §4.3) or the Manager), verify that the work was done and submit invoices to Holdco for payment. Each subcontractor invoice shall be accompanied by reasonable details of the amounts invoiced and the basis of calculation thereof. Holdco will pay invoices directly within 30 days after receipt.
- 4.5 **Compensation of the Manager** – As compensation for the services provided hereunder, Holdco shall pay to the Manager or to such other person(s) as the Manager may direct from time to time, the charge contemplated in §17.1(b) of the Shareholders' Agreement on all Costs incurred by the Manager in connection with performance of the Manager's duties and obligations pursuant to this Agreement or pursuant to Programs and Plans from and after the date hereof.
- 4.6 **Subcontractor Performance** – The Manager will be responsible for managing any subcontractor's performance. Notwithstanding any contracting, the Manager will be fully responsible for the work performed and for the performance of the Agreement and will be fully liable for the acts and omissions of the subcontractors as if they were of its own.
- 4.7 **Enforcement of Contracts** – The Manager will enforce, as reasonably requested by Holdco, such contracts under which the Manager has purchased or rented materials, supplies or equipment or retained subcontractors or assist Holdco in enforcing the same or any contracts that Holdco has executed in connection therewith.
- 4.8 **Removal from Site** – Holdco, acting reasonably, may, without reimbursement or compensation to the Manager or its subcontractors, require the Manager to remove from site any of the Manager's employees or employees of any subcontractor who do not comply with §7 or §8.2 and, upon Notice from Holdco the Manager shall forthwith effect that removal.
5. **INDEMNIFICATION**
- 5.1 **Indemnification by Holdco** - Holdco will indemnify and hold harmless the Manager, its Affiliates and its and their directors, officers, agents and employees from and against any loss, liability, claim, demand, damage, expense, injury and death (including lawyer's fees, unless Holdco assumes and pays the defence using counsel agreed to in writing by the Manager) resulting from any act or omission of the Manager, its directors, officers, agents or employees in carrying out its duties on the Property pursuant to this

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Agreement provided however that the Manager will not be indemnified or held harmless by Holdco for any loss, damage, claim or liability, resulting from the negligence or wilful misconduct. No act or omission of the Manager, its directors, officers, agents or employees, will of itself be deemed negligence or wilful misconduct if it is done or omitted to be done:

- (a) at the direction, or within the scope of direction, or with the concurrence of, Holdco; or
- (b) at the direction of any governmental authority, whether or not the validity of the direction is challenged by Holdco; or
- (c) unilaterally in good faith to protect life, limb or property.

provided that the Manager has otherwise performed its duties and obligations in a sound and workmanlike manner substantially in accordance with exploration, engineering and mining industry practice.

- 5.2 **Indemnification by Manager** – The Manager shall indemnify and hold harmless Holdco, its Affiliates and its and their directors, officers, agents and employees from and against any loss, liability, claim, demand, damage, expense, injury and death (including lawyer's fees, unless the Manager assumes and pays the defence using counsel agreed to in writing by Holdco) for any claims made by third parties against Holdco arising out of the Manager's negligence or wilful misconduct in its duties hereunder. The Manager shall give prompt Notice and details of the claim to Holdco.
- 5.3 **Limit on Liability** – No party hereto shall be liable to another party hereto in contract, tort or otherwise for special or consequential damages, including, without limiting the generality of the foregoing, loss of profits or revenues suffered by the indemnified party. The limits of liability in this §5 do not apply to claims made by a third party against the indemnified Party, its directors officers and employees for the third party's special or consequential damages, provided that the third party is not an associate or affiliate of the indemnified Party.
- 5.4 **Procedure re Claims** – The party entitled to indemnification under this §5 (the "Indemnified Party") shall give the party which is obligated to indemnify the Indemnified Party under this §5 (the "Indemnifying Party") prompt Notice of any claim made pursuant to the foregoing indemnifications (as applicable, a "Claim"), including any inquiry or investigation by a government agency that the Indemnified Party believes may lead to a Claim. The Indemnifying Party shall have the responsibility of contesting, defending, litigating, settling or satisfying any Claim made against the Indemnified Party, using counsel acceptable to the Indemnified Party, acting reasonably; failing which, the Indemnified Party shall have the right to be represented by separate counsel at the Indemnifying Party's risk and expense in connection with any such Claim and the Indemnifying Party shall be absolutely barred from any allegations or defenses relating to alleged defects, errors or omissions in such defense. Neither party shall settle any such Claim without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld.

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## 6. INSURANCE

- 6.1 The Manager shall provide, maintain and pay for the such insurance, the reasonable cost of which may be charged to Costs, consistent with local statutory requirements and general industry practice, as the Board may, from time to time, reasonably require:
- (a) comprehensive general liability insurance, having a limit of at least US\$5 million inclusive of any one claim, protecting Holdco, the Manager and their respective directors, officers, employees and agents, insuring against claims for personal injury (including death), and against claims for property damage any of which may arise directly or indirectly from the performance of the services under this Agreement;
  - (b) automobile liability insurance, having a limit consistent with local practices as agreeable between the parties, acting reasonably, and insuring against claims for bodily injury, including death, and for property damage arising out of the use of owned, leased and non-owned vehicles for the performance of any activities under this Agreement; and
  - (c) health, accident, and unemployment insurance and worker's compensation coverage for itself and its employees, agents and subcontractors hired to perform the services hereunder.
- 6.2 The policy of insurance under §6.1(a) shall:
- (a) add Holdco, its Shareholders and their affiliates and their directors, officers, employees, agents, subcontractors, licensees and invitees as additional insureds with respect to services provided by the manager or its subcontractors to Holdco or with respect to the Property; and
  - (b) includes clause that confirms that the insurer shall provide Holdco with at least 30 days' Notice of any material variation, cancellation or termination of the coverage.
- 6.3 The Manager shall promptly furnish to Holdco such reasonable proof of insurance in accordance with §6.1(a) as the Shareholders may reasonably require.
- 6.4 The Manager, acting reasonably, shall, to the extent not already provided by its subcontractors or service providers, provide, maintain and pay, the costs of which will constitute Costs, reasonable additional insurance coverage required for special or unique circumstances not otherwise covered by the insurance referred to in §6.1.

## 7. SAFETY

- 7.1 **Health and Safety Standards** – The Manager shall, and it shall cause its employees and contractors to, perform their activities under this Agreement in accordance with accepted health and safety standards expected from recognized international contractors experienced in providing the types of services contemplated in this Agreement and in compliance with Mexican health and safety laws. Neither Holdco's provision of safety and health policies or regulations, its approval (or lack thereof) of any safety or health protocols or procedures of the Manager shall diminish or relieve the



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Manager from any such responsibilities or liabilities nor shift them in any manner upon Holdco.

- 7.2 **Trained Personnel** – The Manager will use commercially reasonable efforts to ensure that its employees and subcontractors will be trained and certified in health and safety requirements of the services to be performed by them.
- 7.3 **Response Plans and PPE** – Prior to commencing work on the Property, or as soon as is practicable thereafter, the Manager will provide Holdco with its protocol for an emergency response plan specific to the Property. The Manager shall ensure that all reasonably necessary personal protection equipment is worn by all the Manager's employees and subcontractors while performing the services.
- 7.4 **Incident Reporting** – The Manager shall endeavour to ensure that its employees and subcontractors shall immediately report any unsafe condition or health or safety incident to Holdco and shall supply all information reasonably requested by Holdco and its Shareholders in regards to any incident. Any fatality, lost time incident, medical aid or high potential incident must be reported to Holdco and each of its Shareholders promptly and to the extent reasonably possible within 24 hours.
- 7.5 **Site Rep and Meetings** – In addition to the foregoing and to §7.1 of this Agreement, the Manager shall comply, and shall cause its employees and subcontractors and their employees who are assigned to the Program to comply with applicable health safety and reclamation laws. In particular, the Manager shall:
- (a) designate a senior on-site person to be responsible for safety of the Manager's on-site employees and subcontractors; and
  - (b) develop and carry out regular health and safety induction meetings for new employees and subcontractors to the site.
- 7.6 **Inspections** – Holdco and its Shareholders shall have the right to do routine safety inspections of the camp and work sites, with or without advance Notice.

## 8. COMMUNITY RELATIONS

- 8.1 The Manager, in consultation with Holdco, shall negotiate and maintain such community or individual third party access agreements as reasonably necessary for the conduct of Programs and Plans, the costs associated therewith being considered to be Costs.
- 8.2 The Manager, in consultation with Holdco, shall use commercially reasonable efforts to maintain a positive relationship with the local community, hire and procure local supplies and labour and keep the local community informed of the Manager's and/or Holdco's current and proposed activities.
- 8.3 The Manager shall endeavour to ensure that the Manager, its employees and subcontractors engaged in the Program or Plan shall at all times maintain acceptable standards of behaviour and conduct while at work and while attending, residing or visiting the communities local to the Property, which standards shall include a zero tolerance policy for the presence and/or use of drugs or alcohol in the workplace.

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**9. ENVIRONMENT**

- 9.1 The Manager shall not bring, nor permit its subcontractors to bring, contaminants onto the Property except as required by standard industry practice in connection with the Programs and Plans being carried out and then to handle any such contaminants in a safe, lawful and proper manner, in accordance with the standard of care set out in §2.3.

**10. TAXES**

- 10.1 The fees or charges contemplated in this Agreement are exclusive from value added tax or any other similar tax (collectively, "Taxes") which may apply in the future on the type of transactions contemplated in this Agreement. As a result, the Manager shall, where Taxes are applicable, include the Taxes separately, on the invoices to be issued by it under this Agreement. For the avoidance of doubt, those Taxes that are not immediately or in due course, recoverable by the Manager shall be a charge to Costs.

**11. NOTICE**

- 11.1 Any Notice, direction or other communication required or permitted to be given under this Agreement (a "Notice") shall be in writing and may be given by courier or by mail (first class postage prepaid) or by sending it by facsimile or other similar form of telecommunication, but not email, in each case addressed as follows:

If to Teck at:

**Minera Teck, S.A. de C.V.**  
Nebulosa 3019  
Col. Jardines del Bosque  
C.P. 44520  
Guadalajara Jalisco Mexico  
Attention: Manager, Exploration

Fax: ( )

With a copy to Teck Resources Limited at:

**Teck Resources Limited**  
3800 – 550 Burrard Street  
Vancouver, B.C. V6C 0B3  
Attention: Corporate Secretary  
Fax: (604) 699-4729

if to Holdco, at:

**[Holdco]**  
**[address]**

Attention :  
Fax :

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With a copy to **Minera Piedra Azul, S.A. de C.V.**, at:

**Minera Piedra Azul, S.A. de C.V.**

Attention:

Fax: ( )

and a copy to **Azure Minerals Limited** at:

**Azure Minerals Limited**  
Level 1, 30 Richard Street  
West Perth, WA, Australia 6005

Attention: Tony Rovira, Managing Director

Fax: +1 (61-8) 9485 1290

- 11.2 If delivered by courier or facsimile or other similar form of communication, the Notice will be deemed to have been given or received on the next following Business Day.
- 11.3 Any Party may at any time give to the other Notice in writing of any change of address of the Party giving such Notice and from and after the giving of such Notice, the address or addresses therein specified will be deemed to be the address of such Party for the purposes of giving Notice hereunder.
- 12. INTELLECTUAL PROPERTY**
- 12.1 "Intellectual Property" means proprietary designs, drawings, specifications, plans, computer software, inventions, whether or not patented or patentable, know-how and other similar proprietary intellectual property.
- 12.2 All Intellectual Property used in connection with the work hereunder and owned by the Manager or developed by applying, in whole or in part, Intellectual Property owned by the Manager shall remain the property of the Manager. Holdco shall acquire no right, title or interest in that Intellectual Property.
- 12.3 All Intellectual Property used in connection with the work hereunder and developed in its entirety without applying Intellectual Property owned by the Manager or by a third-party and used by the Manager under lease, licence or other contract, shall become the property of Holdco. If and to the extent that any Intellectual Property becomes the property of Holdco pursuant to this §12.3, Holdco hereby grants to the Manager a non-exclusive, perpetual and royalty free licence to use that Intellectual Property for projects in which the Manager has a majority beneficial interest. It is understood that the Manager shall not be entitled to sell or sublicense that Intellectual Property unless it obtains Holdco's prior written consent.
- 12.4 Notwithstanding any termination of the Agreement, the provisions of §12 shall continue in full force and effect thereafter.

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### 13. FORCE MAJEURE

- 13.1 The Manager shall not be in default of this Agreement or liable for damages resulting from delay in performance of any of its obligations hereunder, provided that such delay arises out of causes beyond the Manager's reasonable control and without its fault or negligence, including but not limited to, acts of God or the public enemy, acts of any government in either its sovereign or contractual capacity, fires, floods, accidents, or other casualties, epidemics, quarantine restrictions, strikes, labour disputes, freight embargoes, unusually severe weather, inability to obtain necessary specialized labour or materials or licences that are required to perform unique works, transportation or utilities (e.g. electricity, natural gas, oil, water, environmental permits), compliance with orders, priorities or requests of any government agency, failure of suppliers or subcontractors to meet delivery schedules if such failure results from causes similar to those set forth above or to any other cause, whether similar to those enumerated or not, and which is beyond the control of the Manager. In the event of any such delay, the date of performance or delivery shall be extended for a period of time as may be reasonably necessary to compensate for any such delay.

### 14. UNLAWFUL PAYMENTS

- 14.1 The Manager acknowledges that the Shareholders of Holdco are subject to and, as a matter of corporate policy, comply with all laws relating to the prevention of corruption of public officials and commercial bribery, as each of those terms are used in its broadest sense. In the course of the Manager's performance under this Agreement, the Manager shall **not** make any payment of money, or gift of anything of value, directly or indirectly through a third party, to any government official (defined below) for the purpose of securing or inducing the act, decision, influence, or omission of such government official to obtain, retain, or direct business, or secure any improper advantage for Holdco or any of its Affiliates, in connection with any business that Holdco carries on or proposes to carry on pursuant to this Agreement. The Manager represents to Holdco that the Manager has not used nor is it currently using the services of any agent or consultant for any improper purpose in contravention of the prohibition stated above.
- 14.2 The prohibition on indirect payments or commitments includes any situation where the Manager (or any third party acting on behalf of the Manager) knows, believes, or is aware of the possibility that the person receiving the payment will pass the payment through, in whole or in part, to a government official in the circumstances set forth above.
- 14.3 The Manager shall report promptly to Holdco and to its Shareholders any request by a government official for any improper payment in connection with Holdco's business.
- 14.4 The Manager further agrees that it and its affiliates will keep and maintain all documentation and receipts for any expenses paid to government officials. All expense reimbursement requests will be deemed to include the Manager's certification that all expenses are accurate and it has abided by all of the terms of this section of the Agreement.
- 14.5 For purposes of this section, "**government official**" means any officer or employee of the government, a public international organization, or any department or agency thereof, or any person acting in an official capacity and, without limitation, includes any

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member of the legislative body and any employee or official (regardless of their rank or position), of a state-owned business enterprise.

- 14.6 The Manager shall not directly or indirectly make any political donations of any kind on Holdco's or its Shareholders' behalf.

## **15. GOVERNING LAW AND ARBITRATION**

- 15.1 This Agreement shall be governed by the laws of British Columbia, Canada.

- 15.2 Any dispute, controversy or claim arising out of or resulting from this Agreement shall be settled by arbitration, in accordance with the International Commercial Arbitration Rules of Procedure of the British Columbia International Commercial Arbitration Centre in effect on the date of this Agreement.

- 15.3 The arbitration will be conducted by three arbitrators. Each Party shall appoint one arbitrator of its choice within 30 days after the receipt of the arbitration Notice. The two arbitrators appointed will, in turn, appoint, within 30 days, a third arbitrator, who will preside over the arbitration tribunal.

- 15.4 The arbitrators shall be independent, having no financial interest in the dispute, controversy or claim, and shall have the experience and technical qualification required to arbitrate on the matter in dispute.

- 15.5 Unless the Parties to the arbitration agree otherwise, in writing, it is hereby agreed that:

- (a) the arbitration shall be held in Vancouver, British Columbia;
- (b) the arbitration shall be conducted in English, but the arbitrators shall speak both English and Spanish fluently. Documents may be drafted in Spanish, but also made available in English upon request by either Party. The witnesses may testify in either of the two languages. Nevertheless, for all legal purposes the English versions will prevail;
- (c) all decisions and awards produced by the arbitration tribunal shall be made by majority votes;
- (d) there shall be no remedy against the arbitrators' resolutions. The arbitrators are especially empowered to resolve any matter relating to their competence and/or jurisdiction, and
- (e) the arbitrators will be empowered to act as arbitrator-at-law with regard to the substance of the dispute and as ex aequo et bono with regard to the procedure.

- 15.6 The arbitrators shall be entitled to award the costs of the arbitration, including the arbitrators' fees, at their discretion.

## **16. LIMITATION OF AGREEMENT**

- 16.1 Except as expressly provided in the Shareholders' Agreement, the Manager shall not have authority to act for or to assume any obligation or liability on behalf of Holdco

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except such authority as may be specifically conferred on the Manager pursuant to the operation of this Agreement and the Shareholders' Agreement.

**17. COMPETITIVE ACTIVITIES**

- 17.1 Nothing contained in this Agreement or the Shareholders' Agreement shall prevent or restrict the Manager or Holdco from engaging on its own account, either alone or in association with others, in exploration for and mining and marketing of copper, gold and other minerals on properties not governed by either this Agreement or the Shareholders' Agreement.

**18. ASSIGNMENT**

- 18.1 The Manager shall not assign the Agreement unless the Manager has obtained prior written approval of the Board.

**19. ENUREMENT**

- 19.1 This Agreement shall enure to the benefit of the parties hereto, their successors and their respective permitted assigns. This Agreement is not intended to, nor shall it, enure for the benefit of any third party, including, without limitation, any party to or beneficiary of any other agreement, instrument or undertaking for the time being related to the Property or the provision of financing in connection with the operations thereon.

**20. LANGUAGE**

- 20.1 This Agreement has been negotiated in the English language. This Agreement, in its English version, is the result of negotiations between the parties and/or their affiliates and each party has had this Agreement reviewed by its own independent legal, financial, tax and technical advisers. As such, this Agreement, in its English form, is the product of all of the Parties. If required by local law, this Agreement will be translated into the local language, however, to the maximum extent permitted by local law the English version will prevail over any translation and such English version will be deemed the governing version.

**21. GENERAL**

- 21.1 Each of the Parties shall do all such further acts and execute and deliver such further deeds and documents as shall be reasonably required in order fully to perform the terms of this Agreement.
- 21.2 No modification of this Agreement shall be valid unless made in writing and duly executed by the Parties.
- 21.3 The rights and obligations of the Parties shall be several.
- 21.4 Nothing contained in this Agreement shall be construed as creating a partnership or in imposing any fiduciary duty on any Party.
- 21.5 The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not

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constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

- 21.6 Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall be ineffective in such jurisdiction only to the extent of such prohibition or unenforceability without affecting the remaining provisions of this Agreement.
- 21.7 Dollars or \$ means United States dollars.
- 21.8 This Agreement shall be read with such changes in gender or number as the context shall require.
- 21.9 The captions in this Agreement have been provided for ease of reference and shall be disregarded in interpreting this Agreement.
- 21.10 Unless otherwise stated, a reference to the symbol "\$" followed by a number or some combination of numbers and letters refers to the provision of this Agreement so designated and the symbol "\$" followed by a letter within a provision refers to a clause within such provision. A reference to "this Agreement" "hereof", "hereunder", "herein" or words of similar meaning, means this agreement including the schedules hereto, together with any amendments thereof.
- 21.11 Time is of the essence in this Agreement and the performance by the Parties of their respective duties and obligations hereunder.
- 21.12 This Agreement may be executed in counterparts and delivered by facsimile, each of which when so executed and delivered shall be deemed an original, and such counterparts shall together constitute but one and the same instrument.

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

**MINERA TECK, S.A. de C.V.**

**[HOLDCO]**

Per:

[Name: \_\_\_\_\_]  
[Title: \_\_\_\_\_]

Per:

[Name: \_\_\_\_\_]  
[Title: \_\_\_\_\_]

*[Signature page of the Alacrán Services Agreement  
between Minera Teck, S.A. de C.V. and [Holdco]  
made as of \_\_\_\_\_]*

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This is **SCHEDULE A** to the Services Agreement between  
**MINERA TECK, S.A. de C.V. and [HOLDCO]**  
made as of [ \_\_\_\_ ]

**ALACRÁN PROPERTIES**

The Property consists of the following properties:

CLAIM	FILE	TITLE	HECTARES
Hidalgo	1794	166374	99.0000
Hidalgo 2	1796	166369	99.0000
Hidalgo 3	1797	166368	99.0000
Hidalgo 4	1798	166366	99.0000
Hidalgo 5	1799	166370	99.0000
Hidalgo 6	1800	166371	99.0000
Hidalgo 7	1801	166373	99.0000
Hidalgo 8	1802	166372	99.0000
Hidalgo 9	1803	166375	99.0000
Kino 2	1886	166313	100.0000
Kino 3	1887	166312	100.0000
Kino 4	1888	166314	100.0000
Kino 8	1892	166315	100.0000
Kino 9	1893	166316	100.0000
Kino 10	1894	166317	100.0000
Kino 11	1895	166318	100.0000
Kino 15	1899	166365	100.0000
Kino 16	1800	166367	100.0000
San Simón	1894	166376	100.0000
San Simón 2	1895	166377	100.0000
El Alacrán	E.4.1.3/1182	201817	3,442.3590
TOTAL SURFACE ALACRAN CLAIMS			5,433.3590



This is Annexure 'E' of 2 pages referred to in Form 603 being a true copy of the Sale and Purchase Agreement dated 26 October 2016 made between Minera Teck SA de CV and Teck Resources Limited.



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Amanda Robinson  
Corporate Secretary  
Teck Resources Limited  
Date: August 28, 2019

## PURCHASE AGREEMENT

**THIS AGREEMENT** is dated effective October 26, 2016.

**BETWEEN:**

**MINERA TECK, S.A. DE C.V.**, a corporation incorporated under the laws of Mexico

(**"MT"**)

**AND:**

**TECK RESOURCES LIMITED**, a company incorporated under the laws of Canada

(**"TRL"**)

**WHEREAS:**

- A. On October 26, 2016 (the **"Effective Date"**) an aggregate of 400,000 common shares of Azure Minerals Limited (the **"Shares"**) were issued to MT;
- B. The closing price for common shares of Azure Minerals Limited, as quoted on the Australian Securities Exchange, on the Effective Date was AU\$0.03;
- C. MT is a direct or indirect subsidiary of TRL, and as a part of TRL's general investment holding practice, the Shares are to be transferred to TRL on the Effective Date for fair market value; and
- D. The parties hereto have entered into this Agreement for the purpose of memorializing the transfer of the Shares to TRL for the fair market value of the same as at the Effective Date.

**NOW THEREFORE** the parties hereby agree as follows:

- 1. Subject to the terms of this Agreement, effective as of the Effective Date, MT hereby sells and TRL hereby purchases the Shares for aggregate consideration of US\$9,182.40 (the **"Purchase Price"**), being AU\$0.03/Share converted to United States of America dollars at an exchange rate of AU\$1/US\$0.7652.
- 2. MT hereby represents and warrants that it is the registered and beneficial owner of the Shares and that it owns such shares free and clear of any claims, pledges, charges, liens or encumbrances.
- 3. Each party hereto hereby represents to the other that it is a valid and subsisting corporation, duly incorporated and with the power and capacity to enter into this agreement and performance obligations thereunder, and that this Agreement has been duly authorized by all necessary corporate action on its part.
- 4. Each of the parties hereto will execute and deliver all such further documents and instruments and do all acts and things as may be necessary or desirable to give effect to this Agreement.
- 5. All references to "dollars" or "\$" or "US\$" or "funds" shall mean lawful currency of the United States of America, unless otherwise indicated.

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6. This Agreement will be governed by and construed in accordance with the laws of British Columbia.

IN WITNESS WHEREOF each of the parties has executed this agreement as of the day and year first above written.

**MINERA TECK, S.A. DE C.V.**

By: 

Authorized Signatory

**TECK RESOURCES LIMITED**

By: 

Authorized Signatory

By: 

Authorized Signatory

This is Annexure 'F' of 2 pages referred to in Form 603 being a true copy of the Sale and Purchase Agreement dated 7 January 2015 made between Minera Teck SA de CV and Teck Resources Limited.



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Amanda Robinson  
Corporate Secretary  
Teck Resources Limited  
Date: August 28, 2019

## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of January 7, 2015,

BETWEEN:

**MINERA TECK, S.A. de C.V.**, a company duly incorporated under the laws of México, domiciled Nebulosa 3019, Col. Jardines del Bosque, Guadalajara, Jalisco, México, represented herein by its Manager, Exploration - México, identified with Identity Card No. 3116029308650,

(**"Minera Teck"**)

AND:

**TECK RESOURCES LIMITED**, a company duly incorporated under the laws of British Columbia, domiciled at Suite 3300, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0B3, represented herein by Alex Christopher, Vice President, Exploration,

(**"TRL"**)

WHEREAS Minera Teck is the registered owner of 100,000 fully paid ordinary shares (the **"AML Shares"**) of Azure Minerals Limited, a corporation incorporated under the laws of Australia (**"AML"**) and trading on the Australian Stock Exchange (the **"ASX"**).

THIS AGREEMENT WITNESSES that the parties agree as follows:

1. Minera Teck represents and warrants to TRL as follows:
  - (a) it has the corporate power and capacity to enter into and perform this Agreement and to consummate the transactions contemplated by this Agreement and the closing of the transactions contemplated by this Agreement will not violate any statute or regulation or violate or conflict with any of the provisions of its constituting documents or result in the termination of, or constitute a default under, any indenture, agreement or other instrument to which it is a party or by which any of its property is bound;
  - (b) the execution and delivery of this Agreement and the performance by it of its obligations hereunder has been duly and validly authorized by all necessary corporate action on its part;
  - (c) it has the right to convey its ownership interest in the AML Shares to TRL and so far as it is aware, no third party has any right to acquire all or any of the AML Shares or has any lien, charge, encumbrance or adverse claim in respect thereof.

TRL represents and warrants to and in favour of Minera Teck that:

- (d) TRL is duly incorporated under the laws of Canada and is a subsisting corporation;
- (e) it has the corporate power and capacity to enter into and perform this Agreement and to consummate the transactions contemplated by this Agreement and the closing of the transactions contemplated by this Agreement will not violate any statute or regulation or violate or conflict with any of the provisions of its constating documents or result in the termination of, or constitute a default under, any indenture, agreement or other instrument to which it is a party or by which any of its property is bound;
- (b) the execution and delivery of this Agreement and the performance by it of its obligations hereunder has been duly and validly authorized by all necessary corporate action on its part.

The representations and warranties herein contained shall survive the closing of the transaction herein contemplated for a period of one year.

2. Minera Teck hereby sells to TRL, and TRL hereby agrees to purchase from Minera Teck, the AML Shares.
3. The purchase and sale contemplated by this Agreement shall be effective as at the date of this Agreement.
4. The purchase price of the AML Shares shall be US\$1,785.96. This is based on the closing price of the shares of AML on the ASX of A\$0.022 per share as of the close on January 6, 2015, for an aggregate amount of A\$2,200.00, translated into US dollars. The purchase price shall be in cash by payment from TRL to Minera Teck by February 11, 2015.
5. Minera Teck and TRL agree to complete, execute and file jointly and on a timely basis any elections in prescribed form under the provision of any applicable tax laws in respect of the purchase and sale of AML Shares, and agree to make those elections at agreed amounts.
6. Each party shall use its best efforts to consummate the transactions contemplated by this Agreement and until the AML Shares have been transferred to TRL.
7. Each party shall execute and deliver all such further instruments and other assurances and to do all such things as may be necessary to carry out the transactions contemplated by this Agreement.

8. Time is of the essence of this Agreement. The headings in this Agreement are inserted for convenience only and shall be disregarded in interpreting this Agreement.
9. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

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

**TECK RESOURCES LIMITED**

**MINERA TECK, S.A. de C.V.**

By:   
\_\_\_\_\_  
Alex Christopher  
Vice President – Exploration

By:   
\_\_\_\_\_  
Diego Fernández Balderas  
Manager, Exploration – México

*[This is the signature page of the Purchase and Sale Agreement  
between Minera Teck S.A. de C.V. and Teck Resources Limited  
made as of January 7, 2015 re Azure Minerals Limited Shares]*