



KITSAULT MINE PROJECT—COOPERATION AND BENEFITS AGREEMENT

Nisga'a Lisims Government and Avanti Kitsault Mine Ltd., the proponent for the proposed Kitsault Mine Project, have entered into a Cooperation and Benefits Agreement (the "Agreement"). The Agreement provides for benefits to the Nisga'a Nation and requires cooperation and engagement between the parties in respect of the steps required for the permitting of the Project. Below is a summary of the key provisions of the Agreement.

Engagement in respect of future authorizations

- Avanti will provide NLG with all relevant information it intends to submit to regulatory authorities in support of applications for authorizations required for the Project in a timely manner so that NLG can review and provide comments to Avanti and the applicable regulatory authorities.
- Avanti must consider NLG comments and provide written responses before filing the materials with the applicable regulatory authority.

Financial benefits

- Two one-time payments from Avanti to the Nisga'a Nation:
 - The first payment is payable within 30 days of the signing of the Agreement, as contribution towards the Nisga'a Nation's costs in participating in the ongoing implementation of the conditions to environmental permits and the Agreement; and
 - The second payment within 30 days of Avanti executing the necessary funding commitments for financing the Project.
- Annual revenue sharing payments to the Nisga'a Nation:
 - A minimum annual royalty or a percentage (as high as 2%) of net smelter revenue (where the percentage is determined by the price of molybdenum) – whichever is greater.

Employment and business opportunities:

- Avanti and NLG will coordinate on identifying employment opportunities in relation to the Project and ways to develop the skills and capacity of Nisga'a citizens and Nisga'a businesses to participate in such opportunities.
- Avanti will notify NLG of employment and contracting opportunities in respect of the construction, operation and closure of the Project, and attempt to achieve employment and contracting objectives.
- Avanti will make payments in support of the employment initiatives described above as follows:
 - Avanti will make a contribution towards Nisga'a training and education programs that have as their goal increasing the capacity of Nisga'a citizens and businesses to participate in opportunities related to the Project; and
 - Avanti will make a contribution towards a post-secondary scholarship fund to be administered by NLG.
- NLG will prepare and maintain a roster of Nisga'a citizens interested in working on the Project, and a roster of qualified Nisga'a businesses.

Environmental Matters

- NLG and Avanti have also agreed on steps required to address outstanding issues related to water quality, human health and fish habitat mitigation so that the Project can be built and operated in an environmentally responsible and safe manner.