

THIS MINERAL PROPERTY OPTION AGREEMENT is dated for reference March 7, 2022.

AMONG:

JORDAN ROMANO, an individual residing in the Province of Ontario with a registered office address at [REDACTED] (hereinafter referred to as "**Optionee**")

AND:

GEM OIL INC., a corporation duly existing under the laws of Saskatchewan and having an office address at [REDACTED] (hereinafter referred to as "**Gem Oil**")

AND:

BARTAIN INVESTMENTS CO. LTD., a company duly existing under the laws of Saskatchewan and having its registered office at [REDACTED] (hereinafter referred to as "**Bartaine**", together with Gem Oil, the "**Optionor**")

WHEREAS Optionor agrees to grant to Optionee an option (the "**Option**") by which Optionee may acquire 100% of Gem Oil's interest in its Black Lake mineral property (the "**Property**"), as more particularly described in Schedule "A" hereto.

AND WHEREAS this Mineral Property Option Agreement (the "**Option Agreement**") shall set forth the principal terms and conditions of the Option.

NOW THEREFORE THIS OPTION AGREEMENT WITNESSETH THAT in consideration of the premises, the mutual covenants herein set forth, the Parties hereto do hereby mutually covenant and agree as follows:

1. INTERPRETATION

1.1 The following words, phrases and expressions shall have the following meanings:

- (a) "**Affiliate**" means a company that is affiliated with another company as described below;

A company is an "Affiliate" of another company if:

- (i) one of them is the subsidiary of the other, or
- (ii) each of them is controlled by the same person;

A company is "controlled" by a person if:

- (iii) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and
- (iv) the voting rights attached to those voting securities are entitled, if

exercised, to elect a majority of the directors of the company;

A person beneficially owns securities that are beneficially owned by:

- (v) a company controlled by that person, or
 - (vi) an Affiliate of that person or an Affiliate of any company controlled by that person;
- (b) **"Business Day"** means a day on which banks are open for business in Toronto, Ontario;
- (c) **"Consideration Shares"** means common shares in the capital of Optionee if the Optionee is a corporation and if the Optionee's common shares are listed on a public stock exchange, or shares in the capital of an assignee of Optionee, the shares of which are listed on a public stock exchange;
- (d) **"Earn-In Date"** means the date on which Optionee has earned its interest in the Property in accordance with Section 6.1;
- (e) **"Environmental Claims"** means any and all administrative, regulatory, or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, or proceedings relating in any way to any Environmental Law or any permit issued under any Environmental Law, including, without limitation:
- (i) any and all claims by government or regulatory authorities for enforcement, clean-up, removal, response, remedial, or other actions or damages under any applicable Environmental Law; and
 - (ii) any and all claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive or other relief resulting from hazardous materials, including any release of those claims, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment;
- (f) **"Environmental Laws"** means all requirements of the common law, civil code, or of environmental, health, or safety statutes of any agency, board, or governmental authority including, but not limited to, those relating to (i) noise, (ii) pollution or protection of the air, surface water, ground water, or land, (iii) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal, or transportation, (iv) exposure to hazardous or toxic substances, or (v) the closure, decommissioning, dismantling, or abandonment of any facilities, mines, or workings and the reclamation or restoration of lands;
- (g) **"Expenditures"** means and includes monies expended in prospecting, exploring, geological, geophysical and geochemical surveying, sampling, examining, diamond and other types of drilling, developing, dewatering, assaying, metallurgical testing, constructing, maintaining and operating roads, trails and bridges, upon or across the mineral claims, buildings, equipment, plant and supplies, salaries and wages (including fringe benefits) of employees and contractors directly engaged therein, prior insurance premiums, reimbursements to Optionor for posted bonds, all payments to any First Nation and other aboriginal peoples and all other expenses

ordinarily incurred in prospecting, exploring and developing mining lands, including an allowance for indirect head office overhead expenses of not more than 5% of all other expenses described above (the "**Overhead Charge**");

- (h) "**Facilities**" means all mines and plants, including without limitation, all pits, shafts, adits, haulage ways, raises and other underground workings, and all buildings, plants, facilities, and other structures, fixtures, and improvements, and all other property, whether fixed or moveable, as the same may exist at any time in, or on the Property and relating to the operation of the Property as a mine, or outside the Property if for the exclusive benefit of the Property only;
- (i) "**Force Majeure**" has the meaning given to it in Section 11.1;
- (j) "**Laws**" means all applicable federal, provincial, municipal or local laws, by-laws, ordinances, rules, regulations and directives, including without limitation, those relating to mining, the environment or occupational health and safety;
- (k) "**Mineral Products**" means the commercial end products derived from operating the Property or any part thereof as a mine;
- (l) "**Mining Operations**" includes:
 - (i) every kind of work done on or with respect to the Property or the Mineral Products by or under the direction of Optionee; and
 - (ii) without limiting the generality of the foregoing, includes the work of assessment, environmental, geophysical, geochemical, geological, land, and airborne surveys, studies, assessments and mapping, investigating, testing, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, cross-cutting and drifting, searching for, digging, trucking, sampling, assaying, working and procuring minerals, ores and metals, in surveying and bringing any mineral claims to lease or patent, in doing all other work usually considered to be prospecting, acquisition of mineral claims, access or surface rights, exploration, development, preparation of a feasibility study, mining work, installation, erection, or construction, and operation of Facilities, milling, concentration, beneficiation of ores and concentrates, as well as the separation and extraction of Mineral Products, and reclamation or remediation;
- (m) "**Net Smelter Return Royalty Agreement**" means the agreement attached hereto as Schedule "B";
- (n) "**NSR**" means a 2% net smelter return royalty in respect of the Property in accordance with the terms of the Net Smelter Return Royalty Agreement;
- (o) "**Option**" means the option granted by Optionor to Optionee to acquire a 100% right, title and interest in and to the Property, as more particularly set forth in Section 2;
- (p) "**Option Period**" means the period commencing on the Effective Date and ending on the Earn-In Date; and
- (q) "**Property**" means the mineral claims as more fully described in Schedule "A" hereto.

- 1.2 Any heading, caption or index hereto shall not be used in any way in construing or interpreting any provision hereof.
- 1.3 Whenever the singular or masculine or neuter is used in this Option Agreement, the same shall be construed as meaning plural or feminine or body politic or corporate or vice versa, as the context so requires.

2. OPTION AND CONSIDERATION FOR THE OPTION

- 2.1 Upon and subject to the terms and conditions of this Option Agreement, Optionor grants to Optionee the Option. Optionee may exercise the Option by making \$200,000 in cash payments, issuing 1,200,000 Consideration Shares, making \$300,000 in Expenditures in accordance with the provisions of Section 3 and granting the NSR in accordance with the terms of this Option Agreement (the "**Option Consideration**"). The Option Consideration shall be paid to each of Gem Oil and Bartaine on a 50/50 basis.

2.2 Cash Payments

- (a) \$50,000 will be paid by Optionee to Optionor within 30 days from the date of this Option Agreement first written above and subject to the satisfactory completion of due diligence on the Property at the sole discretion of Optionee (the "**Effective Date**"); and
- (b) the remaining \$150,000 will be paid by Optionee to Optionor in instalments of \$50,000 on the 12th, 24th and 36th month anniversaries of the Effective Date.

2.3 Issuance of Consideration Shares

- (a) 1,200,000 Consideration Shares will be issued to Optionor over a 3-year period as follows:

Date	Consideration Shares
Within 6 months from the Effective Date	300,000
Within 12 months 6 months from the Effective Date	300,000
Within 24 months 6 months from the Effective Date	300,000
Within 36 months 6 months from the Effective Date	300,000
TOTAL	1,200,000

The Consideration Shares will be subject to the statutory four (4) month and one (1) day hold period from the applicable dates of issuance.

3. EXPENDITURES

- 3.1 An aggregate of \$300,000 will be expended by Optionee as Expenditures on the Property over 3 years as follows: \$100,000 to be spent by the 12th month anniversary of the Effective Date, a further \$100,000 to be spent by the 24th month anniversary of the Effective Date and a final \$100,000 to be spent by the 36th month anniversary of the Effective Date.
- 3.2 Optionor will have the right to review/audit the Expenditures for the purposes of

compliance with this Option Agreement for a period of 30 days from the Earn-In Date. If Optionor does not provide any objections with respect to the Expenditures within 30 days from the Earn-In Date, the Expenditures shall be deemed approved by Optionor.

- 3.3 During the Option Period Optionee and its employees, agents and independent contractors will have, the sole and exclusive right and option to:
- (a) enter upon the Property;
 - (b) have exclusive and quiet possession thereof;
 - (c) do such prospecting, exploration, development or other mining work thereon and thereunder as Optionee in its sole discretion may consider, advisable;
 - (d) bring and erect upon the Property such equipment and facilities as Optionee may consider advisable;
 - (e) maintain the camp on the Property to the same standard as it exists on the date of this Option Agreement; and
 - (f) remove therefrom reasonable quantities of rocks, ores and minerals and to transport them for the purposes of sampling, metallurgical testing and assaying.
- 3.4 Optionor will provide Optionee with all Property information, including maps, reports, data and other technical information, in either of Optionor possession or over which Optionor has control or access, and within seven calendar days from the date of request by Optionee.
- 3.5 Optionor will not deal, or attempt to deal with its right, title and interest in and to the Property in any way that would or might affect the right of Optionee to become absolutely vested in a 100% interest in and to the Property, free and clear of any liens, charges and encumbrances, other than encumbrances resulting from the NSR.

4. PROJECT OPERATOR

- 4.1 During the Option Period, Optionor shall deliver to Optionee all data, information, and documents related to the Property.
- 4.2 Optionee shall conduct all Mining Operations in a good, workmanlike and efficient manner in accordance with sound mining and other applicable industry standards and practices in accordance with all applicable Laws of all governmental authorities having jurisdiction and in compliance with the terms and provisions of all leases, licenses, permits, contracts and other agreements relating to the Property.

5. NET SMELTER ROYALTY ("NSR")

- 5.1 Optionor shall retain the NSR over the entire Property. One-half of the NSR can be bought back by Optionee for \$1,000,000 for a period of 5 years after the Earn-In Date. The NSR shall be in addition to any other existing royalties affecting portions of the Property.
- 5.2 The parties shall enter into the Net Smelter Royalty Agreement in the form attached as Schedule "B" to this Option Agreement on the Earn-In Date. The Net Smelter Royalty Agreement shall be registered on title to the Property and any claims acquired within the

Area of Interest.

6. EXERCISE OF OPTION

- 6.1 Upon Optionee having satisfied the fulfillment of the Option Consideration and the provisions of Sections 2 and 3, Optionee shall be deemed to have exercised the Option, and Optionor will register transfers of the Property claims to Optionee at Optionee's cost and with Optionor's cooperation as necessary and the Net Smelter Return Royalty Agreement shall be registered on title to the Property.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS OF OPTIONOR

- 7.1 Optionor represents, warrants and covenants to and with Optionee as follows:

- (a) Each of Gem Oil and Bartaine are companies duly organized validly existing and in good standing under the laws of their governing jurisdictions;
- (b) Each of Gem Oil and Bartaine have full power and authority to carry on their respective businesses and to enter into this Option Agreement and any agreement or instrument referred to or contemplated by this Option Agreement;
- (c) neither the execution and delivery of this Option Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which any of Gem Oil and Bartaine are parties;
- (d) the Property is in good standing under the laws of its location and is free and clear of all liens, charges and encumbrances other than those of which Optionee has been advised in writing;
- (e) all taxes, assessment, rentals, levies, or other payments relating to the Property required to be made to any federal, provincial or municipal government instrumentality have been made;
- (f) during the period that Optionor has been the beneficial owner of the Property, it has been operated substantially in accordance with all applicable Laws and Environmental Laws and, to the knowledge of Optionor there are no environmental conditions existing on the Property to which any material remedial action is required or any material liability has or may be imposed under applicable Environmental Laws;
- (g) Optionor has not received any notice of or communication relating to any actual or alleged Environmental Claims, and there are no outstanding work orders or actions required to be taken relating to environmental matters respecting the Property or any operations carried out on the Property;
- (h) Optionor is, or will be as at the Effective Date, the recorded owner of 100% of the Property and has the exclusive right to enter into this Option Agreement and all necessary authority to transfer up to an undivided 100% interest in the Property in accordance with the terms of this Option Agreement;
- (i) no person, firm or corporation has any legal or beneficial interest in the Property

other than Optionor and Optionee, and no person, firm or corporation is entitled to any royalty or other payment in the nature of rent or royalty on any Mineral Products removed from the Property;

- (j) there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, pending or threatened, which directly or indirectly relate to or affect the Property or the interests of Optionor therein nor is Optionor aware of any acts that would lead it to suspect that the same might be initiated or threatened; and
- (k) there are no outstanding agreements or options to purchase or otherwise acquire the Property or any portion thereof or any interest therein, other than this Option Agreement;

8. REPRESENTATIONS, WARRANTIES AND COVENANTS OF OPTIONEE

8.1 Optionee represents, warrants and covenants to and with Optionor that:

- (a) Optionee is a company duly organized validly existing and in good standing under the laws of the jurisdiction of its incorporation;
- (b) Optionee has full power and authority to carry on its business and to enter into this Option Agreement and any agreement or instrument referred to or contemplated by this Option Agreement;
- (c) neither the execution and delivery of this Option Agreement, nor any of the agreements referred to herein or contemplated hereby, nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by, any agreement to which it is a party;
- (d) the execution and delivery of this Option Agreement and the agreements contemplated hereby will not violate or result in the breach of the laws of any jurisdiction applicable or pertaining thereto or of its constating documents; and
- (e) this Option Agreement constitutes a legal, valid and binding obligation of Optionee.

9. INDEMNITY AND SURVIVAL OF REPRESENTATIONS

9.1 The representations and warranties hereinbefore set out are conditions on which the parties have relied in entering into this Option Agreement and shall survive the acquisition of any additional interest in the Property by Optionee and each of the parties will indemnify and save the other harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by them and contained in this Option Agreement.

10. CONFIDENTIALITY

10.1 The parties hereto agree to hold in confidence all information obtained in confidence in respect of the Property or otherwise in connection with this Option Agreement other than in circumstances where a party has an obligation to disclose such information in accordance with applicable securities legislation.

11. FORCE MAJEURE

- 11.1 No party will be liable for its failure to perform any of its obligations under this Option Agreement due to a cause beyond its control including, but not limited to unusually severe weather conditions, environmental protests or blockages, acts of God, fire, flood, explosion, strikes, lockouts or other industrial disturbances, laws, rules and regulations or orders of any duly constituted governmental authority or non-availability of materials or transportation (collectively "**Force Majeure**") and excludes lack of funds as an event of Force Majeure. A party relying on an event of Force Majeure will promptly give written notice to the others as set out in Section 11.2 and all-time limits imposed by this Option Agreement will be extended from the date of delivery of such notice by a period equivalent to the period of delay resulting from force majeure. A party relying on an event of force majeure will take all reasonable steps to eliminate the same and, if possible, will perform its obligations under this Option Agreement as far as commercially practical, but nothing herein will require such party to settle or adjust any labour dispute or to question or to test the validity of any law, rule, regulation or order of any duly constituted governmental authority or to complete its obligations under this Option Agreement if an event of force majeure renders completion commercially impracticable.
- 11.2 In the event that any party asserts that an event of Force Majeure has occurred, it shall give notice in writing to the other party specifying the following:
- (a) the cause and nature of the alleged event of Force Majeure;
 - (b) a summary of the actions it or agents acting on its behalf ("**Agents**") have taken to the date of such notice to correct the alleged event of Force Majeure;
 - (c) confirmation as to all acts, actions and things done by it or its Agents to terminate the event of Force Majeure; and
 - (d) the reasonably expected duration of the period of Force Majeure.

Any party asserting an event of Force Majeure shall provide ongoing periodic notice in writing to the other parties with respect to such events of Force Majeure, including the matters set out above, within fifteen (15) days of the end of each calendar month during the period of Force Majeure and shall provide prompt notice in writing to the other parties upon the termination of the event of Force Majeure.

12. ASSIGNMENT

- 12.1 During the Option Period, Optionee may sell, transfer, assign, or otherwise dispose of its interest in this Option Agreement. It will be a condition of any assignment under this Option Agreement that such purchaser or assignee shall agree in writing to be bound by the terms of this Option Agreement, to perform all the obligations of the Optionee to be performed under this Option Agreement, and to subject any further sale, transfer or other disposition of such interest in the Property and this Option Agreement or any portion thereof to the restrictions contained in this Section 12.1.
- 12.2 The provisions of Section 12.1 of this Option Agreement will not prevent a party from entering into an amalgamation or corporate reorganization which will have the effect in law of the amalgamated or surviving company possessing all the property, rights and interests and being subject to all the debts, liabilities and obligations of each amalgamating

or predecessor company.

- 12.3 Notwithstanding Section 12.1, Optionee may freely assign its rights under this Option Agreement (including its rights in respect of the Option) to an Affiliate, provided that where the assignee ceases to be an Affiliate, the rights under this Option Agreement will automatically be transferred back to the party. Where Optionee assigns its rights under this Option Agreement to an Affiliate, it shall notify Optionor of such assignment within ten (10 days) of the assignment.

13. TERMINATION

- 13.1 This Option Agreement shall forthwith terminate in circumstances where:

- (a) Optionee fails to make the cash payments, issue the Consideration Shares or fund the Expenditures required in Section 2 and Section 3 of this Option Agreement and within the time periods contemplated by Section 2 and Section 3 hereof provided that, in circumstances where Optionee is prevented from carrying out the Expenditures contemplated in Section 2 prior to the date set out therein due to Force Majeure, then Optionee shall forthwith give Optionor written notice of the commencement and termination of the said Force Majeure in accordance with the provisions of Section 11.2 and thereafter such dates shall be deemed to have been extended by the period of time during which the Force Majeure remains in effect, provided that Optionee shall make such cash payments in lieu of work as may be required to maintain the Property in good standing pending termination of the Force Majeure;
- (b) Optionee gives thirty (30) days' notice of termination to Optionor which it shall be at liberty to do at any time; or
- (c) the parties mutually agree in writing.

14. NOTICE

- 14.1 Any demand, notice or other communication (a "**Communication**") to be given in connection with this Option Agreement shall be given in writing to the Parties at their respective addresses set forth on the first page of this Option Agreement or to such other address, or e-mail address, as may be provided from time to time and may be given by personal delivery, by registered mail, by fax or e-mail, except in the event of a disruption in the mail delivery service, in which event the Communication shall be delivered personally, by fax or by e-mail. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given electronically, on the day of transmittal thereof.

15. ENTIRE AGREEMENT

- 15.1 The parties hereto acknowledge that they have expressed herein the entire understanding and obligation of this Option Agreement and it is expressly understood and agreed that no implied covenant, condition, term or reservation, shall be read into this Option Agreement relating to or concerning any matter or operation provided for herein.

16. **DEFAULT**

- 16.1 Notwithstanding anything in this Option Agreement to the contrary if any party (a "**Defaulting Party**") is in default of any requirement herein set forth, the party affected by such default shall give written notice to the Defaulting Party specifying the default and the Defaulting Party shall not lose any rights under this Option Agreement, unless thirty (30) days after the giving of notice of default by the affected party, the Defaulting Party has failed to take reasonable steps to cure the default by the appropriate performance, and if the Defaulting Party fails within such period to take reasonable steps to cure any such default, the affected party shall be entitled to seek any remedy it may have on account of such default including, without limiting, termination of this Option Agreement.

17. **TECHNICAL DATA**

- 17.1 In circumstances where this Option Agreement is terminated prior to the Earn-In Date, Optionee shall deliver to Optionor a copy of all technical data and other documents and information then in its possession or control respecting the Property including all digital data.

18. **PAYMENT**

All references to monies hereunder shall unless designated otherwise be in Canadian dollars.

19. **OPTION ONLY**

This is an option only and nothing herein contained shall be construed as obligating Optionee to do any acts or make any payments hereunder, and any act or acts or payment or payments as shall be made hereunder shall not be construed as obligating Optionee to do any further act or make any further payment or payments.

20. **SUPERSEDES PREVIOUS AGREEMENTS**

This Option Agreement supersedes and replaces all previous oral or written agreements, memoranda, correspondence or other communications between the parties hereto relating to the Property.

21. **ARBITRATION**

21.1 Dispute Resolution

Any dispute, whether based on contract, tort, statute, or otherwise in law or equity arising out of or relating to this Option Agreement or the relationship which results from this Option Agreement, the interpretation, breach, termination or validity of this Option Agreement, the events leading up to the formation of this Option Agreement, and any issue related to the creation of this Option Agreement or its scope, including the scope and validity of this Section 21 (collectively a "**Dispute**") shall be resolved as follows:

- (a) The parties shall endeavour for a period of two weeks to resolve the Dispute by negotiation. This period may be extended by mutual agreement of the parties.
- (b) If the Dispute is not settled by negotiation, the Dispute shall be submitted to binding

arbitration in accordance with the Arbitration Act (Ontario), as amended (the "**Arbitration Act**"), as modified and supplemented by the provisions of this Section 21.

21.2 Initiation of Arbitration Proceedings

- (a) If any party to this Option Agreement wishes to have a Dispute arbitrated in accordance with the provisions of this Option Agreement, it shall give notice to the other party hereto specifying particulars of the Dispute and proposing the name of the person it wishes to be the single arbitrator. Within ten (10) days after receipt of such notice, the other party to this Option Agreement shall give notice to the first party advising whether such party accepts the arbitrator proposed by the first party. If such notice is not given within such ten (10) day period, the other party shall be deemed to have accepted the arbitrator proposed by the first party. If the parties do not agree upon a single arbitrator within such ten (10) day period, such arbitrator shall be chosen in accordance with the Arbitration Act.
- (b) The individual selected as the arbitrator (the "**Arbitrator**") shall be qualified by education and experience to decide the Dispute. The Arbitrator shall be at arm's length from all parties and shall not be a member of the audit or legal firm or firms who advise any of the parties, nor shall the arbitrator be a person who is otherwise regularly retained by any of the parties.

21.3 Submission of Written Statements

- (a) Within twenty (20) days of the appointment of the Arbitrator, the party initiating the arbitration (the "**Claimant**") shall send the other party (the "**Respondent**") a statement of claim setting out in sufficient detail the facts and any contentions of law on which it relies, and the relief that it claims.
- (b) Within fifteen (15) days of the receipt of the statement of claim, the Respondent shall send the Claimant a statement of defence stating in sufficient detail which of the facts and contentions of law in the statement of claim it admits or denies, on what grounds, and on what other facts and contentions of law it relies.
- (c) Within ten (10) days of receipt of the statements of defence, the Claimant may send the Respondent a statement of reply.
- (d) All statements of claim, defence and reply shall be accompanied by copies (or, if they are especially voluminous, lists) of all essential documents on which the party concerned relies and which have not previously been submitted by any party, and (where practicable) by any relevant samples.
- (e) After submission of all the statements, the Arbitrator will give directions for the further conduct of the arbitration consistent with the provisions of this Option Agreement and the Arbitration Act.

21.4 Meetings and Hearings

- (a) The arbitration shall take place in the City of Toronto, Ontario, or in such other place as the parties shall agree upon in writing. The arbitration shall be conducted in English unless otherwise agreed by such parties and the Arbitrator. Subject to

any adjournments which the Arbitrator allows, the final hearing will be continued on successive Business Days until it is concluded.

- (b) All meetings and hearings will be in private unless the parties otherwise agree.
- (c) Any party may be represented at any meetings or hearings by legal counsel.
- (d) Each party may examine, cross examine and re-examine all witnesses at the arbitration.

21.5 The Decision

- (a) The Arbitrator will make a decision in writing and, unless the parties otherwise agree, will set out reasons for the decision in the decision.
- (b) The Arbitrator will send the decision to the parties as soon as practicable after the conclusion of the final hearing, but in any event no later than thirty (30) days thereafter, unless that time period is extended for a fixed period by the Arbitrator on written notice to each party because of illness or other cause beyond the Arbitrator's control.
- (c) The decision shall award to the prevailing party its costs and lawyer's fees on a solicitor/client basis, unless the Arbitrator determines that each party should bear its own costs and share the common costs of arbitration.
- (d) The Arbitrator's decision shall be final and binding on the parties and shall not be subject to any appeal or review procedure provided that the Arbitrator has followed the provisions of this Section 23 in good faith. In the event any of the parties initiates any court proceeding in respect of the decision of the Arbitrator or the Dispute arbitrated, such party, if unsuccessful in the court proceeding, shall pay the other party's costs on a solicitor/client basis and all reasonable expenses incurred by such other party and related to such court proceeding.

21.6 Jurisdiction and Powers of the Arbitrator

By submitting to arbitration under these rules, the parties shall be taken to have conferred on the Arbitrator the following jurisdiction and powers, to be exercised at the Arbitrator's discretion subject only to the provisions of this Section 21 and the Arbitration Act with the object of ensuring the just, expeditious, economical and final determination of the Dispute.

Without limiting the jurisdiction of the Arbitrator at law or in equity, the parties agree that the Arbitrator shall have jurisdiction to:

- (i) determine any question of law arising in the arbitration;
- (ii) determine any question as to the Arbitrator's jurisdiction;
- (iii) determine any question of good faith, dishonesty or fraud arising in the dispute;
- (iv) order any party to furnish further details of that party's case, in fact or in law;

- (v) proceed in the arbitration notwithstanding the failure or refusal of any party to comply with this Section 21 or with the Arbitrator's orders or directions, or to attend any meeting or hearing, but only after giving that party written notice that the Arbitrator intends to do so;
- (vi) receive and take into account such written or oral evidence tendered by the parties as the Arbitrator determines is relevant, whether or not strictly admissible in law;
- (vii) make one or more interim awards;
- (viii) hold meetings and hearings, and make a decision (including a final decision) in Toronto, Ontario or elsewhere with the concurrence of the parties thereto;
- (ix) order the parties to produce to the Arbitrator, and to each other for inspection, and to supply copies of, any documents or other evidence or classes of documents in their possession or power which the Arbitrator determines to be relevant; and
- (x) make interim orders to secure all or part of any amount in dispute in the arbitration.

21.7 Effect of Arbitration Ruling

Any judgment upon the award rendered by the Arbitrator shall be final and binding on the parties and may be entered by any court having jurisdiction thereof.

22. GENERAL


- 22.1 The Parties will execute such further and other documents and do such further and other things as may be necessary or convenient to carry out and give effect to the intent of this Option Agreement.
- 22.2 Time will be of the essence in the performance of this Option Agreement.
- 22.3 Any headings of the sections of this Option Agreement are for convenience only and do not form a part of this Option Agreement nor are they intended to affect the construction or meaning of anything herein contained or govern the rights and liabilities of the parties.
- 22.4 This Option Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 22.5 This Option Agreement will be governed by and construed according to the laws of Ontario and the federal laws of Canada applicable therein. All actions arising from this Option Agreement will be commenced and maintained in the courts of Ontario.
- 22.6 If any one or more of the provisions contained in this Option Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby,

acquire for its own account, free of any liability, duty or obligation to the other Parties arising out of this Agreement, any mineral rights located anywhere within or outside the Province of Ontario, without regard to any doctrine of "corporate opportunity" or "business opportunity".

- (c) This Agreement may be executed in one or more counterparts, each of which, once executed, shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF this Agreement has been executed by the Parties on the date first written above.

GEM OIL INC.



Shaun Spelliscy
Director

BARTAIN INVESTMENTS CO. LTD.

Per: 

Rick Barzeere
Director

OPTIONEE



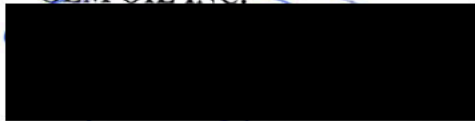
JORDAN ROMANO

acquire for its own account, free of any liability, duty or obligation to the other Parties arising out of this Agreement, any mineral rights located anywhere within or outside the Province of Ontario, without regard to any doctrine of "corporate opportunity" or "business opportunity".

- (e) This Agreement may be executed in one or more counterparts, each of which, once executed, shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF this Agreement has been executed by the Parties on the date first written above.

GEM OIL INC.



Shaun Spelliscy
Director

BARTAIN INVESTMENTS CO. LTD.

Per: _____
Rick Barzeele
Director

OPTIONEE

JORDAN ROMANO

SCHEDULE A

PROPERTY DESCRIPTION - BLACK LAKE MINERAL PROPERTY

No	Claim Type	Claim Number	Ownership	Map
1	Saskatchewan Mining Claim	MC00013411	GEM OIL INC.: 100.000%	1
2	Saskatchewan Mining Claim	MC00014955	GEM OIL INC.: 100.000%	1
3	Saskatchewan Mining Claim	MC00014956	GEM OIL INC.: 100.000%	1
4	Saskatchewan Mining Claim	MC00014957	GEM OIL INC.: 100.000%	1
5	Saskatchewan Mining Claim	MC00014958	GEM OIL INC.: 100.000%	1
6	Saskatchewan Mining Claim	MC00014959	GEM OIL INC.: 100.000%	1
7	Saskatchewan Mining Claim	MC00014960	GEM OIL INC.: 100.000%	1
8	Saskatchewan Mining Claim	MC00012875	GEM OIL INC.: 100.000%	2
9	Saskatchewan Mining Claim	MC00014416	GEM OIL INC.: 100.000%	2
10	Saskatchewan Mining Claim	MC00014417	GEM OIL INC.: 100.000%	2
11	Saskatchewan Mining Claim	MC00014418	GEM OIL INC.: 100.000%	2
12	Saskatchewan Mining Claim	MC00014419	GEM OIL INC.: 100.000%	2
13	Saskatchewan Mining Claim	MC00014420	GEM OIL INC.: 100.000%	2
14	Saskatchewan Mining Claim	MC00014421	GEM OIL INC.: 100.000%	2
15	Saskatchewan Mining Claim	MC00014422	GEM OIL INC.: 100.000%	2
16	Saskatchewan Mining Claim	MC00014423	GEM OIL INC.: 100.000%	2
17	Saskatchewan Mining Claim	MC00014424	GEM OIL INC.: 100.000%	2
18	Saskatchewan Mining Claim	MC00012877	GEM OIL INC.: 100.000%	3
19	Saskatchewan Mining Claim	MC00012873	GEM OIL INC.: 100.000%	4
20	Saskatchewan Mining Claim	MC00012874	GEM OIL INC.: 100.000%	4
21	Saskatchewan Mining Claim	MC00012884	GEM OIL INC.: 100.000%	4

SCHEDULE B

FORM OF NET SMELTER RETURN ROYALTY AGREEMENT

NET SMELTER RETURN ROYALTY AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 2025 (the "**Effective Date**")

BETWEEN:

AMONG:

JORDAN ROMANO, an individual residing in the Province of Ontario with a registered office address at [REDACTED] (hereinafter referred to as "**Payor**")

AND:

GEM OIL INC., a corporation duly existing under the laws of Saskatchewan and having an office address at [REDACTED] (hereinafter referred to as "**Gem Oil**")

AND:

BARTAINE INVESTMENTS CO. LTD., a company duly existing under the laws of Saskatchewan and having its registered office at [REDACTED] (hereinafter referred to as "**Bartaine**", together with Gem Oil, collectively the "**Royalty Holder**")

WHEREAS the Payor has agreed to grant and pay a net smelter return royalty on all Products derived from the Property to and in favour of the Royalty Holder, on the terms and conditions set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration for the respective covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the Parties), it is hereby agreed by and among the Parties as follows:

1. Interpretation

- (a) For the purpose of this Agreement, including the recital hereto, unless expressly stated or the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**affiliate**" means, with respect to any person, any person which directly or indirectly Controls, or is Controlled by, or is under common Control with, that person;

"**Allowable Deductions**" for a calendar quarter means the following costs, charges, expenses and deductions actually incurred by Payor during such calendar quarter in connection with the smelting, refining, treatment, beneficiation and/or sale of Product removed from the Property:

- (i) smelting and refining charges and penalties, including all costs of assaying, analyzing, sampling or representation, umpire charges, metal deductions and losses, penalties for impurities and charges for treating, refining,

- beneficiating, storing and handling the Product levied by any smelter, refinery or other place of intermediary or final treatment or beneficiation;
- (ii) costs of transporting Product (including loading, freight, insurance, security, storage or stockpiling, transportation, shipping, taxes, handling, port, demurrage, delay and forwarding expenses incurred by reason of or in the course of transportation) from the Property or from a concentrator, whether situated on or off the Property, to any smelter, refinery or other place of intermediate or final treatment or beneficiation and then to the place of sale, costs of offsite freight and insurance, security, storage, loading and discharge and ocean freight and port charges;
 - (iii) sales, use, severance, excise, net proceeds of mine, ad valorem or any other taxes, customs duties or other charges of any Governmental Authority, including royalties, payable in respect of the existence, production, removal, sale, processing, import, export, transportation or disposition, value or quantity of Product, but excluding income taxes of the Payor or its affiliates or other operators of the Property, or sales or goods and services taxes payable by the purchaser or purchasers of the Product;
 - (iv) marketing and other sales costs and fees actually incurred in selling the Product, including sales commissions, insurance, consignment, agency fees and brokerage costs and fees and that are paid and/or incurred by the Payor or its affiliates with respect to Product; and
 - (v) all production royalties or other royalties or fees based on mineral production that are currently or may become legally or contractually payable, to the extent not included in paragraph (iii) above, to any Governmental Authority;

provided that if smelting, refining or other intermediate or final treatment or beneficiation is carried out in facilities owned or controlled, in whole or in part, by the Payor or its affiliates, then the Allowable Deductions shall include the lesser of: (A) the amount that the Payor would have incurred if such smelting, refining or other treatment or beneficiation were carried out at facilities not owned or controlled by the Payor then offering comparable services for comparable products on prevailing terms and (B) the actual charges and costs incurred by the Payor with respect to such smelting, refining, or other intermediate or final treatment or beneficiation;

"Applicable Claim" has the meaning ascribed to it in Section 12(c);

"Auditor" has the meaning ascribed to it in Section 3(d);

"Business Day" means any day, other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, on which commercial banks are open for business;

"Canadian GAAP" means accounting principles generally accepted in Canada, which are applicable as at the date on which any applicable calculation made hereunder is to be

effective or as at the date of any financial statements referred to herein, as the case may be;

"Control" means possession, directly or indirectly, of the power to direct or cause the direction of management and policies through ownership of voting shares, interests or securities, or by contract, voting trust or otherwise, and **"Controlled"** and **"Controlling"** shall have corresponding meanings;

"Governmental Authority" means any governmental authority having jurisdiction in respect of the matters in this Agreement, including the governments of Canada and any political subdivision thereof and includes any agency, department, commission, board, bureau, court or other authority thereof, or any other body exercising, any executive, legislative, judicial, administrative, regulatory or taxing authority or power of any nature and having actual jurisdiction in respect of the matters in this Agreement;

"Governmental Authorization" means any permit, licence, franchise, approval, certificate, consent, ratification, permission, confirmation, endorsement, waiver, certification, registration, transfer, qualification or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Legal Requirement;

"Gross Revenues" in any calendar quarter means the amount of revenues actually received by, or credited to the account of, the Payor or its affiliates during that calendar quarter from the sale of Product to a person other than an affiliate of the Payor;

"Legal Requirement" means any applicable law, statute, ordinance, decree, requirement, order, treaty, proclamation, convention, rule or regulation (or interpretation of any of the foregoing) of any Governmental Authority, and the terms of any Governmental Authorization;

"Materials" has the meaning ascribed to it in Section 2(e);

"Mining Rights" means all mining rights with respect to the Property, and any other applicable mining claim, mining concession, mining lease, mining licence and mining right;

"Net Smelter Returns" for a calendar quarter means the amount determined by subtracting the Allowable Deductions for the calendar quarter from the Gross Revenues for the calendar quarter;

"NI 43-101 compliant resource estimate" means an estimate of mineral resources made in compliance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"Party" means the Payor or the Royalty Holder and **"Parties"** means the Payor and the Royalty Holder, collectively;

"Payment Date" for the Royalty in respect of a calendar quarter means the 30th day after the end of that calendar quarter or, if such day is not a Business Day, the Business Day that next follows;

"Payor" has the meaning set forth in the recitals hereto;

"Product" means any ores, concentrates, precipitates, cathodes, leach solutions, refined metal or any other primary, intermediate or final products or any other product containing economically recoverable minerals obtained from ore mined, produced or extracted from the Property; for greater certainty, subject to Section 5, "Product" does not include any ores, concentrates, precipitates, cathodes, leach solutions, refined metal, products or any other product containing minerals that are mined, produced or extracted from any property other than the Property even if such ores, concentrates, precipitates, cathodes, leach solutions, refined metal, products or any other product containing minerals are processed, stored or stockpiled in any way on the Property;

"Property" means the property described in **Schedule "A"** annexed hereto and forming an integral part hereof;

"Relevant Percentage" means 2.0% but shall mean 1.0% after a royalty buy-back pursuant to Section 8;

"Royalty" means the percentage of Net Smelter Returns to which the Royalty Holder is entitled under Section 2(a); and

"Royalty Holder" has the meaning set forth in the recitals.

(a) In this Agreement:

- (i) the terms "Agreement", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (ii) references to a "Section" or "Schedule" followed by a number or letter refer to the specified Section of or Schedule to this Agreement;
- (iii) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (iv) the terms "Party" and "the Parties" refer to a party or the parties to this Agreement;
- (v) words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and vice versa;
- (vi) unless otherwise indicated, any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;

- (vii) the words "include", "includes" and "including" mean "include", "includes" or "including", in each case, "without limitation";
 - (viii) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
 - (ix) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
 - (x) whenever any payment to be made or action to be taken hereunder is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next following Business Day.
- (b) Time shall be of the essence of this Agreement.
- (c) This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein or therein.
- (d) The failure of any Party to insist upon strict adherence to any provision of this Agreement on any occasion shall not be considered a waiver or deprive that Party of the right thereafter to insist upon strict adherence to such provision or any other provision of this Agreement. No purported waiver shall be effective as against any Party unless consented to in writing by such Party. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.
- (e) If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.
- (f) Unless otherwise indicated, all dollar amounts in this Agreement are expressed in Canadian currency.

2. Grant, Calculation and Payment of Royalty

- (a) The Payor hereby grants and agrees to pay to the Royalty Holder a royalty in respect of each applicable calendar quarter equal to the Relevant Percentage multiplied by the Net Smelter Returns for such calendar quarter. The aggregate payment amount calculated hereunder shall be paid 50% to Gem Oil and 50% to Bartaine.
- (b) For certainty, the Royalty shall be calculated and payable by the Payor on all quantities of Product produced from the Property where the Payor receives any proceeds or is credited with any proceeds or metals by any mill, smelter, refiner or by any other purchaser, including the Royalty Holder.
- (c) The obligation to pay the Royalty shall accrue once the Payor has received actual payment or credit for the sale or other disposition of Product. The amount of the Royalty payment due to the Royalty Holder in respect of any calendar quarter shall be paid to the Royalty Holder on the Payment Date by the delivery to the Royalty Holder of a certified cheque, bank draft or wire transfer (as directed by the Royalty Holder in writing in its sole and absolute discretion, subject to applicable Legal Requirements) in the amount owed. Subject to applicable Legal Requirements, all Royalty payments hereunder shall be made in Canadian dollars and shall be made net of all amounts of taxes (if any) which the Payor is required to withhold and remit under Legal Requirements to any relevant Governmental Authorities.
- (d) At the time each Royalty payment is made, the Payor shall deliver to the Royalty Holder a statement setting forth (i) the quantities and grades of Product produced and sold or deemed sold by or credited to the account of the Payor in the applicable calendar quarter, (ii) the Gross Revenues for Product on which the Royalty is calculated in the applicable calendar quarter, (iii) the applicable Allowable Deductions, and (iv) such other pertinent information in sufficient detail to explain the calculation of the Royalty Payment.
- (e) All tailings, residues, waste rock, spoiled leach materials, and other materials (collectively, "**Materials**") resulting from the Payor's operations and activities on the Property shall be the sole property of the Payor, but shall remain subject to the Royalty should the same be processed or reprocessed, as the case may be, in the future and result in the production of Products. Notwithstanding the foregoing, the Payor shall have the right to dispose of Materials from the Property on or off of the Property and to commingle the same with materials from other properties. If Materials are processed or reprocessed, as the case may be, the Royalty payable thereon shall be determined on a pro rata basis as determined by using the best mine processing and technical practices then available.

3. Accounting Matters

- (a) All calculations relating to the Royalty payments to be made to the Royalty Holder hereunder shall be carried out on a consistent basis in accordance with Canadian GAAP to the extent that such principles are not inconsistent with the provisions of this Agreement. In the event of any inconsistency between Canadian GAAP and the provisions of this Agreement, the latter shall prevail.

- (b) The Payor will cause to be kept proper books of account, records and supporting materials covering all matters relevant to the calculation of the Royalty payments payable to the Royalty Holder hereunder. Upon not less than 10 Business Days' prior written request from the Royalty Holder, duly authorized representatives of the Royalty Holder (which may include representatives of the Royalty Holder's auditors) shall be entitled, at the Royalty Holder's cost and expense, not more frequently than once per calendar year, to inspect and audit such books of account, records and supporting materials and the opportunity to discuss issues raised by its audit with the Payor, for the purposes of confirming any information contained in a statement delivered to the Royalty Holder pursuant to Section 2(d).
- (c) Any payment made hereunder shall be considered final and in full satisfaction of all obligations of the Payor hereunder in respect of that payment unless the Royalty Holder provides written notice of its objection to the Payor within twelve months after the receipt by the Royalty Holder of a statement prepared in compliance with Section 2(d) that relates to that payment.
- (d) If a dispute arises with respect to the calculation of the Royalty, the Parties shall use their best endeavors to successfully settle the matter. To this effect, they shall consult and negotiate with each other to reach a resolution satisfactory to both Parties, failing which the Parties shall promptly retain a third party accounting firm mutually agreed between the Royalty Holder and the Payor and experienced in the calculation of royalties of the nature of the Royalty (an "**Auditor**") to conduct an audit solely in respect of the payment(s) in dispute. The Auditor will reach a conclusion on the dispute within 90 days of its appointment and the decision of the Auditor will be binding on the parties.
- (e) If the Parties agree or the Auditor determines that there has been a deficiency or an excess in the payment made to the Royalty Holder, such deficiency or excess will be resolved by adjusting the next Royalty payment due under this Agreement. If production has ceased, settlement will be made between the Parties by cash payment within 10 Business Days of the determination by the Auditor.
- (f) Any audit or other examination permitted under this Agreement shall be completed diligently. All expenses of any audit or other examination permitted hereunder shall be paid by the Royalty Holder, unless such audit or examination determines, or the Parties agree, that the discrepancies in the calculation of the Royalty payment that are challenged by the Royalty Holder are more than five percent (5%) of the correct value of the Royalty payment, as determined by the audit, in which case the Payor shall be responsible for the expenses of that particular audit or other review or examination.

4. **Operations**

- (a) The Payor may, but is not obliged to stockpile, store, treat, mill, sort, concentrate, refine 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.

- (b) In the event the Payor sells or otherwise disposes of Product to an affiliate of the Payor or to any shareholder of the Payor, then those sales or dispositions will be deemed, for purposes of this Agreement, to have been sold at prices and on terms no less favourable to the Payor than those which would be extended by an unaffiliated third party in an arm's length transaction under similar circumstances.

5. General Royalty Matters

- (a) If Product is produced from the Property, such activities may occur as part of a single operation with other mining properties owned by the Payor or its affiliates or in which the Payor or its affiliates have a direct or indirect interest, in which event the Parties agree that (notwithstanding separate ownership thereof) ores, metals, minerals or mineral products mined therefrom may be mixed or commingled at the time of mining or at any time thereafter and the Royalty shall be paid hereunder only with respect to Products mined or derived from the Property; *provided, however*, that the Payor or its affiliates shall calculate from representative samples the average grade thereof and other measures as are appropriate, and shall determine the weight or volume of and sample and analyse/assay all such materials before the same are so mixed or commingled. Any such determination of grade, weight or volume, sampling and analysis shall be made in accordance with sound and generally accepted sampling and analytic procedures and practices consistently applied. The weight or volume and the analysis so derived shall be used as the basis of proportionate allocation of payments in the event of a sale of materials so mixed or commingled. In addition, comparable procedures may be used by the Payor to apportion among any commingled Product any penalties and other charges and deductions, if any, imposed by the smelter, refiner or purchaser of such Product.
- (b) The Payor shall use commercially reasonable efforts to ensure that customary and usual practices and procedures are adopted and employed for weighing, determining moisture content, sampling and assaying and determining recovery factors for the Products and other materials not from the Property, and shall record such data in order to determine the amount of economically recoverable materials extracted or derived from such minerals, metals and concentrates and materials not from the Property.
- (c) For the purpose of determining the amount of the Royalty payments required to be made to the Royalty Holder pursuant to Section 2, where applicable, all receipts and disbursements in a non-Canadian currency will be converted into Canadian currency on the basis of the noon rate of exchange quoted by the Bank of Canada on the Business Day immediately preceding the date of receipt or disbursement, as the case may be.
- (d) Neither the Payor nor any of its affiliates shall have any obligation of any nature whatsoever pursuant to this Agreement to conduct exploration, development, production or mining activities or operations on or in respect of the Property with a view to protecting, enhancing or maximizing the economic benefits available to the Royalty Holder as contemplated herein. For certainty the Royalty Holder acknowledges and agrees that all decisions regarding the methods, procedures and

techniques of any: (i) exploration, development and mining related to the Property, including spending on capital expenditures; (ii) leaching, milling, processing or extraction; (iii) materials to be introduced on or to the Property; and (iv) sales of Product and terms thereof, shall be made by the Payor, in its reasonable discretion.

6. Real Property Interest

The Royalty shall attach to any amendments, relocations and conversions of any Mining Rights, including any tenement, licence, lease, concession, mining claim or right, permit or other tenure comprising the Property or Mining Rights, or to any renewals or extensions thereof. The Royalty shall be a real property interest that runs with the Property and the Mining Rights and shall be binding upon the Payor, their successors and permitted assigns and any other successor in interest or title and other right of ownership of the Property or the Mining Rights or both. Royalty Holder shall be entitled to register this Agreement, or notice thereof, on the title to the Property and Payor shall execute such documents as may be necessary to effect such registration.

7. Assignment of Interests

- (a) The Royalty Holder may, at any time, without the consent of the Payor, assign, transfer or otherwise convey all or any of its rights or obligations under this Agreement to any person or persons (including by way of security or encumbrance); *provided, however*, that that no such assignment, transfer or conveyance shall be effective unless the transferee has first executed and delivered to the Payor an instrument pursuant to which the transferee agrees to be bound by the terms hereof and by all of the liabilities and obligations of the transferor hereunder in the same manner and to the same extent as though the transferee was an original party hereto.
- (b) The Payor may sell, assign, transfer or otherwise convey or dispose of (including by way of security or encumbrance) all or a portion of the Property or the Mining Rights or any interest therein in any manner whatsoever, or assign, transfer or otherwise convey or dispose (including by way of security or encumbrance) of this Agreement or all or any of its rights or obligations hereunder, in whole or in part, in connection with any assignment, transfer or conveyance (including by way of security or encumbrance) of all or a portion of the Property or the Mining Rights or any interest therein in any manner whatsoever; *provided, however*, that that no such sale, assignment, transfer or conveyance shall be effective unless the transferee has first executed and delivered to the Royalty Holder an instrument pursuant to which the transferee agrees to be bound by the terms hereof and by all of the liabilities and obligations of the transferor hereunder in the same manner and to the same extent as though the transferee was an original party hereto.

8. Partial Royalty Buy-Back

The Payor has the right, on notice to the Royalty Holder at any time within five (5) years of the Effective Date, to buy-back one-half of the Royalty for the sum of \$1,000,000, and after such buy-back the Relevant Percentage shall be reduced to 1.0% on payment of \$1,000,000.

9. Return of Mining Claims to be Abandoned by Payor

The Payor may at any time abandon some or all of the Property provided that the Property, or portion thereof, to be abandoned (the "**Abandoned Claims**") shall be in good standing **for a period of at least fifteen (15) months** from the date the Payor notifies the Royalty Holder in writing that it is abandoning its interest in the Abandoned Claims and delivers all reports, maps and data in its possession with respect to the Abandoned Claims to the Royalty Holder (the "**Abandonment Notice**"). The Royalty Holder shall have the right, within thirty (30) days of receipt of the Abandonment Notice, to accept or reject some or all of the Abandoned Claims. If the Royalty Holder wishes to accept some or all of the Abandoned Claims (the "**Accepted Claims**"), it shall deliver notice in writing to the Payor setting out the particulars of the Accepted Claims and the Payor shall transfer the Accepted Claims to the Royalty Holder at the expense of the Payor within ten (10) days of receipt of such Acceptance Notice.

10. Governing Law; Disputes

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws applicable therein (without regard to its laws relating to any conflicts of laws). The United Nations Vienna Convention on Contracts for International Sale of Goods shall not apply to this Agreement.
- (b) Except as specified in Section 3(d), each of the Parties hereby irrevocably attorns and submits to the arbitral provisions set out in this Section 10. Any dispute, controversy or claim arising out of or in connection with this Agreement, including without limitation, whether the dispute may be subject to arbitration, shall be resolved by arbitration. Each of the Parties hereby agrees that service of any arbitral or legal proceedings relating to this Agreement may be made by physical delivery thereof to its address provided in, or in accordance with, Section 13. The provisions contained in this Section do not preclude any of the Parties from applying for any preliminary or interim injunctive remedies available from the courts in Ontario, Canada for any purpose, including, without limitation, securing the subsequent enforcement of any arbitration award rendered as provided hereinabove. Recourse to the aforementioned courts shall not be construed as a waiver of arbitration.
- (c) Except as otherwise provided herein, in the event of any dispute, claim, question or difference arising between the Parties, in respect of the subject matter, enforceability, interpretation or effect of this Agreement (the "**Applicable Claim**"), the Parties (the "**Involved Parties**") shall use their best endeavors to settle successfully such Applicable Claim. To this effect, they shall consult and negotiate with each other to reach a resolution satisfactory to the Parties. If the Parties do not reach a solution within a period of thirty (30) days from notice by one of the Parties to the other of the Applicable Claim first having been given in writing, then upon written notice by a Party to the other Party (the "**Arbitration Notice**"), the Applicable Claim shall be finally settled by arbitration in accordance with Rules of Arbitration of the International Chamber of Commerce based upon the following:
 - (i) the arbitral tribunal shall consist of one arbitrator appointed by mutual written agreement of the Parties, or in the event the Parties are unable to

reach agreement within ten (10) Business Days from the date of the Arbitration Notice, a judge of a court of competent jurisdiction in the Province of Saskatchewan shall appoint the arbitrator, on the application of either party;

- (ii) the arbitrator shall be impartial and independent and familiar with Saskatchewan mining law and other laws of the Province of Saskatchewan;
 - (iii) the arbitrator shall be instructed that time is of the essence in proceeding with his or her determination of any Applicable Claim and that the Applicable Claim shall be resolved as quickly as practicable;
 - (iv) the arbitrator shall be empowered to act as arbitrator-at-law with regard to the substance of the dispute and as arbitrator ex aequo et bono with regard to the procedure of the dispute;
 - (v) the arbitrator may hire his or her own experts as required for the purposes of the arbitration with the prior written consent of the Involved Parties;
 - (vi) the arbitration shall take place in Toronto, Ontario in the English language;
 - (vii) the arbitrator shall have jurisdiction to award costs of the arbitration (which shall include the costs of any expert hired by the arbitral tribunal) and interest at a market rate of interest (as determined by the arbitrator on such basis as he or she deems appropriate (including for periods both before and after the date of the arbitration award, until paid)) on any amounts determined by the arbitrator to be owing from one or more Involved Parties to the other(s) pursuant to the arbitration award;
 - (viii) the Parties undertake to carry out any arbitration award without delay and shall be deemed to have waived their right to any form of recourse insofar as such waiver can be validly made. Judgment upon the award rendered may be entered in any court having jurisdiction or application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be;
 - (ix) the Involved Parties and the arbitral tribunal shall treat as confidential and shall not disclose to a third party without prior written consent from the Parties all matters relating to the arbitration (including the existence of the arbitration), the award, materials created for the purpose of the arbitration and documents produced by another Party in the proceedings and not in the public domain except:
 - (A) for the purpose of making an application to any competent court;
 - (B) pursuant to the order of a court of competent jurisdiction;
 - (C) if necessary for the enforcement of the arbitration award;
 - (D) if required by any applicable Legal Requirement which is binding on the Party making the disclosure; or
 - (E) if required to do so by any Governmental Authority.
- (d) Pending settlement of any dispute, the Parties shall abide by their obligations under

this Agreement without prejudice to a final adjustment in accordance with an award rendered in arbitration or an order of a court settling such dispute.

13. Notices

Any demand, notice or other communication (a "**Communication**") to be given in connection with this Net Smelter Royalty Return Agreement shall be given in writing to the Parties at their respective addresses set forth on the first page of this Net Smelter Royalty Return Agreement or to such other address, or e-mail address, as may be provided from time to time and may be given by personal delivery, by registered mail, by fax or e-mail, except in the event of a disruption in the mail delivery service, in which event the Communication shall be delivered personally, by fax or by e-mail. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given electronically, on the day of transmittal thereof. Any Party may at any time change its address for service from time to time by notice given in accordance with this Section 13.

14. Term

This Agreement shall continue in perpetuity. If any right, power or interest of either Party under this Agreement would violate the rule against perpetuities, as same may be amended or expressed by any relevant law or statute, then such right, power or interest shall terminate at the expiration of the earlier of (a) 99 years from the date hereof or (b) the termination of the period, if shorter than 99 years from the date hereof, that constitutes the **longest** period for which the right, power or interest could exist given the rule against perpetuities, as same may be amended or expressed by any relevant law or statute.

15. Successors and Assigns

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

16. General Contractual Provisions

- (a) Each of the Parties to this Agreement shall from time to time and at all times do all such further acts and execute and deliver all further deeds and documents as shall be reasonably required in order fully to perform and carry out the terms of this Agreement.
- (b) This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by each of the Parties.
- (c) Nothing in this Agreement will be deemed to constitute any Party as the partner, agent or legal representative of the other Party or to create any fiduciary relationship between them. It is not the intention of the Parties to create, nor shall this Agreement be construed to create, any mining, commercial or other partnership.
- (d) Except as expressly provided in this Agreement or any subsequent agreement in writing executed by the Parties, each Party will have the right to independently engage in and receive full benefits from business activities, whether or not competitive with the other's activities, without consulting the other Parties. Notwithstanding any other provision of this Agreement, each Party will be free to

acquire for its own account, free of any liability, duty or obligation to the other Parties arising out of this Agreement, any mineral rights located anywhere within or outside the Province of Ontario, without regard to any doctrine of "corporate opportunity" or "business opportunity".

- (e) This Agreement may be executed in one or more counterparts, each of which, once executed, shall constitute an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF this Agreement has been executed by the Parties on the date first written above.

GEM OIL INC.

BARTAINE INVESTMENTS CO. LTD.

Per: _____
Shaun Spelliscy
Director

Per: _____
Rick Barzeele
Director

OPTIONEE

JORDAN ROMANO

SCHEDULE A

PROPERTY DESCRIPTION - BLACK LAKE MINERAL PROPERTY

No	Claim Type	Claim Number	Ownership	Map
1	Saskatchewan Mining Claim	MC00013411	GEM OIL INC.: 100.000%	1
2	Saskatchewan Mining Claim	MC00014955	GEM OIL INC.: 100.000%	1
3	Saskatchewan Mining Claim	MC00014956	GEM OIL INC.: 100.000%	1
4	Saskatchewan Mining Claim	MC00014957	GEM OIL INC.: 100.000%	1
5	Saskatchewan Mining Claim	MC00014958	GEM OIL INC.: 100.000%	1
6	Saskatchewan Mining Claim	MC00014959	GEM OIL INC.: 100.000%	1
7	Saskatchewan Mining Claim	MC00014960	GEM OIL INC.: 100.000%	1
8	Saskatchewan Mining Claim	MC00012875	GEM OIL INC.: 100.000%	2
9	Saskatchewan Mining Claim	MC00014416	GEM OIL INC.: 100.000%	2
10	Saskatchewan Mining Claim	MC00014417	GEM OIL INC.: 100.000%	2
11	Saskatchewan Mining Claim	MC00014418	GEM OIL INC.: 100.000%	2
12	Saskatchewan Mining Claim	MC00014419	GEM OIL INC.: 100.000%	2
13	Saskatchewan Mining Claim	MC00014420	GEM OIL INC.: 100.000%	2
14	Saskatchewan Mining Claim	MC00014421	GEM OIL INC.: 100.000%	2
15	Saskatchewan Mining Claim	MC00014422	GEM OIL INC.: 100.000%	2
16	Saskatchewan Mining Claim	MC00014423	GEM OIL INC.: 100.000%	2
17	Saskatchewan Mining Claim	MC00014424	GEM OIL INC.: 100.000%	2
18	Saskatchewan Mining Claim	MC00012877	GEM OIL INC.: 100.000%	3
19	Saskatchewan Mining Claim	MC00012873	GEM OIL INC.: 100.000%	4
20	Saskatchewan Mining Claim	MC00012874	GEM OIL INC.: 100.000%	4
21	Saskatchewan Mining Claim	MC00012884	GEM OIL INC.: 100.000%	4