

**MOOSEHORN RANGE  
PROPERTY OPTION AGREEMENT**

THIS AGREEMENT is made as of the 31st of January, 2017

BETWEEN:

**IAN WARRICK**, doing business as Moosehorn Exploration, and having a mailing address at Suite 407, 108 Elliot Street, Whitehorse, Yukon, Y1A 6C4; and **COLIN WARRICK**, doing business as Antler Exploration, and having a mailing address at Suite 131, 108 Elliott Street, Whitehorse, Yukon, Y1A 6C4

(collectively, the "**Warricks**")

AND:

**RAUNO PERTTU**, an individual having a mailing address at 5941 Towne Drive NE, Silverton, Oregon, 97381

("Perttu")

AND:

**PROVENANCE GOLD CORP.**, a corporation having a mailing address at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8

("Provenance")

WHEREAS:

- A. The Warricks are the registered and beneficial owners of one-hundred-forty-nine (149) Quartz Claims located in the Moosehorn Range approximately 140 kilometers southwest of Dawson City, and which claims are listed in Schedule "A" attached to this Agreement (the "**Property**");
- B. The Warricks and Perttu entered into a property option agreement (the "**Original Option**"), dated June 10, 2016, pursuant to which the Warricks agreed to give and grant to Perttu the sole and exclusive right and option to purchase the Property (the "**Option**"); and
- C. The Warricks, Perttu and Provenance desire to enter into this Agreement for the purposes of confirming the terms of the Original Option, and amending the Original Option such that all rights are granted to Provenance instead of Perttu.

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THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

“Act” refers to the Yukon Quartz Mining Act.

“Property” refers to the one-hundred-forty-nine (149) Quartz Claims as set forth in Schedule “A” of this Agreement.

“Quartz Claims” refers to claims held under the Act for the purposes of extracting minerals from primary rock sources.

“2% NSR” means two percent net smelter royalty paid to the Warricks by December 31 of each year lode gold is recovered from the Property. It may be interpreted and paid as 2 percent of the total amount paid by the smelter for all lode gold recovered on the Property.

2. ORIGINAL OPTION

2.1 The parties hereby agree that this Agreement shall replace the Original Option in its entirety, and that all expenditures and payments completed by Perttu, or Provenance, in furtherance of the Original Option, shall be credited towards any payments owing pursuant to this Agreement, as though this Agreement had been in effect at the time.

3. GRANT OF OPTION

3.1 The Warricks hereby grant to Provenance, subject to the payments and conditions in this Agreement, an Option to purchase a one-hundred (100%) percent interest in the Property and the exclusive right to conduct on the Property mineral exploration and feasibility study work during the period of the Option.

3.2 The term of this Option shall commence on the date of this Agreement and shall terminate or be exercised on the earliest to occur of the following events:

- (a) The termination of this Option by notice on the part of the Warricks or Provenance under Article 7 of this Agreement; or
- (b) The payment by Provenance to the Warricks of CAD\$3,000,000.00. However, the requirement to pay the Warricks the 2% NSR shall remain in full force and effect until the 2% NSR is purchased by the payment to the Warricks of an additional CAD\$2,000,000.00.

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4. PAYMENTS

4.1 In order to exercise the Option, Provenance shall pay to the Warricks the following schedule of payments:

Amount	Date
\$33,500 to Ian Warrick \$16,500 to Colin Warrick	Within 60 days of signing of the Original Option
\$33,500 to Ian Warrick \$16,500 to Colin Warrick	June 10, 2017
\$88,750 to Ian Warrick \$41,250 to Colin Warrick	June 10, 2018
\$88,750 to Ian Warrick \$41,250 to Colin Warrick	June 10, 2019
\$167,500 to Ian Warrick \$82,500 to Colin Warrick	June 10, 2020
\$2,010,000 to Ian Warrick \$990,000 to Colin Warrick	June 10, 2021

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4.2 The final payment of \$3,000,000 to Ian and Colin Warrick may, at the option of Provenance be made at any time up to and including June 10, 2021, in which case all other scheduled payments, except the payment to the Warricks of the 2% NSR every year lode gold is produced from the Property, owing pursuant to Section 4.1 of this Agreement shall not be payable, and no further expenditures shall be required pursuant to Section 5.1 of this Agreement.

4.3 The payment of CAD\$2,000,000 may be made at any time by Provenance to Ian and Colin Warrick to buy out the 2% NSR.

4.4 Payments are to be deposited to the following bank accounts:

Moosehorn Exploration TD Canada Trust, Whitehorse, Yukon: 99960-004-0933 5233600

Antler Exploration TD Canada Trust, Whitehorse Yukon: 99960-004-0933 5227031

4.5 Following completion of the payments set forth in Section 4.1, or in the event of completion of the payment set forth in Section 4.2 of this Agreement, the Option shall be deemed to have been exercised, following which Provenance shall have a one-hundred (100%) percent interest in the Property free and clear of any encumbrances and further obligations in the Agreement shall cease, with the exception of the 2% NSR.

## 5. COVENANTS TO THE WARRICK'S

5.1 Subject to the right of Provenance to terminate this Agreement pursuant to Section 7, Provenance covenants with the Warricks as follows:

(a) To pay all taxes, rates, duties and other outgoings imposed in respect of the Property and facilities and equipment on the Property;

(b) To expend a minimum of \$100,000 exploring the Property before October 10, 2017, such minimum amount to be paid to the Warricks at the rates as detailed in Schedule "B" of this Agreement for trenching, sampling, drilling, equipment rental, road building, or other services rendered on the Property or winter road as directed by Provenance;

(c) To expend a minimum of \$100,000 exploring the Property between October 10, 2017 and October 10, 2018, such minimum amount to be paid to the Warricks at the rates as detailed in Schedule "B" of this Agreement for trenching, sampling drilling, equipment rental, road building or other services rendered on the Property or winter road as directed by Provenance;

(d) To expend a minimum of \$100,000 exploring the Property between October 10, 2018 and October 10, 2019, such minimum amount to be paid to the Warricks at the rates detailed in "Schedule B" of this Agreement for trenching, sampling, drilling, equipment rental, road building or other services rendered on the Property or winter road as directed by Provenance;

(e) To expend a minimum of \$100,000 exploring the Property between October 10, 2019 and October 10, 2020, such minimum amount to be paid to the Warricks at the rates detailed in "Schedule B" of this Agreement for trenching, sampling, drilling, equipment rental, road building or other services rendered on the Property or winter road as directed by Provenance;

(f) To expend a minimum of \$100,000 exploring the Property between October 10, 2020 and October 10, 2021, such minimum amount to be paid to the Warricks at the rates detailed in "Schedule B" of this Agreement for trenching, sampling, drilling, equipment rental, road building or other services rendered on the Property or winter road as directed by Provenance;

(g) Provenance will provide to the Warricks such data as is reasonably necessary to permit the Warricks to be properly informed in relation to any exploration work and expenditures conducted on the Property, together with a progress report at intervals of one year during the term exploration is carried out;

(h) To make such filings, payments, and applications for renewal and do such assessment work and other acts and things as may be required to maintain the Property in good standing, for a minimum of two years, under the Yukon Quartz Mining Act and any other legislation applicable to the Property from time to time;

(i) To keep the Property free of liens and other encumbrances arising from the operations of Provenance;

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(j) To conduct all its operations on and about the Property, or related to the Property, in a prudent and workmanlike manner and to comply with all laws and regulations applicable to such operations; provided however that Provenance shall not be responsible for any environmental damage or other condition on or about the Property which has occurred prior to the commencement of same and shall not have been caused or permitted by Provenance;

(k) Subject to subsection 5.1 (j), to indemnify the Warricks against all actions, proceedings, costs, liens, claims, demands and liabilities whatsoever arising as a result of Provenance's operations on the Property;

(l) To answer promptly the reasonable inquiries of the Warricks with respect to the operations of Provenance on the Property;

(m) To permit agents of the Warricks with reasonable notice and at their own risk to inspect Provenance's operations on the Property and at the end of each field season to inspect all data accumulated by Provenance with respect to the Property;

(n) Not to assign, sublet, or part with possession or occupation of the Property, or interest in the Property, unless such other person or entity shall first have agreed in writing to be bound by the terms of this Agreement, and a written copy of such assignment having been delivered to the Warricks;

(o) To consent, from time to time, to the timely release by the Warricks of information relative to material events, in compliance with the requirements of those regulatory authorities in whose jurisdiction the Warricks carry on business, provided that the information contained in such releases would not, in the opinion of Provenance, injure or impair the business of Provenance;

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(p) Not to mine on, or commercially extract gold from, or remove more than one ton of rock samples per year from the Property prior to exercise of the Option or unless prior written consent is obtained from the Warricks;

(q) Not to locate a camp on the east side of the Moosehorn Range or conduct any work or operations within one (1) kilometer of the Moosehorn Exploration Camp without the written consent of the Warricks; such consent shall not be unreasonably denied by the Warricks if Provenance is exploring the lode within the one (1) kilometer limit; and

(r) To pay the Warricks within thirty (30) days after receipt of any invoice for work and services rendered by the Warricks.

5.2 In the event Provenance incurs expenditures on the Property in any year in excess of the amount required under Section 5.1 of this Agreement, any excess amount shall be applied to any remaining expenditures required in future years under Section 5.1.

## 6 THE WARRICK'S REPRESENTATIONS AND WARRANTIES

6.1 Each of the Warricks jointly and severally represent and warrant to Provenance as follows:

(a) That the Property is presently in good standing, free and clear of all liens and encumbrances, the Warricks are the legal and beneficial owners of the Property and that no other party has any interest in the Property whatsoever;

(b) The Property has been duly and properly located and recorded and is in good standing in respect of payment and performance of annual fees and assessment work requirements under the Act;

(c) The Warricks have the exclusive right to enter into this Agreement and all necessary authority to dispose of their interest in the Property, all in accordance with the terms of this Agreement;

(d) No person, firm or corporation has any right to explore, develop or exploit the Property or has any right, title or interest in the Property or in production from the Property whatsoever, other than as granted in this Agreement to Provenance;

(e) Neither the execution and delivery of this Agreement nor any of the transactions contemplated by this Agreement conflict with, result in the breach of or accelerate the performance required by any agreement to which the Warricks are party;

(f) The execution and delivery of this Agreement will not violate or result in the breach of the laws of any jurisdiction by the Warricks;

(g) That the Warricks shall do nothing whereby title to any of the Property shall be placed in jeopardy;

(h) That the Warricks shall, at the request of Provenance, do all acts and execute all documents in its capacity as recorded owner of the Property which may from time to time be necessary or desirable to facilitate the exercise of the rights of Provenance or performance of its obligations under this Agreement, including but not limited to any actions necessary to complete and record a transfer of the Property upon exercise of the Option; and

(i) That the Warricks will not, except with the written consent of Provenance first obtained, release any information either to the public or to third parties, in respect of the Property.

6.2 The Warricks hereby agree, jointly and severally, to indemnify Provenance against all actions, proceedings, costs, liens, claims, demands and liabilities whatsoever arising as a result of the Warricks failure to conduct all their operations on the Property, or related to the Property, in a prudent and workmanlike manner and to comply with all laws and regulations applicable to such operations, or as a result of the failure of any of the representations or warranties contained in this Agreement to be true.

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## 7. TERMINATION FOR DEFAULT

If a party (a "Defaulting Party") is in default of any requirement of this Agreement the other party will give written and email notice to the Defaulting Party. If the Defaulting Party does not remedy the default within forty-five (45) days of the notice being received, the other party may terminate the Agreement. The other party shall be immediately entitled to seek any remedy it may have on account of such default.

If payment according to Section 4.1 is not made, and if after the Warricks give written and email notice to Provenance of such failure to make payment, and Provenance fails to make the scheduled payment within forty-five (45) days of the relevant date shown in Section 4.1, notwithstanding any other considerations in this clause, this Agreement will be at an end.

## 8. EFFECTS OF TERMINATION

### 8.1 Upon Termination of this Agreement:

(a) Provenance shall forthwith deliver possession of the Property to the Warricks in such condition as good mining practice and all applicable laws and regulations require on abandonment of the Property;

(b) Provenance shall not be responsible for any environmental damage or other condition on or about the Property which has occurred prior to the commencement of this Agreement or which shall occur after its termination;

(c) Provenance shall forthwith execute such documents and do such acts as may be required to vest the Property in the Warricks, free of this Agreement and of any liens or encumbrances caused or permitted by Provenance;

(d) Provenance shall forthwith take such steps as may be required to ensure that the Property is in good standing in respect of assessment work for a period of at least two years from the date of termination of this Agreement;

(e) For the purposes of removing its equipment and facilities, and otherwise complying with this Article, Provenance shall have a right of access to the Property for a maximum period of sixteen (16) months from the date of termination of this Agreement, after which period anything not removed shall, at the election of the Warricks, be deemed to have been quitclaimed to the Warricks;

(f) Provenance shall within a reasonable period deliver to the Warricks one set of all its reports, engineering data, records, assays, plans and maps pertaining to the Property and its operations on the Property;

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(g) Provenance shall have no further interest in the Property or the minerals remaining in the Property and on the Property and shall be entitled to no reimbursement for any moneys spent or work done under this Agreement; and

(h) The parties shall cease to be liable to one another under this Agreement save with respect to any breach of the terms of this Agreement.

#### 9. ADDITIONAL CLAIMS ACQUIRED

If during the term of this Agreement either party acquires any interest in Quartz Claim fractions within a five (5) kilometer perimeter of the Property's claim blocks, then such additional claim fractions shall become subject to the terms and conditions of this Agreement.

#### 10. NOTICES

10.1 Any written and emailed notice or other document shall be effectively given or delivered for the purposes of this Agreement if left at the following addresses and emailed or mailed by registered mail with postage prepaid, and emailed addressed, in the case of the Warricks as follows:

Ian Warrick / Moosehorn Exploration

#407 – 108 Elliot Street,

Whitehorse, Yukon

Y1A 6C4

And email addresses at: [ianandkatew@hotmail.com](mailto:ianandkatew@hotmail.com) AND [thewarricks@gmail.com](mailto:thewarricks@gmail.com)

Colin Warrick / Antler Exploration

#131 – 108 Elliot Street

Whitehorse, Yukon

Y1A 6C4

And email address at: [colinwarrick@gmail.com](mailto:colinwarrick@gmail.com)

And addressed, in the case of Perttu to:

Rauno Perttu

5941 Towne Drive NE

Silverton, Oregon 97381

And email address at: [rkperttu@provenancegold.com](mailto:rkperttu@provenancegold.com)

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And addressed, in the case of Provenance to:

Provenance Gold Corp.  
Suite 2200, 885 West Georgia Street  
Vancouver, British Columbia  
V6C 3E8  
Attention: Robert Clark  
And email address at: rclark@provenancegold.com

10.2. Such notice or document shall be deemed to have been given or delivered upon the earlier of the date of actual delivery and email or thirty days after the emailing and mailing of same by prepaid, registered mail in the Province of British Columbia or the Yukon Territory exclusive of Saturdays, Sundays, statutory holidays and days on which the postal service in a relevant area is publicly acknowledged to be suspended or disrupted.

10.3 Any of the above addresses may be changed by notice in writing and email from the addressee to the other party hereto.

#### 11. MISCELLANEOUS

11.1 Each party to this Agreement shall execute such further documents and do such other acts as may reasonably be required to give full effect to the spirit and intent of this Agreement and shall refrain from doing anything which is not consistent with such spirit and intent of this Agreement.

11.2 The Warricks hereby appoint Provenance as their agent and attorney to carry out at Provenance's expense, any necessary dealings in connection with the Property for the purpose of giving effect to the terms of this Agreement.

11.3 If any party to this Agreement fails to take action with respect to any default by the other party, such failure alone shall not be deemed to be a waiver of such default.


11.4 If any party waives any default of any other party, such waiver shall not constitute a waiver of any subsequent default, including a subsequent default of the same nature as the default waived.


11.5 This Agreement shall be construed in accordance with the laws of the Yukon Territory.

11.6 All dollar amounts in this Agreement refer to Canadian Dollars.

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

  
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**IAN WARRICK** for himself  
and on behalf of Moosehorn Exploration

  
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**COLIN WARRICK** for himself  
and on behalf of Antler Exploration

**PROVENANCE GOLD CORP.**

  
\_\_\_\_\_  
**RAUNO PERTTU**

Per:   
\_\_\_\_\_  
*Rauno Perttu, Director*



**SCHEDULE A  
THE PROPERTY  
QUARTZ CLAIMS AND DESCRIPTIONS**

The 149 quartz claims described below are situated in the Whitehorse mining District of the Yukon Territory, approximately 80 km north of Beaver Creek in the Moosehorn Range area, and on map sheet 115-N-02.

Claim Name	Grant Number	Registered Owner
ANTLER 1-12	YC94510-YC94521	Colin Warrick
ANTLER 13-16	YC94506-YC94509	Colin Warrick
ANTLER 17-31	YD59885-YD59899	Colin Warrick
ANTLER 32-34	YD59880-YD59882	Colin Warrick
ANTLER 35-41	YD59900-YD59906	Colin Warrick
ANTLER 42-67	YD59910-YD59935	Colin Warrick
ANTLER 68-73	YF45748-YF45753	Colin Warrick
COLIN 1-4	YB54730-YB54733	Ian Warrick
COLIN 5-20	YC40935-YC40950	Ian Warrick
COLIN 21-29	YC46878-YC46886	Ian Warrick
COLIN30-31	YD59883-YD59884	Ian Warrick
MAR 1-2	YB54519-YB54520	Ian Warrick
PIA 1-6	YB54513-YB54518	Ian Warrick
REEF 1-4	YA78081-YA78084	Ian Warrick
REEF 5-10	YA82517-YA82522	Ian Warrick
REEF 11-15	YA97444-YA97448	Ian Warrick
REEF 16-20	YB08092-YB08096	Ian Warrick
REEF 21	YB55284	Ian Warrick
REEF 22-23	YC14556-YC14557	Ian Warrick
REEF 25-38	YC18702-YC18715	Ian Warrick

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- Note: There is no REEF 24 – Thus there are 37 REEF Claims

**SCHEDULE B  
EQUIPMENT & PRICING LIST**

The following rates are excluding fuel, and are a guideline for costs attributable under the Work Commitment Expenditures according to section 5.1 of the Agreement.

09 Dozer: \$500 / hour including operator  
08 Dozer: \$350 / hour  
07 Dozer: \$250 / hour  
JD350 Dozer: \$150/ hour  
345 Excavators: \$500 / hour  
225 Excavator: \$250 / hour  
ZX350LC Excavator: \$400 / hour  
30 Ton Articulating Truck: \$300 / hour  
980 Wheel Loader: \$300 / hour  
966 Wheel Loader: \$200 / hour  
5 Ton 4 x 4 Flat Deck Truck: \$150 / hour  
4 X 4 Pickup Truck: \$200 per day  
4 X 4 ATV: \$200 per day  
Diesel Camp Generator: \$75 per day  
Drills: \$300 / hour  
Diesel Welder: \$100 / hour Including Welder but Excluding Welding Supplies  
Portable Crusher and Grinding Mill: \$250 / hour  
Mechanic and Tools: \$125 / hour  
Laborers - \$40 / hour  
Room and Board at Moosehorn Camp Including Guests: \$125 per day  
Any Fuel Supplied by the Warricks : \$3.50 per litre

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Any other rates for equipment or personnel provided by the Warricks shall be agreed to in writing or by email by Provenance prior to the commencement of work with that item.