

OPTION AGREEMENT

THIS AGREEMENT is dated effective November 30, 2017

AMONG:

2041663 ONTARIO LTD. D/B/A VISION EXPLORATION a corporation incorporated pursuant to the laws of the Province of Ontario and having an office at 1780 Coyote Ridge Road, Crystal Falls, Ontario, P0H 1L0

(“2041663”)

AND:

2157101 ONTARIO LTD. a corporation incorporated pursuant to the laws of the Province of Ontario and having an office at 95 Fraser Street, Connaught, Ontario, P0N 1A0

(“2157101”)

AND:

2254022 ONTARIO LTD. a corporation incorporated pursuant to the laws of the Province of Ontario and having an office at Suite 106, 70C Mount Joy Street, N., Timmins, Ontario, P4V 4V6

(“2254022”)

(2041663, 2157101 and 2254022 collectively referred to as the “**Optionors**”)

AND:

PRIZE EXPLORATION INC., a corporation incorporated pursuant to the laws of Canada and having its registered office at 181 Bay Street, Brookfield Place, Suite 4400 Toronto, Ontario, M5J 2T3

(the “**Optionee**”)

WHEREAS:

(A) The Property (as defined herein) is held in the name of Steven Anderson and each of the Optionors owns a one-third beneficial interest in certain exploration claims (the “**Claims**”) located in Rowlandson Township, Porcupine Mining Division. The specific description of such Claims is attached hereto as Schedule “A” (collectively, the “**Property**”);

(B) The Optionors have agreed to grant an exclusive option to the Optionee to acquire a 90% undivided interest in and to the Property by paying certain consideration and by completing a Feasibility Study (as that term is defined below) as set forth herein;

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties covenant and agree as follows:

PART 1

DEFINITIONS AND INTERPRETATION

Definitions

1.1 For the purposes of this Agreement, except as otherwise expressly provided herein, the following words and phrases have the following meanings:

- (a) “**90% Interest**” means a ninety percent (90%) undivided right, title and interest in and to the Property and in the rights of the Optionors with respect thereto;
- (b) “**2041663**” means 2041663 Ontario Ltd., a corporation incorporated pursuant to the laws of the Province of Ontario;
- (c) “**2157101**” means 2157101 Ontario Ltd., a corporation incorporated pursuant to the laws of the Province of Ontario;
- (d) “**2254022**” means 2254022 Ontario Ltd., a corporation incorporated pursuant to the laws of the Province of Ontario;
- (e) “**Affiliate**” has the meaning given to that term in the *Canada Business Corporations Act*;
- (f) “**Agreement**” means this agreement and all of the schedules hereto, as may be amended from time to time;
- (g) “**AOI Claim**” has the meaning ascribed therein in §8.1;
- (h) “**Area of Interest**” has the meaning ascribed thereto in §8.1;
- (i) “**Earn-In Date**” means the date on which the Optionee has earned the 90% Interest in accordance with §4.2;

- (j) “**Effective Date**” means the date of this Agreement;
- (k) “**Encumbrance**” means any privilege, mortgage, hypothec, lien, charge, pledge, security interest or adverse claim;
- (l) “**Environmental Liability**” means any claim, demand, loss, liability, damage, cost or expense (including legal fees) suffered or incurred in respect of environmental cleanup and remediation obligations and liabilities arising directly or indirectly from operations or activities conducted in or on the Property;
- (m) “**Execution Date**” means the date this Agreement is signed by the last of the parties to sign it;
- (n) “**Feasibility Study**” means a “feasibility study” as defined by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which is the accepted definition for the purposes of National Instrument 43-101, being a comprehensive technical and economic study of the Property that includes appropriately detailed assessments of applicable modifying factors (including mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors) together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable);
- (o) “**Joint Venture**” has the meaning ascribed thereto in §4.3;
- (p) “**NSR**” means an interest in the net smelter returns generated from production on the Property determined in accordance with Schedule “B”;
- (q) “**Option**” means the option granted by the Optionors to the Optionee to acquire the 90% Interest on the terms and conditions set forth herein;
- (r) “**Option Payments**” has the meaning ascribed thereto in §4.1;
- (s) “**Option Period**” means the period from the Effective Date to and including the earliest of the:
 - (i) the Earn-In Date, and
 - (ii) the termination hereof pursuant to Part 7;
- (t) “**Optionee**” means Prize Exploration Inc., a corporation incorporated pursuant to the laws of Canada;
- (u) “**Optionors**” means, collectively, 2041663, 2157101 and 2254022;
- (v) “**Optionors NSR**” has the meaning ascribed thereto in §4.4;

- (w) “**Property**” has the meaning ascribed thereto in Recital (A); and
- (x) “**Third Party Property Information**” has the meaning ascribed thereto in §6.6.

Interpretation

1.2 For the purposes of this Agreement except as otherwise expressly provided herein:

- (a) the words “**herein**”, “**hereof**”, and “**hereunder**” and other words of similar import refer to this Agreement as a whole and not to any particular Part, clause, subclause or other subdivision or Schedule;
- (b) a reference to a Part means a Part of this Agreement and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Agreement so designated;
- (c) the headings are for convenience only, do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
- (d) the word “**including**”, when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as “without limitation” or “but not limited to” or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;
- (e) a reference to currency means Canadian currency; and
- (f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

PART 2

THE PROPERTY

The Property

2.1 The Property is comprised of the Claims more particularly described in Schedule “A” hereto and will include any additional exploration claims that become part of the Property pursuant to §8.1, including any exploration claims staked within the Property and all mining leases and other mining interests derived from any such exploration claims. Any reference to any Claim comprising the Property includes any exploration permit, mining permit or other interest into which such Claim may be converted.

PART 3

REPRESENTATIONS AND WARRANTIES

Mutual Representations

3.1 The Optionee represents to the Optionors, and each of the Optionors, severally and not jointly with any other Optionor, each represents and warrants to the Optionee, that:

- (a) it has duly obtained all necessary governmental, corporate and other authorizations for its execution and performance of this Agreement, and the consummation of the transactions contemplated herein will not, with the giving of notice or the passage of time, or both, result in a breach of, constitute a default under, or result in the creation of any Encumbrance on its assets under, the terms or provisions of any law applicable to it, its constating documents, any resolution of its directors or shareholders or any indenture, Agreement or other instrument to which it is a party or by which it or its assets may be bound;
- (b) no proceedings are pending for, and it is unaware of any basis for the institution of any proceedings leading to, its dissolution or winding up or the placing of it in bankruptcy or its subjection to any other law governing the affairs of bankrupt or insolvent persons;
- (c) it has full right, power and authority to enter into and accept the terms of this Agreement and to carry out the transactions contemplated herein; and
- (d) there are no third party beneficiaries to the terms of this Agreement.

Optionors' Representations

3.2 Each of the Optionors, severally and not jointly, represents and warrants to the Optionee that:

- (a) it has been duly incorporated and is a valid and subsisting body corporate under the laws of its jurisdiction of incorporation and is duly qualified to carry on business in Ontario and to hold an interest in the Property;
- (b) the Claims comprising the Property are validly located, duly recorded and in good standing, free and clear of all Encumbrances and underlying interests;
- (c) sufficient assessment work has been done and reports filed to keep the Claims comprising the Property in good standing under the applicable law in Ontario;
- (d) 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 Claims comprising the Property or the interests of the Optionor therein nor is the Optionor aware of any acts which would lead it to suspect that the same might be initiated or threatened;

- (e) there are no outstanding agreements or options to purchase or otherwise acquire the Property or any portion thereof or any interest therein except this Agreement, and no person has any royalty or other interest whatsoever in the production from or profits earned from any of the Claims comprising the Property;
- (f) the activities directly or indirectly relating to the Claims comprising the Property by the Optionors and any other person on behalf of the Optionors have been in compliance with all other applicable laws and the Optionors have not received any notice nor are the Optionors aware after reasonable inquiry of any breach or violation of any such laws having been alleged;
- (g) there are no obligations or commitments for reclamation, closure or other environmental corrective, clean-up or remediation action directly or indirectly relating to the Claims comprising the Property;
- (h) no environmental audit, assessment, study or test has been conducted in relation to the Claims comprising the Property by or on behalf of the Optionors nor are the Optionors aware after reasonable inquiry of any of the same having been conducted by or on behalf of any governmental authority or by any other person;
- (i) it is the legal and beneficial owner of a one-third (33.3%) interest in the Claims described in Schedule "A", and has the exclusive right to enter into this Agreement and dispose of an interest in the Property in accordance with the terms hereof;
- (j) it is legally entitled to hold its interest in the Property and the claims, permits, easements, rights of way, certificates and other approvals now held or hereafter acquired by it and necessary for the exploitation of the Property, and will remain so entitled for so long as it holds any interest in the Property; and
- (k) upon exercise of the Option by the Optionee, the Optionor will have the legal right and authority to enter into a joint venture agreement and transfer part of its interest in the Property, subject to the NSR, to the Optionee.

Exclusive Benefit of the Optionee

3.3 The representations and warranties contained in §3.2 are provided for the exclusive benefit of the Optionee and a misrepresentation or breach of warranty may be waived by the Optionee in whole or in part at any time without prejudice to its rights in respect of any other misrepresentation or breach of the same or any other representation or warranty; and the representations and warranties contained in §3.2 will survive the execution hereof and continue through the Option Period.

Optionee's Representations

3.4 The Optionee represents and warrants to the Optionors that:

- (a) it has been duly incorporated and is a valid and subsisting body corporate under the laws of Canada;

- (b) it is not a reporting issuer in Canada; and
- (c) the common shares of the Optionee are not listed or posted for trading on any recognized stock exchange.

Exclusive Benefit of the Optionors

3.5 The representations and warranties contained in §3.4 are provided for the exclusive benefit of the Optionors and a misrepresentation or breach of warranty may be waived by the Optionors in whole or in part at any time without prejudice to its rights in respect of any other misrepresentation or breach of the same or any other representation or warranty; and the representations and warranties contained in §3.4 will survive the execution hereof and continue through the Option Period.

Survival of Representations and Warranties

3.6 The representations and warranties of the parties set out herein are conditions upon which the parties have relied in entering into this Agreement and will survive the termination of this Agreement and the acquisition of any interest in the Property by the Optionee hereunder, and each party will indemnify and save the other harmless from all loss, damage, costs and expenses which may be suffered or incurred by the other as a result of or in connection with any breach or inaccuracy of any such representation and warranty made by such party.

PART 4

GRANT OF OPTION

Grant of Option

4.1 Subject to the terms hereof, each of the Optionors hereby grants to the Optionee the sole and exclusive right and option to acquire a 30% interest in the Property from such Optionor (resulting in the Optionee earning an aggregate 90% Interest), by making the following payments to the Optionees (the “**Option Payments**”):

- (a) \$5,000, payable to each of the Optionors within 10 calendar days of the execution and delivery of this Agreement (for an aggregate payment to the Optionors of \$15,000); and
- (b) 100,000 common shares in the capital of the Optionee, issuable to each of the Optionors upon completion of the initial public offering of the Optionee (for an aggregate payment to the Optionors of 300,000 common shares).

Exercise of Option

4.2 If the Optionee completes the Feasibility Study and pays the Optionors the Option Payments as described in §4.1, it will, without further act or payment, have and be deemed for all

purposes to have exercised the Option and to have earned the 90% Interest free and clear of all Encumbrances.

4.3 Upon the Optionee having earned the 90% Interest in accordance with the provisions of §4.2, the Optionee and the Optionors will form a joint venture for the further exploration and development of the Property (the “**Joint Venture**”), in the form as provided by the Rock Mountain Mineral Law Foundation available at www.rmmlf.org or such other form as agreed by the parties. The initial interests in the Joint Venture will be 90% in favour of the Optionee and $3\frac{1}{3}\%$ in favour of each of the Optionors.

Optionors Royalty

4.4 The Optionors will, collectively, retain a two percent (2%) NSR with respect to the Property, payable by the Optionee in accordance with Schedule “B” (the “**Optionors NSR**”), and upon exercise of the Option by the Optionee, the Optionee and the Optionors shall be deemed to have entered into the net smelter royalty agreement attached as Schedule “B”.

Buy-out of Optionors Royalty Interest

4.5 The Optionee will have the option, exercisable at any time, to reduce the Optionors NSR to a one percent (1%) NSR with respect to the Property upon payment to each of the Optionors of \$333,333.33.

PART 5

ENVIRONMENTAL INDEMNIFICATION

Optionors Indemnity

5.1 Each of the Optionors agrees to indemnify and save the Optionee harmless from and against any Environmental Liability suffered or incurred by the Optionee arising directly or indirectly from any operations or activities conducted in or on the Property, whether by the Optionors or others, prior to the Effective Date.

Optionee Indemnity

5.2 The Optionee agrees to indemnify and save the Optionors harmless from and against any Environmental Liability suffered or incurred by the Optionors arising directly or indirectly from any operations or activities conducted on the Property, whether by the Optionee, its employees or agents, after the Effective Date.

Survival

5.3 The provisions of this Part 5 will survive any termination of this Agreement.

PART 6

RIGHTS AND OBLIGATIONS DURING OPTION PERIOD

Work Programs During Option Phase

6.1 The Optionee will have the exclusive right to manage and operate all work programs carried out on the Property for so long as the Option remains outstanding, and all work programs will be in the sole discretion of the Optionee.

Additional Rights

6.2 For so long as the Option is outstanding, the Optionee and its employees, representatives, agents and independent contractors will have the right:

- (a) to access to all information in the possession or control of the Optionors relating to prior operations on the Property including all geological, geophysical and geochemical data and drill results;
- (b) to enter upon the Property and carry out such exploration and development work thereon and thereunder as the Optionee considers advisable, including removing material from the Property for the purpose of testing; and
- (c) to bring upon and erect upon the Property such structures, machinery and equipment, facilities and supplies as the Optionee considers advisable.

Optionors' Access

6.3 The Optionors will have access to the Property, concurrently with the Optionee, at all reasonable times, at the Optionors' own risk and expense, for the purpose of inspecting the work being done by the Optionee, provided such inspection does not unduly interfere with any work being carried out by or on behalf of the Optionee.

Optionee Obligations

6.4 For so long as the Option is outstanding, the Optionee will:

- (a) keep and maintain at all times true and accurate books, records and accounts in accordance with International Financial Reporting Standards applied consistently from year to year in which will be entered particulars of all receipts and disbursements related to work done by it on the Property, including but not limited to all assessment work, and all such books, records and accounts will be kept separate from the books, records and accounts maintained by the Optionee;
- (b) pay all government claim fees in connection with the Property;
- (c) keep the Property free and clear of all Encumbrances arising from its operations under this Agreement (except Encumbrances for taxes not yet due, other inchoate

Encumbrances, the Optionors NSR and Encumbrances contested in good faith by the Optionee) and to contest or discharge any such Encumbrance that is filed;

(d) obtain and maintain, and cause any contractor engaged by it to obtain and maintain, such insurance as the Optionee reasonably considers appropriate in the circumstances, with both the owner and the Optionee being named as insured in such policies; and

(e) conduct all work in a careful and miner-like manner and in compliance with all applicable laws, rules, orders and regulations, including, without limitation, those relating to reclamation and environmental protection.

Reporting Obligations

6.5 Subject to §6.6, for so long as the Option is outstanding, the Optionee will:

(a) furnish the Optionors with annual reports containing a reasonably complete description and results of the work done by the Optionee during the previous year, a summary of the results of such work, a summary of the Optionee's interpretation of such results and, if requested by the Optionors, all supporting documentation with respect to the work done by the Optionee;

(b) give the Optionors access, at its own risk and expense and at reasonable times, to all preliminary and final technical data relating to work done on the Property, including all results and raw data received by the Optionee from laboratories and other independent contractors retained to provide technical analysis and interpretation; and

(c) answer promptly all reasonable requests made by the Optionors for information relating to the Property and work done by the Optionee on the Property.

Third Party Property Information

6.6 The Optionors acknowledge and agree that neither the Optionee nor any of its Affiliates are providing any representation or warranty in respect of the accuracy, completeness or validity of the information relating to the Property obtained by the Optionee from laboratories and other independent contractors and provided to the Optionors pursuant to §6.5 or 7.2(a) or otherwise hereunder ("**Third Party Property Information**") and that no such representation or warranty will be implied.

The Optionors hereby forever releases and discharges the Optionee and its Affiliates from any claim in respect of the accuracy, completeness or validity of any Third Party Property Information.

Limitation on Property Information

6.7 Notwithstanding anything expressed or implied in this Agreement, the Optionors will not have any ownership rights with respect to any of the Optionee's proprietary techniques

nor will the Optionors have any right to receive or access any internal communications of the Optionee.

PART 7

TERMINATION OF OPTION AND AGREEMENT

Termination Prior to Earn-in of 90% Interest

7.1 The Optionee will have the right at any time prior to earning the 90% Interest to give notice to the Optionors terminating the Option and this Agreement. If the Optionee gives such notice of termination or, subject to §12.1, if the Optionee fails to pay the consideration referred to in §4.1 on or before the dates referred to therein, or if the Optionee does not exercise the Option within five years following the Effective Date, then the Option and this Agreement will terminate and the Optionee will, subject to the provisions of Part 3, Part 5 and Part 9, and subject to §7.2 have no further rights or interest in the Property and no further obligations or liabilities to the Optionors.

Events on Termination

7.2 If this Agreement is terminated by the Optionee pursuant to §7.1, the Optionee will:

- (a) deliver to the Optionors, within sixty (60) days of termination, a final report on all work carried out by the Optionee on the Property since the date of the last annual report delivered under §6.5(a), together with all drill cores and unprocessed assay samples and copies of all maps, drill logs, assay results and other factual technical data compiled by the Optionee with respect to the Property and not previously delivered to the Optionors;
- (b) remove from the Property within twelve (12) months of termination, or sooner if required under applicable law, all structures, machinery, equipment, facilities and supplies erected, installed or brought upon the Property by or at the instance of the Optionee; and
- (c) leave all Claims and any other exploration claims comprising the Property in good standing under applicable law for a period of twelve (12) months.

PART 8

AREA OF INTEREST

Area of Interest

8.1 If either party or any of its Affiliates stakes or otherwise acquires any interest in exploration claims or any other form of mineral claim (the “**AOI Claim**”) located wholly or partly in an area (the “**Area of Interest**”) within eight (8) miles from any portion of the Property

as it exists at the date of execution of this Agreement, the acquiring party will forthwith give notice to the other party of such staking or acquisition, the costs thereof and all details in its possession with respect to the nature of the AOI Claim and the known mineralization thereon. Upon delivery of such notice:

- (a) if such notice is delivered prior to the formation of the Joint Venture, the other party may elect by notice to the acquiring party to require that such AOI Claim be included in and thereafter form part of the Property; and
- (b) if such notice is delivered after formation of the Joint Venture, the other party may elect, by notice to the acquiring party, to require that such AOI Claim be included in and thereafter form part of the Property, provided that the other party then holds a participating interest in the Property. If such AOI Claim becomes part of the Property, the party from whom or from whose Affiliate such AOI Claim was acquired will be reimbursed its staking or acquisition costs, and such reimbursement will be deemed a cost of the Joint Venture.

PART 9

PUBLIC ANNOUNCEMENTS

News Releases and Other Documents

9.1 Each party will provide the other with a copy of any news release or other document containing exploration results or other information about the Property or this Agreement which it proposes to publish (including on any website or other electronic media) prior to publication of the same for the other party's consent which will not be unreasonably withheld or delayed in view of any timely disclosure obligations which may be applicable. Each party will use reasonable efforts to respond to any request by the other party for such consent within two (2) business days.

PART 10

RESTRICTIONS ON TRANSFERS AND ENCUMBRANCES

Restrictions on Transfers and Encumbrances

10.1 Except as set forth in §10.2 hereof, no party will sell, transfer, assign or convey or grant any Encumbrance over all or any part of its interest in the Property or this Agreement or any of its rights, benefits and privileges hereunder (collectively for purposes of this Part 10 "**an interest in the Property**") without the prior written consent of the other party thereto, and any attempt to sell, transfer, assign or convey or to grant any such Encumbrance over all or any part of its interest in the Property without such consent will be of no effect.

Transfers to Affiliates

10.2 Each party may sell, transfer, assign and convey an interest in the Property to an Affiliate of such party, provided such party delivers to the other party notice of such assignment and provided that before such Affiliate ceases to be an Affiliate of such party, the interest assigned to such Affiliate must be assigned back to such party.

PART 11

OPTION

Option

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

PART 12

FORCE MAJEURE

Force Majeure

12.1 No party will be liable to the other party hereto and no party will be deemed in default hereunder for any failure to perform or delay in performing any of its obligations under this Agreement caused by or arising out of any event (a “**force majeure event**”) beyond the reasonable control of such party, excluding lack of funds but including lack of rights or permission by government authorities or indigenous peoples’ groups to enter upon the Property to conduct exploration, development and mining operations thereon, war conditions, actual or potential, earthquake, fire, storm, flood, explosion, strike, labour trouble, accident, riot, unavoidable casualty, act of restraint, present or future, of any lawful authority, act of God, protest or demonstrations by environmental lobbyists or indigenous peoples’ groups, act of the public enemy, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market or unavailability of equipment. No right of a party will be affected for failure or delay of a party to perform any of its obligations under this, if the failure or delay is caused by a force majeure event. All times provided for in this Agreement will be extended for the period equal to the period of delay. The affected party will take all reasonable steps to remedy the cause of the delay attributable to the events referred to above, provided that nothing contained in this section will require any party to settle any labour dispute, protest or demonstration, or to question or test the validity of any governmental order, regulation, law or claim of right by indigenous peoples’ groups. The affected party will promptly give notice to the other party of the commencement and termination of each period of force majeure.

PART 13

GENERAL

Relationship

13.1 Nothing in this Agreement will be deemed to constitute either party the partner, agent or legal representative of the other or to create any fiduciary relationship between them, for any purpose whatsoever.

Other Activities

13.2 Nothing in this Agreement will restrict in any way the freedom of either party, except with respect to its interest in the Property, to conduct as it sees fit any business or activity whatsoever, including the exploration for, or the development, mining, production or marketing of any mineral, without any accountability to the other party. No party which is the owner or operator of another mining property, mill or other facility will be obliged to mill, beneficiate or handle any material from the Property.

Notices

13.3 Any notice, commitment, election, consent or any communication required or permitted to be given hereunder by one party hereto to the other party, in any capacity (a “**Notice**”) will be in writing and will be deemed to have been given if mailed by prepaid registered mail return receipt requested, faxed or delivered to the address of the other party set out below:

If to the Optionors:

2254022 Ontario Ltd.
70C Mount Joy Street, N., Suite 106
Timmins, Ontario
P4V 4V6

Attention: Amanda Salo
Email: 2254022ont@gmail.com

22041663 Ontario Ltd. d/b/a Vision Exploration
1780 Coyote Ridge Road
Crystal Falls, Ontario P0H-1L0, Canada

Attention: Steven Anderson
Email: visionexploration@persona.ca

2157101 Ontario Inc.
95 Fraser Street
Connaught, Ontario P0N-1A0

Attention: Don McKinnon
Email: mckinnon241@gmail.com

If to the Optionee:

Prize Exploration Inc.
4400-181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Yaron Conforti
Email: yaron@conforti.ca

and a copy to

McMillan LLP
1055 Georgia Street, Suite 1500
Vancouver, British Columbia
V6E 4N7

Attention: Mark Neighbor
Email: mark.neighbor@mcmillan.ca

or to such substitute address as such party may from time to time direct in writing, and any such Notice will be deemed to have been received, if mailed, on the date noted on the return receipt, if faxed, on the first business day after the date of transmission, and if delivered, upon the day of delivery or if such day is not a business day, then on the first business day thereafter.

Interpretation

13.4 For purposes of this Agreement, headings are for convenience of reference only and are not intended to interpret, define or limit the scope of this Agreement or any provision hereof. The singular of any term includes the plural and vice versa, and use of any term is generally applicable to either gender and where applicable, a body corporate, firm or other entity. The word “including” is not limiting whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto. Unless otherwise indicated, all dollar references are to Canadian dollars.

Further Assurances

13.5 The parties hereto will from time to time do such further acts and things and execute such further documents and instruments as may be reasonably required in order to carry out and implement this Agreement.

Amendments

13.6 No modification, variation or amendment of this Agreement will be effective unless evidenced in writing, executed by both of the parties.

Severance

13.7 If any provision of this Agreement will be invalid, illegal or unenforceable in any respect under any applicable law, such provision may be severed from this Agreement, and the validity, legality and enforceability of the remaining provisions hereof will not be affected or impaired by reason thereof.

Time

13.8 Time will be of the essence of this Agreement.

Governing Law

13.9 This Agreement will be governed by and interpreted and enforced in accordance with the laws in force in the Province of Ontario (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction) and the applicable federal laws of Canada. Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or relating hereto.

Entire Agreement

13.10 This Agreement contains the entire understanding between the parties hereto dealing with the subject matter hereof and supersedes and replaces all negotiations, correspondence and prior agreements or understandings relating thereto.

Enurement

13.11 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Counterparts

13.12 This Agreement may be executed in as many counterparts as may be necessary including or portable document format (pdf) each which when executed will be deemed to be an original and all of which together shall constitute one and the same agreement.

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

2041663 ONTARIO LTD.

Per: "Steven Anderson"
Authorized Signatory
Name: Steven Anderson
Title: President

2157101 ONTARIO LTD.

Per: "Mona McKinnon"
Authorized Signatory
Name: Mona McKinnon
Title: President

2254022 ONTARIO LTD.

Per: "Amanda Salo"
Authorized Signatory
Name: Amanda Salo
Title: President

PRIZE EXPLORATION INC.

Per: "Yaron Conforti"
Authorized Signatory
Name: Yaron Conforti
Title: Director

SCHEDULE "A"

THE PROPERTY

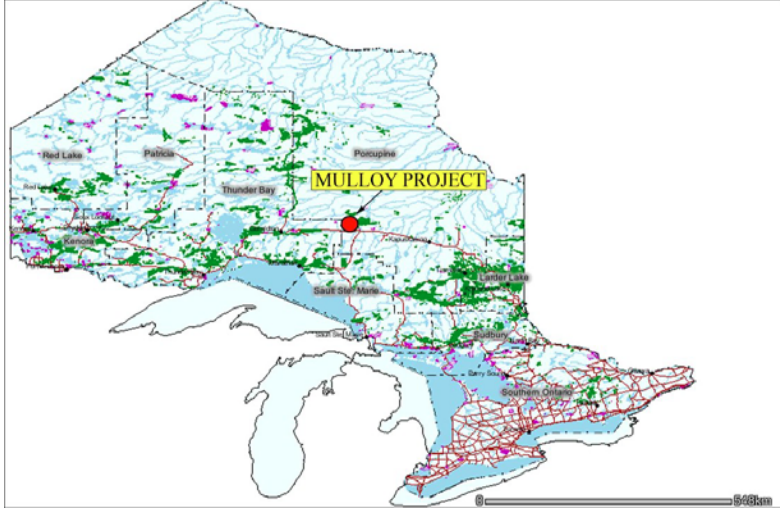
Mulloy Project Location Map



CLAIMS

The four unpatented block mining claims that make up the Mulloy Project are located within the Porcupine Mining Division, District of Cochrane, Ontario.

Claim#	# of units	Township
4273056	16	Rowlandson
4273057	16	Rowlandson
4273058	16	Rowlandson
4273059	16	Rowlandson



SCHEDULE "B"

NET SMELTER ROYALTY

This is Schedule "B" to the Option Agreement among 2254022 Ontario Ltd., 2041663 Ontario Ltd., 2157101 Ontario Ltd. and Prize Exploration Inc. dated _____, 2017 (the "Agreement"). All capitalized terms under in this Schedule "B" but not otherwise defined have the meanings ascribed thereto in the Agreement.

This agreement (the "**NSR Agreement**") is made as of ●.

● (the "**Company**") hereby grants to/agrees to pay to ● (the "**Royalty Holder**"), a Production Royalty (as herein defined) on minerals produced, saved and sold from the properties (referred to herein as the "**Property**") as more particularly defined and illustrated in the Option Agreement among 2254022 Ontario Ltd., 2041663 Ontario Ltd., 2157101 Ontario Ltd. and Prize Exploration Inc. dated ●, 2017, on the terms and subject to the conditions herein specified in this NSR Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, and other valuable consideration, the parties to this NSR Agreement agree as follow:

1. **Production Royalty.**

If the Company commences production of Products that are mined from the Property, the Company grants and will pay the Royalty Holder a royalty equal to 2% of the Net Smelter Returns from all Products, computed as herein provided. No Production Royalty will be due upon bulk samples extracted by the Company for metallurgical testing purposes during the Company's exploration or development work on the Property.

(a) The term "**commences production**" as used herein means the first day of the month following the first 15 consecutive days during which Products have been produced from a mine at an average rate of not less than 65% of the initial rated capacity if a plant is located on the Property or if no plant is located on the Property, the last day of the first period of 15 consecutive days during which Ore has been shipped from the Property on a reasonably regular basis for the purpose of earning revenues, whether to a plant or facility constructed for that purpose or to a plant or facility already in existence, but does not include and Products from bulk sampling or milling for the purpose of testing or milling by a pilot plant;

(b) "**Minerals**" means all Ores, intermediate products and concentrates or metals derived from them, containing precious, base and industrial minerals and which are found in, on or under the Property and may lawfully be explored for, mined and sold pursuant to the rights granted by the mineral rights comprising the Property and other instruments of title under which any of such rights are held; and

(c) "**Products**" will mean the Company's share of all Minerals mined from the Property and all concentrates and other products which are derived therefrom.

2. **Net Smelter Returns.**

As used herein, “**Net Smelter Returns**” means the Gross Proceeds less Allowable Deductions.

(a) As used herein, “**Gross Proceeds**” will have the following meaning:

(i) if the Company causes refined copper to be produced from the Products, then such copper will be deemed to have been sold at the Monthly Average Copper Price for such month in which it was produced, and the Gross Proceeds in respect of copper will be determined by multiplying Copper Production for such month by the Monthly Average Copper Price for such month. As used herein, “**Copper Production**” means the quantity of refined copper outturned during such month to the Company's pool account by an independent third party refinery in respect of Products on a final settlement basis. “**Monthly Average Copper Price**” will mean the official cash settlement price as published daily by the London Metals Exchange (or, should that publication cease, another similar publication acceptable to the Parties or, if they cannot agree, determined by arbitration hereunder), calculated by dividing the sum of all such prices reported for such month by the number of days for which such prices were reported;

(ii) if the Company causes refined nickel to be produced from the Products, then such nickel will be deemed to have been sold at the Monthly Average Nickel Price for such month in which it was produced, and the Gross Proceeds in respect of nickel will be determined by multiplying Nickel Production for such month by the Monthly Average Nickel Price for such month. As used herein, “**Nickel Production**” means the quantity of refined nickel outturned during such month to the Company's pool account by an independent third party refinery in respect of Products on a final settlement basis. “**Monthly Average Nickel Price**” will mean the official cash settlement price as published daily by the London Metals Exchange (or, should that publication cease, another similar publication acceptable to the Parties or, if they cannot agree, determined by arbitration hereunder), calculated by dividing the sum of all such prices reported for such month by the number of days for which such prices were reported;

(iii) if the Company causes refined platinum, palladium, rhodium, ruthenium or other metals commonly referred to as “**platinum group metals**” (other than gold) (“**PGM**”) (meeting the specifications of the London Platinum and Palladium Market) to be produced from Products, Net Smelter Returns will be paid on the refined PGM, as herein provided. For purposes of determining Net Smelter Returns, the refined PGM will be deemed to have been sold at the Monthly Average PGM Price for the specific metal and the Gross Proceeds will be determined by multiplying PGM Production during the calendar month by the Monthly Average PGM Price for such month. As used herein, “**PGM Production**” will mean the quantity of refined PGM outturned during the calendar month to the Company's account by an independent third party refinery from Products on a final settlement basis as used herein. “**Monthly Average PGM Price**” for the specific metal will mean the average monthly price for any PGM as

published daily by the London Platinum and Palladium Market, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported;

(iv) if the Company causes refined gold (meeting the specifications of the London Bullion Market Association) to be produced from Products, Net Smelter Returns will be paid on the refined gold, as herein provided. For purposes of determining Net Smelter Returns, the refined gold will be deemed to have been sold at the Monthly Average Gold Price and the Gross Proceeds will be determined by multiplying Gold Production during the calendar month by the Monthly Average Gold Price for such month. As used herein, “**Gold Production**” will mean the quantity of refined gold outturned during the calendar month to the Company’s account by an independent third party refinery from Products, on a final settlement basis as used herein. “**Monthly Average Gold Price**” will mean the average London Bullion Market Association P.M. Gold Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported;

(v) if the Company causes refined silver (meeting the specifications of the London Bullion Market Association) to be produced from Products, Net Smelter Returns will be paid on refined silver as herein provided. For purposes of determining Net Smelter Returns, the refined silver will be deemed to have been sold at the Monthly Average Silver Price and the Gross Proceeds will be determined by multiplying Silver Production during the calendar month by the Monthly Average Silver Price for such month. As used herein, “**Silver Production**” will mean the quantity of refined silver outturned during the calendar month to the Company’s account by an independent third party refinery from Products on a final settlement basis. As used herein, “**Monthly Average Silver Price**” will mean the average London Bullion Market Association P.M. Silver Fix, calculated by dividing the sum of all such prices reported for the month by the number of days for which such prices were reported;

(vi) if the Company sells raw Ore mined from the Property or doré or concentrates produced from Products to an independent third party in an arm’s length transaction, then the Gross Proceeds will be equal to the amount of the proceeds actually received by the Company during the calendar month from the sale of such raw Ore, doré, or concentrates;

(vii) if the Company sells raw Ore mined from the Property or doré, concentrates or intermediate products produced from Products in other than an arm’s length sale to an independent third party, then the Gross Proceeds will be equal to the fair market value of such raw Ore, doré or concentrates;

(viii) for all other Minerals the Company sells from the Property Gross Proceeds means the value of all consideration, monetary or otherwise, received by, or owing to, the Company from the sale or other disposition of Minerals; and

Gross Proceeds will include actual proceeds received from insurance payments as the result of any claim for the loss of Products.

(b) As used herein, “**Allowable Deductions**” will mean all costs, charges and expenses paid by the Company for or with respect to processed Products, after such Products are shipped from the Property, including:

(i) charges for treatment in the smelting and refining processes and other beneficiation processes or procedures (including handling, processing, interest and provision for settlement fees, costs of umpires, sampling, weighing, assaying and representation fees, penalties, and other deductions made by the processor or imposed by law and specifically excluding mining and milling costs);

(ii) actual costs of transportation (including loading, freight, insurance security, transaction taxes, handling, port, demurrage, delay, and forwarding expenses incurred by reason of or in the course of such transportation) of Products from the Property to the place of treatment and then to the place of sale;

(iii) costs or charges of any nature for or in connection with marketing or insurance, storage, or representation at a smelter or refinery for Products; and

(iv) sales, use, ad valorem, value added, severance, export, import, excise, net proceeds or mine, and any other tax on or measured by mineral production, but excluding taxes based on the Company’s or the Royalty Holder’s net income; and

provided that whether Products are processed on or off the Property in a facility wholly or partially owned by the Company or by an Affiliate of the Company, Allowable Deductions will not include any costs that are in excess of those which would be incurred on an arm’s length basis, or which would not be Allowable Deductions if those Products were processed by an independent third party.

3. **Calculation and Payment of Production Royalty.**

(a) The obligation to pay Production Royalty will accrue upon the outturn of refined metals, on which Production Royalty is payable to the Company’s account or the sooner sale of unrefined metals, doré, concentrates, Ores or other Products, as hereinafter provided.

(b) Where outturn of refined metals is made by an independent third party refinery on a provisional basis, the Net Smelter Returns will be based upon the amount of refined metal credited by such provisional settlement, but will be adjusted in subsequent statements to account for the amount of refined metal established by final settlement by the refinery.

(c) Production Royalty will become due and payable quarterly on the last day of the month next following the end of the quarter in which the same accrued. Production Royalty payments will be accompanied by a statement showing in reasonable detail the quantities and grades of the refined Products produced and sold or deemed sold by the

Company monthly; the average monthly price determined as herein provided for refined metals on which Production Royalty is due; Allowable Deductions; and other pertinent information in sufficient detail to explain the calculation of the Production Royalty payment.

(d) All Production Royalty payments will be considered final and in full satisfaction of all obligations of the Company with respect thereto, unless the Royalty Holder gives the Company written notice describing and setting forth a specific objection to the determination thereof within 12 months of receipt by the Royalty Holder of a Production Royalty statement. If the Royalty Holder objects to a particular quarterly statement as herein provided, the Royalty Holder shall, for a period of 60 days after the Company's receipt of notice of such objection, have the right, upon reasonable notice and at reasonable time, to have the Company's accounts and records relating to the calculation of the Production Royalty in question audited by a certified public accountant or chartered accountant acceptable to the Royalty Holder and to the Company. If such audit 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 monthly Production Royalty payment or credit due hereunder. The Royalty Holder will pay all costs of such audit unless a deficiency of 5% or more of the amount determined by the Company to be due to the Royalty Holder is determined to exist. The Company will pay the costs of such audit if a deficiency of 5% or more of the amount due is determined to exist. All books and records used by the Company to calculate Production Royalty due hereunder will be kept in accordance with generally accepted accounting principles consistently applied. Failure on the part of the Royalty Holder to make claim on the Company for adjustment in such 12 month period will establish the correctness and preclude the filing of exceptions thereto or making of claims for adjustment thereon; providing that nothing herein will limit the time in which the Royalty Holder may commence a proceeding for fraud, concealment or misrepresentation.

(e) The Production Royalty will be in addition to any other royalty due to a third party.

(f) The Company will have the right of mixing or commingling, at any location and either underground or at the surface, any Products from the Property with any Ores, metals, minerals, or mineral products from other lands, provided that the Company will determine the weight or volume of, sample and analyze for grade and amenability to process all such Products and Ores, metals, minerals and mineral products (including the recovery factor) before the same are so mixed or commingled. The Company will carry out proper weighing, sampling and assaying procedures in any commingling in accordance with sound engineering and metallurgical practices. Any such determining of weight or volume, sampling and analytical practices and procedures applied by the Company will be used as the basis of allocation of Net Smelter Returns payable to the Royalty Holder hereunder in the event of a sale by the Company of materials so mixed or commingled or of products produced therefrom. Prior to commencement of commercial production, the Company will notify the Royalty Holder how the Company proposes to determine the weight or volume of, sample and analyze all such materials. The Royalty Holder may, within 30 days after receipt of such notice, object thereto in writing,

specifying with particularity the grounds for such objection. If the Royalty Holder does not serve a timely objection, the Royalty Holder will be deemed to have consented to procedures described in the Company's notice. If the Royalty Holder does object to the Company's proposed procedures within such 30-day period, the Company and the Royalty Holder will attempt for a period of 15 days to reach agreement concerning the procedures to be used. If the Company and the Royalty Holder fail to reach agreement within such 15-day period, either party may initiate binding arbitration in accordance with the provisions of this Agreement, to determine the procedures to be used. Based on its operating experience, the Company may subsequently propose modifications to the approved procedures for determining the weight or volume of, sampling and analyzing Ores or mineral products to be mixed or commingled, following the same procedures set forth above, including arbitration. Notwithstanding the foregoing, nothing herein will require or permit the operations of the Company or its mixing or commingling or Products with any Ores, metals, minerals or mineral products from other lands to be hindered, delayed or interrupted pending the determination of the procedures to be used.

(g) The Company may but need not engage in forward sales, future trading or commodity options trading, and other price hedging, price protection, and speculative arrangements ("**Trading Activities**") which may involve the possible delivery of base or precious metals produced from the Property. The parties acknowledge and agree that the Royalty Holder will not be entitled to participate in the proceeds or be obligated to share in any losses generated by the Company's Trading Activities.

4. **Binding Effect.**

It is intended that all provisions of this NSR Agreement will run with the Property and the respective interests of the Company and the Royalty Holder therein and will be binding upon and inure to the benefit of the Royalty Holder and their respective successors and assigns.

5. **Recording.**

Upon request by the Royalty Holder, the Company will record this NSR Agreement, or evidence of its existence, in the appropriate mining registry, if allowable under applicable laws.

6. **No Implied Covenants.**

The timing, nature, manner and extent of any exploration, development, mining, production and sale of Products, if any, will be at the sole discretion of the Company. No implied covenants or conditions whatsoever will be read into this NSR Agreement, including without limitation any covenants or conditions relating to exploration, development, prospecting, mining, production or sale of Products, except for the covenants of good faith and fair dealing.

7. **Assignment.**

The Company will have the right to assign the Property, in whole or in part and will have sole and absolute discretion concerning the sale, assignment, transfer, conveyance, venturing, encumbrance or other disposition of the Property, in whole or in part, on such terms and conditions as it determines appropriate. The Company will require any transferee or assignee of

any interest in the Property to assume in writing the obligation to pay the Royalty Holder the Production Royalty in accordance with the terms and conditions set forth herein, and upon such assumption, the Company will be released from all liability hereunder with respect to the transferred interest in the Property, except for such liability as has accrued prior thereto.

8. Assignment by Royalty Holder.

The Royalty Holder may assign its rights under this NSR Agreement; provided, however, that any change in ownership of rights will be accomplished in such manner that the Company will not be required to make payments to or give notice to more than one person, firm, corporation, or entity. No change or division in the ownership of the Production Royalty, however accomplished, will enlarge the obligations of or diminish the rights of the Company. No change or division in the ownership of the Production Royalty will be binding on the Company until ten days after the Company has received a copy of the assignment instrument duly recorded in the applicable recording district evidencing the change or division in ownership.

9. Treatment of Product.

The Company may, but will not be obligated to, treat, mill, heap leach, sort, concentrate, refine, smelt, or otherwise process, beneficiate or upgrade the Ores, concentrates, and other mineral product produced from the Property, at sites located on or off the Property, prior to sale, transfer, or conveyance to a purchaser, user or other consumer. The Company will not be liable for mineral values lost in processing under sound practices and procedures, and no Production Royalty will be due on any such lost mineral values.

10. Disputes.

10.1 Corporate Process. Any matter in dispute hereunder will be taken to successively higher levels of the parties' management. Once the dispute has reached the president or chief executive officer (as the case may be) of each of the parties, any party may send a written notice to the other party indicating that there is a dispute that must be resolved according to this Section 10.1. If there is no resolution of the dispute at such level within 30 days of such notice, then either party may refer the matter to arbitration under Section 10.2. The arbitration will not be deemed to have commenced until one of the parties is duly served with a request for arbitration as provided under Section 10.2.

10.2 Arbitration.

(a) All disputes arising out of or in connection with this NSR Agreement, including any question regarding its existence, validity, performance, effects, interpretation, breach or termination, will be referred to and finally resolved by arbitration administered by the International Court of Arbitration of the International Chamber of Commerce pursuant to the rules of the International Chamber of Commerce, except as they may be modified herein or by mutual written agreement of the parties.

(b) The place of arbitration will be Toronto, Ontario. The language of arbitration will be English. There will be (one or three) arbitrator(s).

(c) Any party may, either separately or together with any other party to this NSR Agreement, initiate arbitration proceedings pursuant to this Section 10.2 by sending a request for arbitration to all other parties to this NSR Agreement and to the International Court of Arbitration of the International Chamber of Commerce. The arbitration will commence when the recipient party receives such notice.

(d) Any party may intervene in any arbitration proceedings hereunder by submitting a written notice of claim, counterclaim or cross-claim against any party to this NSR Agreement, provided that such notice is also sent to all other parties and to the International Court of Arbitration of the International Chamber of Commerce within 30 days from the receipt by such intervening party of the relevant request for arbitration or notice of claim, counterclaim or cross-claim.

(e) Any party named as respondent in a request for arbitration, or a notice of claim, counterclaim or cross-claim, may join any other party in any arbitration proceedings hereunder by submitting a written notice of claim, counterclaim or cross-claim against that party, provided that such notice is also sent to all other parties and to the International Court of Arbitration of the International Chamber of Commerce within 30 days from the receipt by such respondent of the relevant request for arbitration or notice of claim, counterclaim or cross-claim.

(f) Any joined or intervening party will be bound by any award rendered by the arbitral tribunal even if such party chooses not to participate in the arbitration proceedings.

11. **Indemnity.**

(a) The Company agrees that it will defend, indemnify, reimburse and hold harmless the Royalty Holder, its officers, directors, shareholders, employees and its successors and assigns (collectively the “**indemnified parties**”), and each of them, from and against any and all claims, demands, liabilities, actions and proceedings, which may be made or brought against the Royalty Holder or which it may sustain, pay or incur that howsoever result from or relate to operations conducted on or in respect of the Property that result from or relate to the mining, handling, transportation, smelting or refining of the Products or the handling of transportation of the Products;

(b) The indemnity provided in Section 11(a) is limited to claims, demands, liabilities, actions and proceedings that may be made or taken against an indemnified party in its capacity as or related to the Royalty Holder as a holder of the Production Royalty and will not include any indemnity in respect of any claims, demands, liabilities, actions and proceedings against an indemnified party in any other capacity.

12. **Capitalized Terms.**

Capitalized terms used but not defined herein will have the respective meanings ascribed to such terms in the Option Agreement.

13. **Governing Law.**

This NSR Agreement will be construed and governed by the laws in force in the Province of Ontario.

14. **Notice.**

All notices and other communications under this NSR Agreement will be in writing and may be delivered personally or transmitted by e-mail or facsimile as follows:

To the Royalty Holder:

●

Facsimile: ●
Attention: ●
email: ●

To the Company:

●

Facsimile: ●
Attention: ●
email: ●

All such notices will be given (a) by personal delivery to the party, (b) by electronic communication, capable of producing a printed transmission, (c) by registered or certified mail return receipt requested, or (d) by overnight or other express courier service. All such notices will be effective and will be deemed given on the date of receipt at the principal address if received during normal business hours, and, if not received during normal business hours, on the next Business Day following receipt, or if by electronic communication, on the date of such communication if received during normal business hours, and, if not received during normal business hours, on the next Business Day following receipt. Any Party may change its address by notice to the other Parties given in accordance with this Section 14.

15. **Counterparts.**

This NSR Agreement may be executed in any number of counterparts and by the different Parties hereto on separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts together will constitute one and the same instrument.