

PROPERTY OPTION AGREEMENT

THIS AGREEMENT is made as of the 28th day of December, 2020.

BETWEEN:

PURSUIT GOLD CORP., a corporation existing under the laws of the Province of British Columbia and having an office at Suite 409 – 221 W. Esplanade, North Vancouver, British Columbia V7M 3J3.

(the "Optionee")

AND:

RAINY MOUNTAIN ROYALTY CORP., a corporation existing under the laws of the Province of British Columbia and having an office at Suite 800 – 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5

(the "Optionor")

WHEREAS:

A. The Optionor (subject to the Underlying Option Agreement as defined herein) has the right to acquire, or is the legal and beneficial owner, of certain mineral claims located in the Porcupine Mining Division of the Province of Ontario, known as the "Brunswick Property" as more particularly described in Schedule A; and

B. The Optionor desires to grant, pursuant to the terms of this Agreement, and the Optionee wishes to acquire, the right to earn an undivided and up to ninety percent (90%) interest in and to the Mineral Claims, as listed in Schedule "A" hereto (such claims are collectively referred to herein as the "**Mineral Claims**"), subject to a two percent (2%) net smelter return royalty on commercial production from certain of the Mineral Claims (the "**Underlying Royalty**") in favour of the underlying optionor, on the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of one (1) dollar paid by each party to the other, and the mutual promises, covenants, conditions, representations and warranties herein set out, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Agreement the following words and phrases shall have the following meanings, namely:

- (a) "**Affiliate**" shall have the meaning attributed to such term in the *Business Corporations Act* (British Columbia);
- (b) "**Agreement**" means this Agreement, as amended from time to time;
- (c) "**Agreement Date**" means the date of this Agreement, as first set out above;

- (d) "**Business Day**" means a day other than a Saturday, Sunday or any day on which chartered banks in the City of Vancouver, British Columbia are not open for business during normal banking hours;
- (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:
- (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 or environmental, health, or safety statutes of any agency, board, or governmental authority, 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 the Property;
- (g) "**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;
- (h) "**Exploration Expenditures**" means:
- (i) All costs and expenses incurred in conducting exploration and prospecting activities on or in connection with the Property, including, without limitation, the active pursuit of required federal, provincial or local authorizations or permits and the performance of required environmental protection or reclamation obligations, the negotiation and performance of desirable agreements with local communities or governments, the building, maintenance and repair of roads, drill site preparation, drilling, tracking, sampling, trenching, digging test pits, shaft sinking, acquiring, diverting and/or transporting water necessary for exploration, logging of drill holes and drill core, completion and evaluation of geological, geophysical, geochemical or other exploration data and preparation of interpretive reports, and surveying and laboratory costs and charges (including assays or metallurgical analyses and tests);
 - (ii) All expenses incurred in conducting development activities on or in connection with the Property, the active pursuit of required federal, provincial or local authorization or permits, the negotiation and performance of agreements with local communities, and the performance of required environmental protection or



reclamation obligations, pre-stripping and stripping, the construction and installation of a mill, leach pads or other beneficiation facilities for valuable minerals, and other activities, operations or work performed in preparation for the removal or testing of valuable minerals from the Property;

- (iii) All costs of the Optionee in acquiring additional interests in real property within the Area of Interest, to the extent such interests become subject to this Agreement;
 - (iv) All costs incurred in performing any reclamation or other restoration or clean-up work required by any federal, state or local agency or authority or agreements with the same or local communities, and all costs of insurance obtained or in force to cover activities undertaken by or on the Optionee's behalf on the Property;
 - (v) Salaries, wages, expenses and benefits of the Optionee's employees or consultants engaged in operations directly relating to the Property, including salaries and fringe benefits of those who are temporarily assigned to and directly employed on work relating to the Property for the periods of time such employees are engaged in such activities and reasonable transportation expenses for all such employees to and from their regular place of work to the Property;
 - (vi) Taxes and assessments, other than income taxes, assessed or levied upon or against the Property or any improvements thereon situated thereon for which the Optionee is responsible;
 - (vii) Costs of material, equipment and supplies acquired, leased or hired, for use in conducting exploration or development operations relating to the Property; provided, however, that equipment owned and supplied by the Optionee shall be chargeable at rates no greater than comparable market rental rates available in the area of the Property; and
 - (viii) Costs and expenses of establishing and maintaining field offices, camps and housing facilities.
- (i) "**Mineral Claims**" has the meaning attributed to such term in Recital B hereto;
 - (j) "**Minerals**" means all materials of commercial value produced or derived from the Property and all base metals and minerals, all precious metals and minerals, all rare earth, non-metallic minerals including diamonds, all industrial minerals and all ores, concentrates, precipitates, beneficiated products, and solutions containing any of the aforementioned metals or minerals, and all forms in which such metals and minerals may occur, be found, extracted or produced on, in or under the Property;
 - (k) "**Operations**" means all activities carried out in connection with the prospecting, exploring, evaluation, development, and mining of Minerals on the Property, including prospecting, exploration, the development of a mine, the mining, extraction, treatment, storage and processing of Minerals, distribution of Minerals, the acquisition and relinquishment of properties or the construction of any improvements, fixtures or equipment reasonably necessary therefor, and any other activities or operations related to



or necessary for exploration, development, and mining of Minerals on, in or under the Property;

- (l) "**Operator**" means the Optionee;
- (m) "**Option**" means the sole, exclusive and irrevocable right and option granted by the Optionor to the Optionee to acquire an undivided and up to ninety percent (90%) legal and beneficial interest in and to the Mineral Claims as more particularly set out in Section 3.1 hereof, and subject to the Underlying Royalty;
- (n) "**Option Period**" means the period commencing on the date hereof and ending at 12:01 am on the day after the Optionee exercises the Option as set out in Section 3.2 hereof;
- (o) "**Optionee**" means Pursuit Gold Corp.;
- (p) "**Optionor**" means the Rainy Mountain Royalty Corp.;
- (q) "**Property**" means the Mineral Claims together with all right, title and interest of the Optionor to all mining leases and other mining interests derived from the Mineral Claims, including any renewal thereof and any form of successor or substitute title thereto;
- (r) "**Transaction**" means the grant of the Option by the Optionor to the Optionee, as set out herein;
- (s) "**Underlying Option Agreement**" means the underlying option agreement between Michael Tremblay and Fiorella Santamaria (collectively, the "**Underlying Property Owner**") and the Optionor dated September 1, 2016, as amended September 20, 2019 in regards to the Mineral Claims within the Brunswick Property, as attached hereto at Schedule "B"; and
- (t) "**Underlying Royalty**" has the meaning attributed to such term in Recital B hereto, as further described in the Underlying Option Agreement.

1.2 Entire Agreement

This Agreement constitutes the entire agreement between the Optionor and the Optionee pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of and between the parties to this Agreement relating to the Property and there are no representations, warranties, covenants or other agreements among the parties to this Agreement in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

1.3 Headings

The Articles, Sections, subsections and other headings contained herein are included solely for convenience, are not intended to be full or accurate descriptions of the content of this Agreement and shall not be considered part of this Agreement.



1.4 Currency

Unless otherwise indicated, all dollar amounts contained in this Agreement are and shall be construed to be in dollars in the lawful currency of Canada.

1.5 Schedules

The following Schedule attached to this Agreement is an integral part of this Agreement:

Schedule "A" – List of Mineral Claims
Schedule "B" – Underlying Option Agreement

ARTICLE 2 – REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 The Optionor and Optionee each represent and warrant to the other that:

- (a) it has duly obtained all authorizations for the execution, delivery, and performance of this Agreement, and such execution, delivery and performance and the consummation of the Transactions herein contemplated will not conflict with, or accelerate the performance required by or result in any breach of any covenants or agreements contained in or constitute a default under, or result in the creation of any encumbrance, lien or charge under the provisions of its constating or initiating documents or any indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound or to which it may be subject and will not contravene any applicable laws; and
- (b) this Agreement, when delivered in accordance with the terms hereof, will constitute a valid and binding obligation enforceable against it in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws of general application affecting enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.2 The Optionor represents and warrants to, and covenants with the Optionee that:

- (a) Subject to the Underlying Option Agreement, it holds the one hundred percent (100%) legal and beneficial right, title and interest in and to the Property, free and clear of all liens, charges and encumbrances;
- (b) the Underlying Option Agreement is in good standing and no default has occurred thereunder;
- (c) the Mineral Claims are in good standing and have been properly located and staked pursuant to the applicable laws and regulations of the Province of Ontario;
- (d) it holds all governmental permits, licenses, consents and authority that it is required by law to hold in order to hold the interest in the Mineral Claims;
- (e) all fees, taxes, assessments, rentals, levies or other payments required to be made to such date relating to the Property have been made;

- (f) other than this Agreement it is not a party to any outstanding agreements or options to acquire, purchase or sell the Property or any portion thereof or any interest therein;
- (g) to the best of its knowledge, there is no adverse claim or challenge against or to the ownership of or title to any part of the Property;
- (h) to its knowledge, there are no actions, or claims, investigations, suits, proceedings or inquiries (judicial or otherwise) pending or threatened against or relating to the Property before or by any governmental or regulatory agency or board, which would reasonably be expected to have a materially adverse effect on the ability of the Optionor to perform its obligations hereunder;
- (i) to the knowledge of the Optionor there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release of any kind, of any toxic or hazardous substance or waste (as defined by any applicable law) from, on, in or under the Property;
- (j) except as expressly permitted by the terms of the Mineral Claims, no toxic or hazardous substance or waste has been treated, disposed of or is located or stored on the Property as a result of activities of the Optionor or, to its knowledge, its predecessors in title or interest;
- (k) it has not received from any governmental or regulatory agency or board, any notice of or communication relating to any actual or alleged Environmental Claims and, to its knowledge, 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; and
- (l) it has provided to the Optionee data, maps, interpretive data, samples and other materials relevant to the Property for evaluation in the possession or control of the Optionor and it will permit Optionee to retain possession of such materials and information during the Option Period, it being understood that these materials will remain in the Optionee's possession in the event the Option is exercised and, if the Option is not exercised, returned to the Optionor.

2.3 The Optionee acknowledges and agrees that the Optionor makes no representation or warranty except as set forth in Section 2.2, above, and that it expressly disclaims any representation or warranty as to the existence of any Minerals on the Property.

2.4 The Optionee represents and warrants to, and covenants with the Optionor that:

- (a) it is a company duly incorporated, validly subsisting and in good standing with respect to filing of annual reports under the laws of the jurisdiction of its incorporation or organization and is qualified, directly or indirectly, to do business in British Columbia;
- (b) it has full power and authority to carry on its business and to enter into this Agreement and any agreement or instrument referred to in or contemplated by this Agreement and to carry out and perform all of its obligations and duties hereunder;
- (c) it will observe the terms and the conditions of this Agreement and the Underlying Option Agreement; and



- (d) and upon termination of this Agreement, the Optionee shall return or assign to the Optionor all technical information and data, maps, interpretive data, samples and other material relevant to the Property and in their respective possession.

2.5 The representations, warranties and covenants hereinbefore set out are conditions on which the parties have relied in entering into this Agreement, and shall survive the exercise of the Option or the termination of this Agreement in accordance with its terms, whichever shall first occur, for a period of one year. Each of the parties shall indemnify and save the other harmless from all losses, damages, costs (including reasonable legal expenses, but not including losses of profits or opportunity or punitive or incidental damages), actions and suits arising out of or in connection with any breach of any representation or warranty contained in this Agreement, and each party shall be entitled, in addition to any other remedy to which it may be entitled, to set off any such loss, damage or costs suffered by it as a result of any such breach against any payment required to be made by it to any other party hereunder.

ARTICLE 3 - GRANTING AND EXERCISE OF OPTIONS

3.1 Upon and subject to the terms and conditions of this Agreement, the Optionor hereby grants the Option to the Optionee.

3.2 The Option will be exercised by the Optionee by:

(a) In order to maintain the Option in good standing the following payments shall be made to the Optionor:

- Within seven (7) business days of execution of this Agreement: \$30,000
- on or before Sept 15, 2021: \$25,000
- on or before Sept 15, 2022: \$25,000 (total \$80,000)

(b) Exploration Expenditures to be made by Pursuit in order to exercise the Option are as follows, and include a firm Expenditure commitment of the first \$100,000:

- on or before Sept 30, 2021: \$200,000
- on or before Sept 30, 2022: \$350,000 (total \$550,000)

If the Optionee completes the payments in (a) and makes all the Exploration Expenditures in (b) then it will have earned a 51% undivided interest in the Property ("Option 1").

(c) In order to maintain the Option in good standing and increase the Optionee's interest to 80% the following payments shall be made to the Optionor:

- on or before Sept 30, 2023: \$50,000
- on or before Sept 30, 2024: \$50,000 (total \$100,000)

(d) Exploration Expenditures to be made by the Optionee in order to increase its interest to 80% are as follows:

- on or before Sept 30, 2023: \$400,000
- on or before Sept 30, 2024: \$500,000 (cumulative Expenditure total \$1,450,000)

- (e) If the Optionee completes the payments in (c) and makes all the exploration Expenditures in (d) then it will have earned an 80% undivided interest in the Property ("Option 2"). At such time, the Optionee and the Optionor will prepare such documentation as is required regarding the Property in order to register the ownership of the 80% undivided interest in the Property in the name of the Optionee or its designee. Upon the Optionee earning an 80% undivided interest in the Property, the Optionee will grant the Optionor a 1.5% Net Smelter Return ("NSR") royalty which shall be on the same terms as the Underlying Royalty. The Optionor will grant to the Optionee the right to reduce the NSR to 0.5% for the payment of \$1,000,000.
 - (f) Upon the Optionee paying and incurring all of the payments and Expenditures specified in (a) and (b), the Optionee will be deemed to have exercised Option (1) and will be the owner of a 51% undivided interest in the Property subject to the existing Underlying Royalty. At such time, the Optionee and the Optionor will prepare such documentation as is required regarding the Property in order to register the ownership of the 51% undivided interest in the Property in the name of the Optionee or its designee. Upon the Optionee having exercised Option 1, the Optionee shall have 90 days in which to notify the Optionor in writing, that it intends to proceed to exercise Option 2 (the "80% Exercise Notice") failing which the Optionee and the Optionor will proceed to form a joint venture.
 - (g) if the Optionee does not make timely payments, or incur the required Exploration Expenditures, then the Option shall terminate in accordance with section 7.2. Notwithstanding the foregoing, the Optionee shall have the right to accelerate exercise of the Option by making all of the cash payments and Exploration Expenditures.
 - (h) Upon exercise of the Option 1 and in the event the Optionee elects not to earn the increased interest under Option 2, the Optionee and the Optionor agreed to form a joint venture for the further exploration and development of the Property and the properties within the Area of Interest, and to enter into a joint venture agreement. In the event that the Optionee fails to exercise Option 2 or the Optionee advises the Optionor in writing that it does not intend to proceed with the exercise of Option 2, the parties shall proceed to form a joint venture.
 - (i) Upon the Optionee paying and incurring all of the payments and Expenditures specified in (c) and (d), the Optionee will be deemed to have exercised Option (2) and will be the owner of a 80% undivided interest in the Property subject to the existing Underlying Royalty. At such time, the Optionee and the Optionor will prepare such documentation as is required regarding the Property in order to register the ownership of the 80% undivided interest in the Property in the name of the Optionee or its designee. Upon the Optionee having exercised Option 2, the Optionee shall have 90 days in which to notify the Optionor in writing, that it intends to proceed to exercise Option 3 (the "90% Exercise Notice") failing which the Optionee and the Optionor will proceed to form a joint venture.
 - (j) Upon the Optionee completing a "Bankable Feasibility Study" on the Property, the Optionee will be deemed to have earned a 90% interest in the Property, subject to the NSR.
- 3.3 Upon the Optionee having timely performed all of the requirements of Section 3.2 hereof, including all required conditions in the Underlying Option Agreement, and the Optionee having

exercised the Option in full whereby the Optionee shall have acquired a ninety percent (90%) interest in the Property.

- 3.4 The Optionor shall pay, or cause to be paid, all option payments (excluding NSR payments) in the Underlying Option Agreement, required to keep the Underlying Option Agreement in good standing during the Option Period (collectively, the “Underlying Option Agreement Payments”).

ARTICLE 4 – AREA OF MUTUAL INTEREST

- 4.1 Claims staked by Optionee within two kilometres of the perimeter of the Property will automatically become subject to this Agreement. In the event that Optionor stakes claims within two kilometres of the perimeter of the Property, Optionor must offer the claims to Optionee to become subject to this Agreement and if accepted, Optionee will reimburse staking costs to Optionor. Costs of acquisition of claims by staking or from third parties will be credited to the Expenditures. In the event Optionee does not exercise the Option, Optionee will transfer title to the claims it has staked in its own name to Optionor.

ARTICLE 5 - ACTIVITIES OF THE OPERATOR

- 5.1 During the Option Period the Operator shall have full right, power and authority to do everything necessary or desirable to determine the manner of exploration, development and mining of the Property, including the right, power and authority to:
- (a) regulate access to the Property subject only to the right of the representatives of the Optionor, to have access to the Property at all reasonable times and on reasonable notice, for the purpose of inspecting work being done thereon but at their own risk and expense;
 - (b) employ and engage such employees, agents and independent contractors as the Operator may consider necessary or advisable to carry out its duties and obligations hereunder and in this connection to delegate any of its powers and rights to perform its duties and obligations hereunder; and
 - (c) remove any Minerals from the Property for sampling and testing purposes as may be necessary in accordance with its operations on the Property.
- 5.2 The Operator shall not have the right to remove materials for any bulk sampling or test mining without the prior consent of the Optionor.

ARTICLE 6 - OBLIGATIONS OF THE OPERATOR

- 6.1 During the Option Period, the Optionee shall, in regards to the Property:
- (a) permit the Optionor, at their own expense, reasonable and timely access to the results of the work done on the Property;
 - (b) keep the Property free and clear of all liens, charges and encumbrances of every character arising from its operation hereunder (except for liens for taxes not then due, other inchoate liens and liens diligently contested in good faith by the Operator), and proceed with all reasonable diligence to contest or discharge any lien that is filed;

- (c) pay, when due and payable, all wages or salaries for services rendered in connection with the Property and all accounts for materials supplied on or in respect of any work or operation performed on the Property;
- (d) do or cause to be done all work on the Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any applicable governmental authority; and
- (e) at all times during the Option Period, keep the Property in good standing, including making all claim payments required by law, in accordance with applicable laws and regulations

ARTICLE 7 – TERMINATION

- 7.1 The Optionee may, at any time prior to its exercise of the Option and subject to any survival terms and conditions provided in this Agreement, terminate this Agreement in its entirety on written notice to the Optionor and except for the obligations set out in Section 7.4 hereof and any liability for any obligation incurred prior to such termination, shall thereafter have no liability to the Optionor as a result of such termination.
- 7.2 If at any time the Optionee fails to perform any obligation required to be performed by it hereunder, or the Optionee is otherwise in breach of a warranty or a covenant given by it hereunder, then the Optionor may terminate this Agreement, but only after it shall have first given written notice of default to the Optionee and the Optionee has not cured the default within sixty (60) calendar days following delivery of the notice of default.
- 7.3 Upon termination of this Agreement, the Optionee shall have no legal or beneficial interests in or to the Property other than such interest as has been earned pursuant to section 3.2 herein. The Option is an option only in respect of the Property and except as specifically provided otherwise, nothing in this Agreement shall 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 shall be made hereunder shall not be construed as obligating the Optionee to do any further act or make any further payment.
- 7.4 Notwithstanding any other provisions of this Agreement, in the event of termination of this Agreement, the Optionee shall:
 - (a) have the right and obligation to remove from the Property within one-hundred and eighty (180) calendar days of the effective date of such termination all equipment erected, installed or brought upon the Property by or at the instance of the Optionee;
 - (b) perform all reclamation work on the Property required under applicable mining, exploration and environmental laws as a result of Operations carried out by or on behalf of the Optionee; and
 - (c) ensure that all fees and payments required to ensure that the Mineral Claims will be in good standing for a period of time equivalent to the lesser of the time remaining in the Option Period, and one-hundred and eighty (180) calendar days after the effective date of the termination of this Agreement.



ARTICLE 8 – TRANSFERS

- 8.1 Except in the event of a transfer to an Affiliate, the Optionee shall not be permitted to transfer all or any part of its rights or obligations under this Agreement without the prior written consent of the Optionor, which consent shall not be unreasonably withheld.

ARTICLE 9 – FORCE MAJEURE

- 9.1 If any party to this Agreement is at any time prevented or delayed in complying with any provisions of this Agreement by reason of strikes, lock-outs, labour shortages, power shortages, fuel shortages, fires, wars, insurrection, terrorist activities, inability to gain or maintain surface access not related to the misconduct of such party, acts of God, governmental regulations restricting normal operations, shipping delays or any other extraordinary reason or reasons beyond the control of such party, other than lack of funds, the effect of which would be to halt work on any or all of the Property, the time limited for the performance by such party of its obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or delay, but nothing herein shall discharge such party from its obligations hereunder to maintain any and all Property in respect of which it is the Operator in good standing.
- 9.2 Each party shall give prompt notice to the other of each event of force majeure under Section 9.1 hereof and upon cessation of such event shall furnish to the other party notice to that effect together with particulars of the number of days by which the obligations of the notifying party hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

ARTICLE 10 – CONFIDENTIAL INFORMATION

- 10.1 The parties to this Agreement shall keep confidential all books, records, files and other information supplied by any party to the other party or its employees, agents or representatives in connection with this Agreement or in respect of the activities carried out on the Property by any party, or related to the sale of Minerals, or other products derived from any Property, including all analyses, reports, studies or other documents prepared by any party or its employees, agents or representatives, which contain information from, or otherwise reflects such books, records, files or other information. The parties shall use their reasonable efforts to ensure that their employees, agents or representatives do not disclose, divulge, publish, transcribe, or transfer such information, in whole or in part, other than to an Affiliate where such disclosure is for routine corporate purposes, and other than to its contractors, legal, accounting and other advisors, financiers, potential investors and potential transaction partners who require such information, without the prior written consent of the other party, which consent may not be arbitrarily or unreasonably withheld and which shall not apply to such information or any part thereof to the extent that:
- (a) it is required to be publicly disclosed pursuant to applicable securities or corporate laws or rules or requirements of any stock exchange, in which event the party seeking to make such disclosure shall provide to the non-disclosing party, at least 24 hours prior to making such disclosure, a written copy of such proposed disclosure, unless mutually agreed otherwise, and shall include any comments the non-disclosing party may have, acting reasonably, on such proposed disclosure;



- (b) the disclosure is reasonably required to be made to a taxation authority in connection with the taxation affairs of the disclosing party; or
- (c) such information becomes generally disclosed to the public, other than as a consequence of a breach of this Agreement by one of the parties to this Agreement.

10.2 Notwithstanding any other provision hereof each party to this Agreement agrees to provide to the other party to this Agreement the text of any proposed news release or information update with respect to this Agreement or the Property at least twenty-four (24) hours prior to release of such information to third parties. The party receiving such proposed news release or information update shall review and comment on the text thereof within twenty-four (24) hours of receipt. The party proposing the new release or information update shall in good faith review the comments provided and shall take reasonable steps to modify the release or update according to the concerns raised.

ARTICLE 11 – DISPUTE RESOLUTION

- 11.1 All disputes arising out of or in connection with this Agreement, or in respect of any defined legal relationship associated with or derived therefrom, shall be referred to and finally resolved by arbitration by one arbitrator under the rules of the British Columbia International Commercial Arbitration Centre.
- 11.2 The appointing authority shall be the British Columbia International Commercial Arbitration Centre and the case shall be administered at Vancouver, British Columbia, by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under the BCICAC Rules".

ARTICLE 12 – COVENANT TO REGISTER AGREEMENT

- 12.1 Forthwith upon the acquisition of an interest in any land or mineral rights pursuant to this Agreement, including the completion of Option 1 and Option 2, either party to this Agreement shall, if requested by the other by notice in writing, cooperate with such other party in taking such steps as are necessary for the registration of the interests of the parties to this Agreement with the appropriate authorities, governmental agencies or registry offices to properly evidence this Agreement in the jurisdiction in which the Property is located and protect to the extent possible, the rights and interests of the parties acquired hereunder from time to time from adverse claims by third parties.

ARTICLE 13 – NOTICES

- 13.1 Any notice or other writing required or permitted to be given hereunder or for the purposes of this Agreement to either the Optionor or the Optionee shall be sufficiently given if delivered personally or transmitted by email or other form of recorded communication capable of producing a printed copy:
 - (a) In the case of a notice to the Optionor, at their address as shown on the first page of this Agreement, or by email to rsmiddleton7@gmail.com to the attention of Robert Middleton or by email to shartman@armlaw.com, to the attention of Shauna Hartman.



- (b) In the case of a notice to the Optionee at their address as shown on the first page of this Agreement, or by email to pursuitgold@gmail.com, to the attention of Kostas Sakarellos with a copy to wmacdonald@wlmilaw.ca, to the attention of William Macdonald.

Or at such other address or addresses as the parties to whom such writing is to be given shall have last notified the party giving the same in the manner provided in this Section 13.1. Any notice delivered to the party to whom it is addressed as provided in this Agreement shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day, then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice transmitted by facsimile or other form of recorded communication shall be deemed to be given and received on the first Business Day after its transmission.

ARTICLE 14 – INDEMNIFICATION

- 14.1 The Optionor Indemnity – The Optionor agrees to indemnify and save the Optionee harmless from and against any and all costs, claims, losses, expenses and damages arising from Environmental Liability suffered or incurred by the Optionee arising directly or indirectly from any operations or activities conducted by the Optionor, or its employees or agents, in or on the Property.
- 14.2 The Optionee's Indemnity – The Optionee agrees to indemnify and save the Optionor harmless from and against any and all costs, claims, losses, expenses and damages arising from Environmental Liability suffered or incurred by the Optionor arising directly or indirectly from any operations or activities conducted on the Property, whether by the Optionee, or its employees or agents (except the Optionor, as applicable), after the Agreement Date.
- 14.3 Survival – The provisions of this ARTICLE 14 shall survive any termination of this Agreement for a period of one (1) year following the date of termination.

ARTICLE 15 – GENERAL

- 15.1 No consent or waiver expressed or implied by any party in respect of any breach or default by any other party in the performance by such other of its obligations hereunder shall be deemed or construed to be a consent to or a waiver of any other breach of default.
- 15.2 No investigation made by or on behalf of the parties or any of their respective advisors or agents at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made or incorporated by reference herein by the other parties to this Agreement or made pursuant thereto. No waiver by the parties of any condition, in whole or in part, shall operate as a waiver of any other condition.
- 15.3 Notwithstanding the right of any party to this Agreement fully to investigate the affairs of the others, each of the parties has the right to rely fully upon the representations, warranties, covenants and agreements of the other contained or otherwise incorporated by reference in this Agreement and of such other party's Affiliates, officers and agents delivered pursuant to this Agreement.



- 15.4 All statements contained in any certificate or other instrument delivered by or on behalf of any party pursuant to this Agreement or in connection with the transactions contemplated by this Agreement shall be deemed to be made by such party hereunder.
- 15.5 The parties shall promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance and do such further and other acts which may be reasonably necessary or advisable to carry out fully and effectively the intent and purpose of this Agreement or to record wherever appropriate the respective interests from time to time of the parties in the Property.
- 15.6 This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.
- 15.7 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 15.8 Time is of the essence in this Agreement.
- 15.9 The preamble and Schedule attached to this Agreement shall be deemed to be incorporated in, and to form part of, this Agreement.
- 15.10 Wherever the neuter and singular is used in this Agreement it shall be deemed to include the plural, masculine and feminine, as the case may be.
- 15.11 The word "or" shall not be exclusive and the word "including" shall not be limiting (whether or not non-limiting language such as "without limitation" or "but not limited to" or other words of similar import is used with reference thereto).
- 15.12 Nothing contained in this Agreement shall be deemed to constitute either party to this Agreement the partner of the other nor to create any fiduciary relationship between them, nor, except as otherwise herein expressly provided, to constitute either the Optionee, the Optionee Parent or the Optionor as the agent or legal representative of the other. It is not the intention of the parties to this Agreement to create, nor shall this Agreement be construed to create, any partnership or agency relationship between any of the parties. None of the parties shall have any authority to act for or to assume any obligation or responsibility on behalf of the other parties, except as otherwise expressly provided herein.
- 15.13 If any provisions of this Agreement shall 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 shall not be affected or impaired by reason thereof.

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15.14



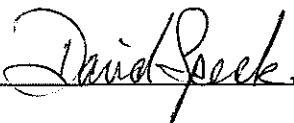
This Agreement may be signed by the Parties in counterparts and may be delivered by facsimile or other form of electronic transmission, each of which when delivered will be deemed to be an original and all of which together will constitute one instrument.

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

PURSUIT GOLD CORP.

By 
: _____
Kostantinos Sakarellos

RAINY MOUNTAIN ROYALTY CORP.

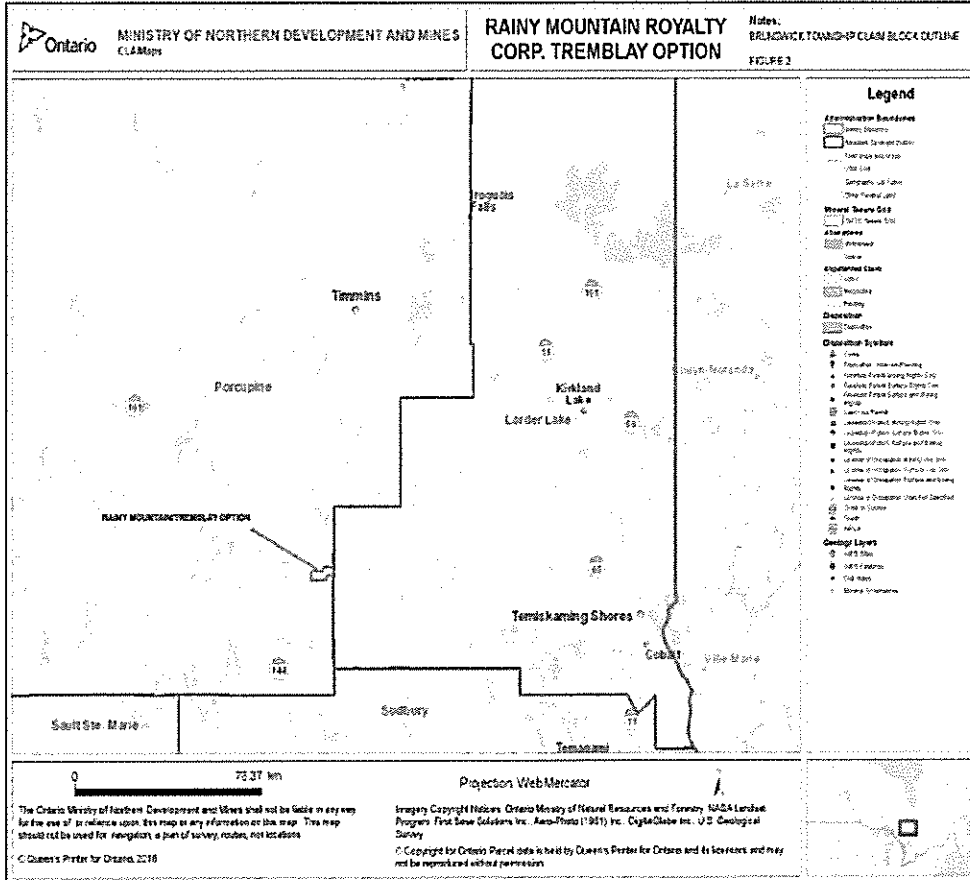
By 
: _____



Schedule "A"

Mineral Claims

Property Claim Map

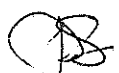


Claim# Type Status Issue Date Anniversary Date Owner Client# Area /# of Cells

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Schedule "B"

Underlying Option Agreement



UNDERLYING AGREEMENT

OPTION AGREEMENT

THIS OPTION AGREEMENT is made as of the 1st day of September, 2016.

AMONG:

RAINY MOUNTAIN ROYALTY CORP. a company incorporated under the laws of British Columbia and having an office at 2489 Bellevue Avenue, West Vancouver, British Columbia, V7V 1E1

(the "Optionee")

AND:

MICHAEL TREMBLAY, a business person having an address at Box 337, Wawa, Ontario, P0S 1K0

AND:

FIGRELLA SANTAMARIA, a business person having an address at 551 4th Line West, Sault Ste. Mario, Ontario, P6A 0B5

(together, the "Optionors")

WHEREAS:

A. The Optionors are the registered and beneficial owner of certain mining claims as set out in Schedule "A" attached hereto located in Ontario, Canada (collectively, the "Property").


B. The Optionors have agreed to grant to the Optionee the sole and exclusive option to acquire up to an undivided 100% interest in and to the Property and the Optionee desires to obtain the option on the terms and subject to the conditions described herein.

THEREFORE in consideration of the mutual covenants and agreements in this Agreement, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 For the purposes of this Agreement:

- (a) "Affiliate" means any person, partnership, joint venture, corporation or other form of enterprise, which directly or indirectly controls, is controlled by, or is under common control with, a party to this Agreement. For purposes of the preceding sentence, "control" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise;



- (b) "Affected Party" has the meaning ascribed to such term in Section 17.1;
- (c) "Agreement" means this Option Agreement, including any amendments and modifications hereof, and all schedules, which are incorporated herein by this reference;
- (d) "Bonus Shares" has the meaning ascribed to such term in Section 3.2(c);
- (e) "Business Day" means any day, other than a Saturday or Sunday, on which banks in Vancouver, British Columbia, Canada are open for commercial banking business during normal banking hours;
- (f) "Closing Date" has the meaning ascribed in Section 3.7;
- (g) "Consideration Shares" has the meaning ascribed to such term in Section 3.2(b);
- (h) "Disclosing Party" has the meaning ascribed to such term in Section 10.1;
- (i) "Effective Date" means the date that the TSX-V issues its final acceptance of this Agreement;
- (j) "Encumbrance" means any encumbrance of any kind whatever (registered or unregistered) and includes a security interest, mortgage, lien, hypothec, pledge, hypothecation, assignment, charge, security under Section 426 or Section 427 of the Bank Act (Canada), trust or deemed trust (whether contractual, statutory or otherwise arising), any easement, restrictive covenant, limitation, agreement, reservation, right of way, restriction, encroachment or burden or any other right or claim of others of any kind whatever affecting the Property, or the use thereof and any rights or privileges capable of becoming any of the foregoing;
- (k) "Environmental Laws" means all requirements of the common law, civil code, or of environmental, health, or safety statutes of any Governmental Entity including, but not limited to, those relating to noise; pollution or protection of the air, surface water, ground water, or land; solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal, or transportation; exposure to hazardous or toxic substances; or the closure, decommissioning, dismantling, or abandonment of any facilities, mines, or workings and the reclamation or restoration of lands;
- (l) "Execution Date" means the date of execution of this Agreement;
- (m) "Governmental Entity" means any multinational, federal, provincial, state, regional, municipal, local, or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; any subdivision, agent, commission, board or authority of any of the foregoing; any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory

organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or any stock exchange;

- (h) "Law" or "Laws" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority including, for greater certainty, Environmental Laws and the term "applicable" with respect to such laws and in a context that refers to one or more persons, means such laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;
- (o) "Net Smelter Returns" has the meaning ascribed to such term in Schedule "B";
- (p) "NSR Purchase Right" has the meaning ascribed to such term in Section 4.2;
- (q) "NSR Royalty" has the meaning ascribed to such term in Section 4.1;
- (r) "Offer" has the meaning ascribed to such term in Section 5.4;
- (s) "Option" has the meaning ascribed to such term in Section 3.1;
- (t) "Option Period" means the period commencing on the Effective Date and ending on the day immediately following the day on which the last Payment required pursuant to Sections 3.2(a) and 3.2(b) is made;
- (u) "Optional Consideration Shares" has the meaning ascribed to such term in Section 3.3;
- (v) "Receiving Party" has the meaning ascribed to such term in Section 10.1;
- (w) "Representatives" means, collectively, with respect to a party and as applicable, the officers, directors, employees, consultants, advisors, agents or other representatives (including lawyers, accountants, investment bankers and financial advisors) of that party and its affiliates;
- (x) "RMO Shares" means common shares in the authorized share structure of the Optionee;
- (y) "ROFR" has the meaning ascribed to such term in Section 5.1;
- (z) "TSX-V" means the TSX Venture Exchange;



- (aa) "Work Program" means a work program in respect of the Property during the Option Period including, but not limited to, trenching, channel sampling, lines, surveys and drilling; and
- (bb) "Working Right" has the meaning ascribed to such term in Section 3.1.

1.2 For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the words "herein" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement;
- (b) the word "including", when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, 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 but rather refers to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;
- (c) any reference to a statute includes and, unless otherwise specified herein, is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulation;
- (d) any reference to "party" or "parties" means the Optionors, the Optionee, or either of them, as the context requires;
- (e) the headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement;
- (f) words importing the masculine gender include the feminine or neuter gender and words in the singular include the plural, and vice versa; and
- (g) all references to currency refer to Canadian dollars.

1.3 The following are the Schedules to this Agreement, and are incorporated into this Agreement by reference:

Schedule "A":	The Property
Schedule "B":	NSR Royalty Terms

Wherever any term or condition, expressed or implied, in any of the Schedules conflicts or is at variance with any term or conditions of this Agreement, the terms or conditions of this Agreement will prevail.

under any applicable Environmental Laws, regulations, rules or by-laws, there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Property and the conduct of the operations related to the Property, and it has not received any notice of the same and it is not aware of any basis on which any such order or direction could be made; and

- (j) there are no actual or pending proceedings for, and it is unaware of any basis for, the institution of any proceedings leading to the placing of it in bankruptcy or subject to any other Laws governing the affairs of insolvent parties.

2.2 The representations and warranties contained in Section 2.1 are provided for the exclusive benefit of the Optionee, and a breach of any one or more representations or warranties may be waived by the Optionee in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty, and the representations and warranties contained in Section 2.1 will survive the execution and delivery of this Agreement.

2.3 The Optionee represents and warrants to the Optionors that:

- (a) the Optionee is a valid and subsisting corporation duly incorporated, continued or amalgamated and in good standing under the laws of British Columbia;
- (b) the Optionee has been duly authorized to enter into, and to carry out its obligations under, this Agreement;
- (c) the Optionee has the full right, power, capacity and authority to enter into, execute and deliver this Agreement and to be bound by its terms;
- (d) the consummation of this Agreement will not conflict with nor result in any breach of its constituting documents or any covenants or agreements contained in or constitute a default under any agreement or other instrument whatever to which the Optionee is a party or by which the Optionee is bound or to which the Optionee may be subject;
- (e) no proceedings are pending for, and the Optionee is unaware of any basis for, the institution of any proceedings leading to the placing of the Optionee in bankruptcy or subject to any other laws governing the affairs of insolvent parties;
- (f) the authorized capital of the Optionee consists of an unlimited number of common shares of which 14,410,293 are currently issued and outstanding;
- (g) the Consideration Shares, the Optional Consideration Shares and the Bonus Shares, when issued, will be issued and fully paid and non-assessable common shares;
- (h) the Optionee is a "reporting issuer" in each of the Provinces of British Columbia, Alberta and Ontario; and



- (i) the RMO Shares are listed and posted for trading on the TSX-V and are not listed on any other market.

2.4 The representations and warranties contained in Section 2.3 are provided for the exclusive benefit of the Optionors, and a breach of any one or more representations or warranties may be waived by the Optionors in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty, and the representations and warranties contained in Section 2.3 will survive the execution and delivery of this Agreement.

3. WORKING RIGHT AND OPTION

3.1 The Optionors hereby grant to the Optionee the sole and exclusive option (the "Option") exercisable by the Optionee to acquire an undivided 100% interest in and to the Property during the Option Period and hereby grants to the Optionee the right to enter upon and conduct operations on the Property, including to conduct work under any Work Program as may be determined by the Optionee in its sole discretion, during the Option Period (the "Working Right"). The Option shall be exercisable by the Optionee upon the Optionee making the Payments set out in Sections 3.2 and Section 3.3, as applicable.

3.2 In order to exercise the Option, the Optionee shall:

- (a) make cash payments in the aggregate amount of \$150,000 to, or to the direction of, the Optionors, as follows:
 - (i) \$10,000 within 10 days following the Effective Date;
 - (ii) \$20,000 on or before March 31, 2017;
 - (iii) \$20,000 on or before September 30, 2017;
 - (iv) \$25,000 on or before September 30, 2018;
 - (v) \$25,000 on or before September 30, 2019;
 - (vi) \$25,000 on or before September 30, 2020;
 - (vii) \$25,000 on or before September 30, 2021;
- (b) issue to, or to the direction of, the Optionors, an aggregate of 300,000 RMO Shares (collectively, the "Consideration Shares") as follows:
 - (i) 100,000 Consideration Shares within 10 days following the Effective Date;
 - (ii) 100,000 Consideration Shares within 12 months following the Effective Date;



(iii) 100,000 Consideration Shares within 24 months following the Effective Date; and

(c) issue to, or to the direction of, the Optionors 100,000 RMO Shares (collectively, the "Bonus Shares") within ten Business Days of a public announcement that an indicated mineral resource (as such term defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*) has been found on the Property

(items (a), (b) and (c) are, collectively, the "Payments").

3.3 The Optionee shall have the right to elect to satisfy any of the cash Payments set out in Section 3.2(a) by issuing RMO Shares to the Optionors (such RMO Shares collectively, the "Optional Consideration Shares"). Any Optional Consideration Shares issued to the Optionors in satisfaction of such cash Payments shall be valued at the price which is the ten day volume weighted trading average of the RMO Shares prior to the date such Payment is to be made.

3.4 The Optionors acknowledge that any Consideration Shares, Optional Consideration Shares and Bonus Shares issued pursuant to this Agreement will be issued in reliance on the prospectus exemption contained in Section 2.13 of National Instrument 45-106 - *Prospectus Exemptions* and will be subject to a four month statutory hold period.

3.5 Failure by the Optionee to make the Payments set out in Sections 3.2(a) and 3.2(b) in the time contemplated thereby (subject to any agreed extensions between the parties and subject to Section 17 and Section 11.3 of this Agreement), will result in the termination of the Option, with no right, interest or title in and to the Property having been earned by the Optionee.

3.6 The Optionors and the Optionee acknowledge and agree that upon the Optionee having made all of the Payments set out in Sections 3.2(a) and 3.2(b) in the time contemplated thereby and provided the Optionee is not otherwise in default of this Agreement, the Optionee, without any further payment or action, shall be deemed to have earned a 100% interest in and to the Property, subject to the NSR Royalty. Each of the Payments set out in Sections 3.2(a) and 3.2(b) are required to be made in order for the Option to be exercised. The Optionee will not be entitled to any refund or return of Payments previously made or Consideration Shares or Optional Consideration Shares previously issued if it fails or elects not to exercise the Option in full. The Optionee will not have earned an interest in the Property unless the Option is exercised in its entirety. For certainty, no issuance of Bonus Shares pursuant to Section 3.2(c) is required in order for the Optionee to exercise the Option and no Bonus Shares shall be issuable unless a public announcement with respect to an indicated mineral resource has been made pursuant to Section 3.2(c).

3.7 On the fifth Business Day after the Optionee has earned its 100% interest in and to the Property pursuant to Section 3.6 or such other date as the parties may agree in writing (the "Closing Date") the Optionors will initiate the transfers of the mineral claims comprising the Property to the Optionee and the Optionee shall forthwith thereafter accept such transfers and provide such other cooperation as is necessary.

3.8 Except as specifically provided elsewhere herein, this is an option agreement only and until the exercise of the Option, nothing herein contained and no act done hereunder shall obligate the Optionee to do any further act or acts and in no event shall this Agreement or any act done be construed as an obligation of the Optionee to do or perform any work on or with respect to the Property.

4. NSR ROYALTY

4.1 The Optionors have reserved to themselves from the grant of rights to the Optionee hereunder a royalty interest in all minerals within, upon or under the Property, calculated at the rate of 2% of Net Smelter Returns (the "NSR Royalty"). The Optionee acknowledges and agrees that to the extent described in Schedule "B", the Property is subject to the NSR Royalty.

4.2 The Optionee shall have the right (the "NSR Purchase Right") to purchase, at any time, half of the NSR Royalty for a purchase price of \$1,000,000, thereby reducing the NSR Royalty to 1%.

5. RIGHT OF FIRST REFUSAL

5.1 The Optionee shall have a right of first refusal at all times with respect to any potential sale, disposition or transfer of the NSR Royalty (the "ROFR") by the Optionors. For certainty, the Optionee shall be entitled to the ROFR whether or not the Optionee has exercised its NSR Purchase Right.

5.2 If the Optionors intend to sell, transfer or dispose in any manner all or any part of the NSR Royalty they shall immediately give notice to the Optionee of such intention together with the terms and conditions on which the Optionors intends to sell, transfer or dispose of the NSR Royalty.

5.3 If the Optionors receive any offer from a third party to purchase or acquire an interest in the NSR Royalty which the Optionors intend to accept, the Optionors shall not accept the same unless and until the Optionors have first offered to sell the NSR Royalty to the Optionee on the same terms and conditions as in the offer received from such third party.

5.4 Any communication of an intention to sell pursuant to Section 5.2 or 5.3 (an "Offer") shall be in writing delivered to the Optionee in accordance with Section 15.1(b) and shall:

- (a) set out fully and clearly all of the terms and conditions of any intended sale, transfer or disposition; and
- (b) if it is made pursuant to Section 5.3, include a copy of the offer from the third party and clearly identify the entity making the offer and include such information as is known the Optionors about such entity,

and such communication will be deemed to constitute an Offer by the Optionors to the Optionee to sell the NSR Royalty to the Optionee on the terms and conditions set out in such Offer.

5.5 Any Offer made as contemplated in Section 5.4 shall be open for acceptance by the Optionee until the earlier of:

- (a) one day prior to the expiry of an Offer received the Optionors from a third party, provided proper written notice has been given to the Optionee; and
- (b) 90 days from the date of receipt of the Offer by the Optionee.

5.6 If the Optionee accepts in writing the Offer within the time set out in Section 5.5, such acceptance shall constitute a binding agreement of purchase and sale among the Optionors and Optionee for the NSR Royalty on the terms and conditions set out in such Offer.

5.7 If the Optionee does not accept the Offer within the time set out in Section 5.5, the Optionors may complete a sale and purchase of the NSR Royalty on exactly the same terms and conditions set out in the Offer and, where applicable, only to the party making the original offer to the Optionors as contemplated in Section 5.3, and in any the event such sale and purchase must be completed within 60 days from the expiration of the right of the Optionee to accept such Offer set out in Section 5.5. If the Optionors fail to complete the sale within such time period, then the Optionee's ROFR will be deemed to have been revived and the Optionors must again comply with the provisions of this section with respect to any sale, transfer or disposition of the NSR Royalty.

5.8 Failure by the Optionee to exercise its ROFR shall not terminate the right of the Optionee to the ROFR with respect to any future Offer.

6. OPERATOR AND RIGHT OF ENTRY

6.1 The Optionee will act as the operator during the Option Period for the purposes of conducting any Work Program.

6.2 The Optionee will have the sole and exclusive right and authority to determine, manage and carry out all exploration on the Property under a Work Program.

7. COVENANTS OF THE OPTIONORS

7.1 The Optionors will deliver or make available to the Optionee all available relevant technical data, geotechnical reports, maps, digital files and other data with respect to the Property in the Optionors' possession or control, provided that:

- (a) the Optionors will not make any representations and warranties with respect to such material or be liable for any errors or omissions in the material so provided;
- (b) the Optionee shall not destroy, alter or amend any such materials; and
- (c) the Optionee shall forthwith upon the request of the Optionors upon the termination of the Option return all such material to the Optionors.

7.2 During the Option Period, the Optionors covenant and agree with the Optionee to:

- (a) provide the Optionee full and free access to the Property;
- (b) not transfer any portion of the Property or permit any Encumbrances to be registered against the Property as result of its own actions including the acts or omissions of its agents, advisors, contractors, consultants and other similar representatives;
- (c) co-operate as reasonably necessary with the Optionee in obtaining any surface, water or other rights on or related to the Property that the Optionee deems desirable, at the Optionee's sole cost and expense;
- (d) promptly provide the Optionee with any and all notices and correspondence received by the Optionors from Governmental Entities or other persons in respect of the Property; and execute all consents, authorizations, license or permit applications as are necessary or desirable to permit the Optionee to carry out activities on or in respect of the Property; and
- (e) use commercially reasonable efforts to obtain all consents, waivers and agreements that may be necessary to transfer and assign the Property to the Optionee on valid exercise of the Option.

8. COVENANTS OF THE OPTIONEE

8.1 During the Option Period, the Optionee covenants and agrees with the Optionors to:

- (a) do all work on the Property in a good and workmanlike manner and in accordance with sound mining and engineering practices and in compliance with all applicable laws, bylaws, regulations, orders, and lawful requirements of any governmental or regulatory authority and comply with all laws governing the possession of the Property, including, without limitation, those governing safety, pollution and environmental matters;
- (b) keep the Property in good standing by paying all applicable taxes, rents, rates and assessments and other similar charges lawfully levied or assessed against the Property and (if applicable) doing and filing of assessment work or by making payments in lieu thereof at least fifteen (15) days prior to the expiry of any of the mineral claims or mining lease comprising the Property, and by the doing of all other acts and things and making all other payments which may be necessary in that regard; in addition, the Optionee shall file all applicable work as assessment work;
- (c) keep the Property clear and free of Encumbrances as a result of its own actions or omissions, including the acts or omissions of its agents, advisors, contractors, consultants and other similar representatives;
- (d) obtain all necessary permits and licenses required in order to conduct its activities and operations on the Property;



- (e) provide to all applicable Governmental Entities all required financial security in amounts and in the forms acceptable to the Governmental Entities for reclamation and closure obligations;
- (f) provide the Optionors with a summary on an annual basis of all exploration work performed on the Property during the previous calendar year and further provide the Optionors with copies of any press release issued by the Optionor that discloses the results of any exploration work performed on the Property by the Optionor; and
- (g) provide the Optionors on a timely basis with copies of any notices that the Optionee receives from any Governmental Entity or other person with respect to the Property or the Optionee's activities with regard to the Property.

The Optionors and the Optionee will execute and deliver such additional documentation as legal counsel for the Optionors and the Optionee, respectively, determine is necessary in order to duly register and record in the appropriate registration and recording offices notice that the Optionors' interest in and to the Property is subject to and bound by the terms of this Agreement.

9. RIGHTS AND OBLIGATIONS AFTER TERMINATION OF OPTION

9.1 If this Agreement and the Option terminates otherwise than upon exercise of the Option, the Optionee will within 30 days of such termination:

- (a) leave the Property:
 - (i) free and clear of all Encumbrances arising from this Agreement or the Optionee's operations hereunder, and
 - (ii) in a safe and orderly condition and in material compliance with all applicable Laws;
- (b) complete all remediation activities in respect of the Property required by applicable Law in respect of the Optionee's acts or omissions on the Property;
- (c) cooperate with the Optionors in removing from title to the Property any registrations made pursuant to the last paragraph of Section 8.1 and
- (d) on the request of the Optionors, remove from the all equipment, assets and facilities erected, installed or brought upon the Property by or at the instance of the Optionee.

9.2 From and after the termination of this Agreement pursuant to Section 9.1, the Optionee shall have no further right, title or interest in or to the Property and no further obligations in respect of the Property, other than the obligations set forth in Section 9.1, Section 10, and Section 12.

10. CONFIDENTIAL INFORMATION

10.1 Except as provided in this Section 10, a party (the "Receiving Party") shall not, without the prior written consent of the other party (the "Disclosing Party"), which consent shall not unreasonably be withheld, disclose to any third party or the public any confidential, non-public or proprietary information or data (other than information or data that is in or becomes part of the public domain other than through breach of the confidential obligations of this agreement or which the Receiving Party can prove by contemporaneous written documentation was known by it at the time of disclosure (unless such knowledge arose from disclosure of information in breach of the obligation of confidentiality of this Section 10.1) provided to the Receiving Party under the terms of this Agreement.

10.2 The consent required by Section 10.1 does not apply to a disclosure:

- (a) by the Receiving Party to a potential successor of all or any significant portion of its interests under this Agreement;
- (b) to an Affiliate or representative (including employees, consultants, accountants, auditors and financial and legal advisers) of the Receiving Party that has a bona fide need to be informed in connection with the matters which are the subject of this Agreement (but subject to the obligations of confidentiality herein);
- (c) to a governmental agency or to the public which the Receiving Party or its Affiliates believe in good faith is required by applicable Law or the rules of any stock exchange;
- (d) made in connection with litigation or arbitration involving a party where such disclosure is required by the applicable tribunal or is, on the advice of counsel for such party, necessary for the prosecution of the case, but subject to prior notification to the other party to enable such party to seek appropriate protective orders.

10.3 Prior to any disclosure described in Subsections 10.2(a) or 10.2(b), such third party shall first agree to protect the confidential information from further disclosure to the same extent as the parties are obligated under this Section 10.

11. DEFAULT AND TERMINATION

11.1 This Agreement will terminate upon the earlier of:

- (a) notice in writing of termination from the Optionee to the Optionors up to the date of exercise of the Option; and
- (b) the last day of the Option Period, in the event the Optionee shall not have exercised the Option on or before such date,

and in the event of such termination, this Agreement will, except for the provisions of Section 9, Section 10, and Section 12, be of no further force and effect.

11.2 Subject to Section 11.3, if at any time during the Option Period a party is in default of any requirement of this Agreement or is in breach of any provision contained in this Agreement, then the party affected by the default may terminate this Agreement by giving written notice of termination.

11.3 Notwithstanding Section 11.2, the Optionors may not terminate the Agreement by reason of the Optionee failing to make the Payments set forth in Section 3.2 within the time periods prescribed therein, unless:

- (a) the Optionors have provided written notice to the Optionee specifying the failure to make a Payment; and
- (b) the Optionee has not, within 30 days following delivery of such written notice, made the Payment required.

12. INDEMNITY

12.1 The Optionors covenant and agree with the Optionee (which covenant and agreement will survive the execution, delivery and termination of this Agreement) to indemnify and save harmless the Optionee against all liabilities, claims, demands, actions, causes of action, damages, losses, costs, expenses or legal fees suffered or incurred by the Optionee (including any damages related to a breach of Environmental Laws by the Optionors), directly or indirectly, by reason of or arising out of any warranties or representations on the part of the Optionors herein being untrue or arising out of work done by the Optionors on or with respect to the Property.

12.2 The Optionee covenants and agrees with the Optionors (which covenant and agreement will survive the execution, delivery and termination of this Agreement) to indemnify and save harmless the Optionors against all liabilities, claims, demands, actions, causes of action, damages, losses, costs, expenses or legal fees suffered or incurred by the Optionors (including any damages related to a breach of Environmental Laws by the Optionee) directly or indirectly, by reason of or arising out of any warranties or representations on the part of the Optionee herein being untrue or arising out of work done by the Optionee or its Representations on or with respect to the Property.

13. TSX-V APPROVAL

The parties acknowledge and agree that the Optionee's ability to issue Consideration Shares, Optional Consideration Shares and Bonus Shares to the Optionors pursuant to Sections 3.2(b) and 3.3, respectively, is subject to the Optionee obtaining the final approval of the TSX-V to this Agreement and the transactions contemplated herein.

14. GOVERNING LAW AND JURISDICTION

This Agreement is construed and in all respects governed by the laws of the Province of British Columbia (excluding its conflict of laws rules) and the federal laws of Canada applicable therein.

15. NOTICES

15.1 All notices, payments and other required communications and deliveries to the parties hereto will be in writing, and will be addressed to the parties as follows or at such other address as the parties may specify from time to time:

(a) to the Optionors as follows:

Michael Tremblay
Box 337
Wawa, Ontario
P0S 1K0
Phone: 705-987-0824
E-mail: tremblay62@gmail.com

Fiorella Santamaria
551 4th Line West
Sault Ste Marie, Ontario
P6A 0B5
Phone: 705-987-0409
E-mail: santamaria1961@gmail.com

(b) to the Optionee:

2489 Bellevue Avenue
West Vancouver, British Columbia
V7V 1E1
Phone: 604-922-2030
E-mail: dmason@waterfrontgroup.com
Attention: Mr. Douglas Mason, CEO

With a copy to:

2489 Bellevue Avenue
West Vancouver, British Columbia
V7V 1E1
Phone: 604-922-2030
E-mail: vsamson@waterfrontgroup.com
Attention: Valerie Samson

Notices must be delivered, sent by e-mail or mailed by pre-paid post and addressed to the party to which notice is to be given. If notice is sent by e-mail or is delivered, it will be deemed to have been given and received at the time of transmission or delivery. If notice is mailed, then it will be deemed to have been received seven Business Days following the date of the mailing of the notice. If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice will be sent by facsimile or will be delivered.

15.2 Any party hereto may at any time and from time to time notify the other party in writing of a change of address and the new address to which a notice will be given thereafter until further change.

16. ASSIGNMENT

The Optionors may not sell, transfer or otherwise assign their rights and obligations with respect to the Option to any other party without the prior express written consent of the Optionee, acting reasonably. The Optionee may sell, transfer or assign its rights and obligations with respect to the Option to a third party without the consent of the Optionors, provided that the Optionee is not in default under the terms of this Agreement at the time of such sale, transfer or assignment.

17. FORCE MAJEURE

17.1 If either party is at any time during the Option Period prevented or delayed in complying with any of the provisions of this Agreement (the "Affected Party") by reason of strikes, lockouts, labour, power or fuel shortages, fires, wars, acts of God, civil disturbances, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the reasonable control of the Affected Party (provided that lack of sufficient funds to carry out exploration on the Property will be deemed not to be beyond the reasonable control of the Affected Party), then the time limited for the performance by the Affected Party of its obligations hereunder will be extended by a period of time equal in length to the period of each such prevention or delay. Nothing in this Section 17.1 or this Agreement will relieve either Party from its obligation to maintain the claims comprising the Property in good standing and to comply with all applicable laws and regulations including, without limitation, those governing safety, pollution and environmental matters.

17.2 The Affected Party will give notice to the other party of each event of force majeure under Section 17.1 within seven days of such event commencing and upon cessation of such event will furnish the other party with written notice to that effect together with particulars of the number of days by which the time for performing the obligations of the Affected Party under this Agreement has been extended by virtue of such event of force majeure and all preceding events of force majeure.

18. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement among the Optionors and the Optionee and will supersede and replace any other agreement or arrangement, whether oral or in writing, previously existing between the parties with respect to the subject matter of this Agreement.

19. CONSENT OR WAIVER

No consent or waiver, express or implied, by either party hereto in respect of any breach or default by the other party in the performance by such other party of its obligations under this Agreement will be deemed or construed to be a consent to or a waiver or any other breach or default.



20. FURTHER ASSURANCES

The parties will promptly execute, or cause to be executed, all bills of sale, transfers, documents, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out fully the intent and purpose of this Agreement or to record wherever appropriate the respective interests from time to time of the parties hereto in and to the Property.

21. SEVERABILITY

If any provision of this Agreement is or will become illegal, unenforceable or invalid for any reason whatsoever, then such illegal, unenforceable or invalid provisions will be severable from the remainder of this Agreement and will not affect the legality, enforceability or validity of the remaining provisions of this Agreement.

22. ENUREMENT

This Agreement enures to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

23. AMENDMENTS

This Agreement may only be amended in writing with the mutual consent of all parties.

24. TIME

Time is of the essence of this Agreement and will be calculated in accordance with the *Interpretation Act* (British Columbia).


25. COUNTERPARTS

This Agreement may be executed in any number of counterparts and delivered by facsimile or any other form of electronic transmission with the same effect as if all parties hereto had signed the same document. All counterparts will be construed together and constitute one and the same agreement.



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

RAINY MOUNTAIN ROYALTY CORP.

Per: 
Authorized Signatory
Name: *Douglas L. Mason*
Title: *Chief Executive Officer*

SIGNED, SEALED AND DELIVERED by)
MICHAEL TREMBLAY in the presence)
of:)

_____)
Witness Signature)
_____)
Address)
_____)
Occupation)

MICHAEL TREMBLAY

SIGNED, SEALED AND DELIVERED by)
FIORELLA SANTAMARIA in the)
presence of:)

_____)
Witness Signature)
_____)
Address)
_____)
Occupation)

FIORELLA SANTAMARIA



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

RAINY MOUNTAIN ROYALTY CORP.

Per: _____
Authorized Signatory
Name: Douglas L. Mason
Title: Chief Executive Officer

SIGNED, SEALED AND DELIVERED by
MICHAEL TREMBLAX in the presence
of:

Witness Signature
551 4th Line W
Address
Sault Ste Marie ON

Student
Occupation


MICHAEL TREMBLAX

SIGNED, SEALED AND DELIVERED by
FIORELLA SANTAMARIA in the
presence of:

Witness Signature
551 4th Line W
Address
Sault Ste Marie ON

Student
Occupation


FIORELLA SANTAMARIA

611



SCHEDULE "A"

to the Option Agreement among

**RAINY MOUNTAIN ROYALTY CORP., MICHAEL TREMBLAY and FIORELLA
SANTAMARIA**

THE PROPERTY

Claim Name	Tenure No.	No. of Units	Expiry Date
BRUNSWICK	4274700		December 2, 2016
BRUNSWICK	4274702		December 2, 2016
BRUNSWICK	4274703		December 2, 2016
BRUNSWICK	4274704		December 2, 2016
BRUNSWICK	4274705		December 2, 2016
BRUNSWICK	4274706		December 2, 2016
BRUNSWICK	4274707		December 2, 2016
BRUNSWICK	4274708		December 2, 2016
BRUNSWICK	4274709		December 2, 2016
BRUNSWICK	4274710		December 2, 2016
BRUNSWICK	4274711		December 2, 2016
BRUNSWICK	4274712		December 2, 2016
BRUNSWICK	4274713		December 2, 2016
Total		196	

SCHEDULE "B"

to the Option Agreement between

RAINY MOUNTAIN ROYALTY CORP., MICHAEL TREMBLAY and FIORELLA
SANTAMARIA

ROYALTY AGREEMENT

The property shall be subject to the NS Royalty, being 2% of Net Smelter Returns, payable quarterly to the Optionors.

1. In the Agreement, "Net Smelter Returns" means the net amount of money received by the Optionee for its own account from the sale of ore, or ore concentrates or other products from the Property to a smelter or other ore buyer, including proceeds of insurance with respect to losses, after deduction of smelter and/or refining charges, ore treatment charges, penalties and any and all charges made by the purchaser of ore or concentrates, less all umpire charges which the purchaser may be required to pay.
2. Payment of Net Smelter Returns by the Optionee to the Optionors shall be made quarterly within 60 days after the end of each fiscal quarter of the Optionee and shall be accompanied by unaudited financial statements pertaining to the operations carried out by the Optionee on the Property. Within 120 days after the end of each fiscal year of the Optionee in which Net Smelter Returns are payable to the Optionors, the records relating to the calculation of Net Smelter Returns for such year shall be audited and any resulting adjustments in the payment of Net Smelter Returns payable to the Optionors shall be made forthwith, together with interest at the prime rate plus two percent per annum, calculated from the date when such payment should have been made. A copy of the said audit shall be delivered to the Optionors within 30 days of the end of such 120-day period.
3. Each annual audit shall be final and not subject to adjustments unless the Optionors deliver to the Optionee written exceptions in reasonable detail within 12 months after the Optionors receive the report. The Optionors, or their representative duly authorized in writing, at the Optionors' expense, shall have the right to audit the books and records of the Optionee related to Net Smelter Returns to determine the accuracy of the report, but shall not have access to any other books and records of the Optionee. The audit shall be conducted by a chartered or certified public accountant of recognized standing. The Optionee shall have the right to condition access to its books and records on execution of a written agreement by the auditor that all information will be held in confidence and used solely for purposes of audit and resolution of any disputes related to the report. A copy of the Optionors' report shall be delivered to the Optionee upon completion, and any discrepancy between the amount actually paid by the Optionee and the amount which should have been paid according to the Optionors' report shall be paid forthwith, one party to the other. In the event that the said discrepancy is to the detriment of the Optionors and exceeds 5% of the amount actually paid by the Optionee, then the Optionee shall pay the entire cost of the audit.
4. No error in accounting or in interpretation of the Agreement shall be the basis for a claim of breach of fiduciary duty, or the like, or give rise to a claim for exemplary or punitive

damages or for termination or rescission of the Agreement or the estate and rights acquired and held by the Optionee under the terms of the Agreement.



AMENDMENT TO UNDERLYING AGREEMENT

AMENDMENT AGREEMENT

THIS AGREEMENT is made as of the 20th day of September, 2019 (the "Amending Agreement").

BETWEEN:

RAINY MOUNTAIN ROYALTY CORP., a corporation incorporated pursuant to the laws of the Province of British Columbia.

(the "Optionee")

AND:

MICHAEL TREMBLAY, an individual

AND:

IORELLA SANTAMARIA, an individual

(collectively the "Optionors")

WHEREAS:

- A. The Optionors and the Optionee are the parties to an option agreement dated September 1, 2016 (the "Agreement"); and
- B. The Company and the Consultant have determined to amend the Agreement as set out herein in order extend the timing of certain payments due pursuant to the Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter contained, the parties agree as follows:

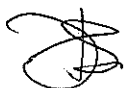
1. All capitalized terms not otherwise defined herein shall have the same meaning given to such terms in the Agreement.
2. Section 3.2 of the Agreement. Section 3.2(a) of the Agreement will be deleted in its entirety and replaced as follows:

"(a) make cash payments in the aggregate amount of \$160,000 to, or to the direction of the Optionors, as follows:

- (i) \$10,000 within 10 days following the Effective Date (paid);
- (ii) \$20,000 on or before March 31, 2017 (paid)
- (iii) \$20,000 on or before September 30, 2017 (paid);
- (iv) \$25,000 on or before September 30, 2018 (paid);

- (v) \$10,000 on or before September 30, 2019;
- (vi) \$25,000 on or before September 30, 2020;
- (vii) \$25,000 on or before September 30, 2021;
- (viii) \$25,000 on or before September 30, 2022;

3. Save and except for the amendments provided herein, which are hereby deemed to be merged with the Agreement, the terms and conditions of the Agreement shall remain in full force and be effective as against the Company and the Consultant, as applicable, and this Amending Agreement will have effect so far as practicable as if all the provisions of the Agreement and of this Amending Agreement were contained in the one instrument.
4. This Amending Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the courts of such Province shall have exclusive jurisdiction over any dispute arising in connection with this Amending Agreement.
5. This Amending Agreement may be signed by the parties in counterparts and may be delivered electronically, each of which when delivered will be deemed to be an original and all of which together will constitute one and the same instrument.




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

RAINY MOUNTAIN ROYALTY CORP.

Per: _____
Authorized Signatory

Signed by **MICHAEL TREMBLAY** in the presence of:

P. Escher
Name
Thunder Bay ON
Address
Geologist
Occupation

)
)
)
)
)
)
)
)
)
)


MICHAEL TREMBLAY

Signed by **FIGRELLA SANTAMARIA** in the presence of:

P. Escher
Name
Thunder Bay ON
Address
Geologist
Occupation

)
)
)
)
)
)
)
)
)
)


FIGRELLA SANTAMARIA

