EARN IN AGREEMENT

THIS AGREEMENT is made as of the 13th day of March, 2023 (the "**Effective Date**").

BETWEEN:

VALORE METALS CORP.
a corporation incorporated and existing under the laws of the Province of British Columbia

(the "**Optionor**")

AND:

LABRADOR URANIUM INC.
a corporation incorporated and existing under the laws of the Province of Ontario

(the "**Optionee**")

WHEREAS the Optionor is the legal and beneficial owner of mineral rights in certain lands located approximately 225 kilometres southwest of the community of Baker Lake in the Kivalliq region of southern Nunavut and known as the Angilak Property, as more particularly described in Schedule A (the "**Mining Property**");

AND WHEREAS as identified in Schedule A, the Mining Property consists of certain Crown lands (the "**Crown Lands**") and certain Inuit Owned Lands (the "**Inuit Owned Lands**");

AND WHEREAS the Optionor and the Optionee have entered into an arrangement agreement dated as of the date hereof pursuant to which, among other things: (i) the Optionor has incorporated a wholly owned subsidiary, 5833 Nunavut Ltd. (the "**Optionor Subco**"); (ii) the Optionor will transfer the Purchased Assets (which for clarity, includes the Mining Property) to the Optionor Subco: and (iii) the Optionee will acquire 100% of the outstanding shares of the Optionor Subco pursuant to a statutory plan of arrangement under the laws of the Province of British Columbia;

AND WHEREAS the Mining Property is subject to the Permitted Liens;

AND WHEREAS the Optionor seeks to grant to the Optionee the Crown Lands Option and the IOL Forced Option (together, the "**Options**"), all on and subject to the terms and conditions of this Agreement;

NOW THEREFORE in consideration of the covenants and agreements contained herein, the sum of $2.00 paid by each Party to each other Party, and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by each of the Parties, the Parties hereby agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

Capitalized terms when used in this Agreement and not otherwise defined herein, shall have the respective meanings ascribed thereto in the Arrangement Agreement (including for certainty, if there has been an Arrangement Agreement Termination Event). Additionally, in this Agreement, unless there is something in the context inconsistent therewith, the following words and phrases shall have the following meanings:

"**Affiliate**" means in respect of any Party, 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, such Party. 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.

"**Agents**" means consultants (including financial and legal advisors), servants, employees, agents, attorneys, Affiliates, contractors and subcontractors.

"**Agreement**" means or refers to this Agreement and all Schedules attached to and forming part of this Agreement, and any and all written agreements or instruments supplemental or ancillary hereto.

"**Applicable Laws**" means any Canadian, or other federal, provincial, or local law, regulation, ordinance, code, order or other requirement or rule of law or the rules, policies, orders or regulations of any Governmental Authority, including any judicial or administrative interpretation thereof, applicable to a Party or any of its properties, assets, business or operations, or a Party's directors, officers, employees or Agents.

"**Arrangement Agreement**" has the meaning set forth in the recitals.

"**Arrangement Agreement Termination Event**" means the termination of the Arrangement Agreement in accordance with its terms without the consummation of the transactions contemplated thereunder.

"**Assignment and Assumption Agreement**" has the meaning set forth in Section 12.4(a).

"**Audit**" has the meaning set forth in Section 2.6(a).

"**Business Day**" means any day other than a Saturday, Sunday or statutory, civic or bank holiday in Nunavut, Toronto or Vancouver, Canada.

"**Claim**" means any claim, demand, action, damage, loss, cost, liability or expense, including reasonable legal fees.

"**Claimant**" has the meaning set forth in Section 1.4(a).

"**Company Disclosure Letter**" has the meaning set forth in the Arrangement Agreement.

"**Company Existing Technical Report**" has the meaning set forth in the Arrangement Agreement

"**Company New Technical Report**" has the meaning set forth in the Arrangement Agreement.

"**Confidentiality Agreement**" means the confidentiality agreement dated as of October 26, 2022 between the Optionor and the Optionee.

"**Corruption Legislation**" means:

(i) the *Corruption of Foreign Public Officials Act* (Canada);

(ii) the Criminal Code of Canada; and

(iii) any similar legislation applicable to the Parties including the regulations adopted thereunder.

"**Crown Lands**" has the meaning set forth in the recitals.

"**Crown Lands Interest**" means as provided in Section 2.1, either a 51% participating interest in all of the Purchased Assets save and except for the Inuit Owned Lands and the IOL Land Use License, or if the Optionee exercises the IOL Forced Option, a 10% participating interest in all of the Purchased Assets save and except for the Inuit Owned Lands and the IOL Land Use License.

"**Crown Lands Option**" has the meaning set forth in Section 2.1(a).

"**Earn-In Date**" has the meaning set forth in Section 2.5.

"**Effective Date**" has the meaning set forth on page one of this Agreement.

"**Liens**" means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, restriction, adverse right, prior assignment, lease, sublease, royalty, levy, right to possession or any other encumbrance, easement, license, right of first refusal, covenant, voting trust or agreement, transfer restriction under any shareholder or similar agreement, right or restriction of any kind or nature whatsoever, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Environmental Laws**" has the meaning set forth in the Arrangement Agreement.

"**Event of Force Majeure**" has the meaning set forth in Section 11.1(a).

"**Expenditures**" means expenses described in paragraph (f) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act and in paragraphs (a) to (d) of the definition of "flow-through mining expenditure" in subsection 127(9) of the Tax Act.

"**Expenditure Notice**" has the meaning set forth in Section 2.4.

"**Funding Notice**" has the meaning set forth in Section 2.4.

"**Governmental Authority**" means (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing, (b) any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing, and (c) any stock exchange, including the TSXV and CSE.

"**Hazardous Substances**" has the meaning set forth in the Arrangement Agreement.

"**Indemnitee**" has the meaning set forth in Section 6.3.

"**Indemnitor**" has the meaning set forth in Section 6.3.

"**Indigenous Group**" includes any Inuit, First Nation, Métis, native, indigenous or aboriginal peoples or group, or any person, peoples or group asserting or otherwise claiming an Inuit, First Nation, Métis, native, indigenous, aboriginal or treaty right or any other similarly based or derived right (including native, indigenous or aboriginal title) or any other native, indigenous, aboriginal or similar interest, and any Person or group representing any of the foregoing.

"**Inuit Owned Lands**" has the meaning set forth in the recitals.

"**Inuit Owned Lands Interest**" means a 10% participating interest in the Inuit Owned Lands and the IOL Land Use License.

"**Initial Payment**" has the meaning set forth in 2.4.

"IOL Forced Option" means the sole and exclusive right and option to acquire a 10% participating interest in the Inuit Owned Lands and the IOL Land Use License.

"**IOL Forced Option Trigger Notice**" has the meaning set forth in Section 2.1(d).

"**IOL Land Use License**" means Inuit Land Use License KVL308C09, including any renewal or replacement thereof, issued by Kivalliq Inuit Association for IOL Parcel RI-30 or any portion thereof.

"**Joint Venture**" means the unincorporated joint venture to be formed by the Optionor and the Optionee on the exercise of the Crown Lands Option (and if applicable, the IOL Forced Option) by the Optionee and the acquisition of the Option Interest by the Optionee if there shall occur an Arrangement Agreement Termination Event.

"**Joint Venture Agreement**" means the joint venture agreement to be executed by the Optionor and the Optionee with respect to the Joint Venture, including among other things, and not inconsistent with the Joint Venture Terms.

"**Joint Venture Terms**" means those terms set forth in Schedule C.

"**Liens**" means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, restriction, adverse right, prior assignment, lease, sublease, royalty, levy, right to possession or any other encumbrance, easement, license, right of first refusal, covenant, voting trust or agreement, transfer restriction under any shareholder or similar agreement, right or restriction of any kind or nature whatsoever, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"**Losses**" has the meaning set forth in Section 6.1.

"**Maintenance Costs**" means all amounts incurred to maintain the Crown Lands (and if applicable, the Inuit Owned Lands) in good standing with all appropriate authorities and under all Applicable Laws, including any annual exploration fees, the payment of any mining duties, property taxes, the filing of reports

with respect to minimum assessment work, the performance of any and all obligations required by the terms and conditions of the Crown Lands (and if applicable, the Inuit Owned Lands).

"**MEA**" means the Inuit Owned Lands Mineral Exploration Agreement between the Optionor and Nunavut Tunngavik Inc. ("**NTI**") dated April 1, 2007 as amended and restated as of April 30, 3008, and as further amended on December 1, 2009.

"**MEA Assumption Agreement**" has the meaning set forth in Section 2.1(d).

"**MEA Notice**" has the meaning set forth in Section 2.1(d).

"**Mining Property**" has the meaning forth in the recitals.

"**Misspent Funds**" has the meaning set forth in Section 2.6(a).

"**Notice of Dispute**" has the meaning set forth in Section 1.4(a).

"**Notice of Exercise**" has the meaning set forth in Section 2.5.

"**NTI**" has the meaning set forth in the definition of MEA.

"**Operating Permits**" means those licenses and permits more particularly described in Schedule E.

"**Operator**" means the Party appointed as the operator of the Crown Lands (and if applicable, the Inuit Owned Lands) pursuant to Section 5.1, being the Optionor.

"**Option Earn In Expenditures**" has the meaning set forth in Section 2.4.

"**Options**" has the meaning set forth in the recitals.

"**Optionee**" has the meaning set forth in the recitals.

"**Optionee Funded Amount**" means the amount of Expenditures funded by the Optionee pursuant to the Program and Budget or delivered by the Optionee to the Optionor pursuant to the terms of this Agreement.

"**Optionee Property**" means the property described in Schedule D.

"**Optionee Property Interest**" an undivided 20% participating interest in the Optionee Property.

"**Optionee Property Option**" means the sole, exclusive and immediate right and option to the Optionor to earn the Optionee Property Interest.

"**Optionee Property Program and Budget**" has the meaning set forth in Section 7.4.

"**Option Interest**" means the Crown Lands Interest and the Inuit Owned Lands Interest.

"**Option Period**" has the meaning set forth in Section 2.2(a).

"**Optionor**" has the meaning set forth in the recitals.

"**Optionor Senior Management**" has the meaning ascribed to Company Senior Management in the Arrangement Agreement.

“**Optionor Subco**” has the meaning set forth in the recitals.

“**Parties**” means the Optionee and the Optionor, and “**Party**” means either one of the Parties.

“**Permitted Liens**” means, as of any particular time and in respect of any particular person, each of the following Liens:

(a) Liens for Taxes which are not delinquent or that are being contested in good faith and that have been adequately reserved on the person’s financial statements;

(b) undetermined or inchoate Liens of contractors, subcontractors, mechanics, materialmen, carriers, workmen, suppliers, warehousemen, repairmen and similar Liens granted or which arise in the ordinary course of business and which relate to obligations not yet due or delinquent;

(c) Liens arising under or in connection with zoning, building codes and other land use Laws regarding the use or occupancy of such real property or the activities conducted thereon which are imposed by any Governmental Authority;

(d) the right reserved to or vested in any Governmental Authority or Indigenous Group by any statutory provision or by the terms of any lease, license, franchise, grant, authorization or Permit of such person or any of its subsidiaries, to terminate any such lease, license, franchise, grant, authorization or Permit, or to require annual or other payments as a condition of their continuance;

(e) easements, rights-of-way, encroachments, restrictions, covenants, conditions and other similar matters that, individually or in the aggregate, do not materially and adversely impact such person’s and its subsidiaries’ current or contemplated use, occupancy, utility or value of the applicable real property;

(f) all matters registered on title in the land titles registry or mineral titles registry; and

(g) in the case of the Company, Liens listed in Section 1.1 of the Company Disclosure Letter, which for ease of reference are described in Schedule F hereto.

“**Person**” includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority, Indigenous Group or other entity, whether or not having legal status.

“**Program and Budget**” means the program and budget attached as Schedule B.

“**Purchased Assets**” has the meaning set forth in the Arrangement Agreement.

“**Purchaser Technical Report**” has the meaning set forth in the Arrangement Agreement.

“**Related Parties**” with respect to a Party, means the directors, officers, employees and Affiliates of such Party.

“**Remedial Action**” has the meaning set forth in the Arrangement Agreement.

"**Respondent**" has the meaning set forth in Section 1.4(a).

"**Reverse Option Agreement**" has the meaning set forth in Section 7.4.

"**Reverse Optionee**" has the meaning set forth in Section 7.4(d).

"**Reverse Optionor**" has the meaning set forth in Section 7.4(d).

"**Rules**" has the meaning set forth in Section 1.4(c).

"**Sandstorm**" means Sandstorm Gold Ltd.

"**Sandstorm Royalty**" means the royalty created by the royalty agreement dated January 10, 2018 between the Optionor and Sandstorm (the "**Sandstorm Royalty Agreement**").

"**Sandstorm Royalty Agreement**" has the meaning set forth in the definition of Sandstorm Royalty.

"**Surviving Provisions**" means Sections 1.2, 1.3, 1.4, Article 6, Article 7, Article 8, Article 10 and Article 12.

"**Survival Period**" has the meaning set forth in the Arrangement Agreement.

"**Swap Option**" has the meaning set forth in Section 7.4(d). CLM

"**Tax**" or "**Taxes**" means any and all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty or selected items of income, earnings or profits, and specifically including any federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, payroll taxes, health taxes, employment taxes, withholding taxes, sales taxes, use taxes, goods and services taxes, harmonized sales tax, custom duties, value added taxes, ad valorem taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, licence taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, special COVID-19 tax relief (including, for greater certainty, any COVID-19 Subsidy), and employment or unemployment insurance premiums, social insurance premiums and worker's compensation premiums and pension (including Canada Pension Plan) payments, and other taxes, fees, imposts, assessments or charges of any kind whatsoever together with any interest, penalties, additional taxes, fines and other charges and additions that may become payable in respect thereof including any interest in respect of such interest, penalties and additional taxes, fines and other charges and additions, whether disputed or not.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, and the regulations promulgated thereunder.

"**Technical Committee**" has the meaning set forth in Section 5.2.

"**Technical Information**" means all information and all know-how owned, leased or licensed by, or on behalf of the Optionor or its Affiliates, or in which the Optionor or its Affiliates has a right, title or interest, and which pertains primarily to or is related primarily to the Mining Property, including the Company Existing Technical Report and the Company New Technical Report and including:

(i) information of a scientific, technical or business nature, whether in written, graphic, machine readable, electronic or physical form, including any technical reports prepared by or for the benefit of the Optionor with respect to the Mining Property;

(ii) maps, plans, designs, research data, research plans, development plans, drill core samples, reserve and resource estimates, environmental reports, notifications from all Government Agencies, trade secrets, processes, formulas, drawings, technology, computer software and related manuals, unpatented blueprints, flow sheets, equipment and parts lists, instructions, manuals, records and procedures; and

(iii) the books and records pertaining to the above.

"**Third Party Claim**" means any action, suit, proceeding, arbitration, claim or demand that is instituted or asserted by a person other than a Party or a Related Party, including a Governmental Authority, against an Indemnitee which entitles the Indemnitee to make a claim for indemnification under this Agreement.

"**Unfunded Reverse Option Agreement Amounts**" has the meaning set forth in Section 7.4(d). CLM

"**Work**" means prospecting, exploration or development work performed on, in or under, or in relation to, the Mining Property or any portion thereof.

1.2 Rules of Interpretation

Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires:

(a) The terms "Agreement", "this Agreement", "the Agreement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof.

(b) References to an "Article", "Section" or "Schedule" followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement.

(c) Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(d) References to a Party in this Agreement mean the Party or its successors or permitted assigns.

(e) Where the word "including" or "includes" is used in this Agreement, it means "including without limitation" or "includes without limitation".

(f) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(g) Words importing the singular include the plural and vice versa and words importing gender include all genders.

(h) A reference to an agreement includes all schedules, exhibits and other appendices attached thereto and shall include all subsequent amendments and other modifications thereto.

(i) A reference to a statute includes all regulations made pursuant to and rules promulgated under such statute and, unless otherwise specified, any reference to a statute or regulation includes the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation from time to time.

(j) Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

(k) In this Agreement a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Toronto time) on the last day of the period. Whenever any payment is required to be made, action is required to be taken or period of time to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day.

(l) Unless specified otherwise in this Agreement, all statements or references to dollar amounts and to "$" in this Agreement are to Canadian dollars.

1.3 Governing Law

This Agreement and its application and interpretation shall be governed by and interpreted and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein.

1.4 Dispute Resolution

(a) The Parties shall attempt to resolve amicably any disagreement or dispute between them arising under or relating to this Agreement, by referral to successively higher level of the Parties' respective managements. If there is no resolution of the dispute by this means within 30 days, then any such dispute shall be submitted to arbitration by written demand of either Party. To demand arbitration, a Party (the "**Claimant**") shall give the other Party (the "**Respondent**") a Notice specifying the issues in dispute, the amount involved, the remedy requested and the name of the arbitrator the Claimant appoints (such Notice, a "**Notice of Dispute**"). Within 20 Business Days after receipt of the Notice of Dispute, the Respondent shall answer the Notice of Dispute in writing, specifying the issues the Respondent disputes and the name of the arbitrator that the Respondent appoints.

(b) The arbitration shall be determined by a panel of three arbitrators, comprised of one arbitrator appointed by each of the Clamant and Respondent and a third arbitrator selected by the first two arbitrators within 10 Business Days after the appointment of the second arbitrator. The two arbitrators appointed by the respective Parties shall be experienced and knowledgeable in the mining industry. No person shall be appointed or selected as an arbitrator hereunder unless such person agrees in writing to serve. If the arbitrators appointed by the Parties cannot agree on a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules, and such selection shall be final and binding on such Parties. The three arbitrators so chosen shall constitute the arbitration panel.

(c) Arbitration hereunder shall be conducted in the English language in accordance with the UNCITRAL commercial arbitration rules (the "**Rules**"). The seat of arbitration shall be Toronto, Ontario. The arbitrators shall fix a time and place in Toronto, Ontario, reasonably convenient for the Parties, after giving each Party not less than seven Business Days' Notice, for the purpose of hearing the evidence and representations of the Parties and they shall preside over the arbitration and determine all questions of procedure not provided under the Rules or this Section 1.4(c). After hearing any evidence and representations that the Parties may submit, the panel shall make a

decision and reduce the same to writing and deliver one copy thereof to each of the Parties. Decisions of the panel must be by majority vote. The arbitrators shall endeavor to make a decision within 30 days after the appointment of the third arbitrator, subject to any reasonable delay due to unavoidable circumstances. Any decision by the arbitrators shall follow and apply the laws applicable to this Agreement. The expense of the arbitration, including travel costs, expert witness and attorney's fees and costs shall be paid as determined in the discretion of the panel, having due regard for the outcome of the arbitration and the relationship of the result to the positions taken by the relevant Parties. The decision of the panel shall be final and binding upon the Parties.

(d) Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant Party or its assets. Except where matters are expressed herein to be subject to arbitration, the provincial and federal courts sitting in Toronto, Ontario shall have exclusive jurisdiction to hear and determine all matters relating to this Agreement, including enforcement of the obligation to arbitrate. The Parties hereby irrevocably consent, agree and submit to the jurisdiction of the provincial or federal courts sitting in Toronto, Ontario.

1.5 Schedules

The following are the Schedules to this Agreement and whether annexed hereto or delivered separately, shall form part of this Agreement:

Schedule A Description of Mining Property

Schedule B Program and Budget

Schedule C Joint Venture Terms

Schedule D Optionee Property

Schedule E Operating Permits

Schedule F Permitted Liens

ARTICLE 2
OPTIONS

2.1 Grant of Options

(a) The Optionor does hereby give and grant to the Optionee the sole exclusive and immediate right and option to earn and acquire: (i) a 51% participating interest in all of the Purchased Assets save and except for the Inuit Owned Lands and the IOL Land Use License (the "**Crown Lands Option**"), the Crown Lands Option to be subject to reduction if the Optionee exercises the IOL Forced Option and acquires the Inuit Owned Lands Interest as provided in Section 2.1(d); and (ii) if the Optionee exercises the IOL Forced Option, a 10% participating interest in the Inuit Owned Lands and IOL Land Use License, it being understood and agreed that if the Optionee acquires the Inuit Owned Lands Interest, the Crown Lands Option will be reduced from a 51% participating interest to a 10% Participating Interest; in all cases, free and clear of all Liens, save and except for Permitted Liens, by satisfying within the time limits set forth in this Agreement, the obligations set out in this Article 2.

(b) It is understood and agreed that immediately upon the signing of this Agreement, the Optionor will provide notice to Sandstorm under the terms of the Sandstorm Royalty Agreement of the grant of the Crown Lands Option and the grant of the IOL Forced Option given that the Sandstorm Royalty Agreement provides for a 30 day notice period. Unless the requirement is waived by Sandstorm, the Optionee shall sign an agreement to be bound by the Sandstorm Royalty Agreement, in form and substance acceptable to

Sandstorm, in accordance with the Optionee's participating interest if the Optionee exercises one or both of the Options (such agreement to terminate if the Optionee shall cease to be the owner of either participating interest pursuant to the terms of this Agreement or if the transactions contemplated in the Arrangement Agreement are completed and the Optionee Subco shall be the only owner of the Mining Property; provided that should the latter occur, Optionee will cause Optionee Subco to sign an agreement to be bound by the Sandstorm Royalty Agreement, in form and substance acceptable to Sandstorm).

(c) As soon as practicable after the signing of this Agreement, the Optionee shall sign an agreement in favour of NTI to be bound by the Crown Rights Agreement in accordance with the Optionee's participating interest if the Optionee exercises the Crown Lands Option (such agreement to terminate if the Optionee shall cease to be the owner of the Crown Lands Interest pursuant to the terms of this Agreement or if the transactions contemplated in the Arrangement Agreement are completed and the Optionee Subco shall be the only owner of the Mining Property; provided that should the latter occur, Optionee will cause Optionee Subco to sign an agreement in favour of NTI to be bound by the Crown Rights Agreement). The Optionor shall forthwith provide notice to NTI under the terms of the Crown Rights Agreement of the grant of the Crown Lands Option to the Optionee, attaching the Optionee's agreement to be bound by the Crown Rights Agreement.

(d) The Parties agree that the IOL Forced Option shall operate as set out in this Section 2.1(d). At any time or times the Optionee shall have the right to send a notice to the Optionor stating that the Optionee shall seek to trigger the IOL Forced Option (the "**IOL Forced Option Trigger Notice**"). The IOL Forced Option Trigger Notice shall have attached thereto a signed agreement from the Optionee to be bound by the MEA (as required by the MEA) (the "**MEA Assumption Agreement**"), in accordance with the Optionee's participating interest if the Optionee exercises the IOL Forced Option (such agreement to terminate if the Optionee shall cease to be the owner of the participating interest in the Inuit Owned Lands or if the transactions contemplated in the Arrangement Agreement are completed and the Optionee Subco shall be the only owner of the Mining Property; provided that should the latter occur, Optionee will cause Optionee Subco to sign an agreement to be bound by the MEA (as required by the MEA). Immediately upon receipt of the IOL Forced Option Trigger Notice (and in any event within two Business Days), the Optionor shall have the obligation to send a notice to NTI as required by the MEA (and in particular, Section 14.02 thereof) advising of the IOL Forced Option (the "**MEA Notice**"). The MEA Notice shall be accompanied by the MEA Assumption Agreement The Optionor shall forward a copy of the MEA Notice to the Optionee at the same time as it is sent to NTI. The IOL Forced Option shall be effective on the 45th day following the date of the MEA Notice and the Optionor shall confirm the effectiveness of the IOL Forced Option by delivery of a written confirmation notice to such effect to the Optionee. The Optionor shall keep the Optionee apprised verbally and followed up immediately thereafter in writing of any and all negotiations with NTI and questions and concerns raised by NTI relative to the MEA Notice and the MEA Assumption Agreement. For clarity, if the Optionee shall exercise the IOL Forced Option, this shall not increase the amount of the Option Earn In Expenditures (which is subject to reduction in accordance with the provisions of Section 7.4(a), it being understood and agreed that the said amount is applicable to the Options, irrespective of when the IOL Forced Option is exercised (being either before or after an Arrangement Agreement Termination Event).

2.2 Vesting and Commencement of Crown Lands Option and IOL Forced Option

(a) The Crown Lands Option shall vest and commence on the Effective Date, and shall terminate on the earlier of: (i) the one year anniversary of the Effective Date unless extended in accordance with the terms of this Agreement; (ii) the date the Crown Lands Option is exercised in accordance with the terms of this Agreement; or (iii) the date that the Crown Lands Option or this Agreement is terminated in accordance with the terms of this Agreement (such period from its commencement on the date of this Agreement, to its termination on the earlier of (i), (ii) and (iii) above is hereinafter referred to as the "**Option Period**").

(b) The IOL Forced Option shall vest and commence as provided in Section 2.1(d), and shall terminate on the earlier of: (i) the one year anniversary of the Effective Date unless extended in accordance with the terms of this Agreement; (ii) the date the Inuit Owned Lands Option is exercised in accordance with the terms of this Agreement; or (iii) the date that the IOL Forced Option or this Agreement is terminated in accordance with the terms of this Agreement.

2.3 Maintenance of the Options

Subject to the provisions of Section 7.4, in order to maintain the Options in good standing the Optionor must incur Expenditures aggregating $3.5 million during the Option Period based on the Program and Budget and pursuant to Expenditure Notices. If the Optionee funds and incurs Expenditures toward the Program and Budget in excess of $3.5 million during the Option Period, such excess Expenditures shall be carried over in full as a credit to the funding obligations of the Optionee pursuant to the Joint Venture and the Joint Venture Agreement.

2.4 Funding and Incurring of Expenditures

Within three Business Days of the Effective Date, the Optionee shall advance the sum of $1.5 million to the Optionor which shall constitute the first payment (the "**Initial Payment**") of Expenditures by the Optionee to the Optionor further to the provisions of this Agreement (meaning that there shall remain $2.0 million of the Option Earn In Expenditures to be funded hereunder). At any time during the Option Period, the Optionor shall have the right to send an expenditure notice (the "**Expenditure Notice**") to the Optionee for funding of Expenditures pursuant to the Program and Budget. Within a period of two Business Days after the receipt of an Expenditure Notice, the Optionee shall advise the Optionor by written Notice (each a "**Funding Notice**") whether the Optionee shall incur the Expenditures set forth on the Expenditure Notice by way of funding such Expenditures. If the Optionee does not send a Funding Notice to the Optionor within the said period of two Business Days or if the Funding Notice sets out that the Optionee will not incur the Expenditures set forth on the applicable Expenditure Notice, the Option shall terminate. If a Funding Notice sets forth the election of the Optionee to incur the Expenditures set forth on the applicable Expenditure Notice, then within three Business Days after the date of the Funding Notice, the Optionee shall forward the applicable funds to the Optionor. If the Optionee fails to forward the applicable funds within the said two Business Days, then the Option shall terminate. It is understood and agreed that the amount of Expenditures set forth on all Expenditure Notices sent to the Optionee by the Optionor during the Option Period plus the Initial Payment shall not exceed the sum of $3.5 million (the "**Option Earn In Expenditures**").

2.5 Exercise of Options

If the Optionee has incurred Expenditures aggregating a minimum of $3.5 million further to the Program and Budget, the Optionee shall be entitled to provide a written notice of exercise of the Crown Lands Option (which may be coupled with the IOL Forced Option) to the Optionor stating the amount of Expenditures funded (the "**Notice of Exercise**"). The Optionee shall be deemed to have exercised the Crown Lands Options (together with the IOL Forced Option, if applicable) as at the date of the Notice of Exercise or as set forth in Section 7.4(a) (the "**Earn-In Date**") and the Optionee shall have earned the Crown Lands Interest (and if applicable the Inuit Owned Lands Interest), free and clear of any and all Liens, save and except for Permitted Liens. For clarity, no Notice of Exercise need to provided if the provisions of Section 7.4(a) are applicable.

2.6 Audit

(a) If the Optionee shall dispute that the Optionor has incurred the Expenditures that were funded by the Optionee then within 30 days of the end of the Program and Budget, the Optionee shall have the right to refer the dispute to a national firm of Chartered Professional Accountants mutually agreed upon by the Parties for final determination (an "**Audit**"). If such firm determines, after having consulted with the Optionee that the Optionor did not spend the money advanced by the Optionee pursuant to any Expenditure Notice to Expenditures set forth in the Program and Budget, then as to any amount of money improperly spent by the Optionor (the "**Misspent Funds**"), the Optionor shall reimburse the Optionee therefor without interest set off or deduction and such reimbursed amount shall still count as Expenditures that have been funded by the Optionee.

(b) The Parties shall cause the accounting firm mutually agreed upon by the Parties to complete any Audit as soon as is reasonably practicable following referral of the dispute to such accounting firm, and in any event no later than 45 days following such referral. The cost of any Audit shall be borne by the Optionee if there is a discrepancy of 5% or less between the amount of the Expenditures to be funded in accordance with an Expenditure Notice and the amount of the Misspent Funds. The cost of any Audit shall be borne by the Optionor if there is any such discrepancy of more than 5%.

2.7 Joint Venture Agreement

(a) Until the execution and delivery of the Joint Venture Agreement, if the Crown Lands Option (and if applicable, the IOL Forced Option) is duly exercised (including without limitation, as provided in Section 7.4) and provided that there has occurred an Arrangement Agreement Termination Event, the Optionor and the Optionee shall constitute the Joint Venture pursuant to the Joint Venture Terms and shall act in good faith in accordance therewith. At the date of constitution of the Joint Venture, the Optionor as operator, shall be deemed to hold in trust for the benefit of the Optionee as its interests appear from time to time and the Joint Venture, the applicable Purchased Assets (including without limitation, the applicable Operating Permits) and all after acquired property in connection therewith. The Joint Venture Agreement shall also contemplate and include the IOL Forced Option if the Optionee has not exercised the IOL Forced Option prior to its execution and delivery or if the IOL Forced Option has been exercised, but the process with MEA outlined in Section 2.1(d) remains in progress.

(b) For a period of 30 days after the Earn-In Date, the Optionor and the Optionee shall negotiate in good faith, the Joint Venture Agreement, it being the clear intention of the Parties that the Joint Venture Agreement shall be executed and delivered within such 30 day period. Unless and until the Joint Venture Agreement is so negotiated and executed and delivered, the Joint Venture Terms shall be operative and applicable to the Joint Venture.

ARTICLE 3
DATA AND TITLE

3.1 Data

From and after the Effective Date, the Optionor shall make available to the Optionee copies or originals for copy by the Optionee, of all Technical Information and any other data, reports or information the Optionor or its Affiliates may have prepared, caused to be prepared or received with respect to the Mining Property in its possession or control, whether in paper or electronic format, Technical Information and other data reports or information shall be kept confidential by the Optionee in accordance with the terms of the Confidentiality Agreement. The Optionor or its Affiliates (including without limitation, the Optionor

Subco) shall retain exclusive title thereto until such time as the Optionee shall have duly and properly exercised the Option in accordance with the terms of this Agreement.

3.2 Title to Mining Property

During the Option Period, title to the Mining Property shall remain registered or recorded, as the case may be, in the name of the Optionor (or the Optionor Subco as the case may be).

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Optionor

The representations and warranties of the Optionor set forth in Section 3.1(g), (i) through and including (r), (t) through and including (bb) and (ff) of the Arrangement Agreement are hereby incorporated herein by reference and shall be deemed to be a part hereof and shall remain a part hereof even if the Arrangement Agreement is terminated in accordance with its terms. The survival periods set out in Section 7.1 of the Arrangement Agreement are hereby incorporated herein by reference and shall be deemed to be a part hereof and shall remain a part hereof even if the Arrangement Agreement is terminated in accordance with its terms and shall also apply to the representations and warranties set forth below. In addition, the Optionor, acknowledging that the Optionee is entering into this Agreement in reliance thereon, hereby represents and warrants to the Optionee that as of the Effective Date:

(a) the Optionor has the requisite corporate power, authority and capacity to enter into this Agreement, to perform its obligations hereunder and to complete the transactions contemplated by this Agreement, including the grant of the Option to the Optionee. The execution and delivery of this Agreement, the performance by the Optionor of its obligations hereunder and the completion by the Optionor of the transactions contemplated by this Agreement have been duly authorized by the board of directors of the Optionor and no other corporate proceedings on the part of the Optionor are necessary to authorize the execution and delivery by the Optionor of this Agreement or the performance by the Optionor of its obligations hereunder or the completion by the Optionor of the transactions contemplated hereby, including the grant of the Option to the Optionee;

(b) the execution, delivery and performance of this Agreement by the Optionor, and the completion of the transactions contemplated hereby, do not and will not:

    (i) conflict with or violate the constating documents of the Optionor;

    (ii) conflict with or result in a default under any agreement, contract, mortgage, bond or other instrument to which the Optionor is a party or which is binding on its assets;

    (iii) conflict with or violate any Applicable Law;

    (iv) result in or give any Person the right to cancel or amend any contractual or other right of the Optionor where such cancellation or amendment would have an adverse effect on the Mining Property;

    (v) result in the imposition of any Encumbrance on the Mining Property or the termination or acceleration of any rights or obligations in respect of the Mining Property; or

(vi) require any consent, approval or authorization of, notice to, or registration or filing with, any Governmental Authority or other Person or under any Applicable Law or pursuant to any contract or agreement entered into by the Optionor.

(c) this Agreement has been duly executed and delivered by the Optionor and constitutes a legal, valid and binding obligation of the Optionor enforceable against the Optionor in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and general principles of equity and public policy and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction;

(d) the Mining Property is accurately described in Schedule A; and

(e) the Optionor has not incurred any liability, contingent or otherwise, for brokers' or finders' fees in respect of the transactions contemplated herein.

4.2 Knowledge of the Optionor

Where any representation or warranty contained in this Agreement, including without limitation, by way of cross reference, is expressly qualified by reference to the "knowledge" of the Optionor, it shall be deemed to refer to the actual knowledge of the Optionor Senior Management, and all knowledge which such persons would have if such persons made due enquiry into the relevant subject matter having regard to the role and responsibilities of such persons as officers of the Optionor.

4.3 Representations and Warranties of the Optionee

The survival periods set out in Section 7.2(b) of the Arrangement Agreement are hereby incorporated herein by reference and shall be deemed to be a part hereof and shall remain a part hereof even if the Arrangement Agreement is terminated in accordance with its terms and shall also apply to the representations and warranties set forth below. In addition, the Optionee, acknowledging that the Optionor is entering into this Agreement in reliance thereon, hereby represents and warrants to the Optionor that as of the Effective Date:

(a) the Optionee has the requisite corporate power, authority and capacity to enter into this Agreement, to perform its obligations hereunder and to complete the transactions contemplated by this Agreement. The execution and delivery of this Agreement, the performance by the Optionee of its obligations hereunder and the completion by the Optionee of the transactions contemplated by this Agreement have been duly authorized by the board of directors of the Optionee and no other corporate proceedings on the part of the Optionee are necessary to authorize the execution and delivery by the Optionee of this Agreement or the performance by the Optionee of its obligations hereunder or the completion by the Optionee of the transactions contemplated hereby;

(b) the execution, delivery and performance of this Agreement by the Optionee, and the completion of the transactions contemplated hereby, do not and will not:

(i) conflict with or violate the constating documents of the Optionee;

(ii) conflict with or result in a default under any agreement, contract, mortgage, bond or other instrument to which the Optionee is a party or which is binding on their assets;

(iii) conflict with or violate any Applicable Law;

(iv) result in or give any Person the right to cancel or amend any contractual or other right of the Optionee where such cancellation or amendment would have an adverse effect on the Mining Property; or

(v) require any consent, approval or authorization of, notice to, or registration or filing with, any Governmental Authority or other Person or under any Applicable Law or pursuant to any contract or agreement entered into by the Optionee.

(c) this Agreement has been duly executed and delivered by the Optionee and constitutes a legal, valid and binding obligation of the Optionee enforceable against the Optionee in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and general principles of equity and public policy and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction; and

(d) the Optionee has not incurred any liability, contingent or otherwise, for brokers' or finders' fees in respect of the transactions contemplated herein.

ARTICLE 5
RIGHT TO ENTER AND DO WORK/TECHNICAL COMMITTEE

5.1 Rights and Obligations of Operator

(a) The Optionor shall act as the Operator of the Mining Property during the Option Period.

(b) In that the Optionor will be acting as the Operator of the Mining Property during the Option Period pursuant to Section 5.1(a):

(i) the Operator shall perform and comply with the Program and Budget, on behalf of the Optionee;

(ii) the Operator shall maintain, to the extent permissible under Applicable Laws, in its name the Mining Property, and all permits required to carry out the Work, including without limitation, the Operating Permits, including the payment of any and all Maintenance Costs. For greater certainty, any costs that are not Expenditures will be funded and incurred by the Optionor;

(iii) the Optionee shall fund and incur expenses in respect of the Work activities and operations that are Expenditures conducted by the Operator of the Crown Lands (and if applicable, the Inuit Owned Lands) pursuant to the Program and Budget, on behalf of the Optionee;

(iv) the Optionee shall have the right to enter in, under or upon the Crown Lands (and if applicable, the Inuit Owned Lands) to confirm compliance with the Program and Budget and to ensure that Work is being performed in accordance with the terms of this Agreement and Applicable Laws; and

(v) the Optionor shall not use any part or parts of the Expenditures to purchase any personal property, equipment or inventory that is owned by the Optionor, it being understood and agreed that any such purchases shall be from third party sources.

5.2 Technical Committee

During the Option Period, at the request of the Optionee, a technical committee (the "**Technical Committee**") consisting of two representatives designated by each of the Optionor and the Optionee shall be constituted. The Technical Committee shall address matters relating to Work to be conducted by the Operator pursuant to this Agreement and the Program and Budget.

5.3 Conduct of Work

During the Option Period, all Work conducted by the Operator or its Agents on or in respect of the Mining Property shall be done in a prudent and workmanlike manner to the best of its ability, skill and judgment and in accordance with good mining practice and in compliance with all Applicable Laws, including Environmental Laws, and in accordance with the terms of the applicable Mining Property, and any licences, permits and agreements pertaining to such Mining Property. The Operator shall promptly notify the Optionee of any allegations of any violation of any of the foregoing. Moreover, during the Option Period, the Operator shall have the following obligations:

(a) to promptly inform the Optionee in writing with respect to any Claims, suits or legal proceedings of which it has knowledge and that could prevent or limit the rights granted by the Optionor in favor of the Optionee under this Agreement;

(b) to deliver to the Optionee, a copy of any notification issued by a Governmental Agency or Indigenous Group which has or could have a material adverse effect on the Mining Property or the grant and/or exercise of the Crown Lands Option or the IOL Forced Option, which is received by the Optionor or any of its Affiliates, within five Business Days following the Optionor's or its Affiliate's receipt of such notification; and

(c) not to encumber, assign or promise to encumber or assign the Mining Property, or any right, title, interest, benefit or privilege derived from the Mining Property; provided that it is understood and agreed that the Optionor shall assign this Agreement to the Optionor Subco as contemplated in the Arrangement Agreement.

5.4 Insurance

During the Option Period, the Operator shall maintain adequate insurance coverage in accordance with normal industry standards and practice and shall cause its Agents to obtain and maintain similar adequate insurance. Such insurance shall include public liability and property damage coverage in accordance with normal industry standards.

5.5 Removal of Liens

During the Option Period, the Operator shall pay or cause to be paid all Agents of the Operator, including workers or wage earners employed by the Operator on or in respect of the Mining Property and for all material purchased by the Operator in connection with all Work which might give rise to a lien or privilege on the Mining Property. Should any such lien or privilege be recorded against the Mining Property in consequence of any Work done on the Mining Property by or for the Operator, the Operator shall forthwith take all such actions, including posting sufficient security or initiating legal proceedings, as may be necessary to have such lien or privilege removed or discharged from the Mining Property and shall have the same removed or discharged with all reasonable dispatch; provided that upon such removal or discharge of such lien or privilege, the Operator may proceed to contest any such claim of lien or privilege in good faith and diligently.

5.6 Reports and Inspection

The Operator shall provide the Optionee when Work is being conducted during the Option Period, with: (i) monthly summary updates of the Work conducted, within five Business Days of the end of each month including details of the Expenditures incurred in connection with that Work during that month; (ii) at the end of the Program and Budget, delivery of data covering the results of Work performed pursuant thereto; and (iii) timely notice of the occurrence of any material results or events in relation to the Mining Property and the Work conducted (supported by copies of relevant data in respect of such material results or events). The Parties shall each keep confidential all of such information, as contemplated in and subject to the terms of the Confidentiality Agreement. The Optionor shall retain exclusive title to such information during the Option Period provided that it is understood and agreed that the Optionor shall assign this information to the Optionor Subco as contemplated in the Arrangement Agreement. Upon the exercise of the Crown Lands Option (and if applicable, the IOL Forced Option) by the Optionee in accordance with the terms of this Agreement ownership of such information shall transfer to the Joint Venture (to be held by the Optionor in trust for the Optionor and the Optionee as their interests may appear, pursuant to the Joint Venture Terms or the Joint Venture Agreement, as the case may be).

5.7 Access

During the Option Period, the Optionee and its employees and Agents shall have, at all reasonable times, access to the Crown Lands (and if applicable, the Inuit Owned Lands) and to all offices, equipment, data, studies, maps, drill core and all other information generated by the Operator in respect of or derived from the Crown Lands (and if applicable, the Inuit Owned Lands), in all cases at their own risk and cost. The Optionee must provide reasonable prior written notice to the Operator of that part of the Crown Lands (and if applicable, the Inuit Owned Lands) to which it requires access and the identity of the individuals to be provided access, such access may not materially interfere with the normal operations of the Operator on that part of the Crown Lands (and if applicable, the Inuit Owned Lands).

5.8 Incurrence of Expenditures

The Optionor shall use its commercially reasonable efforts to incur the applicable costs set forth in the Program and Budget which are to be covered by the Expenditures funded and incurred by the Optionee during the period covered thereby. If the Optionee shall elect to terminate the Option in accordance with the provisions of Section 7.1, any funds forwarded by the Optionee to the Optionor shall be retained by the Optionor and are not subject to reimbursement for any reason whatsoever.

ARTICLE 6
INDEMNITY

6.1 Indemnification by the Optionor

The Optionor shall and hereby agrees to indemnify and hold the Optionee and its Related Parties harmless from and against any losses, liabilities, damages, injuries, costs or expenses (including reasonable legal costs) (the “**Losses**”) incurred by such Persons arising out of or resulting from or connected with:

(a) the operations or Work conducted by the Optionor on or in respect of the Crown Lands (and if applicable, the Inuit Owned Lands) prior to the Effective Date, including any liabilities or Third Party Claims due to breach of Environmental Laws or other Applicable Laws, and any reclamation, Remedial Action and rehabilitation obligations in respect of any Work performed by the Optionor on or in respect of the Crown Lands (and if applicable, the Inuit Owned Lands) prior to the Effective Date;

(b) the operations or Work conducted by the Operator pursuant to Section 5.1(a) on or in respect of the Crown Lands (and if applicable, the Inuit Owned Lands) during the Option Period, including any liabilities or Third Party Claims due to breach of Environmental Laws or other Applicable Laws, and any reclamation, Remedial Action and rehabilitation obligations in respect of any Work performed on or in respect of the Crown Lands (and if applicable the Inuit Owned Lands) during the Option Period;

(c) any loss of life or injury to persons in connection with the Crown Lands (and if applicable the Inuit Owned Lands) prior to the Effective Date or which occurred as a result of the Optionor's acts or omissions as Operator;

(d) any breach of a representation, warranty, covenant or agreement of the Optionor under this Agreement; and

(e) any Claim against the Optionee or any of its Affiliates instituted after the date of this Agreement that is based on any act or omission of the Optionor or any of its Affiliates including contractors or subcontractors hired or retained by the Optionor.

For clarity the Survival Periods set forth in the Arrangement Agreement shall apply with respect to the indemnification set forth in Section 6.1(d) (regardless of whether or not an Arrangement Agreement Termination Event has occurred) and the limitations on liability for Losses with respect thereto shall be as set forth in Section 7.2(a) of the Arrangement Agreement.

6.2 Indemnification by the Optionee

The Optionee shall and hereby agrees to indemnify and hold the Optionor and its Related Parties harmless from and against any Losses incurred by such Persons arising out of, resulting from or connected with any breach of a representation, warranty, covenant or agreement of the Optionee under this Agreement. For clarity the Survival Periods set forth in the Arrangement Agreement shall apply with respect to the indemnification set forth in this Section 6.2 (regardless of whether or not an Arrangement Agreement Termination Event has occurred) and the limitations on liability for Losses with respect thereto shall be as set forth in Section 7.2(b) of the Arrangement Agreement.

6.3 Indemnification Procedure – Third Party Claims

The following procedures shall be applicable to any claim by a Party or its Related Parties (the "**Indemnitee**") for indemnification pursuant to this Agreement from the other Party (the "**Indemnitor**") in respect of a Third Party Claim:

(a) on the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall promptly provide notice thereof to the Indemnitor. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Losses that have been or may be incurred by the Indemnitee in respect thereof. If the Indemnitee does not give timely notice to the Indemnitor as aforesaid, then that failure shall only lessen or limit the Indemnitee's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by that lack of timely notice;

(b) if the Indemnitor acknowledges to the Indemnitee in writing that the Indemnitor is responsible to indemnify the Indemnitee in respect of the Third Party Claim pursuant hereto, the Indemnitor shall have the right to do either or both of the following:

(i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; or

(ii) settle the Third Party Claim, which settlement may be entered into without the consent of the Indemnitee to the extent that the Indemnitor pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnitee;

(c) if the Indemnitor does not assume carriage of the defence of any Third Party Claim or settle the Third Party Claim, the Indemnitee shall be entitled to defend or settle the Third Party Claim or both. If it is determined that such Third Party Claim is a matter for which the Indemnitor should have indemnified the Indemnitee pursuant to this Agreement, the Indemnitee shall be entitled to reimbursement from the Indemnitor of all of its Losses associated with that Third Party Claim;

(d) each Party shall cooperate with the other in the defence of the Third Party Claim, including making available to the other Party, its directors, officers, employees and consultants whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim; and

(e) on payment of the Third Party Claim by the Indemnitor, the Indemnitor shall be subrogated to all claims the Indemnitee may have relating thereto. The Indemnitee shall give such further assurances and cooperate with the Indemnitor to permit the Indemnitor to pursue such subrogated claims as reasonably requested by it.

ARTICLE 7
TERMINATION/ARRANGEMENT AGREEMENT TERMINATION EVENT

7.1 Termination Events

Subject to the Surviving Provisions, this Agreement and the Option shall terminate:

(a) if the Optionee delivers notice to the Optionor in writing that it will not incur and fund Expenditures;

(b) as provided in Section 2.4;

(c) if the Optionee fails to incur and fund the Expenditures in accordance with Sections 2.3 and 2.4, other than in circumstances of force majeure in accordance with Article 11;

(d) as contemplated in Section 11.1(c); or

(e) upon the mutual consent of the Parties;

in which case all Expenditures previously incurred or funded shall be forfeited, and the Option and this Agreement (other than the Surviving Provisions which specifically survive such termination in accordance with their terms) shall terminate and be of no force and effect. For clarity, the occurrence of an Arrangement Termination Event shall not be a termination event under this Agreement.

7.2 Release and Quitclaim of Mining Property

If this Agreement or the Crown Lands Option (and if applicable, the IOL Forced Option) is terminated prior to the exercise of the Crown Lands Option (and if applicable, the IOL Forced Option), the Optionee shall forthwith, and in any event within 15 days of such termination, deliver to the Optionor a release and quitclaim in form and content satisfactory to the Optionor, acting reasonably, with respect to the Crown Lands (and if applicable, the Inuit Owned Lands) and this Agreement (except the Surviving Provisions that survive the termination of this Agreement as specifically contemplated in this Agreement).

7.3 Delivery of Data

Upon the termination of this Agreement or the Option, the Optionee shall deliver to the Optionor within 45 days of the date of termination, all originals of all Technical Information and all other data, reports of information provided to the Optionee by the Optionor as well as copies of all Technical Information produced by the Optionee or its Agents following the Effective Date related to the Mining Property and shall destroy and not retain any copies or medium containing Technical Information other than for corporate governance, standard back-up or emergency recovery purposes in accordance with the Optionee's standard practices.

7.4 Arrangement Agreement Termination Event

If an Arrangement Agreement Termination Event shall occur:

(a) the amount of the Expenditures to be funded by the Optionee under this Agreement shall be reduced to be equal to the Optionee Funded Amount, and as a result, without the need for any further or other act or formality, the Optionee shall be deemed to have exercised the Crown Lands Option (and if applicable, the IOL Forced Option) and the Joint Venture shall be constituted pursuant to the Joint Venture Terms and the provisions of Section 2.7 shall be applicable;

(b) within a period of five Business Days, the Optionor may, at the Optionor's sole discretion, forward to the Optionee in cash without set off or deduction, the Optionee Funded Amount, in which case the Optionee shall transfer to the Optionee, for no additional consideration, the Crown Lands Interest (and if applicable the Inuit Owned Lands Interest) free and clear of any and all Liens, save and except for Permitted Liens, the Joint Venture pursuant to the Joint Venture Terms or the Joint Venture Agreement, as the case may be, shall terminate; and this Agreement shall terminate (except the Surviving Provisions that survive the termination of this Agreement as specifically contemplated in this Agreement);

(c) unless the Optionee has complied with the provisions of Section 7.4(b), within a period of five Business Days the Optionee and the Optionor shall agree upon a program and budget for the Optionee Property, which shall be the "**Optionee Property Program and Budget**" in an amount that is as close as possible to the Optionee Funded Amount and if the Optionee and the Optionor shall fail to reach agreement upon such program and budget, the Optionee Program and Budget shall be the program and budget prepared by the Optionor, so long as the amount to be incurred and funded thereunder shall be equal to the Optionee Funded Amount and the Optionee Property Program and Budget shall only be for a period that terminates on December 31, 2023;

(d) unless the Optionee has complied with the provisions of Section 7.4(b), the Optionee and the Optionor shall enter into an option agreement pursuant to which the Optionee grants the Optionor the Optionee Property Option and the right to acquire the Optionee Property Interest on the funding of expenditures set forth in the Optionee Property Program and Budget (the "**Reverse Option**

Agreement") with the Optionee to be the optionor thereunder (the "**Reverse Optionor**") and the Optionor to be the optionee thereunder (the "**Reverse Optionee**"); to be on terms and conditions similar to this Agreement, *mutatis mutandis* save and except that:

(i) the Reverse Optionor shall not provide for any representations and warranties about the

(ii) Optionee Property and the Reverse Optionor shall only provide for those representations and warranties set forth in Section 4.3 of this Agreement;

(iii) the Reverse Optionee shall only provide for those representations and warranties set forth in Section 4.1(a) through and including (e);

(iv) the Optionee Funded Amount is a committed amount and even if the Optionee Property Option is terminated for any reason whatsoever any amounts of Expenditures under the Reverse Option Agreement up to and including the Optionee Funded Amount that have not been funded by the Reverse Optionee under the Reverse Option Agreement (the "**Unfunded Reverse Option Agreement Amounts**") shall be amounts due and owing by the Reverse Optionee to the Reverse Optionor without interest, set off or deduction;

(v) upon the funding of Expenditures under the Reverse Option Agreement in amount at least equal to the Optionee Funded Amount, the Reverse Optionee shall have exercised the Optionee Property Option and shall have acquired the Reverse Optionee Property Interest;

(vi) upon the acquisition by the Reverse Optionee of the Optionee Property Interest;

> (A) each of the Reverse Optionee and the Reverse Optionor shall have the right to send a notice to the other Party advising that the Reverse Optionee shall transfer the Reverse Property Interest to the Reverse Optionor and the Reverse Optionor shall transfer the Option Interest to the Reverse Optionee, each such property to be transferred at its fair market value and as the sole consideration for the respective transfer of such property (the "**Swap Option**"). The Parties agree that the Option Interest and the Reverse Property Interest have equal value; and
>
> (B) the Joint Venture pursuant to the Joint Venture Terms or the Joint Venture Agreement, as the case may be, shall terminate;

(vii) unless and until the Reverse Optionee has funded the Optionee Funded Amount or has paid to the Reverse Optionor the Unfunded Reverse Option Agreement Amounts, the Reverse Optionee shall not have the right to exercise the Swap Option and moreover, the Reverse Optionor shall have the right, if the Unfunded Reverse Option Agreement Amounts are not funded on or before the end of the Optionee Property Program and Budget, to deem that the Reverse Optionee is in default of the Reverse Option Agreement and that therefore the Reverse Optionee shall lose the right to exercise the Optionee Property Option and to acquire the Optionee Property Interest and the Reverse Optionor shall remain the owner of its interest in the Joint Venture and, under such circumstances, for no additional consideration: (1) the Crown Lands Interest shall increase from either a 51% participating interest to an 80% participating interest, or, if as and when the Optionee exercises the IOL Forced Option, from a 10% participating interest to a 20% participating interest and (2) the Inuit Owned Lands Interest shall increase from a 10% participating interest to a 20%

participating interest; in both cases, pursuant to the Joint Venture Terms or the Joint Venture Agreement, as the case may be; and

(viii) this Section 7.4 shall be contemplated in the Reverse Option Agreement (but the Reverse Option Agreement shall not expand or grant any further or other rights over and above what is provided for in this Section 7.4).

ARTICLE 8
CONFIDENTIAL INFORMATION

8.1 Confidentiality

(a) The Parties agree to treat this Agreement and all terms and conditions hereof, and all data, reports, records, and other information, coming into the possession of the Parties and their employees, Affiliates and Agents by virtue of this Agreement, in accordance with the terms of the Arrangement Agreement as confidential and to act at all times in accordance with the provisions of the Confidentiality Agreement in relation thereto.

(b) Notwithstanding anything else in this 8.1, each of the Parties acknowledges and agrees that if the other Party is required to file this Agreement on SEDAR under Applicable Laws, such Party may file a redacted form of such agreement subject to such reasonable redactions as the other Party may reasonably request, provided that such redactions are permitted under Applicable Laws. Any provision of this Agreement that has been so redacted shall continue to constitute "Confidential Information" for purposes of the Confidentiality Agreement; provided, however, that if any securities regulatory authority subsequently requires the Party to disclose any such redacted information or such redacted information shall otherwise becomes publicly available pursuant to Applicable Laws, such redacted information shall cease to be Confidential Information upon such disclosure, and such Party nor its Affiliates shall be in breach or violation of this Agreement or the Confidentiality Agreement with respect thereto. Each of the Parties agrees that prior to filing any version of this Agreement with any securities regulatory authority, it shall provide the other Party with a reasonable opportunity to review and comment on all documents to be submitted in connection with such filing and shall consider in good faith the comments, if any, provided by the other Party in respect of such documents, provided that any decision regarding redactions will ultimately be determined by the filing Party, acting reasonably.

8.2 Public Announcements

No public statement or press release shall be made by a Party or its Affiliates with respect to the subject matter of this Agreement unless such Party or Affiliate making such disclosure shall consult with the other Party prior to making such statement or press release. The Parties shall use all reasonable efforts, acting in good faith, to agree upon a text for such statement or press release which is satisfactory to the Parties, acting reasonably, subject in all cases to Applicable Law. The Parties agree that the foregoing provisions of this Section 8.2 shall not operate to prohibit a Party or its Affiliates from issuing a public statement or press release where it is required by Applicable Law.

ARTICLE 9
OTHER BUSINESS OPPORTUNITIES

9.1 Relationship of the Parties

The rights, privileges, duties, obligations and liabilities, as between the Parties, shall be separate and not joint or collective and nothing herein contained shall be construed as creating a partnership, an association, an agency or a trust of any kind or as imposing upon either of the Parties any partnership or fiduciary duty, obligation or liability. Except as expressly provided to the contrary herein, neither the Optionor nor the Optionee are liable to the other for the acts, covenants and agreements of the other.

9.2 Other Opportunities

The Optionor and the Optionee and their respective Affiliates shall have the free and unrestricted right independently to engage in and receive the full benefits of any and all business endeavours of any sort whatsoever whether or not competitive with the endeavours contemplated herein without consulting the other or inviting or allowing the other to participate therein. Neither the Optionor nor the Optionee nor any of their respective Affiliates shall be under any fiduciary or other duty to the other which shall prevent it from engaging in or enjoying the benefits of competing endeavours within the general scope of endeavours contemplated by this Agreement.

ARTICLE 10
NOTICES

10.1 Notices

All notices, reports or other communications required or permitted by this Agreement shall be deemed to have been properly given and delivered when delivered in writing by electronic mail, or by delivery by courier or by hand with all delivery charges fully prepaid and addressed to each Party as follows:

To the Optionor at:

ValOre Metals Corp.
Suite 1020 - 800 West Pender Street
Vancouver, British Columbia
Attention: Chairman and Chief Executive Officer
E-mail: [*Redacted*]

With a copy to (for information purposes only, which does not constitute notice):

Farris LLP
Suite 2500, 700 West Georgia Street
Vancouver, BC V7Y 1B3

Attention: Jay Sujir
E-mail: [*Redacted*]

<u>To the Optionee at</u>:

Labrador Uranium Inc.
217 Queen St. West Suite 401
Toronto, ON
M5V 0R2

Attention: Executive Chair and Interim Chief Executive Officer
E-mail: [*Redacted*]

with a copy to: (for information purposes only, which does not constitute notice):

Cassels Brock & Blackwell LLP
40 King Street West Suite 2100
Toronto ON
M5H 3C2

Attention: Jamie Litchen
E-mail: [*Redacted*]

or to the latest known address of the Party concerned, as furnished pursuant to Section 10.3.

10.2 Receipt

The date of receipt by the addressee of all notices given and delivered by electronic mail or delivered by courier or by hand as aforesaid shall be the date of actual delivery if delivered prior to 5:00 p.m. on a Business Day, and if delivery is made after 5:00 p.m. on a Business Day, or on a day that is not a Business Day, such delivery shall be deemed to have been made on the next succeeding Business Day.

10.3 Change of Address

A Party may change its address for the purpose hereof by giving written notice of such change to the other Party at the latest address provided in accordance with this Article 10.

ARTICLE 11
FORCE MAJEURE

11.1 Force Majeure

(a) Time shall be of the essence of this Agreement. If a Party should at any time or times during the currency of this Agreement be delayed in or prevented from complying with this Agreement by reason of any of the following (each, an "**Event of Force Majeure**"): wars, acts of God, strike, lockouts or other labour disputes, inability to access its place of business or the Mining Property, acts of public insurrection, riots, fire, storm, extraordinary weather conditions, flood, explosion, government restriction, failure to obtain any approvals required from any Governmental Agency or Indigenous Group having jurisdiction, including environmental protection agencies, interference of persons primarily concerned about environmental issues or aboriginal rights groups or other causes whether of the kind enumerated above or otherwise which are not reasonably within the control of the applicable Party, but excluding for greater certainty, the lack or unavailability of funds, the period of all such delays resulting from such causes or any of them, shall be excluded in computing the time within which anything required or permitted by the applicable Party to be done,

is to be done hereunder, and the time within which anything is to be done hereunder shall be extended by the total period of all such delays. Nothing contained in this Article 11 shall require the applicable Party to settle any labour dispute or to test the constitutionality of any enacted law. If a Party asserts that an Event of Force Majeure has occurred, it shall complete such commercially reasonable actions or cause such commercially reasonable actions to be completed as may be necessary to correct or terminate the alleged Event of Force Majeure and give notice in writing to the other Party specifying the following:

(i) the cause and nature of the alleged Event of Force Majeure;

(ii) a summary of the action it or its Agents have taken to the date of such notice to correct the alleged Event of Force Majeure;

(iii) confirmation as to all acts, actions and things done by it or its Agents to terminate the Event of Force Majeure; and

(iv) the reasonably expected duration of the period of the Event of Force Majeure.

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

(c) If an Event of Force Majeure continues for a period of greater than 180 consecutive days then either Party on notice to the other Party may terminate this Agreement and the Parties shall be released from the provisions hereof save and except for the Surviving Provisions.

ARTICLE 12
GENERAL

12.1 Further Assurances

Each Party shall, from time to time, and at all times, perform all acts and execute and deliver the deeds and documents and give such assurances as are reasonably required in order to perform, carry out and give effect to the terms of this Agreement.

12.2 Effect of Waiver

A waiver of any breach of a provision of this Agreement shall not be binding upon a Party unless the waiver is in writing and such waiver shall not affect such Party's rights in respect of any subsequent breach.

12.3 Successors and Assigns

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

12.4 Assignment

(a) As part of the transfer of the Purchased Assets from the Optionor to the Optionor Subco (as contemplated in the Arrangement Agreement), the Optionor shall assign this Agreement to the

Optionor Subco pursuant to an assignment and assumption agreement (the "**Assignment and Assumption Agreement**") which is acceptable to the Optionee and pursuant to which the Optionee is a party. For clarity, the Assignment and Assumption Agreement shall provide, among other things, that the representations and warranties provided by the Optionor to the Optionee pursuant to Section 3.1, the survival periods with respect thereto as provided in Section 8.1(a) and the indemnifications pertaining thereto as provided in Section 7.1 are retained by the Optionor and are not transferred to the Optionor Subco. Save and except as provided in the foregoing first sentence of this Section 12.4(a) the Optionor shall not directly or indirectly sell, transfer, assign or convey this Agreement, the Mining Property, the Operating Permits or any of its rights, benefits, privileges or obligations hereunder to any Person without the prior written consent of the Optionee which may be withheld in its sole discretion.

(b) The Optionee shall not directly or indirectly sell, transfer, assign or convey this Agreement or any of its rights, benefits, privileges or obligations hereunder to any Person without the prior written consent of the Optionor which may be withheld in its sole discretion.

12.5 Acts in Good Faith

Each Party shall at all times during the currency of this Agreement and after the expiry or termination of the Option, if applicable, act in good faith with respect to the other Party and shall do or cause to be done all things within their respective powers which may be necessary or desirable to give full effect to the provisions hereof.

12.6 Expenses

Each Party shall bear and pay for its respective costs and expenses including but not limited to, all legal fees, costs and expenses, incurred in connection with the negotiation, preparation and execution of this Agreement. For greater certainty, any and all such costs and expenses shall not constitute or comprise the Expenditures.

12.7 Taxes and Allocation of Cash Payment

Each Party shall be responsible for each of their respective income taxes and capital gains taxes as result of the execution of this Agreement.

12.8 Severability

Any provision of this Agreement which is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable from this Agreement.

12.9 Amendment

None of the provisions of this Agreement shall be amended or modified and no such amendments or modifications shall be effective, unless made in writing and signed by the Parties.

12.10 Entire Agreement

This Agreement constitutes, together with the Arrangement Agreement, the Confidentiality Agreement, the entire agreement between the Parties with respect to the subject matter thereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties with respect thereto except as expressly set forth in this Agreement, the Arrangement Agreement

and the Confidentiality Agreement. The execution of this Agreement has not been induced by, nor do the Parties rely upon or regard as material, any covenants, representations or warranties whatsoever not incorporated herein and made a part hereof.

12.11 Counterparts & Delivery

This Agreement may be executed in counterparts and delivered by electronic mail with original copies to be delivered forthwith thereafter, each of which counterparts so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF the parties hereto have entered into this Option Agreement effective as of the day and year first above written.

VALORE METALS CORP.

Per: *“Jim Paterson”*
Name: Jim Paterson
Title: Chairman and Chief Executive Officer

I have authority to bind the company

LABRADOR URANIUM INC.

Per: *“Philip Williams”*
Name: Philip Williams
Title: Executive Chair and Interim Chief Executive Officer

I have authority to bind the company

SCHEDULE A
DESCRIPTION OF MINING PROPERTY

[*Redacted*]

SCHEDULE B
PROGRAM AND BUDGET

[*Redacted*]

SCHEDULE C
JOINT VENTURE TERMS

1.0 **Purposes of Joint Venture**: The purpose of the Joint Venture shall be the development and mining of any commercially exploitable ore body on the Crown Lands and if applicable, the Inuit Owned Lands. The following terms and provisions shall apply to the operation of the Joint Venture. The Joint Venture Agreement shall be in accordance with the spirit and intent of Rocky Mountain Mineral Law Foundation Form No. 5C joint venture agreements.

2.0 **Not a Partnership**: The association of the Parties in the Joint Venture shall not be, and shall not be construed to be, a mining partnership, a commercial partnership or any other partnership relationship.

3.0 **Operator**: The Party with the greater participating interest shall be entitled to act as operator of the Joint Venture (the "**Operator**") and shall have all rights, duties and obligations which are usually and customarily given to or necessary or requisite for the operator of a mining joint venture, so as to be able to carry on its role as the Operator of the Joint Venture, including the exploration and development of the Crown Lands and if applicable, the Inuit Owned Lands, bringing a mine into commercial production and operating the same. The Operator shall suffer neither a loss nor make a profit in acting as such and shall not be entitled to charge or collect a management fee. Without limitation, the Operator shall hold all assets of the Joint Venture (which for clarity, includes the Operating Permits) in trust for the benefit of the participants as their participating interests may appear from time to time

4.0 **Contributions**: The joint account shall be paid by the Parties in proportion to their participating interests in the Joint Venture from time to time. Failure to contribute shall result in straight line dilution of a participating interest provided that failure to contribution after having elected to contribute shall result in dilution on the basis that the contributing participant has contributed an amount equal to contribution to the most recent program and budget multiplied by 200%.

5.0 **Programs and Budgets**: The Operator shall have the right to propose programs for exploration and, if a mine is being developed and operated, for the carrying out of all phases of such development and operations, including the construction of plant and facilities. All programs shall contain a reasonably itemized budget of the projected expenditures under such programs, including without limitation, exploration expenditures, development and capital costs and operating expenditures in relation to the Crown Lands and if applicable, the Inuit Owned Lands.. Proposed programs and budgets shall be prepared by the Operator for a period of 12 months or any other reasonable period determined by the Operator. During the budgetary period encompassed by any program and budget and at least two months prior to its expiration, a proposed program and budget for the succeeding budgetary period shall be prepared by the Operator and shall be submitted to the other party. Within 30 days of the submission of a proposed program and budget by the Operator to the other party, the Operator shall call a meeting of the Management Committee (as hereinafter defined) to consider the same. The Management Committee shall adopt the program and budget, with such modifications, if any, as it deems necessary, or reject the same and require a new submission from the operator.

6.0 **Management Committee**: A management committee (the "**Management Committee**") shall be established for the purpose of, and having authority to, manage the undertakings and affairs of the Joint Venture. The Management Committee shall consist of two individuals selected by each of the Parties. The Operator (and the participant holding the larger participating interest) shall not have a tie breaking vote. All decisions of the Management Committee shall require the consent and approval of a majority of the members of the Management Committee.

7.0 **Right of First Offer**. Neither Party shall have the right to transfer their participating interest if the Optionee Property Program and Budget shall remain in full force and effect. Thereafter, should either Party wish to transfer its undivided interest in the Joint Venture, the other Party shall have a right of first offer (which shall not apply to a transfer of an interest to an affiliate (as such term is defined in the *Business Corporations Act*, Ontario).

SCHEDULE D
OPTIONEE PROPERTY

[*Redacted*]

SCHEDULE E
OPERATING PERMITS

[*Redacted*]

SCHEDULE F
PERMITTED LIENS

[*Redacted*]