

OPTION AGREEMENT

Dated May 26, 2022

between

Boreal Gold Inc.

and

**Michael Alexander and Richard Masson
“Partners” (in Melgurd Claim Group)**

OPTION AGREEMENT

TABLE OF CONTENTS

1.	INTERPRETATION	
1.01	Definitions	4
1.02	Schedules	5
1.03	Governing Law	5
1.04	Severability	5
1.05	Parties In Interest	5
1.06	Included Words	5
1.07	Headings	5
1.08	References	5
1.09	Currency	5
2.	GRANT OF OPTION	
2.01	Grant of Option	5
2.02	Payments to “Partners”	6
2.03	Final Payment	6
2.04	Net Smelter Royalty	6
2.05	Area of Interest	6
2.06	Work Commitment	6
3.	REPRESENTATIONS AND WARRANTIES	
3.01	“Partners” Representations and Warranties	6
3.02	Boreal Gold Inc. Representations and Warranties	8
3.03	Environmental Representations, Warranties and Indemnity	8
3.04	Survival	9
4.	RIGHTS AND COVENANTS RELATING TO PROPERTIES	
4.01	Right to Explore	9
4.02	Delivery of Data to Boreal Gold Inc.	10
4.03	Reporting to “Partners”	10
4.04	Feasibility Study	10
4.05	Registered Title to Properties	10
4.06	Access to Properties	11
4.07	Site Responsibility	11

5.	TERMINATION	
5.01	Term by Notice	11
5.02	Termination by Expiry	11
5.03	Termination by “Partners”	11
5.04	No Other Termination	11
5.05	Effect of Termination	11
6.	TRANSFER RIGHTS AND RESTRICTIONS	
6.01	Restricted Transfer or Mortgage	12
6.02	Transfer to Affiliates	12
6.03	Transferor Bound	12
6.04	Representations and Warranties	12
6.05	No Mortgage	13
6.06	Entitlement to Remedies	13
7.	FORCE MAJEURE	
7.01	Occurrence of Force Majeure	13
7.02	Environmental Matters	13
8.	GENERAL PROVISIONS	
8.01	Other Activities and Interests	13
8.02	Confidentiality	14
8.03	No Partnership	14
8.04	Compliance with Laws	14
8.05	Notice	15
8.06	Further Assurances	15
8.07	Entire Agreement	16

Schedule A - Defined Terms
Schedule B -Properties
Schedule C – Net Smelter Return

OPTION AGREEMENT

THIS OPTION AGREEMENT is made as of the ___ day of May 2022

BETWEEN:

Michael Alexander (“**Partner A**”)
With an address at Box 148, 140 Colins Street, Creighton, SK, S0P 0A0
and
Richard Masson (“**Partner B**”)
With an address at Box 71, 568 Broderick Ave. Creighton, SK, S0P 0A0

OF THE FIRST PART

AND:

Boreal Gold Inc., a public company incorporated under the laws of Saskatchewan, with
an office at **12 Mitchell Road, Flin Flon, Manitoba, R8A 1N1**

(“**Boreal Gold**”)

OF THE SECOND PART

WITNESSES THAT WHEREAS:

- A. **Partner A and B collectively referred to as “Partners”** are the legal owner of the mineral claims described in Schedule B attached hereto (the “Properties” or “Properties”);
- B. “**Partners**” has agreed to grant to **Boreal Gold**, subject to the terms of this Option Agreement (the “Option Agreement”), an option to acquire an undivided one hundred percent (100%) interest in the Properties, subject to a one per cent (1%) net smelter return for each partner (2% NSR in total)
- D. **Boreal Gold** is desirous of acquiring the option from the “**Partners**” and the right to acquire one hundred per cent (100%) interest in the properties.

NOW THEREFORE in consideration of the premises and the covenants, agreements, representations and warranties herein, the sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. INTERPRETATION

1.01 Definitions: Where used herein or in any schedule or amendment hereto, unless the context otherwise requires, each of the words and phrases set out in Schedule A shall have the meanings set forth therein.

1.02 Schedules: The following are the schedules attached to and incorporated into this Option Agreement by reference and deemed to be part hereof:

Schedule A - Defined Terms
Schedule B - Properties
Schedule C – NSR Definition

1.03 Governing Law: This Option Agreement shall in all respects be governed by and be construed in accordance with the laws in force in the Province of Saskatchewan and subject to the exclusive jurisdiction of the courts of the Province of Saskatchewan. In addition, this Option Agreement shall be subject to all applicable laws, rules and regulations of public bodies having jurisdiction over the development or operation of the Properties.

1.04 Severability: If any one or more of the provisions contained in this Option Agreement should be invalid, illegal or unenforceable in any respect under the laws of any jurisdiction, the validity, legality and enforceability of such provision shall not in any way be affected or impaired thereby under the laws of any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

1.05 Parties in Interest: This Option Agreement shall inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns.

1.06 “Partners” For the purpose of this agreement and solely on the dispositions in “**Schedule A**” refers to **Michael Alexander “Partner A”** and **Richard Masson “Partner B”** having a 50/50 ownership in the dispositions.

1.07 Included Words: Wherever the singular or the masculine are used herein the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require, and vice versa.

1.08 Headings: The headings to the Sections and paragraphs of this Option Agreement are inserted for convenience only and shall not affect the construction hereof.

1.09 References: Unless otherwise stated a reference herein to a numbered or lettered Section or paragraph refers to the Section or paragraph bearing that number or letter in this Option Agreement. A reference to “this Option Agreement” or herein, hereof, hereunder or other like words means this Option Agreement, including the Schedules hereto, together with any amendments thereto.

1.10 Currency: All references to currency in this Option agreement are to the lawful money of Canada.

2. GRANT OF OPTION AND RIGHT TO EXPLORE

2.01 Grant of Option: The “Partners” hereby grant to **Boreal Gold** the irrevocable and exclusive option (the “Option”) exercisable in accordance with this Section 2.01 and Sections 2.02 and 2.03 to acquire an undivided one hundred percent (100%) interest in the Properties (the “Earned Interest”). **Boreal Gold** may exercise the Option by paying the sum of One Hundred and Thirty thousand dollars (\$130,000) in cash to the “Partners” in accordance with Section 2.02 as well as 1,150,000 shares of **Boreal Gold**. **Boreal Gold** shall be obligated to maintain the Property in good standing in accordance with Sections 4.07 and 4.09 of the Option Agreement.

2.02 Payments to “Partners”: Unless this Option Agreement is sooner terminated pursuant to Section 5, **Boreal Gold** shall pay to the “Partners” the following amounts in accordance with the following schedule:

Except for the first payment; all payments and all shares subject to obtaining work permits

5-year option

\$10,000 within 10 days of completion of Crowd Funding, Work commitment of \$110,000 in first year of option and granting of 2% NSR to the “Partners”

\$10,000 first anniversary 20,000 shares **Boreal Gold**

\$15,000 on second anniversary 30,000 shares **Boreal Gold**, \$150,000 work commitment and second year work permit approved.

\$20,000 on third anniversary and 50,000 shares of **Boreal Gold** \$150,000 work commitment and approval of 3rd year work permit

\$25,000 on fourth anniversary and 450,000 shares of **Boreal Gold** \$300,000 work commitment and approval of 4th year work permit

\$50,000 on fifth anniversary and 600,000 shares of **Boreal Gold** \$300,000 work commitment and approval of 5th year work permit

Total \$130,000 and 1,150,000 shares and \$1,010,000 in work commitment over 5 years

2% NSR of which 1/2% can be bought for \$500,000

2.03 Final Payment: With the final option payment by **Boreal Gold** to the “Partners”, **Boreal Gold** will have acquired one hundred per cent (100%) ownership of the Properties.

2.04 Net Smelter Royalty: **Boreal Gold** shall pay to the “Partners” a two percent (2%) Net Smelter Return (the “Royalty” or “NSR”) on all Ores and Minerals produced from the Properties provided, however, that **Boreal Gold** may, either before or after exercise of the Option, buy out the ½% of the royalty for 500,000 Dollars (\$500,000) to the “Partners”. **Boreal Gold**, may in the case of the “Partners” 1/2% NSR, either before or after exercise of the Option, reduce the Royalty by a one-half percent (1/2%) Net Smelter Return royalty by paying five hundred thousand dollars (\$500,000.) to “Partners”.

2.05 Area of Interest: There will be a 2 km area of interest from the outside boundary of property that surround the “Partners” Claims,

2.06 Work Commitment: **Boreal Gold** will be obligated to spend a minimum of one hundred and ten thousand dollars (\$110,000) in the first year and one hundred and fifty thousand dollars (\$150,000) in the second year and by the fifth year of the option a total of \$1,010,000. Upon completing the payments

totalling one hundred and thirty thousand dollars (\$130,000) the issuing of 1,150,000 shares in total and completing the work commitment of one million ten thousand dollars (\$1,010,000) in total, **Boreal Gold** will have been deemed to exercise the option and will have no remaining obligations to the “**Partners**” other than the 2% NSR.

3. REPRESENTATIONS AND WARRANTIES

3.01 “**Partners**”. Representations and Warranties: The “**Partners**”. represents and warrants to **Boreal Gold** that:

(a) **Michael Alexander and Richard Masson**, the “**Partners**” are Saskatchewan Residents under the laws of Saskatchewan.

(b) This Option Agreement has been validly and effectively approved and authorized by all necessary action on the part of the “**Partners**” and has been duly executed and delivered by the “**Partners**”.

(c) The “**Partners**” have good and sufficient right, power and authority to enter into and deliver this Option Agreement and to perform the transactions contemplated hereby and the provisions thereof will constitute, legal, valid and binding obligations of the “**Partners**” enforceable in accordance with their terms.

(d) Neither the execution and delivery of this Option Agreement, as herein provided, nor compliance by the “**Partners**” with any of the provisions hereof or thereof:

(i) conflicts, or will conflict, with; or

(ii) results, or will result, with or without either or both of notice or lapse of time, in a breach of, or default under; or

(iii) results, or will result, with or without either or both of notice or lapse of time, in any lien, charge, encumbrance or adverse claim against or on the Properties under;

any of the terms, conditions or provisions of any partnership agreement or other agreement to which the “**Partners**” are a party, or any judgment, order, law or governmental or administrative regulation or restriction applicable to it or them.

(e) The Properties are not the whole or substantially the whole of the business, property, assets or undertaking of the “**Partners**”.

(f) The “**Partners**” are not a non-resident for the purposes of Section 116 of the Income Tax Act (Canada).

(g) The Properties do not comprise all or substantially all the assets of a “Canadian business” within the meaning of the Investment Canada Act (Canada).

(h) There are no actions, claims, proceedings, litigation or investigations pending or, to the best of the “**Partners**” knowledge, threatened, or judgements outstanding and unsatisfied against or affecting the “**Partners**”, any part of or all the Property, or this Option Agreement at law or in equity, or in arbitration, or before or by any federal, provincial, local or other governmental authority. To the best of the “**Partners**” knowledge, there are no facts or circumstances upon which any such action, suit, claim, proceeding, litigation or investigation could be based. The “**Partners**” know of no requirements of

federal, provincial or local law, which could materially and adversely affect the ability of **Boreal Gold** to explore or develop the Properties as contemplated by this Option Agreement.

- (i) The properties are recorded in the name of **Richard Masson** and who holds the claims as the legal owner of the Property, free and clear of all liens, charges, encumbrances, claims, defects or objections.
- (j) The claims comprised in the Property have been duly and validly staked, located and recorded under the Act and Regulations and are in good standing under the Act and Regulations. There are no adverse claims or challenges to or against the ownership of, the title to, or the validity of the staking, locating or recording of any of the claims which comprise all or any part of the Properties or against the validity of any work filed in respect of any of the claims which comprise all or any part of the Properties, nor, to the best of the "**Partners**" knowledge, is there any basis therefore.
- (k) There has been no act or omission by the "**Partners**", which could result by notice or lapse of time, or by both notice and lapse of time, in the breach, termination, abandonment, forfeiture, relinquishment or other premature termination of the rights of the "**Partners**" in and to the Properties.
- (l) There are no outstanding agreements or options to acquire all or any part of the Properties, other than with the "**Partners**".
- (m) The "**Partners**" is not aware of any material facts or circumstances not disclosed in writing to **Boreal Gold** the disclosure of which is necessary to prevent its representations and warranties in this Article 3 from being misleading.

3.02 Boreal Gold Representations and Warranties: **Boreal Gold** represents and warrants to the "**Partners**" that:

- (a) **Boreal Gold** is a public corporation duly incorporated under the laws of Saskatchewan and is a valid and subsisting corporation in good standing under the laws of Saskatchewan
- (b) This Option Agreement has been validly and effectively approved and authorized by all necessary corporate action on the part of **Boreal Gold** and has been duly executed and delivered by the
- (c) **Boreal Gold** has good and sufficient right, power and authority to enter into and deliver this Option Agreement and to perform the transactions contemplated hereby. This Option Agreement and the provisions hereof constitute legal, valid and binding obligations of **Boreal Gold** enforceable in accordance with their terms.
- (d) Neither the execution and delivery of this Option Agreement as herein provided, nor compliance by **Boreal Gold** with any of the provisions hereof or thereof:
 - (i) conflicts, or will conflict, with; or
 - (ii) results, or will result, with or without either or both of notice or lapse of time, in a breach of, or default under; or

- (iii) results, or will result, with or without either or both of notice or lapse of time, in any lien, charge, encumbrance or adverse claim against or on the properties under:

any of the terms, conditions or provisions of the constating documents or any directors' or shareholders' resolution of **Boreal Gold** or any agreement or instrument to which **Boreal Gold** is a party or any judgement, order, law or governmental or administrative regulation or restriction applicable to it.

- (e) the "**Partners**" are not aware of any material facts or circumstances not disclosed in writing to **Boreal Gold**, the disclosure of which is necessary to prevent its representations and warranties in this article 3 from being misleading.

3.03 Environmental Representations, Warranties and Indemnity: Without limiting the generality of any representation and warranty set out in Section 3.01, the "**Partners**" represent and warrants to **Boreal Gold** that:

- (a) the Properties and their existing and prior uses comply and have at all times since the dates (the "Acquisition Dates") of its ownership by the "**Partners**" complied with, and the "**Partners**" are not in violation of, has not violated and is not aware of any violation in connection with the ownership, use, maintenance or operation of the Properties and the conduct of the business and operations related thereto, any applicable federal, provincial, municipal or local laws, regulations, orders or approvals of all governmental authorities relating to environmental matters;
- (b) without limiting the generality of subparagraph 3.03 (a), the "**Partners**":
 - (i) has, since the Acquisition Dates, operated the Properties and has not at any time thereafter received, handled, used, stored, treated, shipped or disposed of any environmental contaminants; and
 - (ii) is not aware of any environmental contamination and will remove promptly, at its cost, from and off the Property all environmental contaminants discovered to have been on the Property as of the date of this Option Agreement;
- (c) there are no orders or directions relating to environmental matters requiring the "**Partners**", or to the "**Partners**" knowledge, requiring any other person, to undertake any work, repairs, construction or capital expenditures with respect to the Property and the conduct of the operations related thereto, nor has the "**Partners**". received any notice of any of the same;
- (d) no hazardous or toxic materials, substances, pollutants, contaminants or wastes have, since the Acquisition Dates, or to the "**Partners's**" knowledge, at any prior time, been released into the environment, or deposited, discharged, placed or disposed of at, on or near the Property as a result of the conduct of the operations related thereto, nor have the Property been used at any time since the Acquisition Dates, or to the "**Partners**". knowledge, at any prior time, by any person as a landfill or waste disposal site;
- (e) no notices of any violation of any of the matters referred to in subparagraphs 3.03 (a) through (d) inclusive relating to the Property or its use have been received by the "**Partners**", nor to the "**Partner's**" knowledge by any other person, and there are no writs, injunctions, orders or judgements outstanding, no law suits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Properties since the Acquisition Dates or to the "**Partner's**" knowledge

at any prior time, nor is there any basis for such law suits, claims, proceedings or investigations being instituted or filed.

The “Partners”. shall indemnify and save **Boreal Gold** harmless from and against any and all liabilities, losses, claims, damages (including without limitation lost profits, consequential damages, interest, penalties, fines and monetary sanctions), costs, lawyer’s fees and disbursements on a solicitor and his own client basis, court costs, accountant’s fees and expenses and all other out-of-pocket expenses incurred or suffered by **Boreal Gold** by reason of, resulting from, in connection with or arising in any manner whatsoever out of any breach by the “Partners” out of the inaccuracy of any representation or the breach of any warranty contained in this Section 3.03.

3.04 Survival: The representations, warranties and indemnities contained in Sections 3.01, 3.02 and 3.03 shall survive the execution and delivery of this Option Agreement and any termination of this Option Agreement.

4. RIGHTS AND COVENANTS RELATING TO PROPERTIES

- 4.01 Right to Explore:** Subject to applicable federal, provincial and local laws and regulations, during the Option Period, **Boreal Gold** shall have possession of the Property and the exclusive right to enter upon the Property and to explore and prospect for Ores and Minerals thereon. The rights of **Boreal Gold** under this Section 4.01 shall include all rights owned or exercisable by the “Partners”. as the owner of the Properties, which rights include, but not limited to, the right to:
- (a) build roads and erect temporary structures upon the surface of the Property for use by **Boreal Gold** and its contractors and their respective personnel and equipment;
 - (b) carry out surface and underground exploration on the Properties for Ores and Minerals including, without limitation, by collecting samples for test metallurgical work;
 - (c) conduct any other geological, geophysical or geochemical evaluation, testing or assaying of the Properties;
 - (d) use any surface and underground water rights, if any, in or upon or appurtenant to the Properties and make application for such rights as may be required in the circumstances, and to use all reciprocal rights which any of the Property may have with respect to other properties in the area;
 - (e) apply for and hold all permits, licenses and other approvals deemed necessary or appropriate by **Boreal Gold** in connection with the conduct of exploration activities; and
 - (f) do all things which are incidental to or which may be useful, desirable or convenient in the exercise of rights or in the performance of obligations granted to **Boreal Gold** hereunder.

During the Option Period, **Boreal Gold** shall have control of all exploration activities on or for the benefit of the Properties and of all equipment, supplies, machinery and other assets purchased or otherwise acquired for use in connection with such exploration activities. **Boreal Gold** shall pay or cause to be paid the costs of all labour performed upon or material furnished to the Properties by it or at its request and shall keep the Properties free and clear of builders', mechanics', materialmans' or other liens in connection with services performed and material supplied at its request that are registered against all or any part of the Properties, provided that **Boreal Gold** shall have the right to contest the validity of any lien, claim or liability.

- 4.02 **Delivery of Data to Boreal Gold** Upon execution of this Option Agreement, the “Partners” shall deliver to **Boreal Gold** or make available for the “Partners” review, all data and other information relating to the Property in the possession or control of **Boreal Gold**.
- 4.03 **Reporting to “Partners”**: **Boreal Gold** will provide a brief summary annually to the “Partners” of work carried out on the Properties.
- 4.04 **Feasibility Study**: The parties agree that neither party shall be obligated to prepare a feasibility study at any time during or upon conclusion of the exploration activities hereunder.
- 4.05a **Registered Title to Properties**: During the Option Period, Mineral Dispositions for the Optioned Property shall remain in the name of the “Partners”. Upon the exercise of the Option by **Boreal Gold** pursuant to subsection 6.1 and pending registration of the Mineral Dispositions in the name of the Optionee, the “Partners” will hold **Boreal Gold**’s interest in the Optioned Property in trust for the sole benefit of the Optionee. The “Partners” hereby irrevocably appoints the Chief Executive Officer of **Boreal Gold** as its attorney-in fact and authorizes the Chief Executive Officer of **Boreal Gold** to sign all deeds, transfer forms or other documents to register title in the name of **Boreal Gold** on exercise of the Option. **Boreal Gold** shall have the right to register its interest pursuant to this Agreement against the Mineral Dispositions for the Optioned Property and the Optionor shall provide such assistance, documentation or consents as **Boreal Gold** may reasonably request to effect such registration and filing of work. The “Partners” shall grant the President of **Boreal Gold** and/or his Exploration Manager, as an agent of the “Partners”, the right to file assessment work on the claims as the work is completed and this will be put on record with the Saskatchewan Mines Branch.
- 4.05b **Transfer of Optionor**. During the Option Period, the Optionor shall not transfer or release all or part of its legal or beneficial interest in the Optioned Property and/or this Agreement other than to the Optionee as provided herein.

4.06 **Access To Properties:** During the period prior to the exercise of the Option, **Boreal Gold** shall permit the “Partners” and authorized agents, at their own risk and expense, access to the Property at all reasonable times.

4.07 **Site Responsibility:** During the Option Period and while it has possession and control of the Properties pursuant to this Option Agreement, **Boreal Gold** shall comply with applicable federal, provincial, municipal and local laws, regulations, orders and approval of all governmental authorities relating to environmental matters in connection with the use, maintenance and operation of the Properties and the conduct of business and operations related thereto. **Boreal Gold** shall indemnify and save harmless the “Partners” from and against any and all liabilities, losses, claims, damages (including, without limitation, penalties, fines and monetary sanctions but excluding lost profits and any other consequential damages whatsoever), costs, lawyer’s fees and disbursements on a solicitor and his own client basis, court costs, accountant’s fees and expenses and all other out-of-pocket expenses in connection with or arising in any manner whatsoever out of the breach of the covenant of the “Partners” contained in this Section 4.08.

5. **TERMINATION**

5.01 **Termination by Notice:** **Boreal Gold** may terminate this Option Agreement at any time upon giving not less than sixty (60) days written notice to the “Partners”. Thereafter neither party shall have any liability to the other under or in relation to this Option Agreement except as provided in Section 5.05 or as may have arisen prior to such termination.

5.02 **Termination by Expiry:** If by May 30th 2027, **Boreal Gold** has failed to earn the Earned Interest, this Option Agreement shall terminate and the provisions of Section 5.05 shall apply.

5.03 **Termination by the “Partners:** If **Boreal Gold** fails to make payments, deliver shares, or complete the work commitment to the “Partners” in accordance with Section 2., the “Partners” may give written notice thereof to **Boreal Gold** specifying the particulars of such failure. Within thirty (30) days after delivery of the notice, **Boreal Gold** may remedy the failure, failing which the “Partners” may terminate this Option Agreement by further written notice to **Boreal Gold** and **Boreal Gold** shall have no liability to the “Partners” under or in relation to this Option Agreement except as provided in Section 5.05.

5.04 **Termination by Lack of Permit:** If no work permit is received within a year of application that **Boreal Gold** will have the right to terminate the agreement at its discretion.

5.05 **No Other Termination:** This Option Agreement may not be terminated by either party except as expressly provided in Sections 5.01, 5.03, 5.04 or by expiry under Section 5.02.

5.06 **Effect of Termination:** Promptly after termination of this Option Agreement, **Boreal Gold** shall deliver to the “Partners”:

- (a) executed transfer documents in recordable or registrable form as applicable transferring (to the extent transferable under the Act and Regulations) its interest in and to the Properties, if any, to the “Partners”; and
- (b) all technical data and other information with respect to the Properties not already delivered to the “Partners”, acquire by **Boreal Gold** during the option period.

Any mining or mineral claims comprised in the Properties transferred by **Boreal Gold** to the “Partners”, shall be in good standing under the Act and Regulations for a period of not less than sixty days after the date of termination.

Notwithstanding the termination of this Option Agreement:

(c) the provisions of Article 3, Section 4.07, Section 8.02, Section 8.06, this Section 5.06 and all other provisions hereof necessary for the interpretation and enforcement thereof shall remain in full force and effect; and

(d) all personal property supplied by **Boreal Gold** or the “**Partners**”, and located on, in or under the Property shall remain the property of **Boreal Gold** or the “**Partners**”, respectively. Each party shall have the right, including all necessary rights of access, to remove its personal property from the Properties, provided however, that any such personal property of **Boreal Gold** not so removed from the Properties within one (1) year after the date of termination shall become the property of the “**Partners**”.

6. TRANSFER RIGHTS AND RESTRICTIONS

6.01 Restricted Transfer or Mortgage: The “**Partners**” shall not sell, transfer, convey, assign, pledge, mortgage, charge or otherwise dispose of or encumber all or any part of its right, title and interest in and to the Properties or this Option Agreement (collectively the “**Title**”) except as permitted by this Article 6.

6.02 Transfer to Affiliates: Either party (the “**Transferor**”) may transfer to any of its Affiliates all or any part of its Title, without complying with Section 6.03, provided that the Transferor and the Affiliate to which all or a portion of the Title is transferred have entered into an agreement with the other party which provides that:

(a) the Affiliate will remain an Affiliate of the Transferor for so long as the Affiliate holds all or any part of the Title of the Transferor;

(b) Prior to the Affiliate ceasing to be an Affiliate of the Transferor, the Affiliate will transfer the Title back to the Transferor or another Affiliate of the Transferor, provided that where the transfer is to another Affiliate the other Affiliate first enters into an agreement with the other party similar to the agreement entered into by the first Affiliate; and

(c) the Affiliate will be bound by and have the benefit of this Option Agreement as if it had been an original signatory to this Option Agreement for so long as it holds all or any part of the Title.

6.03 Transferor Bound: A party which transfers its Title to any Affiliate or other person as permitted under this Article 6 shall not be released from its liability hereunder for or in respect of any breach or non-observance of any covenant, condition or term hereof by any direct or indirect transferee except if and to the extent expressly agreed in writing by the other party

6.04 Representations and Warranties: Any Offeror or Affiliate of the “**Partners**” that becomes a party to and bound by this Option Agreement shall be deemed to have given to **Boreal Gold** the representations and warranties, as to itself, set out in subsections 3.01 (a) to (h) inclusive and subsection (m), as of the date on which it becomes a party to and bound by this Option Agreement. Any Offeror or Affiliate of **Boreal Gold** that become a party to and bound by this Option agreement shall be deemed to have given to the “**Partners**” the representations and warranties, as to itself, set out in Subsections 3.02 (a) to (l) inclusive as of the date on which it becomes a party to and bound by this Option Agreement.

6.5 No Mortgage: The “**Partners**” shall not pledge, mortgage, charge or otherwise encumber all or any part of its Title without the prior written approval of **Boreal Gold** which approval shall not be unreasonably withheld.

6.6 Entitlement to Remedies: Each party acknowledges that a breach by it of this Article 6 would result in loss to the other party, which could not be adequately compensated for in damages by a monetary award. Accordingly, in the event of any breach of this Article 6, each party shall, in addition to all remedies available to it at law or in equity, be entitled as a matter of right to apply to a court of competent and equitable jurisdiction for such relief by way of specific performance, restraining order, injunction (including an interim injunction), decree or otherwise, as may be appropriate to ensure compliance with the provisions of this Article 6.

7. FORCE MAJEURE

7.01 Occurrence of Force Majeure: All obligations of **Boreal Gold** under this Option Agreement and all conditions to the exercise of the Option shall be suspended and **Boreal Gold** shall not be deemed in default thereof or liable for damages or other legal or equitable remedies while, but only as long as, **Boreal Gold** is prevented from complying with such obligations or performing such conditions in whole or in part due to the occurrence of an event of Force Majeure. The Option Period and the time or times specified herein for compliance by **Boreal Gold** with obligations and performance by **Boreal Gold** of conditions hereunder, including without limitation obligations or conditions as to the incurring of Exploration and Maintenance Expenditures, shall be extended by a period or periods equal to the duration of the Force Majeure provided, however, that performance shall be resumed within a reasonable time after the Force Majeure has ceased to exist. **Boreal Gold** shall not be required, against **Boreal Gold's** will, to compromise or settle any labour disputes or to question the validity or to refrain from judicially testing the validity of any local, provincial or federal order, regulation or law.

7.02 Environmental Matters: Without limiting the generality of Section 7.01, if either party is or becomes subject to environmental regulations or governmental restrictions which prohibit or materially affect any operations hereunder or planned to be carried out hereunder (for the purposes of this Section 7.02 referred to as "Environmental Requirements"), **Boreal Gold** may, in its absolute discretion, declare the existence of a condition of Force Majeure during the period in which **Boreal Gold** acting in good faith, is seeking a feasible method to comply with, be exempted from, modify, obtain necessary permits or licenses under or prevent the enactment, promulgation or enforcement of such Environmental Requirements. The "**Partners**" agrees to cooperate with **Boreal Gold** in all such efforts by **Boreal Gold**. For greater certainty and notwithstanding Section 7.01, if **Boreal Gold** declares the existence of a condition of Force Majeure due to an Environmental Requirement which is caused solely by the negligence or wilful default of **Boreal Gold**, **Boreal Gold** obligations to make option payments or issue shares pursuant to Section 2.02 shall not be suspended.

8. GENERAL PROVISIONS

8.01 Other Activities and Interest: This Option Agreement and the rights and obligations of the parties hereunder are strictly limited to the Properties. Each of the parties shall have the free and unrestricted right to enter into, conduct and benefit from any and all business ventures of any kind whatsoever, whether or not competitive with the activities undertaken pursuant hereto, without disclosing such activities to the other party or inviting or allowing the other to participate therein including activities involving mineral claims or mineral leases adjoining the Properties.

8.02 Confidentiality: All information, data, reports, records, feasibility studies and test results relating to the Properties and the activities of the parties thereon pursuant to this Option Agreement and the terms and conditions of this Option Agreement, all of which shall hereinafter be referred to as "confidential information", shall be treated by the parties as confidential and shall not be disclosed to any person not a party to this Option Agreement, except in the following circumstances:

- (a) a party may disclose confidential information to its auditors, legal counsel, institutional lenders, brokers, underwriters and investment bankers, provided that such non-party users are advised of the confidential nature of the confidential information, undertake to maintain the confidentiality thereof and are strictly limited in their use of the confidential information to those purposes necessary for such non-party users to perform the services for which they were retained by the disclosing party;
- (b) a party may disclose confidential information where that disclosure is necessary to comply with the disclosing party's disclosure obligations and requirements under any securities law, rules or regulations or stock exchange listing agreements, policies or requirements or in relation to proposed credit arrangements, provided that the proposed disclosure is limited to factual matters and that the disclosing party shall have availed itself of the full benefits of any laws, rules, regulations or contractual rights as to disclosure on a confidential basis to which it may be entitled; or
- (c) upon mutual agreement of the parties.

Any confidential information that becomes part of the public domain by no act or omission in breach of this Section 8.02 shall cease to be confidential information for the purposes of this Section 8.02.

8.03 No Partnership: This Option Agreement is not intended to, and shall not be deemed to, create any partnership relation between the parties hereto, including without limitation a mining partnership or commercial partnership. The obligations and liabilities of the parties hereunder shall be several and not joint and neither party shall have or purport to have any authority to act for or to assume any obligations or responsibility on behalf of the other party. Nothing herein contained shall be deemed to constitute any party the partner, agent or legal representative of the other party or to create any fiduciary relationship between the parties. Each party agrees to indemnify and hold the other party harmless from and against any and all losses, claims, damages and liabilities arising out of any act taken by or on behalf of such first-mentioned party in connection with this Option Agreement, except pursuant to authority expressly granted herein or otherwise agreed to between the parties. For the purposes of such indemnity, the reference to each party includes the directors, officers, employees and agents of that party.

8.04 Compliance With Laws: In the conduct of its operations on the Properties, **Boreal Gold** shall be responsible for compliance with applicable laws and regulations, including laws and regulations related to exploration, mining and reclamation and shall bear and pay the costs related thereto, which costs shall be deemed to be Exploration and Maintenance Expenditures made by **Boreal Gold**.

8.05 Notice: Any notice, election, proposal, objection or other document required or permitted to be given hereunder (“Notices”) shall be in writing addressed to the parties as follows:

Boreal Gold: **Boreal Gold Inc.,
12 Mitchell Rd.,
PO Box 306,
Flin Flon, Manitoba, R8A 1N1
Attention: President – Stephen Masson
Tel. 204-687 3500
Telefax: (204) 687-7630**

The “**Partners**”:

Michael Alexander (“**Partner A**”)
With an address at Box 148, 140 Colins Street, Creighton, SK,
SOP 0A0 Tel. 204-687-0332
and
Richard Masson (“**Partner B**”)
With an address at Box 71, 568 Broderick Ave. Creighton, SK,
SOP 0A0 Tel. 306-688-2174

All Notices shall be given by personal delivery, facsimile transmission or prepaid registered mail, return receipt requested. All Notices shall be effective and shall be deemed delivered as follows:

- (a) if by personal delivery, on the date of delivery if delivered during normal business hours, and, if not delivered during normal business hours, on the next business day following delivery;
- (b) if by electronic communication, on the next business day following receipt of the electronic communication; and
- (c) if by mail, on the next business day after actual receipt.

A party may at any time change its address for future Notices hereunder by Notice in accordance with this Section 8.05.

8.06 Further Assurances: Each of the parties hereby covenants and agrees to execute all further and other documents and instruments and to do all further and other things that may be necessary to implement and carry out the intent of this Option Agreement.

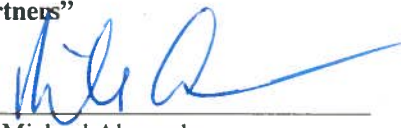
8.07 Entire Agreement: This Option Agreement, including the Schedules hereto, shall constitute the entire agreement of the parties with respect to the Property and the subject matter hereof, all previous agreements with respect thereto being expressly rescinded and replaced hereby, and no modification or alteration of this Option Agreement shall be effective unless in writing executed subsequent to the date hereof by both of the parties. No prior written or contemporaneous oral promises, representations or agreements shall be binding upon the parties.

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

Boreal Gold Inc.

By: 
Stephen Masson
President - CEO

The "Partners"

By: 
Michael Alexander

By: 
Richard Masson

Date: May 26, 2022

at Flin Flon

Date: May 26, 2022

at Creighton, SK

SCHEDULE A

DEFINED TERMS

“Act and Regulations” means the legislation and the regulations thereunder of the Province of Saskatchewan governing the acquisition, disposition and development of mining or mineral claims and leases under the jurisdiction of Saskatchewan including, without limitation, the Mines Act and the regulations thereunder, as amended.

“Affiliate” means, with respect to any party, any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly Controls or is Controlled by that party.

“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 trusts, or otherwise and grammatical variations of “Control” shall have a like meaning.

“Exploration and Maintenance Expenditures” means:

- (a) all costs or other expenditures incurred in connection with the evaluation, exploration and development of the Properties, including without limitation the cost of or expenditures for geological mapping, geophysical surveying, geochemical assaying, drilling, sampling, work on the Properties;
- (b) all costs or expenditures, including without limitation legal and other professional fees and disbursements, incurred by or on behalf of either party to preserve in good standing the status and title that the Properties have on the date of this Option Agreement and to cure any defects in or defend the title to the Properties, specifically including by means of judicial proceedings;
- (c) all amounts which constitute or are deemed to constitute Exploration and Maintenance Expenditures under this Option Agreement; and
- (d) ten percent (10%) of the amounts included in (a), (b) and (c) above as an allowance for management supervision, except in the case of contract diamond drilling the charge shall be 5%.

“Force Majeure” means actions of public or special interest pressure groups, strikes, lockouts, labour slowdowns or disturbances (whether legal or illegal), labour shortages, acts of God, explosion, earthquakes, landslides, fires, flood, epidemics, unavoidable accidents, vandalism, wars (whether declared or not), armed conflicts, riots, insurrections, rebellions, civil commotion, sabotage, blockades, embargoes, failure of common or private carriers to deliver anything within the required time, partial or entire failure of utilities owned and operated by government bodies, inability to obtain necessary materials or services in the open market, unusually severe weather, inadequate facilities for the transportation of materials, any local, provincial or federal law, regulation or order, or any other matters beyond the reasonable control of **Boreal Gold**, whether similar or dissimilar to the matters herein specifically enumerated, and which **Boreal Gold** could not have protected itself against.

“Offered Interest” shall have the meaning ascribed to it in Section 6.02.

“Option Period” means the period commencing on the execution of the Option Agreement and ending on the earlier of:

- (a) the date of termination of the Option Agreement pursuant to Section 5.01 5.03;
- (b) the date that **Boreal Gold** has exercised the Option; or

(c) ----- 20---=, or the date of the final payment

“Ores and Minerals” means any and all metallic and non-metallic minerals of every kind (excluding only oil, gas, casinghead gas and associated liquid and gaseous hydrocarbon substances), including without limitation deposits, ores, concentrates and solutions containing such minerals in all forms in which such minerals may be found, extracted or produced, as well as any by-products thereof having commercial value.

“Property” or “Properties” shall have the meaning ascribed to it in Schedule B to this Option Agreement.

“Shares” The number of shares payable will be determined by calculating the weighted average trading price for the previous ten days on a recognized exchange and dividing the required payment by this average weighted share price.

“Title” shall have the meaning ascribed to it in Section 6.01.

SCHEDULE B

PROPERTIES

MELGURD LAKE PROPERTY

Table: Claim Status for the Melgurd Lake Property

Claim Number	Area (ha)	Owner	Review Date	Good Standing
MC00015891	593.390	Richard Masson	4/18/2023	7/17/2024
MC00015892	393.975	Richard Masson	4/18/2023	7/17/2024
MC00015893	598.663	Richard Masson	4/18/2023	7/17/2024
MC00015894	495.618	Richard Masson	4/18/2023	7/17/2024
MC00015895	926.893	Richard Masson	4/18/2023	7/17/2024
MC00015896	463.740	Richard Masson	4/18/2023	7/17/2024
MC00015897	812.125	Richard Masson	4/18/2023	7/17/2024
MC00015898	926.879	Richard Masson	4/18/2023	7/17/2024
MC00015899	791.436	Richard Masson	4/18/2023	7/17/2024
MC00015900	1057.236	Richard Masson	4/18/2023	7/17/2024
Total	7059.955			

SCHEDULE C
NET SMELTER RETURN

ARTICLE 1
PREAMBLE

1.1 The purpose of this Schedule “C” is to define the Royalty referred to in the attached Agreement and to provide a method of calculating the amount and the timing of payments by the “Payor” to the “Payee” with respect thereto (both terms being defined hereafter).

ARTICLE 2
DEFINITIONS

2.1 The terms defined in the aforesaid Agreement, when used herein, shall have the same meaning as that described in the said Agreement.

2.2 “Net Smelter Return” means:

(a) in the case of ores, minerals, or other products, less the following costs to the extent borne by the Payor: sales and marketing costs and sales, severance, governmental surcharges and other similar taxes, insurance and charges for and the taxes on transportation from the mine to the place of sale:

(b) in the case of ores, minerals, or other products which are processed by or for the account of the Payor and sold as concentrates or other intermediate products, the amount received by the Payor from the purchaser of the concentrates or other intermediate products, less the following items to the extent borne by the Payor: sales and marketing costs and sales, severance, governmental surcharges and other similar taxes, insurance, purchaser’s smelter of other processing charges, penalties or costs, and charges for and the taxes on transportation from the plant producing concentrates or other intermediate products to the place of sale;

(c) in the case of ores, minerals, or other products which are processed by or for the account of the Payor to produce concentrates or other saleable intermediate products which are smelted or otherwise further processed by or for the account of the Payor, the market value of the concentrates or other saleable intermediate products f.o.b. the plant producing the concentrates or other saleable intermediate products, less an amount for insurance and an amount equal to the sales and marketing costs and sales, severance, governmental surcharges or other similar taxes which would have been imposed had the concentrates or other saleable intermediate products been sold; and

(d) in all other cases, the amount received by the Payor from the purchaser of the ores, minerals, concentrates, or other products, less the following items to the extent borne by the Payor, sales and purchaser’s treatment charges, penalties or costs, and charges for and taxes on transportation from the mine to the place of sale.

All amounts received under subparagraphs 2.2 (a), (b), (c) or (d) from the Payor’s Affiliate shall be deemed to have been received at reasonable arm’s length prices.

2.3 “Payor” means the Party required to pay a Royalty under the Agreement.

2.4 “Payee” means the Party entitled to receive the Royalty under the Agreement.

ARTICLE 3
CALCULATION OF ROYALTY

3.1 **Calculation** - The Royalty payable shall be calculated as that percentage of Net Smelter Returns stipulated in the annexed Agreement.

3.2 **Interim Statement** – While the Royalty remains payable hereunder, the Payor shall, not later than sixty (60) days after the end of each quarter Year, render to the Payee an interim statement of account in reasonable detail which statement shall be accompanied by the payment of the Royalty payable, pursuant to this Agreement, for the previous quarter-Year. When all mineral product in any Year in which a Royalty remains payable, have been sold and the revenues and expenditures determined, the Payor shall, within ninety (90) days after the termination of such Year, render a final statement of account in reasonable detail together with the payment of the balance, if any, of the Royalty for such previous Year. If amounts have been paid in excess of these to which the Payee is entitled under the terms of this Agreement in any year, the equivalent amount shall be deducted from the next Royalty payment or payments.

ARTICLE 4
AUDIT AND DISPUTES

4.1 **Audit** - The Payee may, at its own expense upon written request to the Payor, audit the records that relate to the calculation of the Royalty within twenty-four (24) months after receipt of the final quarter-Yearly payment for the Year as described in paragraph 3. The Payee shall be deemed to have waived any right it may have had to object to the payment made for any Year unless it notifies the Payor in writing of such objection within twenty-six (26) months after receipt of the final quarter-Yearly payment for a Year.

ARTICLE 5
COMMINGLING

5.1 **Obligations** - The Payor agrees to keep accurate records showing the amount of recovered minerals and/or mineral products produced by it from the Development Property. All minerals and/or mineral products produced from the Development Property shall be kept separate and distinct from minerals and/or mineral products produced by the Payor from other properties so far as such practice shall be determined by the Payor to be practical and economic, at least to such point in the milling or concentrating process where such product may be accurately weighted and sampled. If it shall be determined by the Payor to be impractical or uneconomical to keep such ore separate until accurate weighing and sampling, such ores may be commingled with other ores of the Payor. The Payor shall determine the gross mineral content of such ores so commingled by such other method as may be in accord with good mining practice. The Payor shall furnish to the Payee a statement showing in reasonable detail the method used to determine the amount of recovered minerals and/or mineral products produced from the Development Property, and shall furnish the Payee with information regarding any change in its method.